

One pager, how to define a corporate strategy

1. What are the goals of the enterprise (i.e. superior performance)?

2. Industry analysis (attractiveness and trends)

- a. What is the industry value chain?
- b. What are the main trends?
- c. What are the main factors that affect the profitability

Frameworks to use: the value chain, the demand and supply trends, and Porter's five

3. Company analysis (competitive advantage relative to competitors)

- a. What are the competitive advantages, the willingness to pay, and the opportunity costs relative to competitors
- b. What are the sources of competitive advantage?
- c. How sustainable are these competitive advantages?

Frameworks to use: Value stick, list of the activities and resources that generate a competitive advantage

4. Strategy formulation (the most important part)

- a. The main goal of this part: create a blue ocean strategy by creating uncontested market space, making the competition irrelevant, creating and capturing new demand, breaking the value-cost trade-off, and aligning the whole system of a firm's activities in pursuit of differentiation and low cost.
 - i. Reconstruct market boundaries
 - ii. Focus on the big picture, not the numbers,
 - iii. Reach beyond existing demand,
 - iv. Get the strategic sequence right
- b. The process to fulfill this goal is the following:
 - i. Step 1: Use the value curves (strategy canvas) to understand where the competition is currently investing, the factors the industry currently competes on in products, service, and delivery, and what customers receive from the existing competitive offerings on the market.
 - ii. Step 2: Draw the current value curve of your company, and use the four actions framework to build at least one new value curve. You should be able to answer the following questions:
 - Which of the factors that the industry takes for granted should be eliminated?
 - Which factors should be reduced well below the industry's standard?
 - Which factors should be raised well above the industry's standard?
 - Which factors should be created that the industry has never offered?
 - iii. Step 3: Read and Explain your new value curve (if you have more than one option, explain the pros and cons of each of them). Your new value curve must:
 - focus on no more than 3 factors
 - be unique in comparison to the industry's standard
 - have a compelling tagline (like at the speed of ideas for Alcatel-Lucent)

Frameworks to use: Value curves, four action framework, six paths, and SWOT

5. Execution of the strategy

- a. Overcome key organizational hurdles
- b. Build execution into strategy and define a strategic planning.