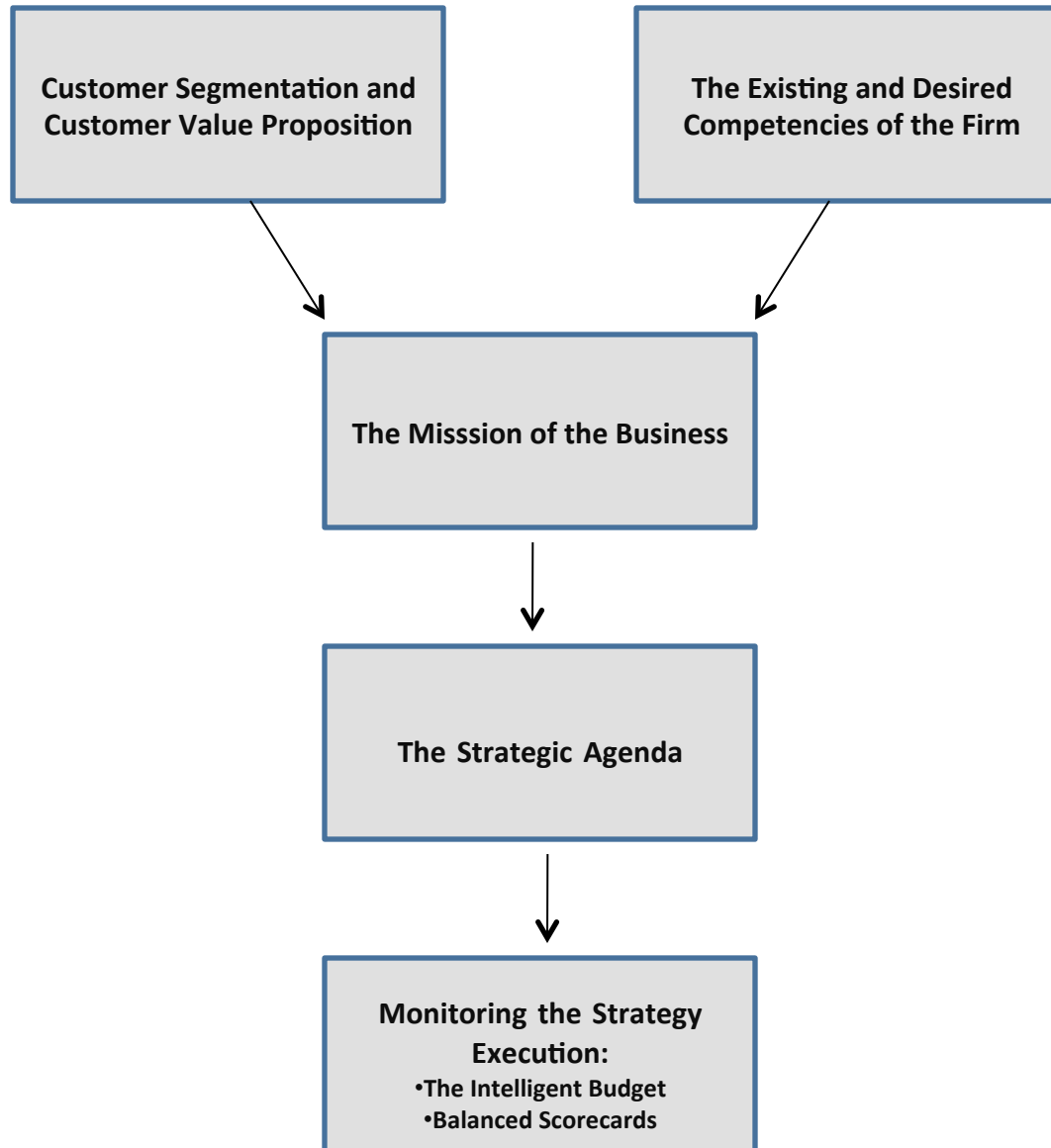


# ***THE STRATEGIC TASKS OF THE DELTA MODEL***



# ***THE EIGHT STRATEGIC POSITIONS***

**SYSTEM LOCK-IN**

**Dominant Exchange**

**Proprietary Standard**

**Exclusive Channel**

**Horizontal Breadth**

**Low Cost**

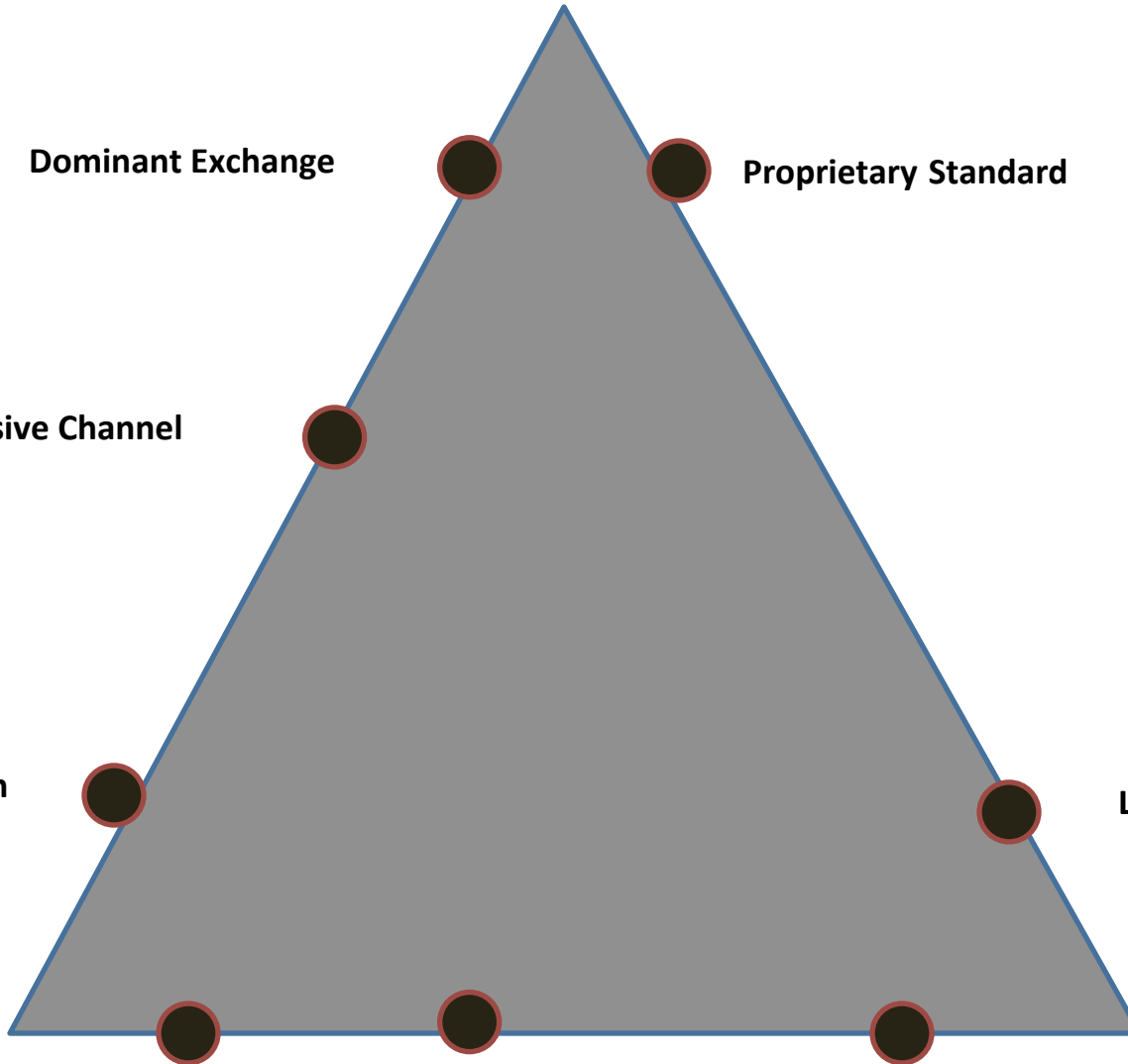
**Customer Integration**

**Redefining the Customer  
Relationship**

**Differentiation**

**TOTAL CUSTOMER SOLUTIONS**

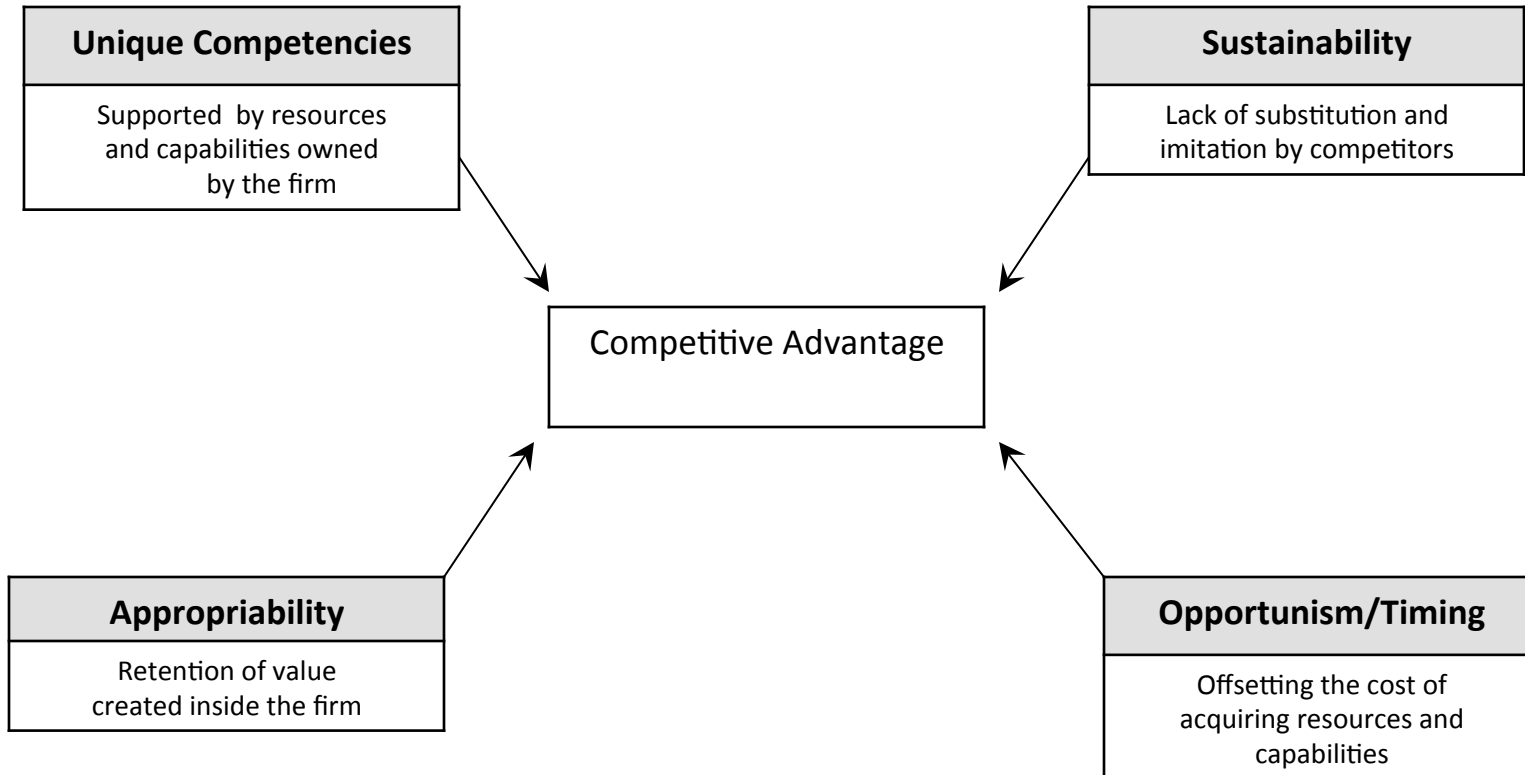
**BEST PRODUCT**



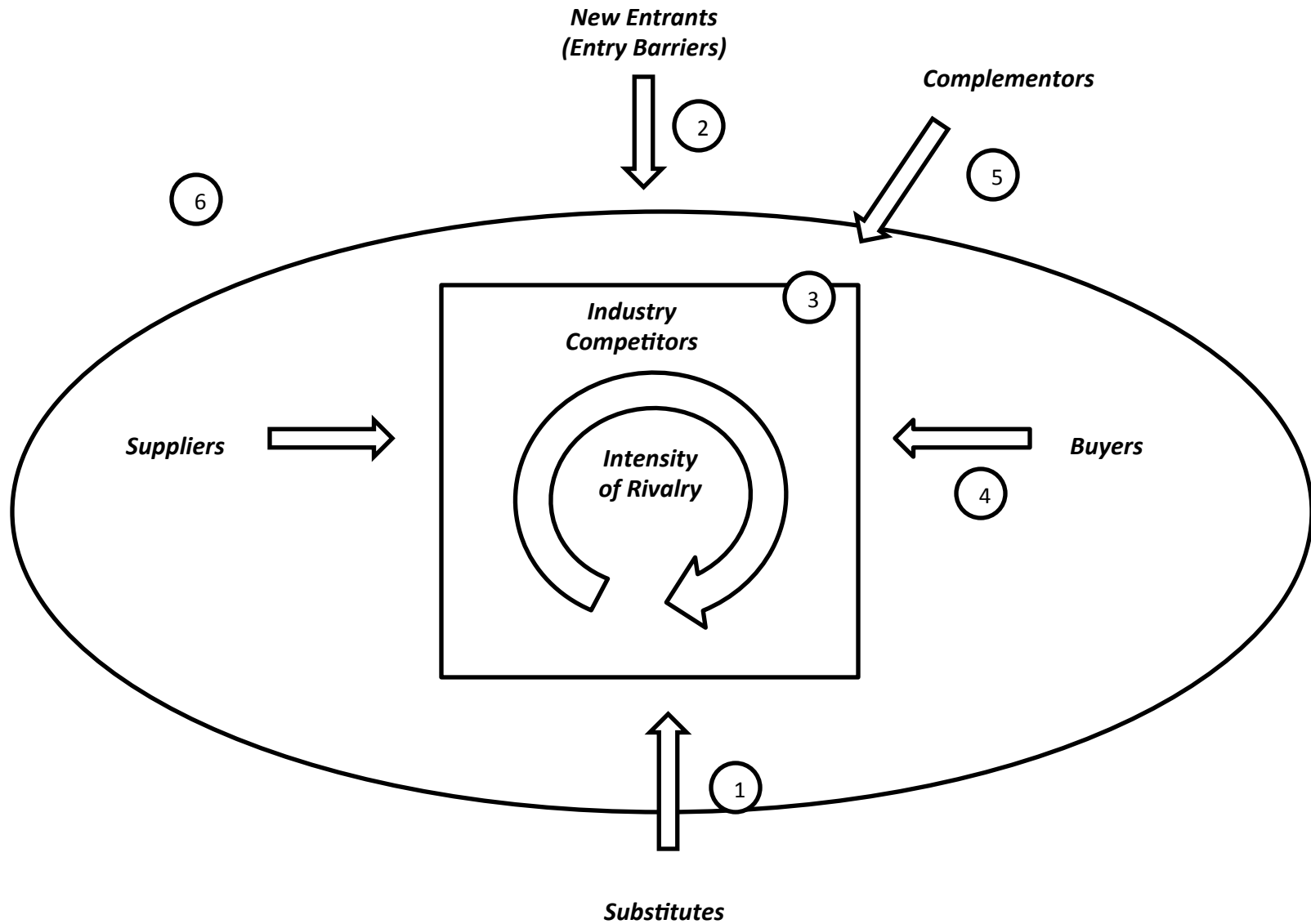
## **PROFILING THE THREE STRATEGIC OPTIONS OF THE TRIANGLE**

| <b>Descriptive Dimensions</b>  | <b>Best Product</b>  | <b>Total Customer Solutions</b>  | <b>System Lock-In</b>  |
|--------------------------------|--|--|--|
| Strategic Focus                | Product<br><br>The business, its industry and its competitors    | The extended Enterprise<br><br>The firm, its customers, its suppliers, and complementors       | The network of Firms<br><br>The interconnected web of companies that are part of the network |
| Driving Force                  | Competitors  | Customers  | Complementors  |
| The Customer Value Proposition | Product Focus<br>Product economics                               | Customer focus<br>Customer economics   | System focus<br>System economics   |
| Product Offerings              | Standardized products  | Customized bundle of products and services   | Portfolio of products and services extended by complementors                                 |
| Relevant Supply Chain          | Internal supply chain  | Integrated supply chain: The firm, the suppliers, the customers, and complementors             | System supply chain: The interlocking network of companies                                   |
| Relevant Channels              | Generic channels of mass distribution                            | Targeted direct channel  | Massive direct channel   |
| Impact on Brands               | Product orientation<br>Brand explosion                           | Brands harmonized around the customer<br>Coherent portfolio of brands centered on the customer | Brands harmonized around the System<br>Coherent portfolio of brands centered on the system   |
| Innovation Focus               | Internal product development                                     | Joint product innovation with customer   | Open architecture, complementors as key Innovators   |
| IT Role                        | Internal support e.g., SAP                                       | Customer, supplier, and complementor support; e.g. e-business and e-commerce                   | Total network support e.g., e-system   |
| Degree of Customer Bonding     | Very small<br>Depends exclusively on the product characteristics | Pontentially high<br>Reinforced by Customization and mutual learning                           | Potentially the highest<br>Reinforced by competitor lock-out and complementor lock-in        |

# ***THE RESOURCE – BASED VIEW OF THE FIRM***



# REINTERPRETING PORTER'S FIVE FORCES THROUGH THE DELTA MODEL



# MODELS COMPARISON

|                                | Porter                      | Resource – Based View                          | Delta Model  |
|--------------------------------|-----------------------------|--|--|
| Focus of Strategic Attention   | Industry / Business         | Corporation                                    | Extended Enterprise  |
| Types of Competitive Advantage | Low cost or Differentiation | Resource Capabilities<br>Core Competencies     | Best Product<br>Total Customer Solutions<br>System Lock-In           |
| Strategy as                    | Rivalry                     | Real Estate                                    | Customer Bonding   |
| Environmental Scan             | 5 Forces Model              | None   | Customer Segmentation &<br>Customer Value Proposition                |
| Internal Scrutiny              | Value Chain                 | Resources<br>Capabilities<br>Core Competencies | The Firm as a Bundle of Competencies<br>The 8 Strategic Positionings |