

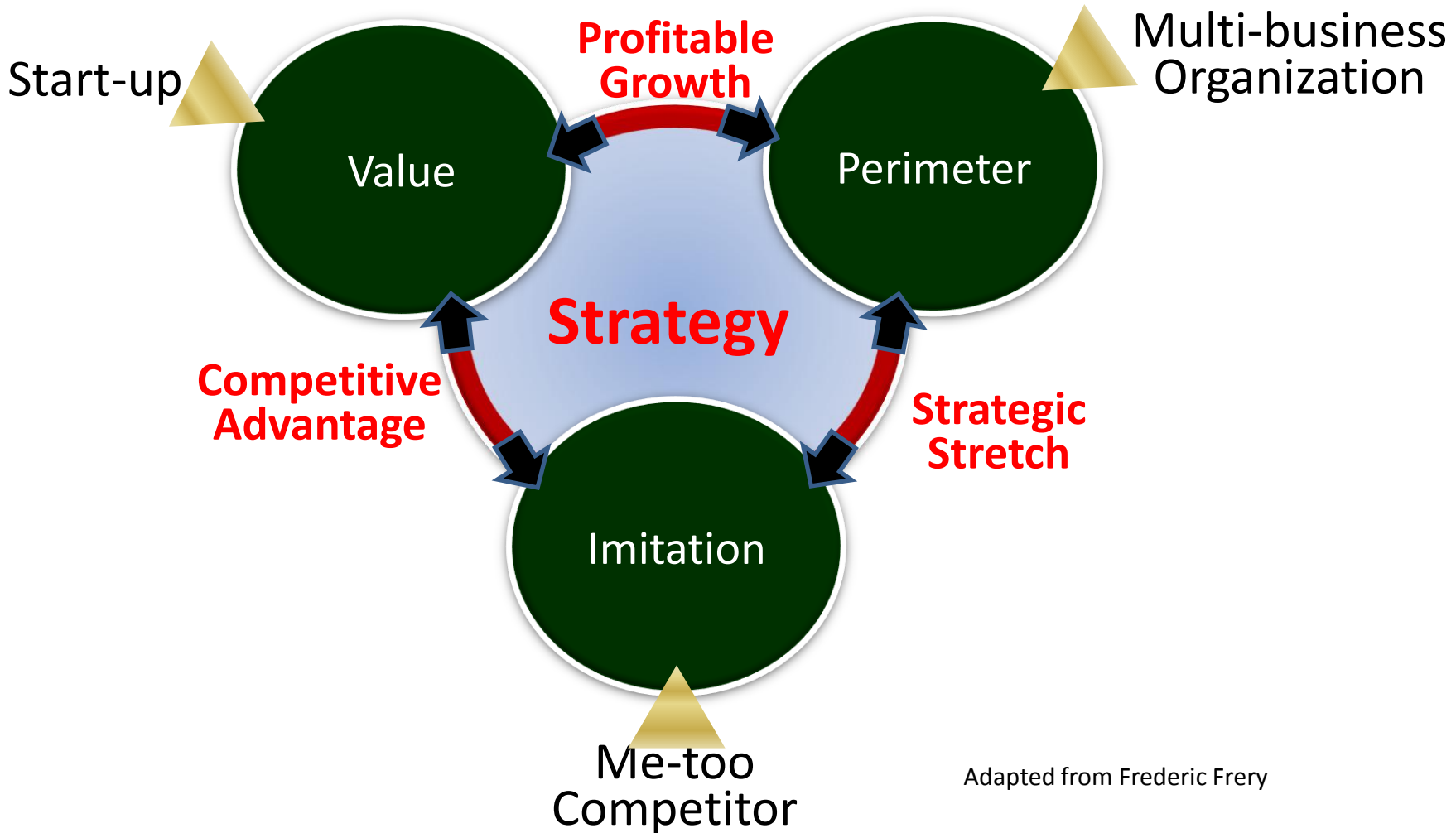
- Structure of the course
- Fundamental dimensions of strategy
- Origin of strategy
- What is strategy → Tens schools, five Ps
- Why organizations need strategy
- Role of strategy in success
- Business Model ▶

Structure of the course

- Session plan
- Term paper
 - Select company, and start working from today
- Deadlines

- Business policy
- Strategic Management
- Strategy ▶

Fundamental dimensions of strategy



Adapted from Frederic Frery

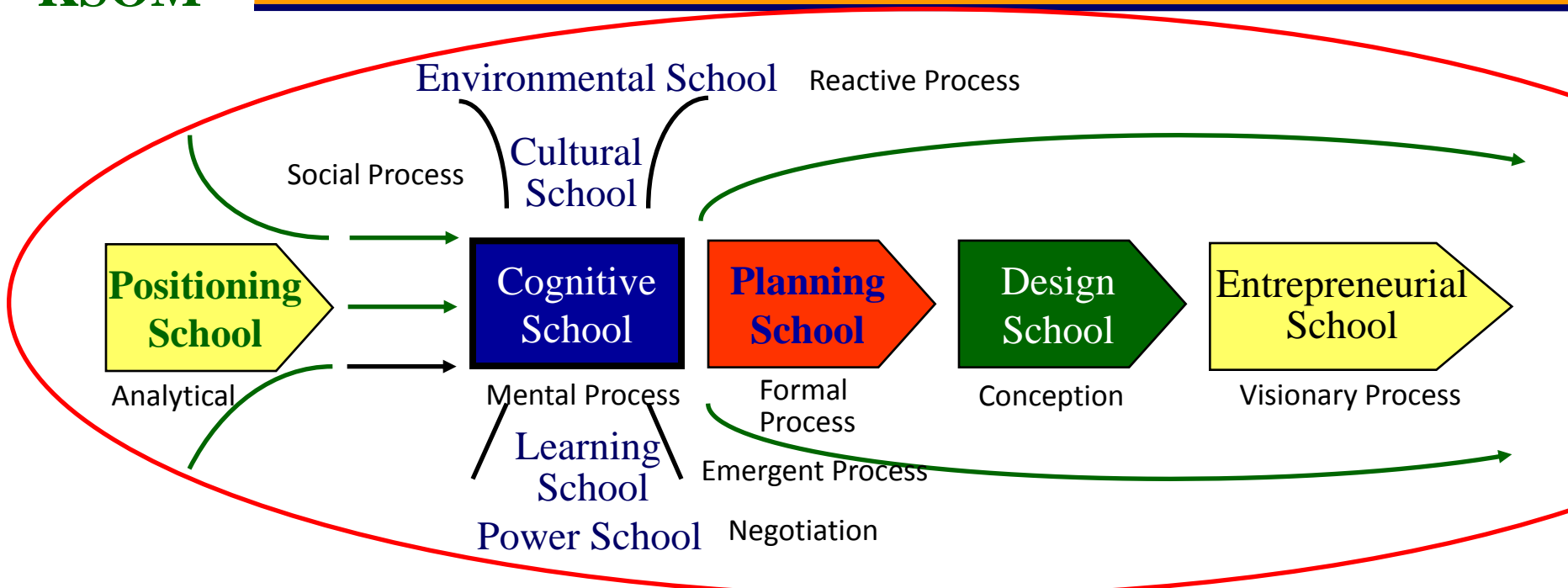
Historical Perspective of Strategic Thinking

- “If we wish to increase the yield of grain in a certain field and on analysis it appears that the soil lacks potash, potash may be said to be the strategic (or limiting) factor.” —*Chester I. Barnard*
- “The term “strategy” ...is intended to focus on the interdependence of the adversaries’ decisions and on their expectations about each other’s behavior.” —*Thomas C. Schelling*
- “Strategy can be defined as the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals.” —*Alfred D. Chandler, Jr.* ▶

- Military Interpretation
- First Industrial Revolution (mid-1700s to mid-1800s)
- Second Industrial Revolution (second half of 19th Century)
- World War II era (1939 - 1945), Post WWII
- Academic Underpinnings
- The Rise of Strategy Consultants ▶

Strategy Formulation as a Single Process

The 10 Schools and 5Ps



Configuration School
Transformation

5Ps: Plan, Ploy, Pattern, Position, and Perspective

Integrating the 5Ps: Honda's Entry Into US Motorcycle Market

Perspective: (Being a low cost producer, seeking to attack new markets in aggressive ways), into a **Plan & Ploys**, in the form of an intended **position** (to capture the traditional motorcycle market in US and create a new one for small family motorcycles), which was again realized through integrated **patterns** (lining up distributorships, developing the appropriate advertising campaign of “You meet the nicest people on a Honda”)

Why organizations need strategy

- Setting direction
- Focusing effort
- Defining organization
- Providing consistency ▶

Elements of Success ...

Goals that are simple, consistent, and long term

- *Madona:*
 - Single minded quest for stardom
- Giap & North Vietnamese Military:
 - Reunification of Vietnam under Communist rule
- Richard Williams:
 - Wealth & recognition

... Elements of Success...

Profound understanding of the competitive environment

- *Madona:*
 - Identified emerging trends in popular culture
 - Recognized power of sex.
 - Understood showbiz distribution channels.
- **Giap & North Vietnamese Military:**
 - Intimate knowledge of terrain
 - Understanding U.S. political system
- **Richard Williams:**
 - Careful diagnosis of the physical and Psychological determinants of success in women's professional tennis

... Elements of Success...

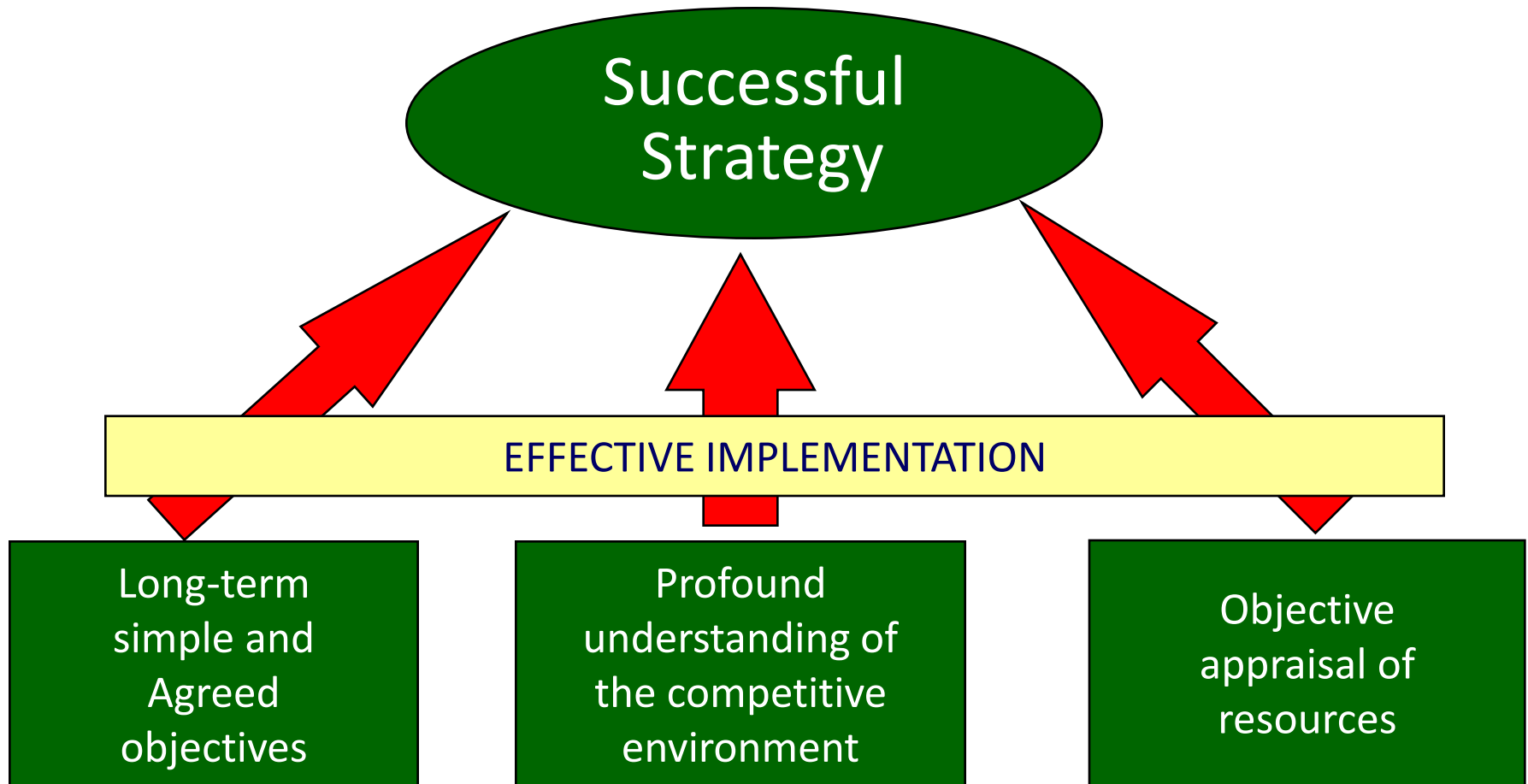
Objective appraisal of resources

- **Madona:**
 - Recognized limited raw talent.
 - Relied on strengths in self-promotion, image-creation, relationship management
- **Giap & North Vietnamese Military:**
 - Recognized economic and military weaknesses and political strengths
- **Richard Williams:**
 - Systematically developed key skills and physical, mental and social attributes from an early age

... Elements of Success Effective implementation

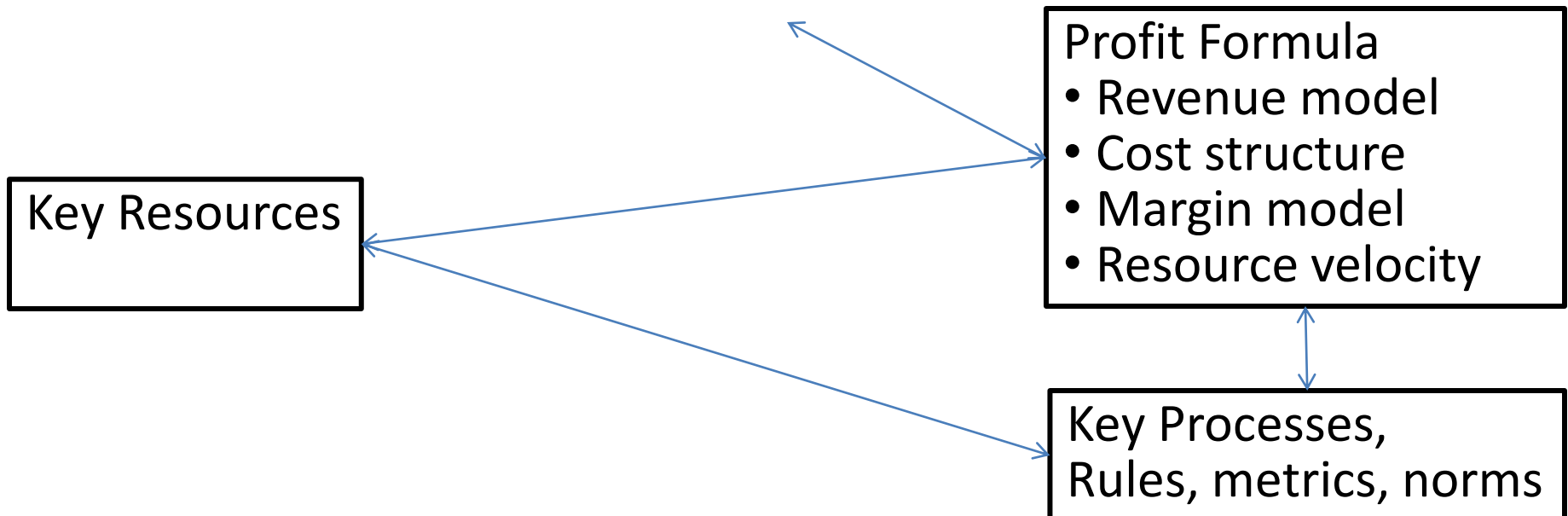
- **Madona:**
 - Commitment to hard work
 - Disciplined, inspirational Leadership.
 - Attention to details
- **Giap & North Vietnamese Military:**
 - Tight control
 - Long-term commitment.
 - Effective propaganda
 - Inspirational leadership
- **Richard Williams:**
 - Careful meshing of roles - father, coach & manager.
Sustained supportive leadership.

Common Elements in Successful Strategy

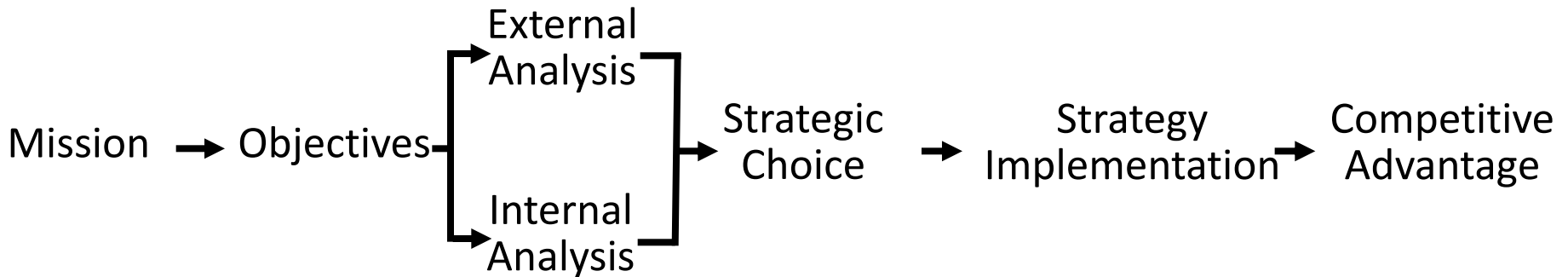


Customer Value Proposition

- Target Customer
- Job to be done: to solve an important problem or fulfill an important need
- Offering: which fulfills the need or satisfies the problem, defined by what is sold and how it is sold



The Strategic Management Process



- Strategic Intent
- NTPC
- Sprylab