In a complex world, you don't need to choose a complex strategy to build a valuable business. That's the beauty of it.

Most of it, it's a choice (based on factors like personal inclinations, arbitrage opportunities, market gaps, and so forth) of which hook you want to use to tackle the market.

From there, it's a matter of sticking with that hook until it makes your business take off. However, the tricky part is that execution needs to be relentless, and it might take years before your vision starts to be shaped by the market!

Now that you are warned, what are some "strategy hooks," or as I like to call them, "strategy levers" to get you started?

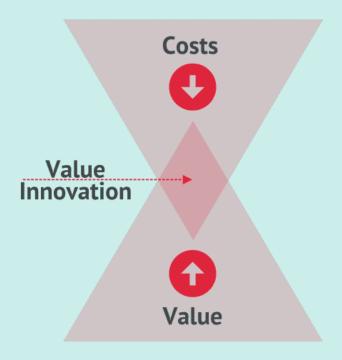
A complete list is below, with links on the titles, which will bring you straight to the complete resource!

These strategies are all discussed within the Business Engineering book!

Blue Ocean Player

What is a Blue Ocean Strategy?

A blue ocean is a strategy where the boundaries of existing markets are redefined, and new uncontested markets are created. At its core, there is value innovation, for which uncontested markets are created, where competition is made irrelevant. And the cost-value trade-off is broken. Thus, companies following a blue ocean strategy offer much more value at a lower cost for the end customers.

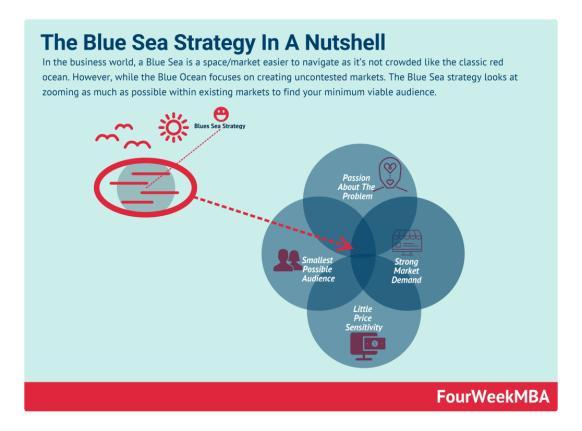


Inspired by Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant, by di W. Chan Kim , and Renee Mauborgne

FourWeekMBA

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Blue Sea Player

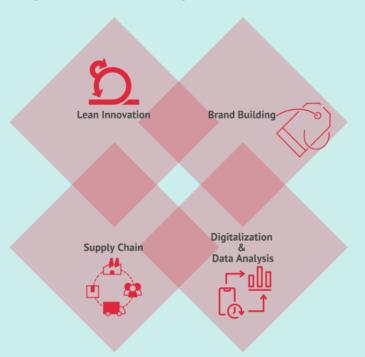


In the business world, a Blue Sea is a space/market easier to navigate as it's not crowded like the classic red ocean. However, the Blue Ocean focuses on creating uncontested markets. The Blue Sea strategy looks at zooming as much as possible within existing markets to find your minimum viable audience.

Constructive Disruptor

A Constructive Disruption Mindset

A consumer brand company like Procter & Gamble (P&G) defines "Constructive Disruption" as: a willingness to change, adapt, and create new trends and technologies that will shape our industry for the future. According to P&G, it moves around four pillars: lean innovation, brand building, supply chain, and digitalization & data analytics.



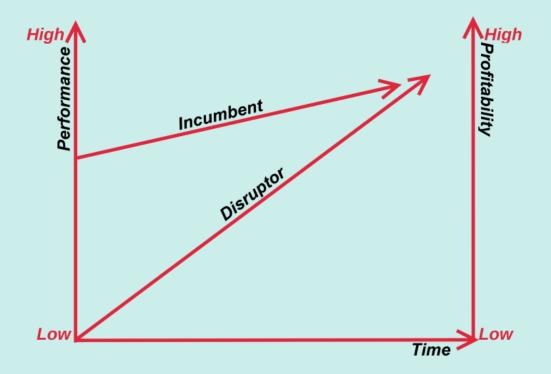
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Disruptor

Disruptive Innovation In A Nutshell

Disruptive innovation as a term was first described by Clayton M. Christensen, an American academic and business consultant whom The Economist called "the most influential management thinker of his time." Disruptive innovation describes the process by which a product or service takes hold at the bottom of a market and eventually displaces established competitors, products, firms, or alliances.



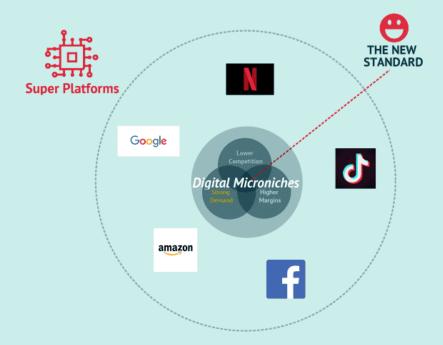
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Niche player

What Is A Microniche In A Nutshell

A microniche is a subset of potential customers within a niche. In the era of dominating digital super-platforms, identifying a microniche can kick off the strategy of digital businesses to prevent competition against large platforms. As the microniche becomes a niche, then a market, scale becomes an option.



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Blitzscaler

Blitzscaling Business Model Innovation Canvas The 4 Key Market size Distribution High gross margins Network effects Growth Are there existing How large is the market ls each additional user When you grow your **Factors** you're targeting when networks you can joining in bringing a revenues do you Blitzscaling? Is it really leverage on? What viral generate larger amounts positive effect to the reachable? loops can you create to of cash available to whole platform? spread your finance growth? product/service quickly and at scale? The 2 Key Lack of product/market fit Operational scalability Growth Are your operations sustainable at meeting the demand Is the market satisfied with your product/service? If not for your product/service? Are your revenues growing what's missing? Limiters faster than your expenses? Inspired by Biltzscaling: The Lightning-Fast Path to Building Massively Valuable Companies is a book written by Reid Hoffman (Linkedin Co-founder) and Chris Yeh Adapted on the strategyzer.com Business Model Canvas FourWeekMBA.com

The Blitzscaling business model canvas is a model based on the concept of Blitzscaling, which is a particular process of massive growth under uncertainty, and that prioritizes speed over efficiency and focuses on market domination to create a first-scaler advantage in a scenario of uncertainty.

Continuous Blitzscaler

Amazon Flywheel Understanding Amazon Virtuous Cycle Model Lower Prices Selection Customer Experience GROWTH Traffic

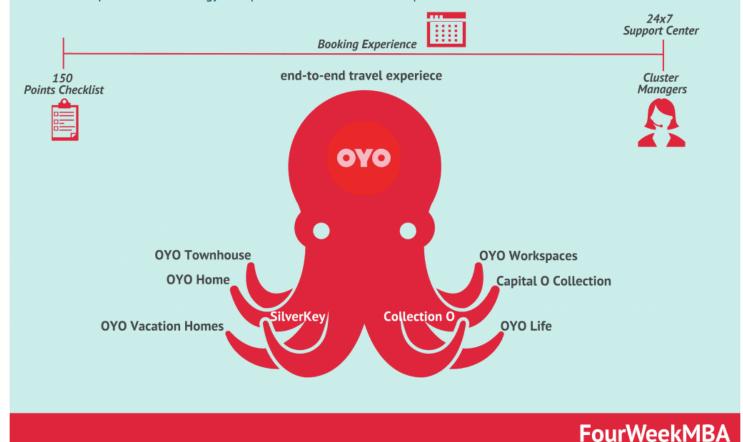
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The Amazon Flywheel or Amazon Virtuous Cycle is a strategy that leverages on customer experience to drive traffic to the platform and third-party sellers. That improves the selections of goods, and Amazon further improves its cost structure so it can decrease prices which spins the flywheel.

Octopus Strategy

OYO Business Model In A Nutshell

OYO business model is a mixture of platform and brand, where the company started primarily as an aggregator of homes across India, and it quickly moved to other verticals, from leisure to co-working and corporate travel. In a sort of octopus business strategy of expansion to cover the whole spectrum of short-term real estate rental.

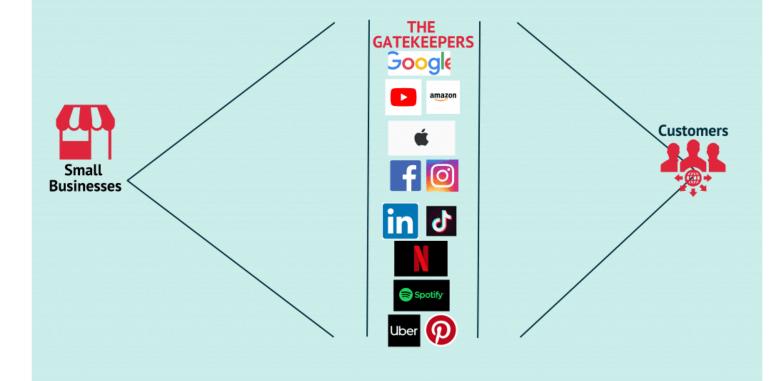


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Gatekeeper's Model

The Gatekeepers Era

In the era of gatekeepers, to get to the customers, you need to understand how they define value for their users/customers, to find a match with yours in terms of distribution. Then create a precise positioning once acquired those customers. Then make your business independent from those gatekeepers.



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In a world driven by tech giants that are locked in the digital distribution pipelines to reach billions of people across the globe, the gatekeeper hypothesis states that small businesses will need to pass through those nodes to reach key customers. Thus, those gatekeepers become the enablers (or perhaps deterrents) for small businesses across the globe.

Surfer Model

DuckDuckGo Business Model

DuckDuckGo makes money in two simple ways: Advertising and Affiliate Marketing. Advertising is shown based on the keywords typed into the search box. Affiliate revenues come from Amazon and eBay affiliate programs. When users buy after getting on those sites through DuckDuckGo the company collects a small commission.



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Recap: In This Issue, Ten Strategy Levers!

- 1. Blue Ocean Strategy: This approach involves redefining market boundaries and creating new markets with uncontested spaces. The goal is to provide exceptional value to customers at a lower cost. It involves finding new ways to innovate and render competition irrelevant, thus breaking the traditional trade-off between value and cost!
- 2. **Blue Sea Strategy:** Similar to the Blue Ocean concept, the Blue Sea strategy emphasizes finding less crowded spaces within existing markets. The focus is on identifying a minimum viable audience and delivering unique value within those niches. This starts from the assumption that you can build an extremely valuable business by looking at a tiny niche (a microniche). The exciting thing is, with the Blue Sea Strategy, you create options to scale over time!
- 3. **Constructive Disruptor:** This strategy involves being open to change, adaptation, and innovation to shape the industry's future. It focuses on pillars like lean innovation, brand building, supply chain optimization, and leveraging digitalization and data analytics. Through this strategy, you leverage the company's existing distribution network to launch new products that further tap into that distribution.
- 4. **Disruptor:** Disruptive innovation, coined by Clayton Christensen, describes how new products or services initially target the bottom of the market and eventually displace established competitors through innovation and market adaptation. The disruptor will start from the bottom of the market and slowly, then suddenly, move upstream!
- 5. **Niche Player:** A microniche is a subset within a niche, which can be leveraged by digital businesses to prevent direct competition with large platforms. As a microniche grows into a niche and eventually a market, scaling becomes feasible.
- 6. **Blitzscaler:** Blitzscaling emphasizes rapid growth under uncertainty to establish a first-scaler advantage. This approach prioritizes speed over efficiency and aims for market domination.
- 7. Continuous Blitzscaler (Amazon Flywheel): This strategy, used by Amazon, focuses on improving customer experience to drive traffic, thereby enhancing the selection of goods and decreasing prices. The positive cycle continues as lower prices attract more customers.

- 8. **Octopus Strategy (OYO Model):** The OYO business model involves expanding into various verticals from its initial aggregator role, covering a broad spectrum of short-term real estate offerings.
- 9. **Gatekeeper's Model:** In a world dominated by tech giants, this model suggests that small businesses need to pass through these gatekeepers to reach key customers, making them crucial enablers for global business reach. In that respect, a small business can learn the access key to gain distribution through these gatekeepers. And on the other side, if you want to build a gatekeeping company, you need to focus on building massive distribution.
- 10. **Surfer Model:** The Surfer Model entails crafting a business approach that capitalizes on inherent conflicts within the dominant player's business model. By strategically designing a model that exploits these conflicts, you create a structure that disrupts the entire established company's framework, rendering them incapable of effectively countering your approach. This method relies on identifying vulnerabilities in the dominant player's strategy and leveraging them to build a resilient and competitive business model.

Ciao!

With **Gennaro**, FourWeekMBA