

Table 3.1 The characteristics of the structural and the resource approach

Approaches	Structural approach	Resource approach
The object of consideration	Company as a portfolio of business units	Organisation as a resource reservoir
Competitors	SBU versus SBU	Company versus company
The character of strategic advantage	<ul style="list-style-type: none"> • Temporary • Eroding • Recognised 	<ul style="list-style-type: none"> • Permanent • With a tendency • Hidden
Strategic focus	Tendency to be defensive: Building and defending existing jobs	Tendency to be offensive: Development and extension of new jobs
The horizon of planning	Highlights the short-term aspect	Highlights the long-term aspect
The role of strategic business unit	Pseudo-company	Centre of competence
The basis of competitiveness	Competing for products and markets	Competing for resources and competencies
Strategic goal	Defending the acquired market position	Creating sustainable competitive advantage
Main instruments and approaches	<ul style="list-style-type: none"> • Industry analysis • Strategy based on positioning and segmentation • Strategic planning 	<ul style="list-style-type: none"> • Analysis of competencies • Strategy based on resources and competencies • Strategic networking
Key strategic resource	Financial capital	Company capability

Source: Adapted from Krueger and Homp (1997:63).

In literature, this approach is defined both broadly and narrowly, depending on its focus realm:

- Narrowly (Rasche, A., 2007), it focuses on the roles in the market game of the company;
- Broadly (De Wit and Mayer, 2005), it focuses on the fit between the company as a whole and its surrounding to achieve external consonance.

The roles found in the structural approach are defined as an expression of what needs to be done. They are formed as codified interpretations of activities founded by scientifically observed strategic practice. It is implied that the roles are free from any contextual meaning.

The perspectives of the resource approach

The resource approach to competitive advantage starts with the analysis of company resources in terms of competitive advantage and identifying those that can create competitive advantage, unlike those which cannot and