

# Figures

1.1	Flat demand curve	7
1.2	Curve of the law of diminishing (market) demand of a competing company	7
1.3	Decline of manufacturing jobs	10
2.1	Simple relationship: industry-market	28
2.2	Market definition levels	29
2.3	Supply, demand and balanced price in the function of profit	30
3.1	Effectiveness and efficiency ratio	40
3.2	Profit as a measure of total income and total cost balancing	40
3.3	The relationship between economic and social benefit	44
3.4	Creating economic added value	45
3.5	Sustainable competitive advantage	47
3.6	The comparison of structural and resource approach	50
4.1	Strategic alternatives in a postindustrial cycle	60
4.2	Market structure	61
4.3	Porter's five competitive forces concept	66
4.4	Elements of industry structure	67
4.5	The influence of five competitive forces on profit	68
4.6	The map of strategic groups according to two key dimensions	75
4.7	Porter's competitor analysis framework	77
4.8	Industry barriers and profitability	79
5.1	The correlation of strategic business units in a company	87
5.2	The correlations among strategic business units in a company (correlation matrix)	87
5.3	Value system	90
5.4	Activity identification	95
5.5	Porter's value chain concept	96
5.6	The change of the company business paradigm	98
5.7	Value chain activity cost distribution	101
5.8	Assets distribution in value chain activities	102

5.9	Activity analysis	109
5.10	Disaggregation of value chain activities	110
5.11	Cost comparison of one activity	112
6.1	The strategic triangle	118
6.2	The curve of experience	120
6.3	Low cost vs. differentiation	121
6.4	The transfer from low cost to differentiation	122
6.5	Different market segments	123
6.6	Competitive strengths in an industry segment	124
6.7	Generic strategies types	125
6.8	Competitive strategy: the manner of company and environmental interaction	127
6.9	Overall cost leadership features	128
6.10	Differentiation features	129
6.11	Focus features	130
6.12	The synchronisation between competitive strategy and organisational structure	131
6.13	Bureaucratic versus organic organisational structure	131
6.14	The relationship between strategy, structure and environment	134
6.15	The relationship between the governing and the top-managerial position	139
6.16	Typical board structure (either governing or supervisory) in some companies	142
6.17	Miles' and Snow's adaptive cycle	149
6.18	The combination of Porter's and Miles' and Snow's typology	150
6.19	Combined typology of generic strategies	150
6.20	The stuck in the middle position	153
7.1	Company as an economic and social-economic entity	161
7.2	Political innovations	162
7.3	Levels of corporate social responsibility	164
7.4	Porter's modified matrix of generic strategies for achieving competitive advantage	168