BUS 870      February 2, 2009

Agenda

• Administrative items
  ➢ new students
  ➢ project
  ➢ NU Case part B handout

• Questions

• Chapter 3 and 4 concepts

• NU Case part A

• Readings

• Next class February 9, 2009
  o Project
  o Concepts
  o Case
  o Readings
COMPETITOR’S COSTS

BALANCE SHEET

ASSETS = LIABILITIES + EQUITY

CURRENT
AP
NP
COST = CAPITAL COST + FIXED COSTS + WAR
NEW ENTRANTS

SUPPLIERS

RIVALS

BUYERS

SUBSTITUTES
S
INBOUND \rightarrow\text{OPS} \rightarrow\text{OUTBOUND} \rightarrow\text{S/FM} \rightarrow \text{C/S}.
\text{LOGISTICS}

B
\text{LOGISTICS}

N:\text{SCTG.}
\text{HR 11}
\[ \text{CONC.} = \frac{\Sigma \text{SALES}_{3-4}}{\Sigma \text{SALES}_{\text{INDUSTRY}}} \]

Diagram:

0 \quad \text{PURE COMPETITION} \quad \quad \text{OLIGOPOLY} / \text{MONOPOLY} \quad 1
20
16
12
0

M IMPROVE

1/3 1/3 1/3

DECLINE
INDUSTRY STRUCTURE

QTY B, R, I3
QTY & COMPLEXITY REL.

HOW CRITERIA D'S IND. STRUCTURES
KEY SUCCESS FACTORS
CRITICAL FOR SUCCESS
CATEGORIES IN THE INDUSTRY

CHOOSE ≤ 5
RESOURCES → COMPETENCIES
(TANGIBLE) \(\downarrow\) \(\downarrow\)
(INTEGRABLE) CORE COMPETENCY 1 = S \(\downarrow\)
\(\downarrow\)
4 QUESTION AS \(\downarrow\)
\(\downarrow\)
COMM ADVICE \(\downarrow\)
\(\downarrow\)
SUSTAINABLE
COST STRATEGY
STRUCTURAL COST DRIVERS
EXECUTIONAL

APPLIED TO INDIVIDUAL STEPS
$VALUE CHAIN OVERALL
IL OPS QL →
VALUE/DIFF. STRATEGY

How does ex. step
ADD VALUE

How does overall V.C.
ADD VALUE