BUS 870 January 28, 2008

Agenda
• Introductions
• Syllabus/web site
• project/case competition
• concepts Chapters 1-4
• IBM-Linux case
STRATEGY

1. MISSION
2. VISION
3. SET
4. OBJECTIVES
5. EXTERN/INT
6. IMPLEMENT
7. ANALYSIS
8. ASSESS
9. TIME
MISSION/VISION

WHO
WHAT
WHY
HOW
FOR WHOM
OBJECTIVES

STATEGIC

FINANCIAL
CORPORATE

BUSINESS

FUNCTIONAL

OPERATIONAL
EXTERNAL

MACRO-ENVIRONMENT

DRIVERS

S FORCES

Δ INDUSTRY’S STRUCTURE/COMPETITIVE ENVIRONMENT

KEY SUCCESS FACTORS

ATTRACTIVE/PROSPEROUS / HIGHER PROFITS
\[ \text{GDP} \]

[\text{Consumption} \ 65-70\%]

[\text{Govt. Spending} \ 20-25\%]

[\text{Savings} \ <1\%]

[\text{B.O.T.}]
5 FORCES

NEW ENTRANTS

SUPPLIERS  RIVALS  BUYERS

SUBSTITUTES
INDUSTRY STRUCTURE

1. ENTRY
   S, R, B

2. ENTRY
   OF REL.

3. COMPLEXITY
   OF REL.

S R B
S R B
   1
   1
   1
PURE COMP

frequently monthly
INTERNAL

HOW WELL IS STRATEGY WORKING?

COMPETITIVE ADVANTAGES

VALUE CHAIN ANALYSIS

COST STRUCTURAL & EXECUTIONAL

VALUE

STRATEGIC ISSUES

TMT

ORG CULTURE

FINANCIAL RATIOS
COST DIFFERENTIATION

VALUE
1. Real perceived
2. People must be willing to pay

BEST COST PROVIDER

MARKET B

SCOPE N
Resources \rightarrow Core Competency \rightarrow CA \rightarrow SCA

* Tangible

* Intangible

Sustainable Comp. Advise
3 ANALYTICAL APPROACHES

TRADITIONAL

FINANCIAL STATEMENTS

IMAG ORG. CULTURE