

eBusiness Strategy

Session 2

eBusiness-PSI1023

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Strategy Definition

Strategy is

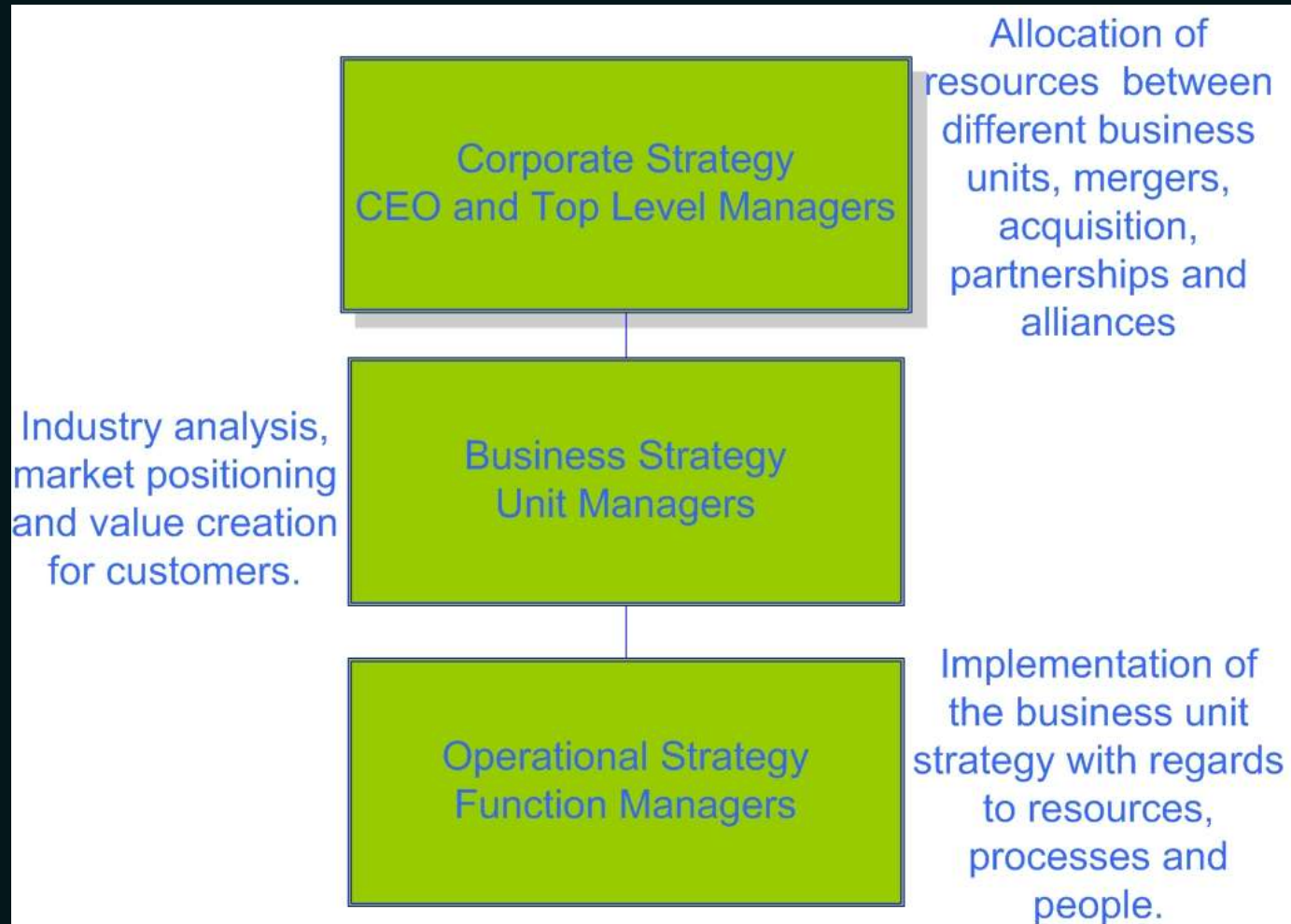
- ...the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment to needs of markets and fulfill stakeholder expectation (Gerry Jhonson)
- The determine of the basic long term goals and objective of an enterprise and the adoption of course of action and the allocation of resources necessary for carrying out the goals (Alfred Chandler)
- The deliberate search for a plan of action that will develop a business's competitive advantage (Bruce)

Strategy Definition

Base on above definition strategy is..

1. strategy concerned with long term direction of the firm
2. strategy deals with the overall plan for deploying the resources
3. Strategy entails the willingness to make trade-offs
4. strategy is about achieving unique positioning
5. Strategy is to achieve sustainable competitive advantage

Level of Strategy

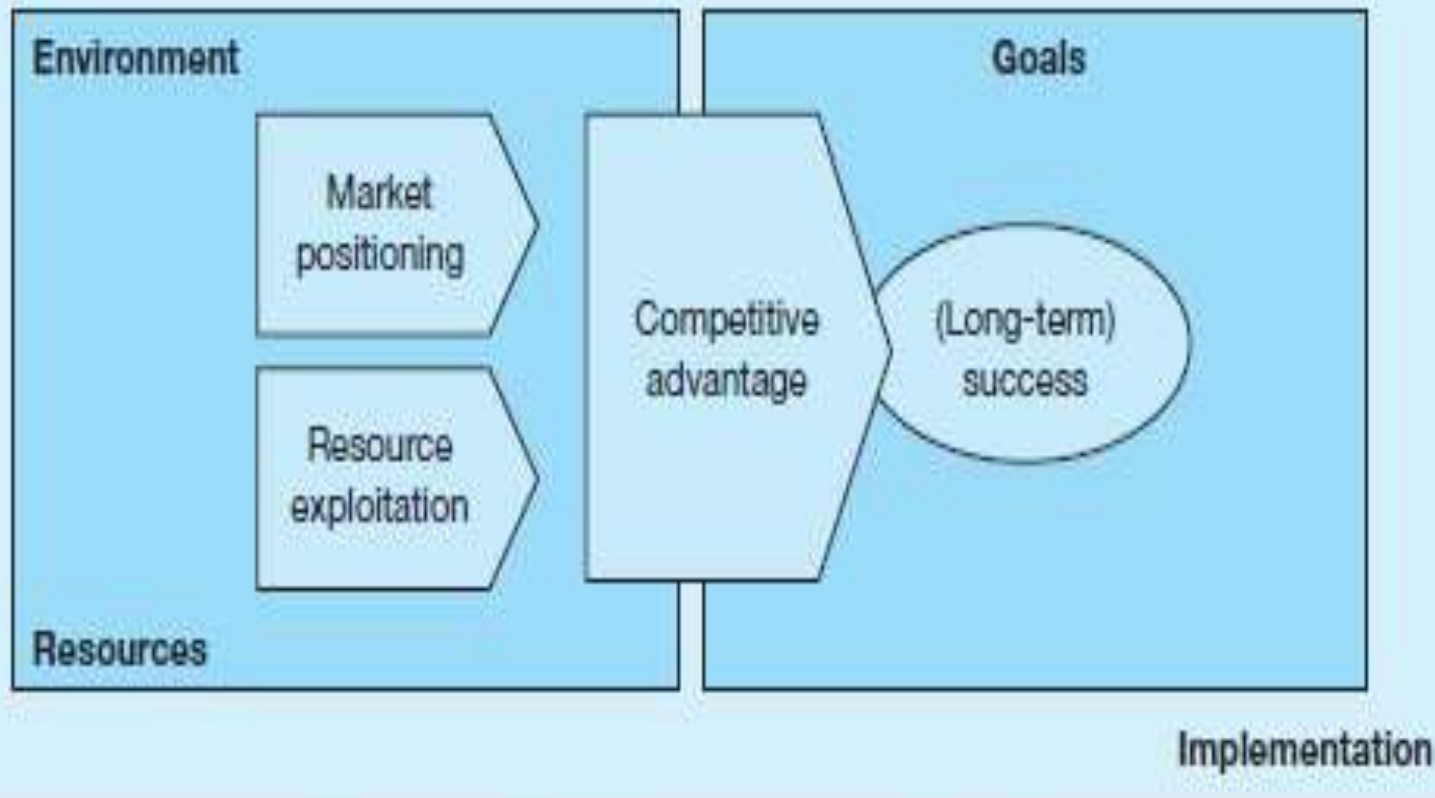


Strategy

To establish and maintain a distinctive strategic positioning, a company needs to follow six fundamental principles (Porter, 2001):

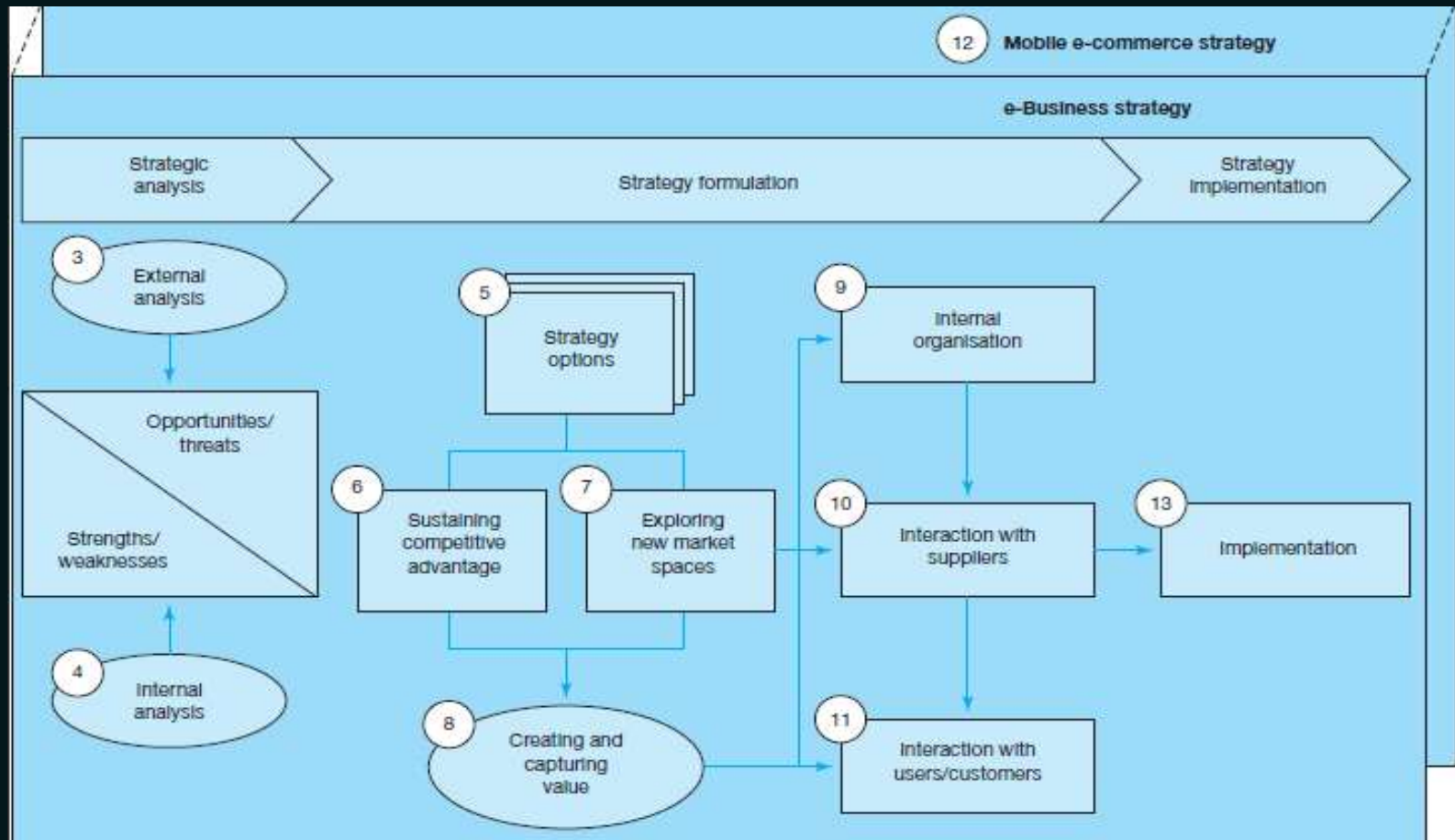
- It must start with the right goal
- A company's strategy must enable it to deliver a value proposition, or set of benefits, different from those that competitors offer
- Strategy needs to be reflected in a distinctive value configuration
- Robust strategies involved trade-offs
- Strategy defines how all the elements of what a company does fit together
- Strategy involves continuity of direction

Formulation



Source: Adapted from H. Hungenberg, *Strategisches Management in Unternehmen*, Gabler, 2006, p. 83.

A systematic approach to e-business strategy formulation



Company and Competitive Analysis

- Monitoring, evaluating, disseminating of information from the external and internal environments
- SWOT Analysis

Strengths

Weaknesses

Opportunities

Threats

Company Analysis

INTERNAL FACTORS		
	Strengths (S)	Weaknesses (W)
Production		
Marketing		

Competitive Analysis

EXTERNAL FACTORS	Production	Marketing
Opportunities (O)		
Threats (T)		

Company and Competitive Analysis

EXTERNAL FACTORS	INTERNAL FACTORS	Strengths (S)	Weaknesses (W)
Opportunities (O)		<u>SO Strategies</u> Generate strategies here that use strengths to take advantages of opportunities	<u>WO Strategies</u> Generate strategies here that take advantage of opportunities by overcoming weaknesses
Threats (T)		<u>ST Strategies</u> Generate strategies here that use strengths to avoid threats	<u>WT Strategies</u> Generate strategies here that minimize weaknesses and avoid threats

Strategic Questions

- The Company
 - What is your uniqueness?
 - Where are you vulnerable?
 - Why are you losing existing customers?
 - Where is the greatest value created in the company?
 - What are the most common objections you hear from customers?

Strategic Questions

- The competition
 - Who are the top 3 competitors?
 - What are their strengths?
 - Where are they vulnerable?
 - Where can you attack?
 - How do you compare on price, service, quality, etc?
- The market
 - What are 3 important trends?
 - How is the industry changing?
 - How many market segments do you serve?
 - Where is the greatest growth potential?
 - Which of your customers are doing well and why?

Continued to session 3
-Thank you-