

CHIRANTAN CHATTERJEE (IIM-BANGALORE)

WHAT IS STRATEGY?

THE KERNELS OF GOOD STRATEGY

- Diagnosis
- Guiding Policy
- Coherent Actions

THE ORIGINS OF MODERN STRATEGY

- Strategy is about positioning an organization for COMPETITIVE ADVANTAGE.
- Involves making choices about
 - Which industry to participate in
 - What products and services to offer
 - How to allocate corporate resources
- Primary goal is to create value for shareholders and other stakeholders by providing customer value.

WHY ARE SOME INDUSTRIES SO PROFITABLE?

PORTER'S 5 FORCES

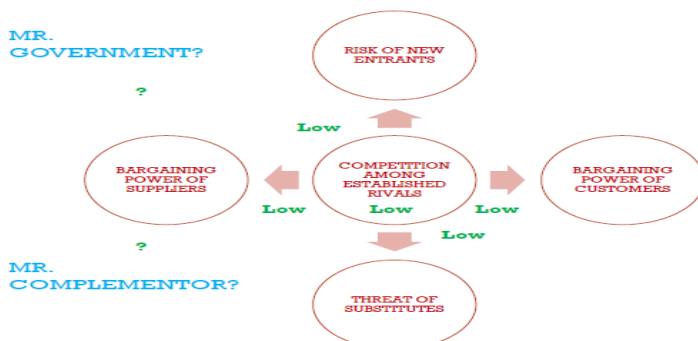
- COMPETITION AMONG ESTABLISHED RIVALS
- RISK OF NEW ENTRANTS BARGAINING POWER OF CUSTOMERS
- THREAT OF SUBSTITUTES
- BARGAINING POWER OF SUPPLIERS
- BARGAINING POWER OF CUSTOMERS

- ✓ Which Industry are you In?
- ✓ Who is your Rivals? How is the competition?
- ✓ Risk of New Entrants?
- ✓ Threat from Substitutes?
- ✓ High/Low/Medium Bargaining Power:
 - ✓ Of Customers?
 - ✓ Of Suppliers?

ANY OTHER FORCES? PORTER'S 6 TH/7 TH FORCE

- MR. GOVERNMENT?
- MR. COMPLEMENTOR?

AN IDEAL INDUSTRY?



ASIDE UNDERLYING THE PORTER'S FORCES



THE PEST FRAMEWORK

AN ALTERNATIVE

Along with Porter's 5 forces

1. Political
2. Economical
3. Social
4. Technological

RESOURCE BASED THEORY OF THE FIRM : CORE COMPETENCIES



THE RESOURCE BASED VIEW

RBV argues that.....

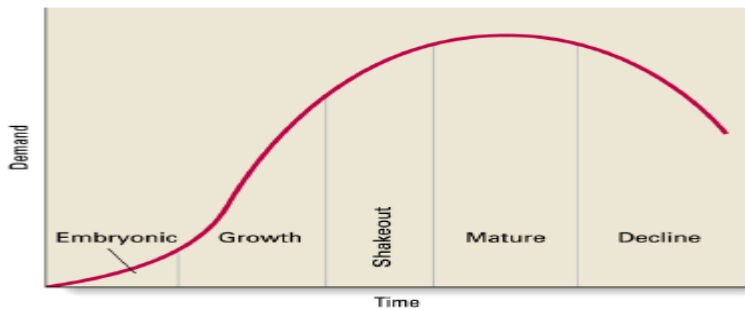
The heterogeneous market positions of close competitors arise from each firm's unique bundle of resources and capabilities

THE VRIO TEST FOR RESOURCES

Is a Resource...

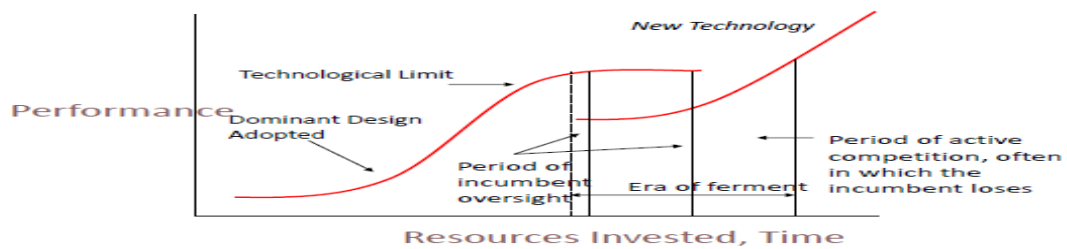
Valuable	Rare	Difficult to Imitate	Without Substitutes	Implications for Competitiveness
No	No	No	No	Competitive disadvantage
Yes	No	No	No	Competitive parity
Yes	Yes	No	No	Temporary competitive advantage
Yes	Yes	Yes	Yes	Sustainable competitive advantage

DYNAMICS IN STRATEGY



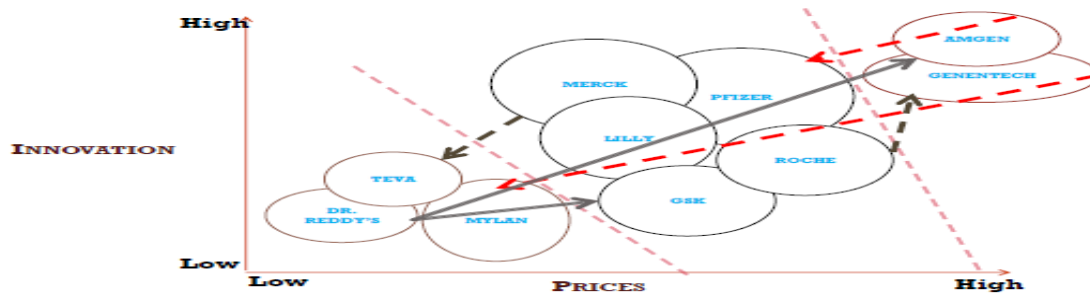
S CURVES

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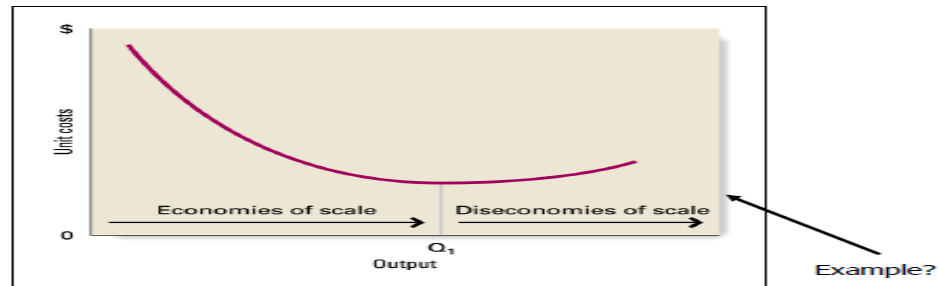


STRATEGIC GROUPS & MOBILITY BARRIERS

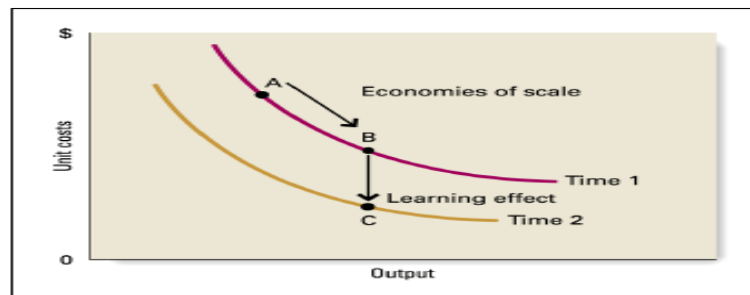
STRATEGIC GROUPS & MOBILITY BARRIERS



ECONOMIES/DISECONOMIES OF SCALE



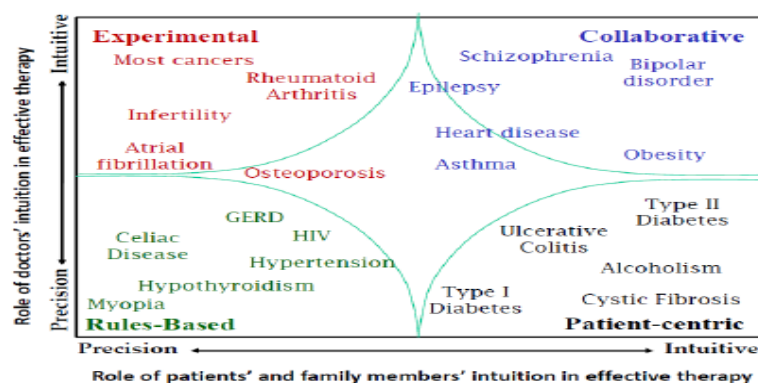
LEARNING ECONOMIES



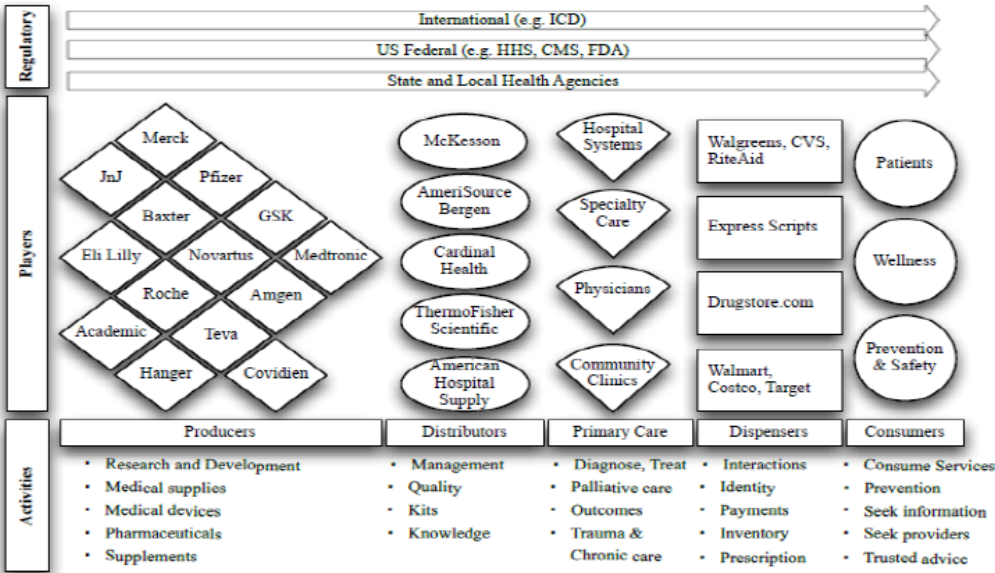
DISRUPTIVE INNOVATION



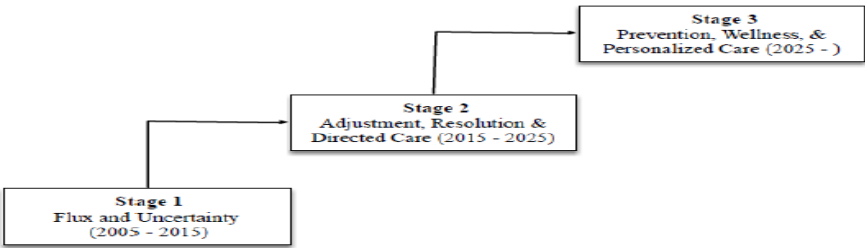
CONSUMER PROVIDER ENGAGEMENT MODELS



TRADITIONAL VALUE CHAIN IN US HEALTHCARE



STAGES IN US HEALTHCARE



EVOLVING ECOSYSTEM IN US HEALTHCARE



COMPLEXITY IN US HEALTHCARE

