

Strategic Problem Solving

Session 6: Corporate Strategy & Internal Ecosystems

September 23, 2019



“The essence of strategy is choosing what not to do.”

- Michael Porter

What is Strategy?

A set of **mutually reinforcing choices** meant to help a company:

- 1) *compete* in a market
- 2) achieve its vision and goals
- 3) attain **sustainable competitive advantage**.

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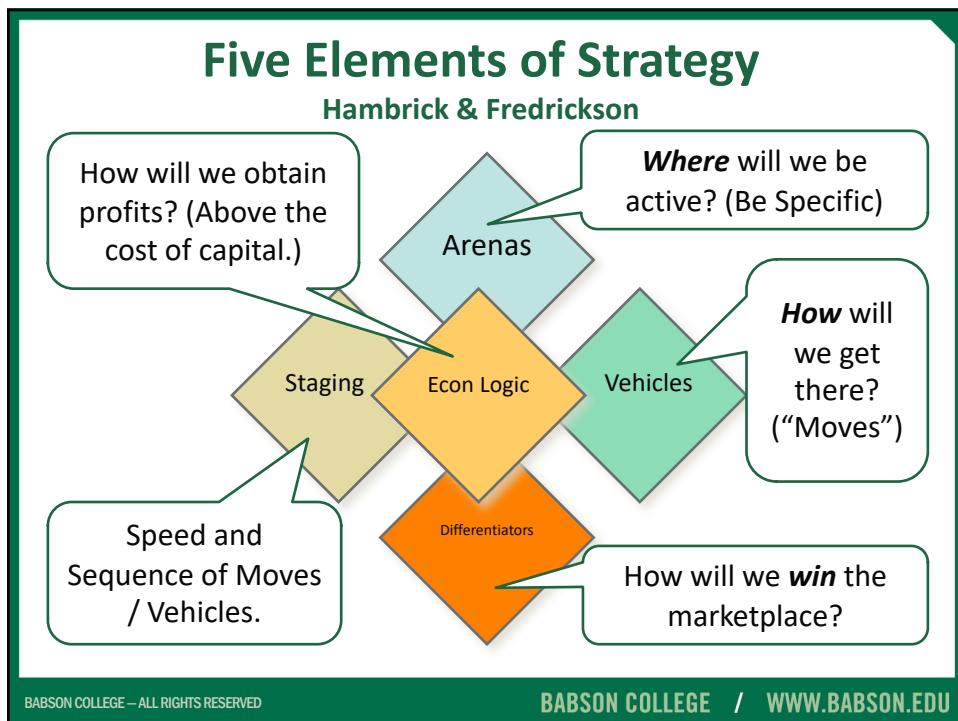
What is NOT Strategy?



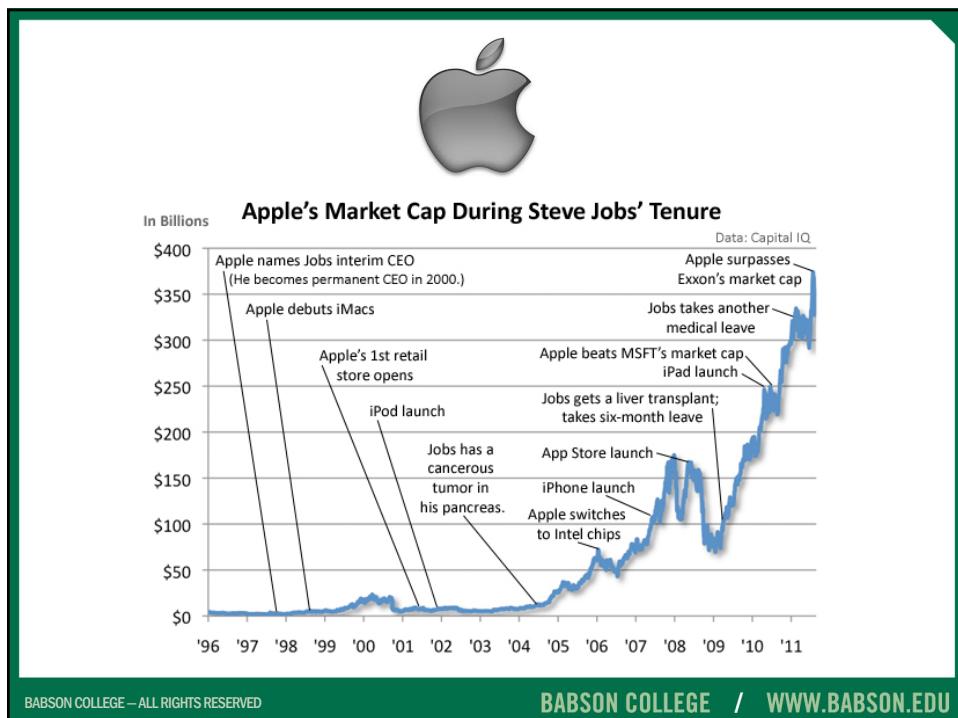
Michael Porter

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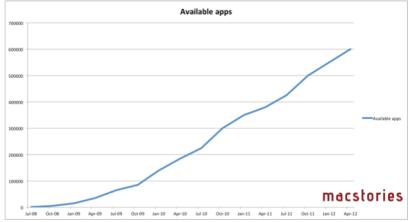
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Creating Ecosystems: Closed vs. “Open”



Available apps



Date	Available Apps (approx.)
Jul 08	5,000
Oct 08	10,000
Jan 09	20,000
Apr 09	50,000
Jul 09	100,000
Oct 09	200,000
Jan 10	400,000
Apr 10	800,000
Jul 10	1,500,000
Oct 10	3,000,000
Jan 11	5,000,000
Apr 11	8,000,000
Jul 11	12,000,000
Oct 11	18,000,000
Jan 12	25,000,000
Apr 12	35,000,000

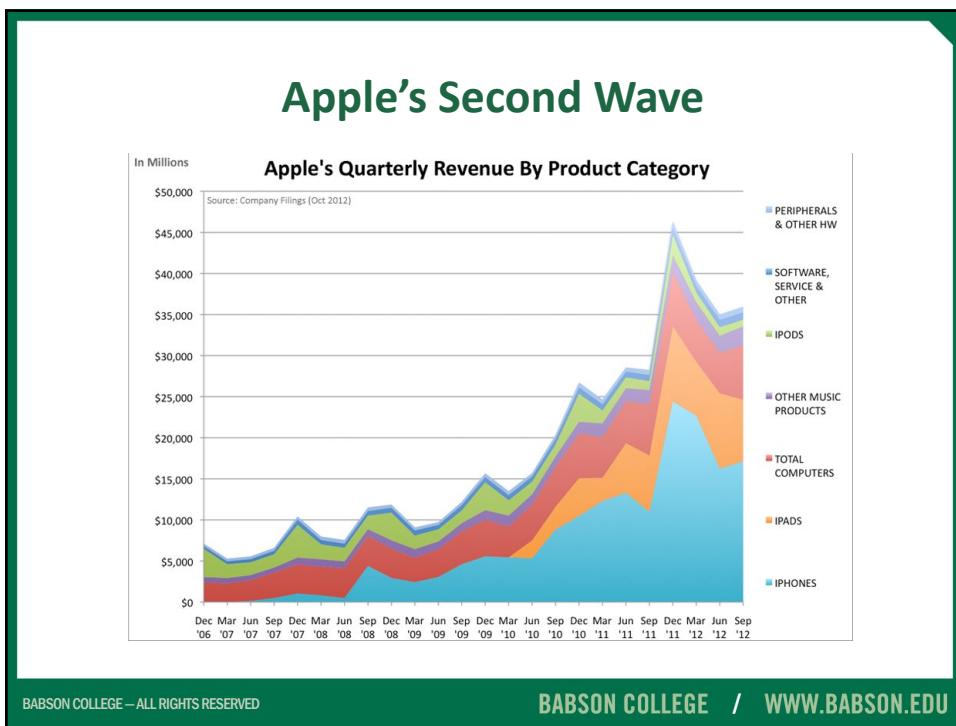
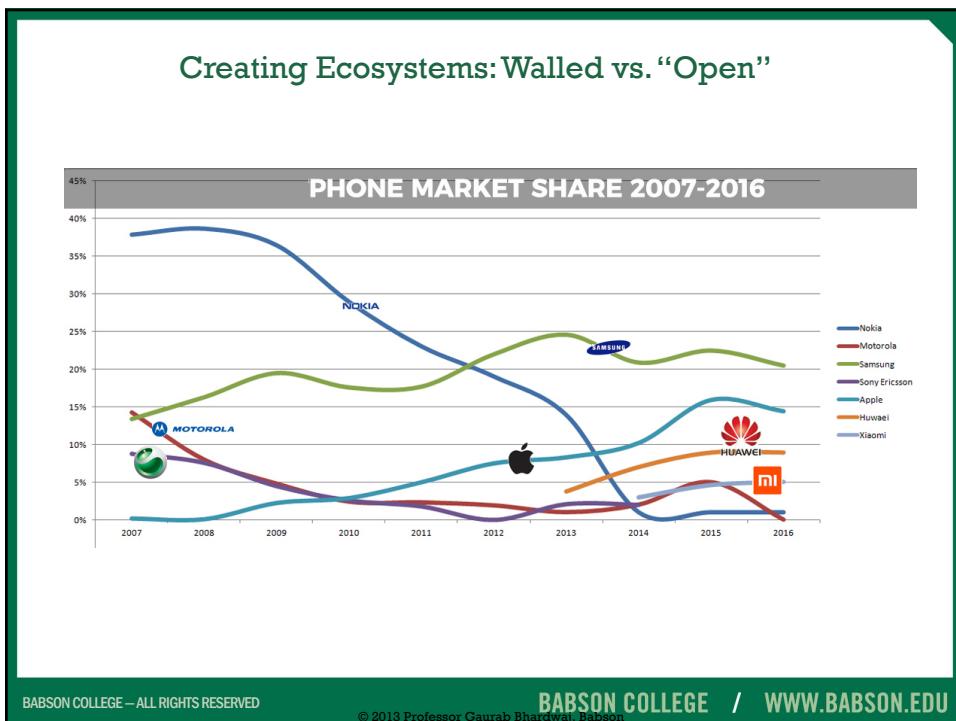
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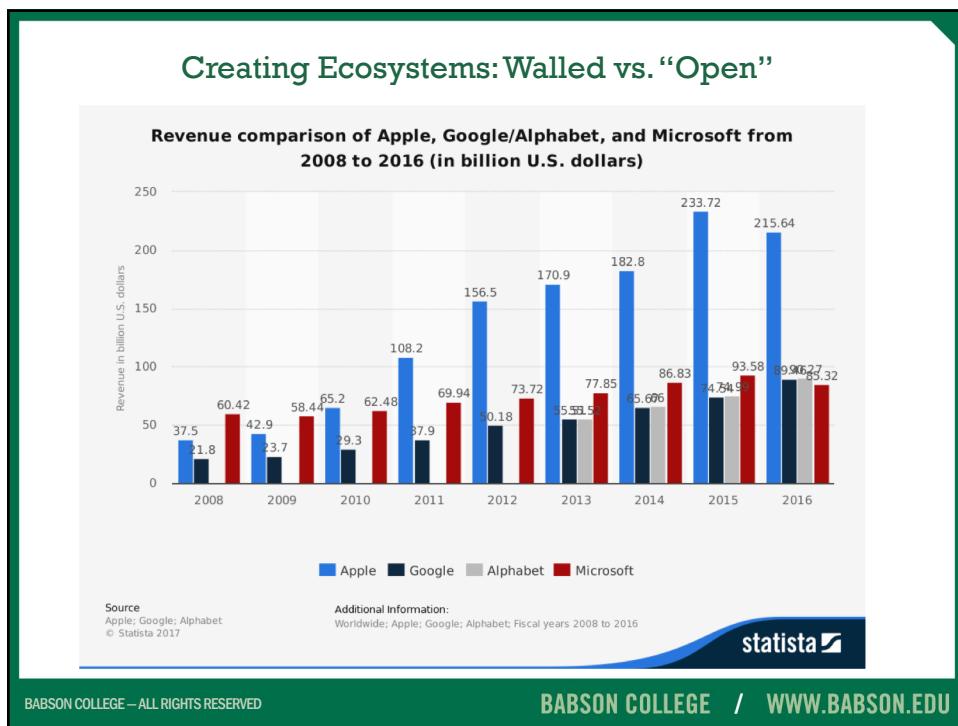
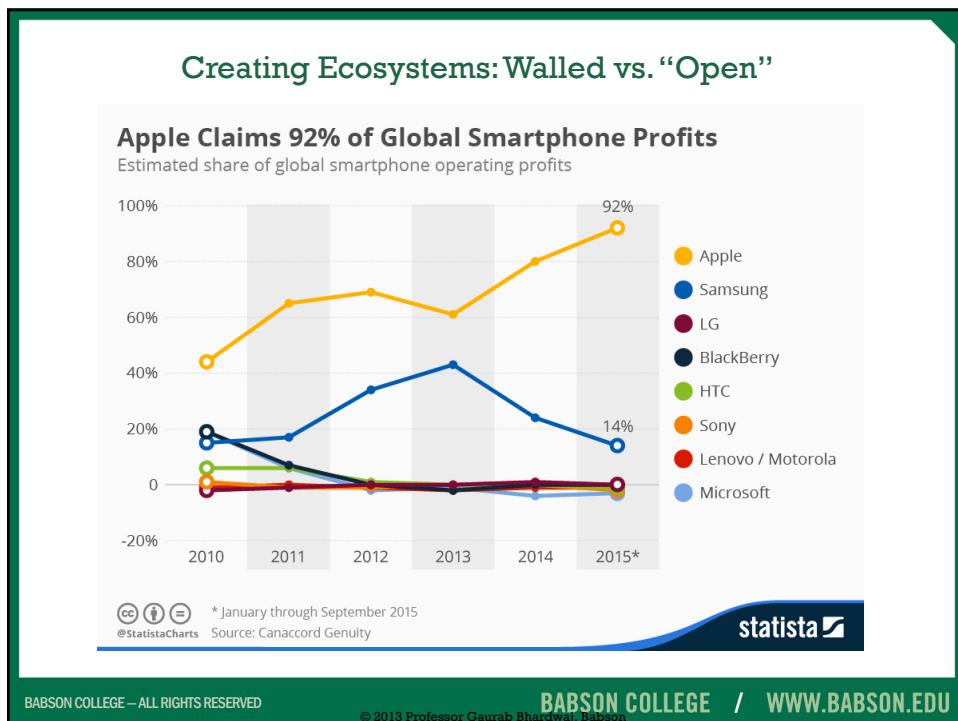


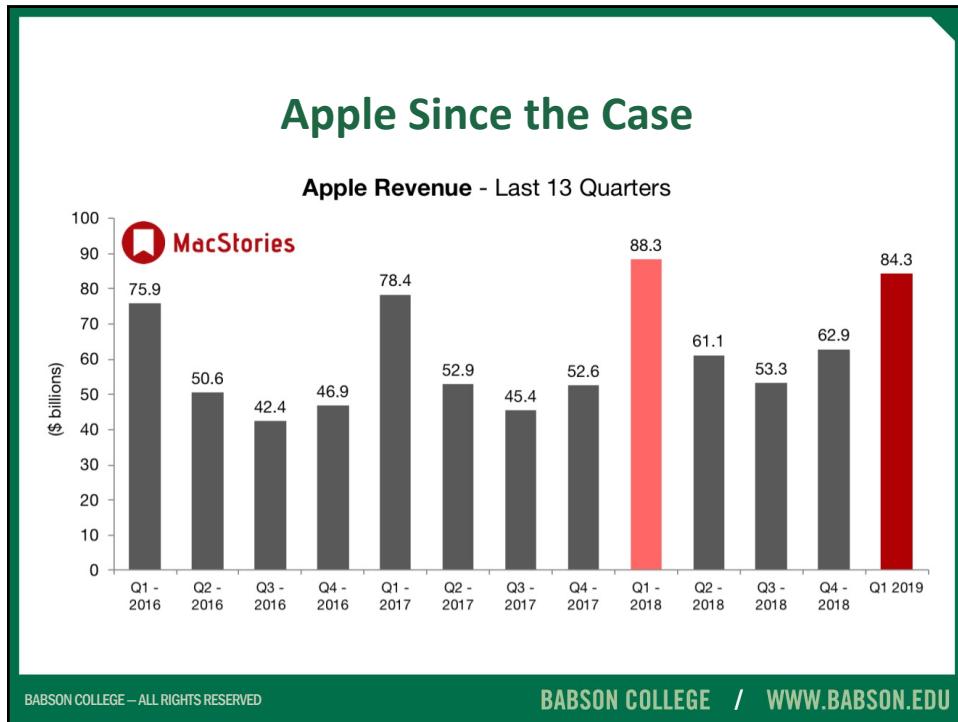
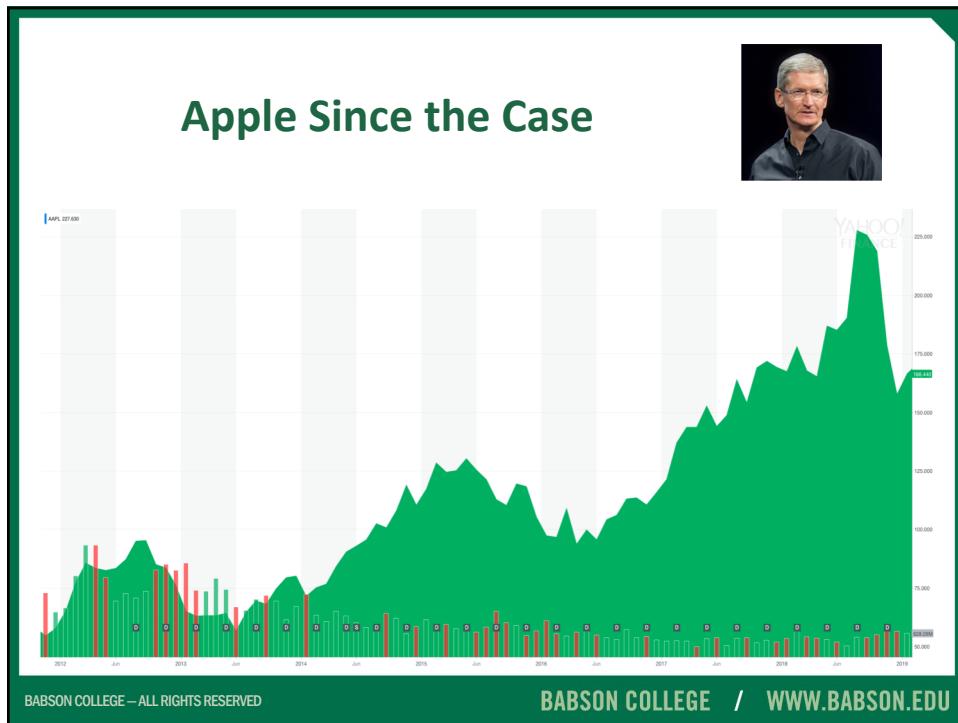
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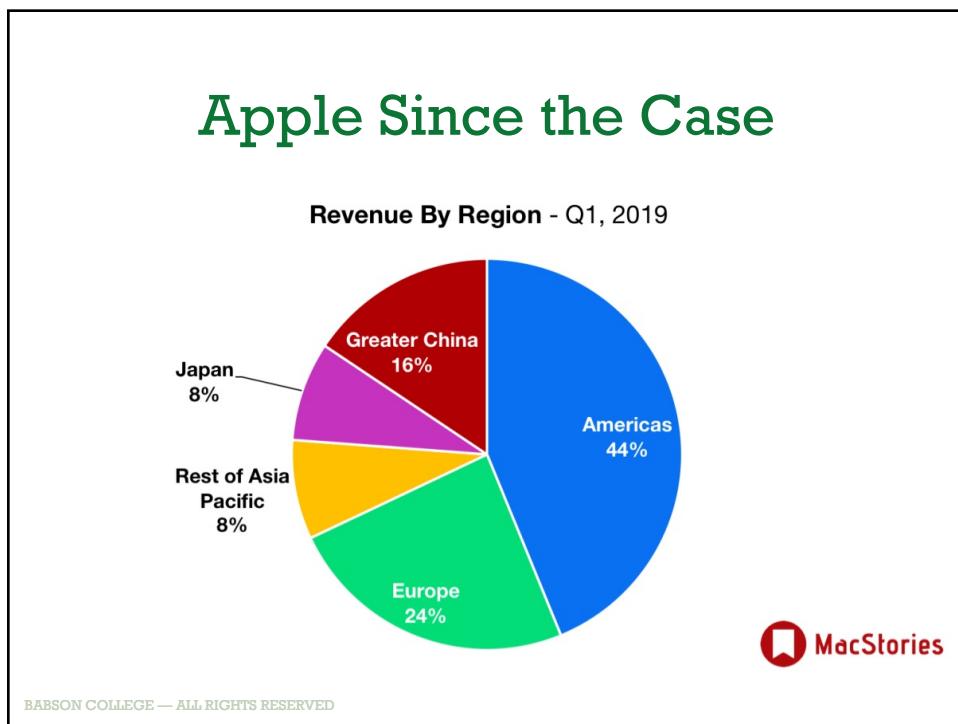
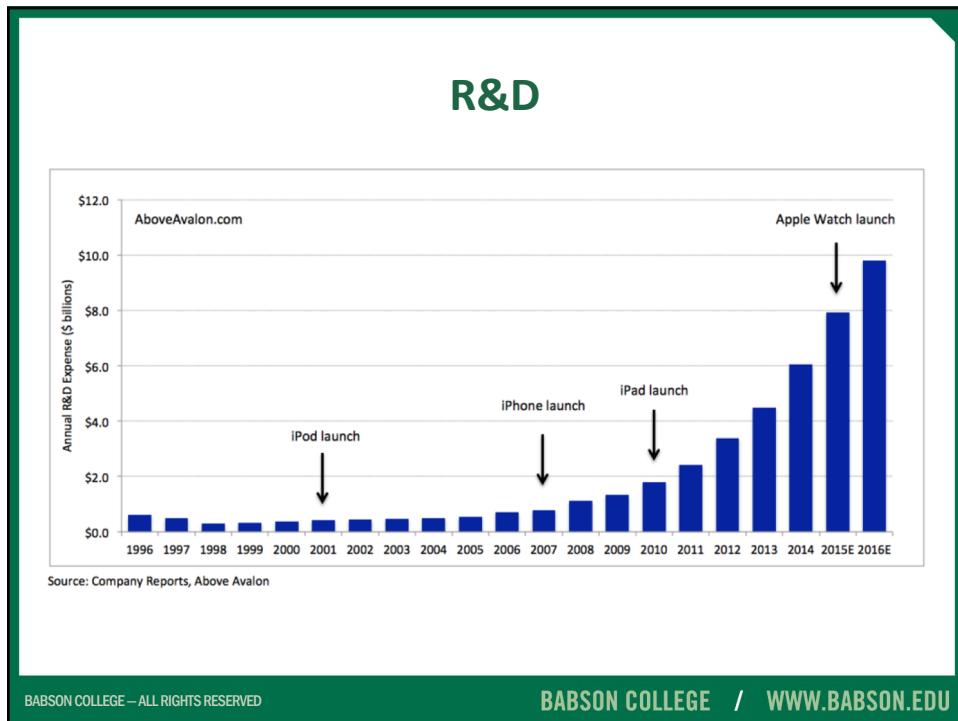
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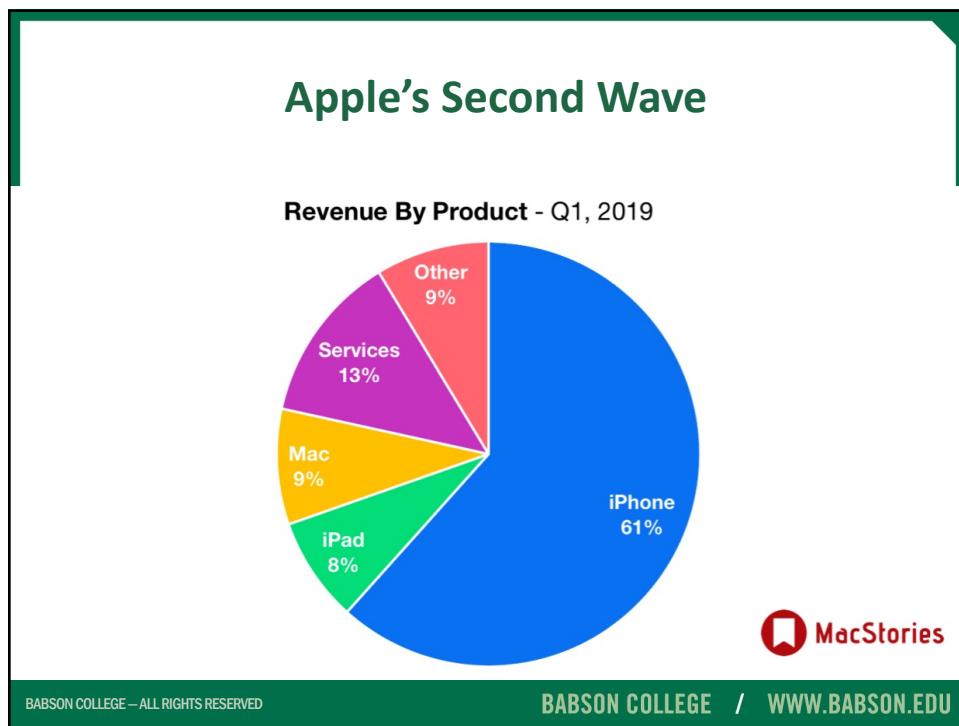
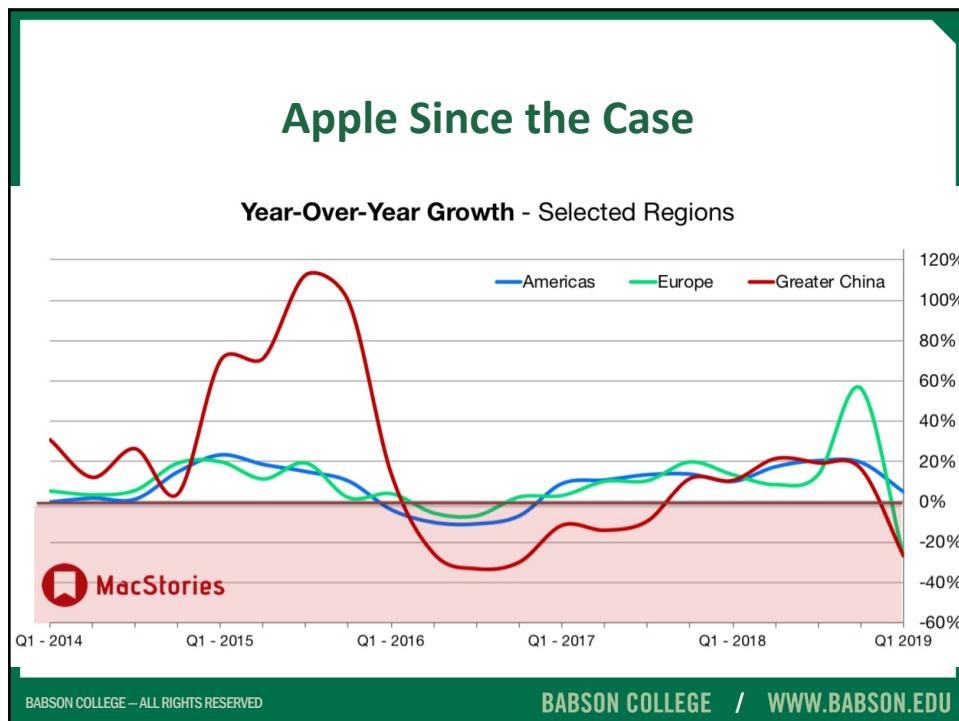
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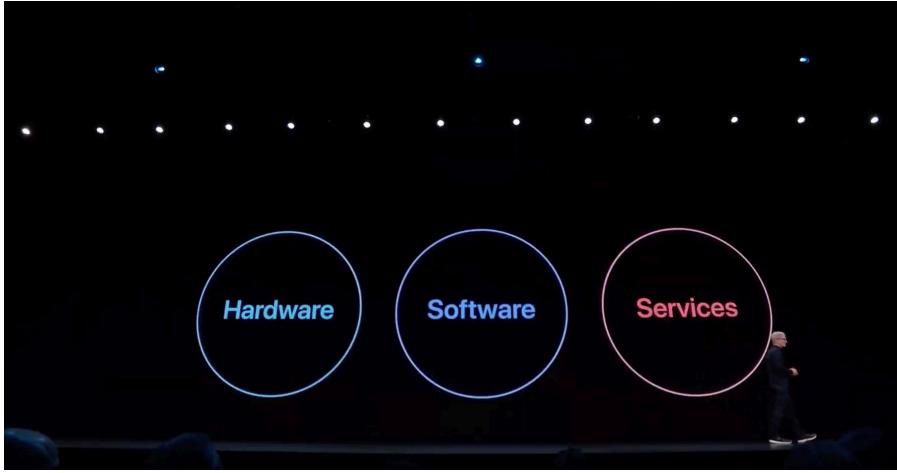








This Summer...

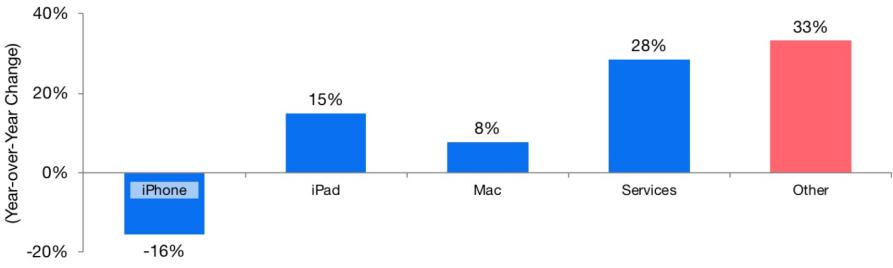


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Apple Since the Case

Percentage Change in Revenue by Product
Year over Year (Q1 2018 & Q1 2019)



MacStories

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Key Takeaways from Apple

- **Today's "enemy" may be tomorrow's ally.**
- The goal of strategy is not determining how to "destroy an enemy," but how to figure out your own means of achieving **sustainable competitive advantage**.
- Deciding what markets to compete in (corporate strategy) is extremely important.
 - Apple has succeeded since 1997 in part because:
 - They were able to create an ecosystem.
 - They clearly focused on differentiation.
 - Their success in the future will likely depend on their ability to **continue** to create differentiated products **and** defend their position.