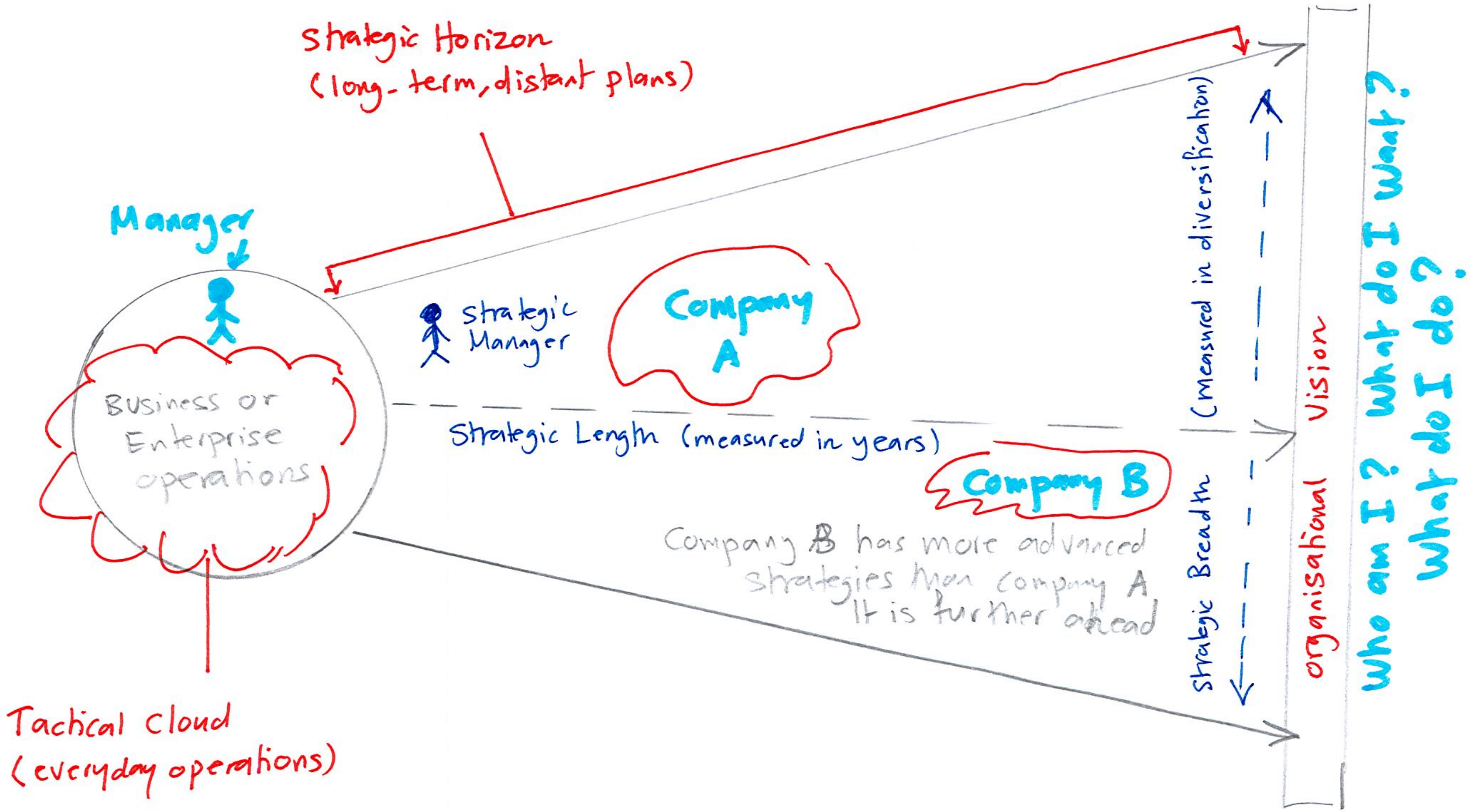

Strategic Horizon and Tactical Cloud

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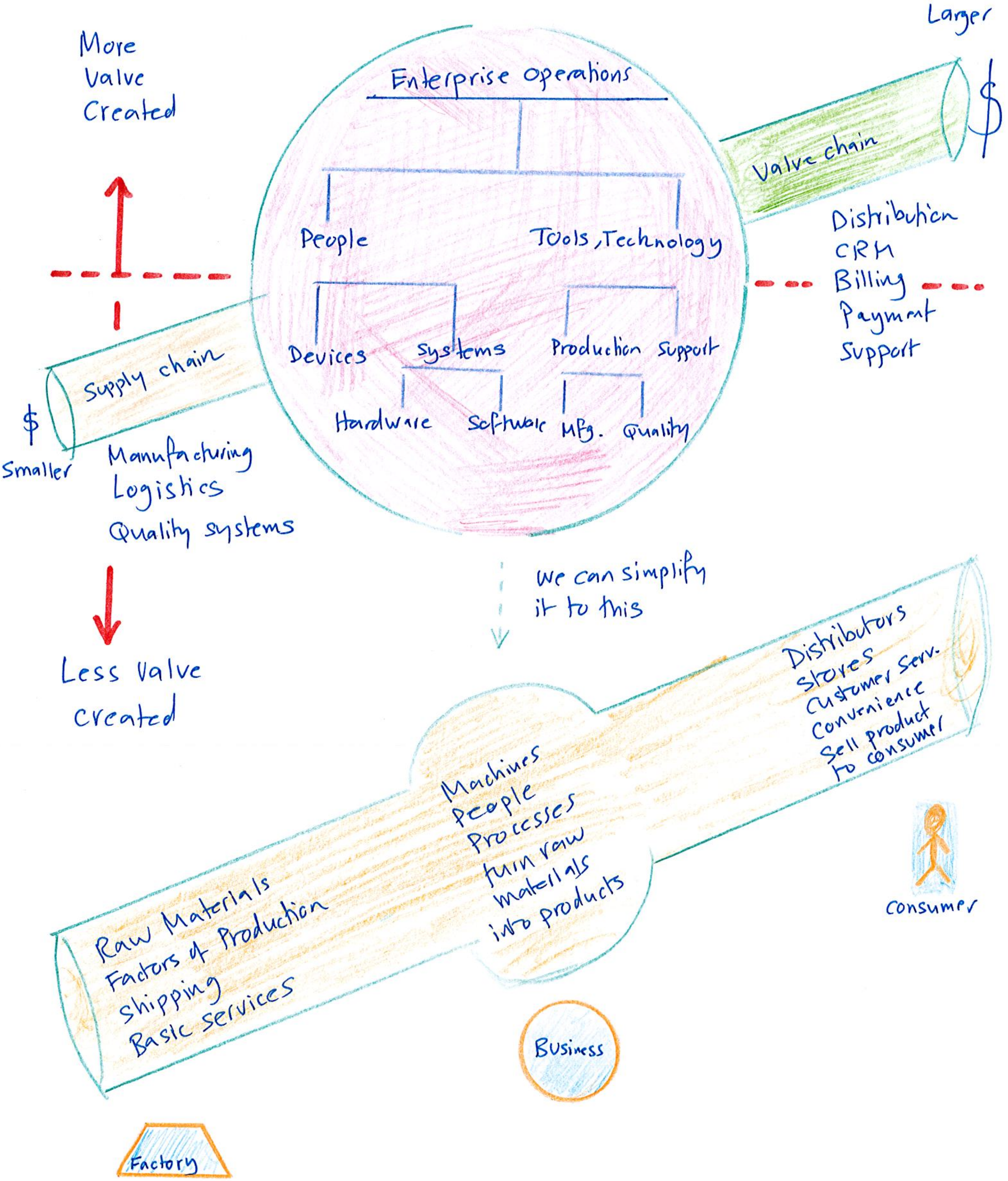
Supply chain, Enterprise Operations and Value chain



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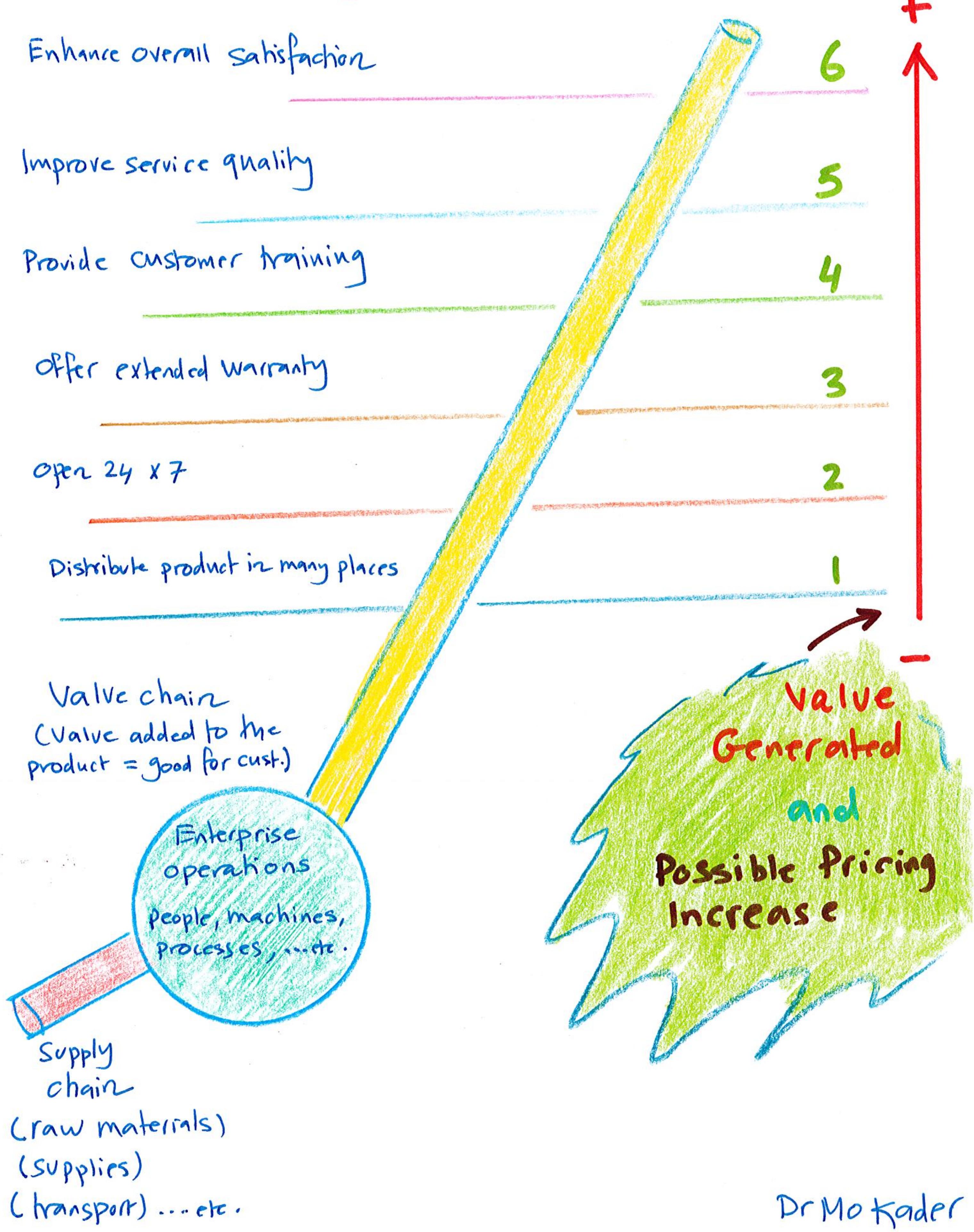
Enhancing the Value chain



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Managing Supplier Quality

Enterprise operations

We want:
Lower costs
Greater service
Disaggreation
Contactual efficiency

We want:
Higher quality
Lower costs
Aggregation
Integration

Valve Chain
Activities

Logistics

Quality
ops.

Service
Support
Sales

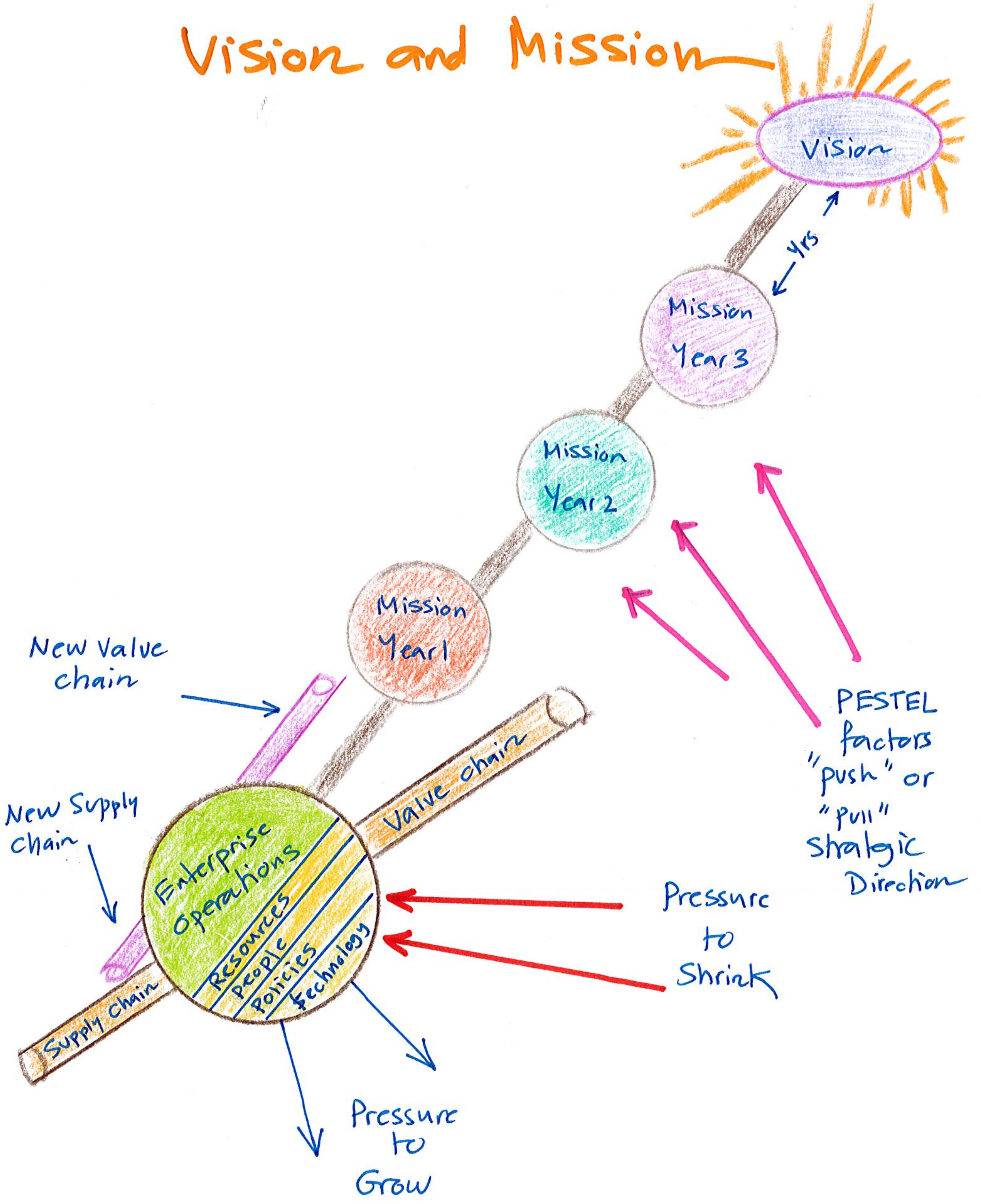
Non Valve chain
Activities

Infrastructure

HRM
Procuremnt
Tech.

Finance
Internal
ops.

Vision and Mission



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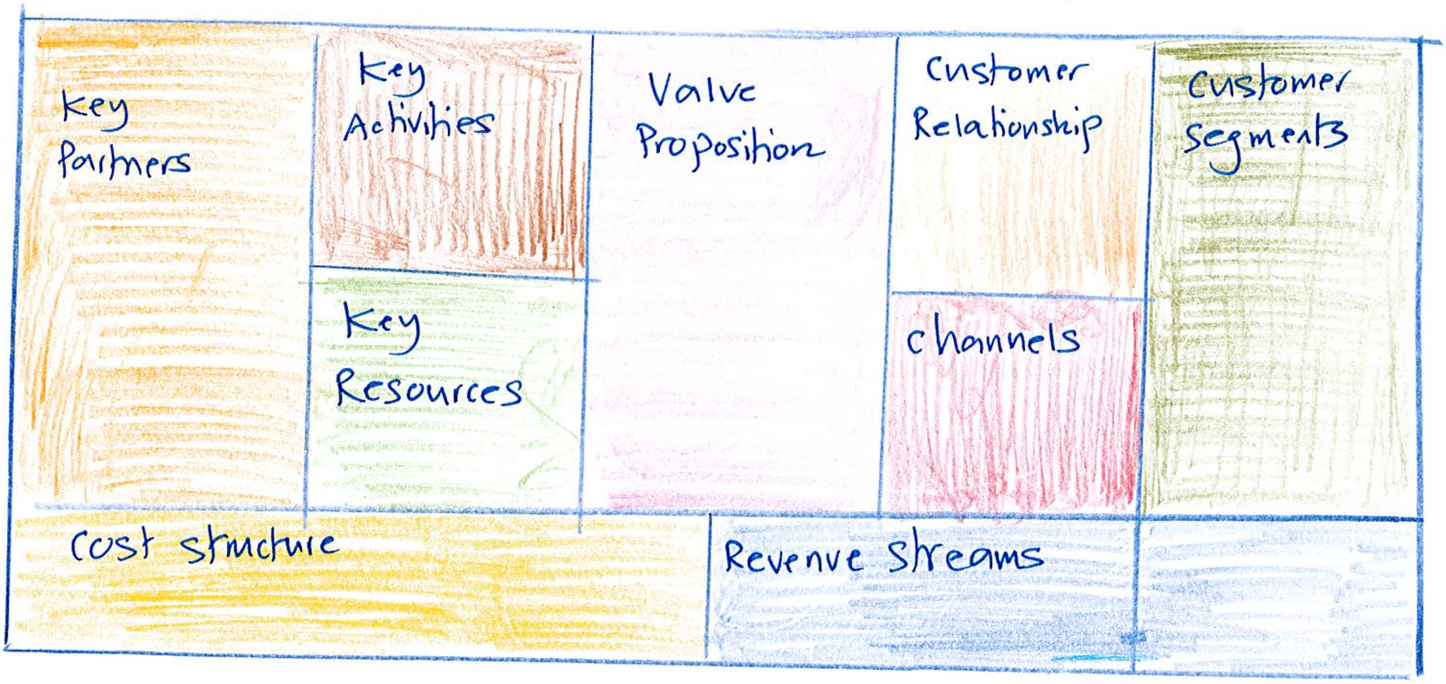
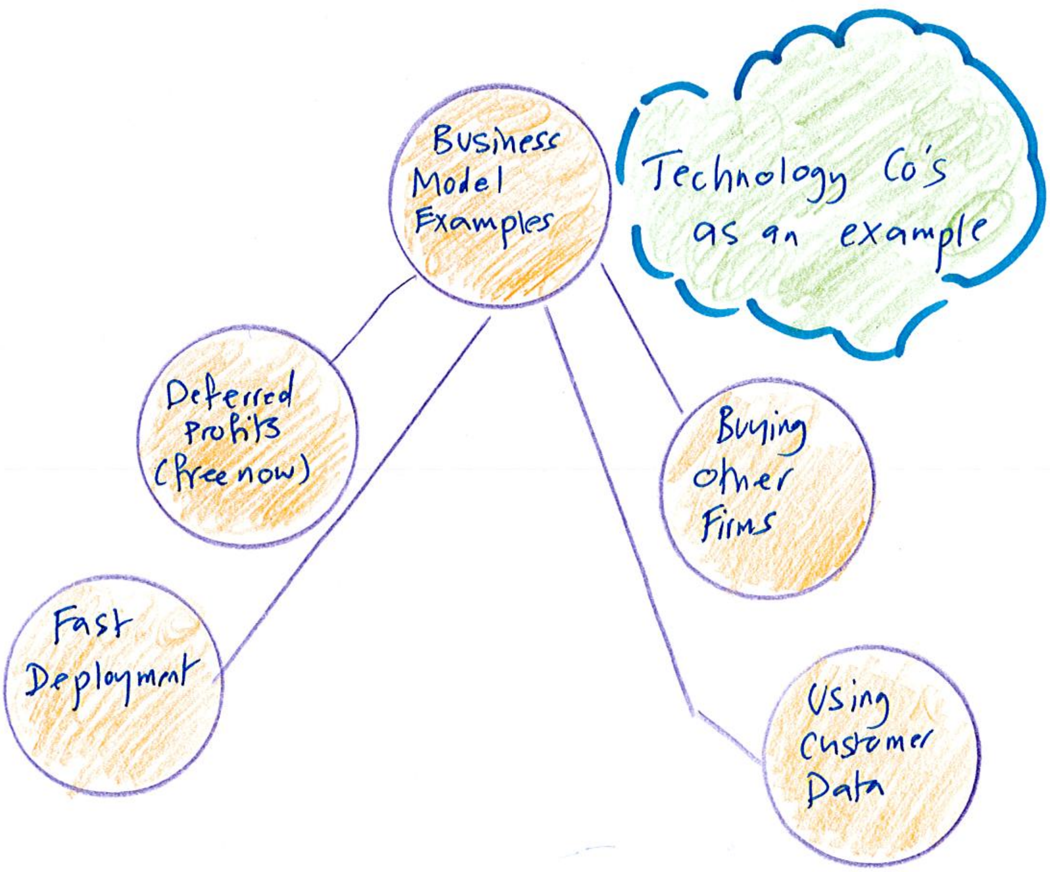
Business Model Canvas





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Competitive Advantage (CA)

- Co. is more efficient than competitors
- Co. has opportunity others don't have
- Other valuable things that give the co. an advantage

Examples

Resources
Innovations
Money
Technology
People
Quick reaction to opportunities
Customer Insights
Strong co. culture

Sources of CA

Internal
- Processes
- Strategies
- New Products
- Experience

External
- access to countries
- Environmental resources
- Markets
- Other ...

Innovative strategies

- New Industries
- New Products for existing industries

Differentiation

Creating a difference between Co's products and its competitors.

Actual
- Technology
- Service
- Reliability

Percieved
- Brand
- Reputation
- Public Relations

'Valve Innovation

Time
Emotion
Risk
Money
Situation

Reduce Waste
Speed-up
Raise productivity
other ....

TERMS

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Levels of Strategy

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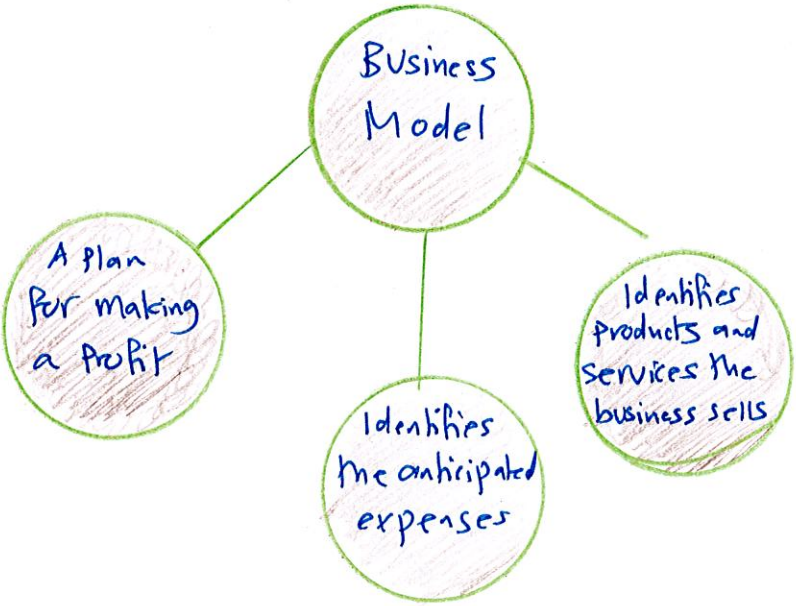
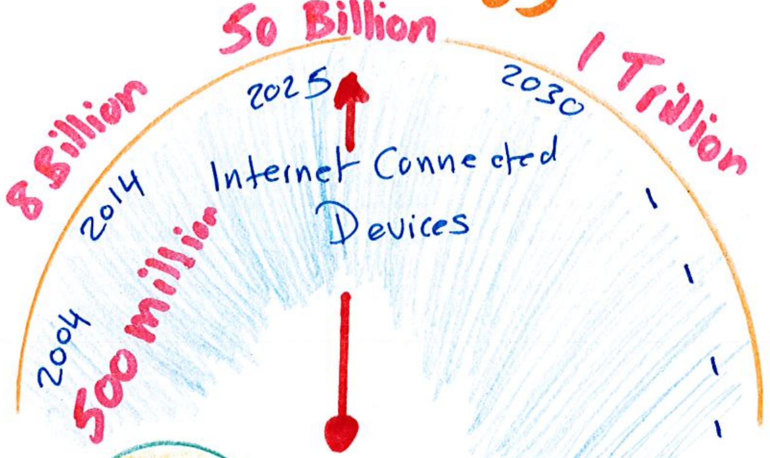
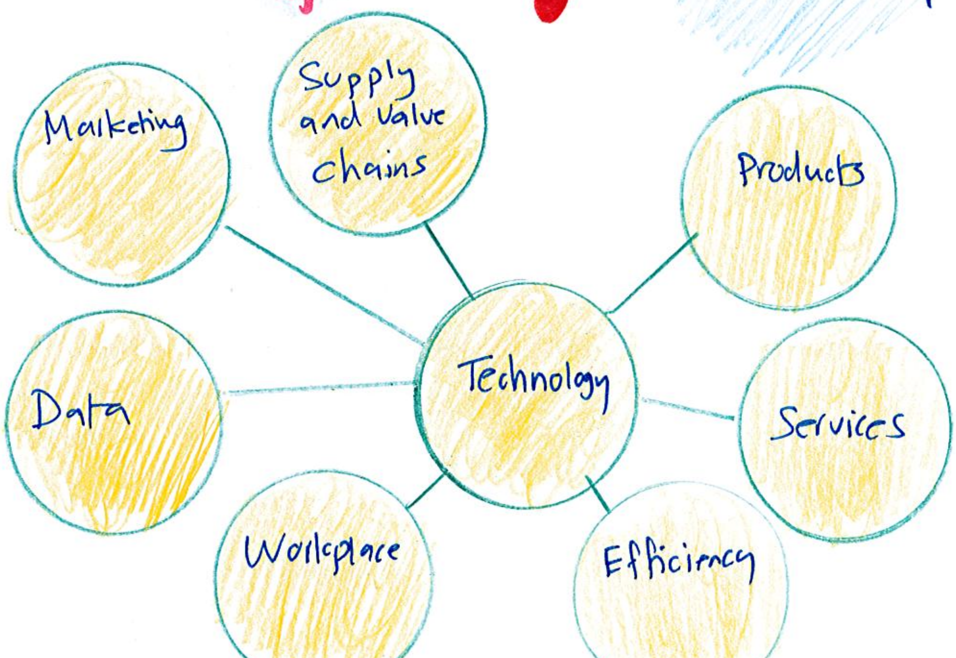
Business Models Strategy and Technology



Technology





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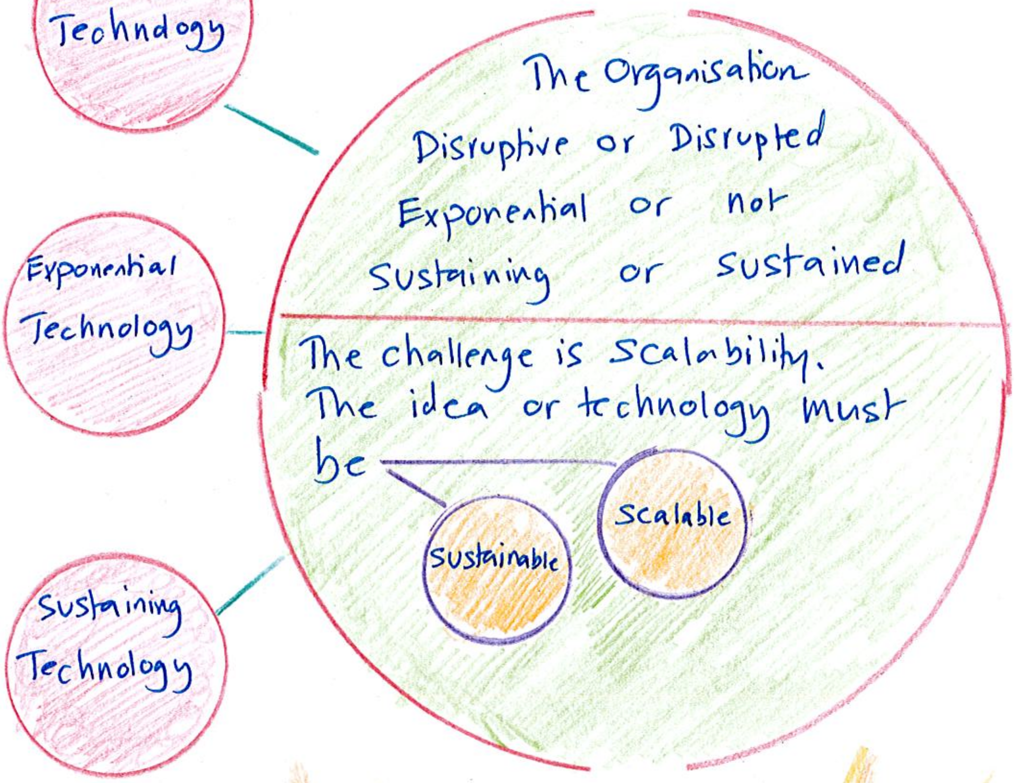
The external environment



Scalability

Interfaces	Dashboards	Experiments	Autonomy	Social	**Left Brain** Order Stability Control
Staff	Community	Algorithms	Assets	Engaged	**Right Brain** Creativity, Growth Uncertainty

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Co. Strategies

Offensive

Increase share
Expand
Push competitors out

Defensive

Protect market
Stop new co. entry
Slow competitor expansion

First Mover Advantage

The first co. entering a market controls or dominates that market.

But! This needs :

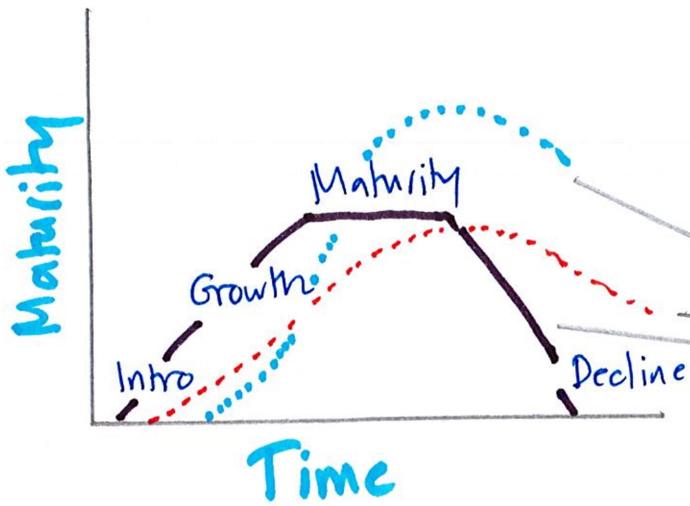
Smart use of resources
Create brand value
Create high sales volumes

This could also be a

Disadvantage

Risk
Cost
Mistakes
Too busy to see tech. change

Industry Lifecycle



Different industries and different products may have different maturity curves.

Hierarchical Perspective

Corporate
Business
Functional
Network
Global

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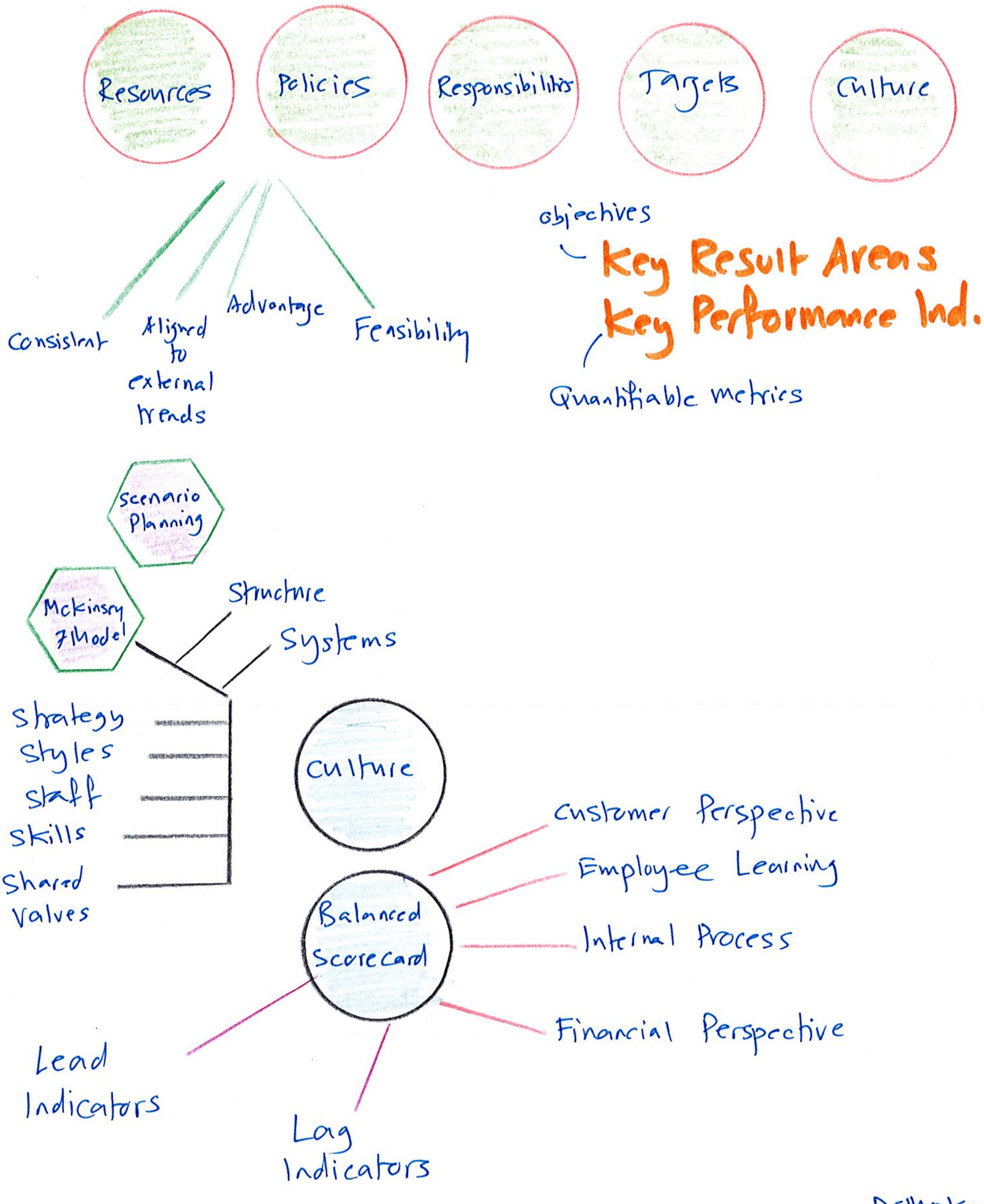
Strategy Implementation and Review



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Business Level Strategy

Creates a Competitive Advantage

Uses

Competencies
Skills
Competitive Behaviour

Business Level Strategy

Single Business Unit

Cost Leadership

Differentiation

Corporate level Strategy

- The whole corporation
- Many Business Units
- Integration
  Merger
  Acquisition

International level Strategy

- Focus on many Different countries
- Expand into new intl. markets

Business Level Strategies

Cost Leadership (low cost)

Differentiation (unique)

Target Market

Broad

Narrow

Business Level Strategies

	Low cost	Differentiation
Broad	Broad Low cost	Broad Diff.
Narrow	Focus Low cost	Focus Diff.

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Cost Leadership Strategy

How it is achieved

Economies of Scale   Automation   Outsourcing

Innovation   Cheaper Supplies   Limiting Products

Differentiation Strategy

Features   Choice   Reliability   Cust. Service   Innov.

Brand   Prestige   Tech.   Ethical   Different

Who   Why

Differentiation

What   How

Focussed Cost Leadership

Focussed Differentiation

Integrated Cost + Differentiation

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Corporate Level Strategy

Includes actions taken by the firm to gain a competitive advantage by selecting and managing a group of different businesses competing in different markets

Corporate Strategy

Diversification

Mergers

Acquisitions

Integration

Turnaround

Growth

Diversification

Related (Concentric)

Economies of scale
" " scope
Sharing activities
Market Power

Unrelated (Conglomerate)

Risk management
Cashflow
Managerial diversification

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Integration strategy

(Part of Corporate Strategy)

Integration strategy

Turn-around strat.

Fix a loosing company and return it to profitability

Restructure
Divestment
Liquidation
Bankruptcy
Tie to a lage co.

Re-trenchment Strat.

Reduce the size or diversity of the business to increase focus.

Synergies

Portfolio

Vertical

Horizontal

Acquiring control over other firms up or down the supply chain

e.g. Coles makes its own bread

- Long term contract
- Vendor partnership
- Franchising
- wholly owned subsidiary

Outsourcing

Raw Materials

Manufacturing

Distribution

Retail

After Sales

Other

Backward Integration

Buy control of making components

Forward Integration

Buy control of customer activities

Partial "

Buy control of <u>some</u> stages of production

Full "

Two stages of production; one fully transferred to the other

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Blue Ocean Strategy

Its about Value Innovation

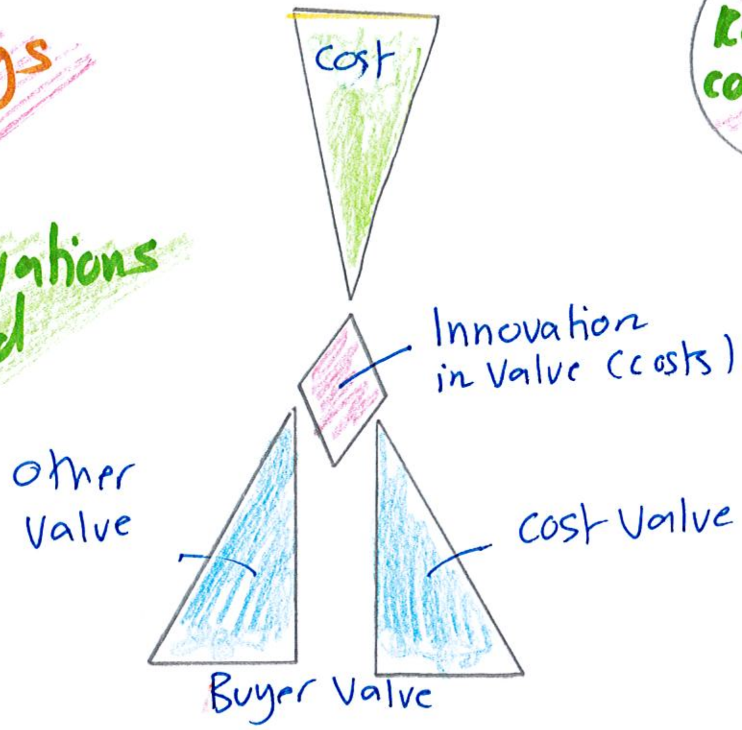
Eliminate Waste

Reduce costs

Create new products

Raise Quality

Cost Savings are made + New innovations are offered



Better Customer Experience

Customer Experience

- Transactional X
- Impersonal X
- Outcome X
- Control X
- Structured X

- Relational ✓
- Personal ✓
- Process ✓
- Trust ✓
- Flexible ✓

Customer Value

- Time
- Emotion
- Risk
- Money
- conv.
- other

Learning from Customers

A firm can Differentiate through customer experience

Like: Skills Technology
culture Service
Data Experience
other

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Global Markets

Culture Economics Development Free Trade

Politics Legal System Demographics

Natural Resources other

Export Licensing Contract Manufact.

Foreign Direct Investment Joint Venture

Infrastructure Taxation

Customers Segments

Growth Tariffs Freight

Complexity Media Tastes

Risks

Product Price Promotion

Place Retailing

Market Size Partners

Operations Competitors

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Procurement Cycles

Finance

Operations = inputs + processes → outputs

Raw Mats.
Equipment
Info.
Outputs
Planning
Inventory Management
Purchasing Policies
Outsourcing
Diversification of Supply
Relationships with suppliers
Forecasting
Eliminating waste
Lean Production = efficiency, ↓ waste
Bottlenecks
Constraints
Procurement
ISO 20400 Procure.

Labour
Energy
Capacity
Scheduling
Service levels
Make or buy Decisions
Cooperative Purchasing (Coops)
Supply chain Operations Reference (SCOR) model
Reliability Responsiveness Agility
Costs Assets Other
Strategic Alliances
Information systems
Synchronous Management
(understand inter-relationships)
Add Capacity
Add Efficiency
Filter Production

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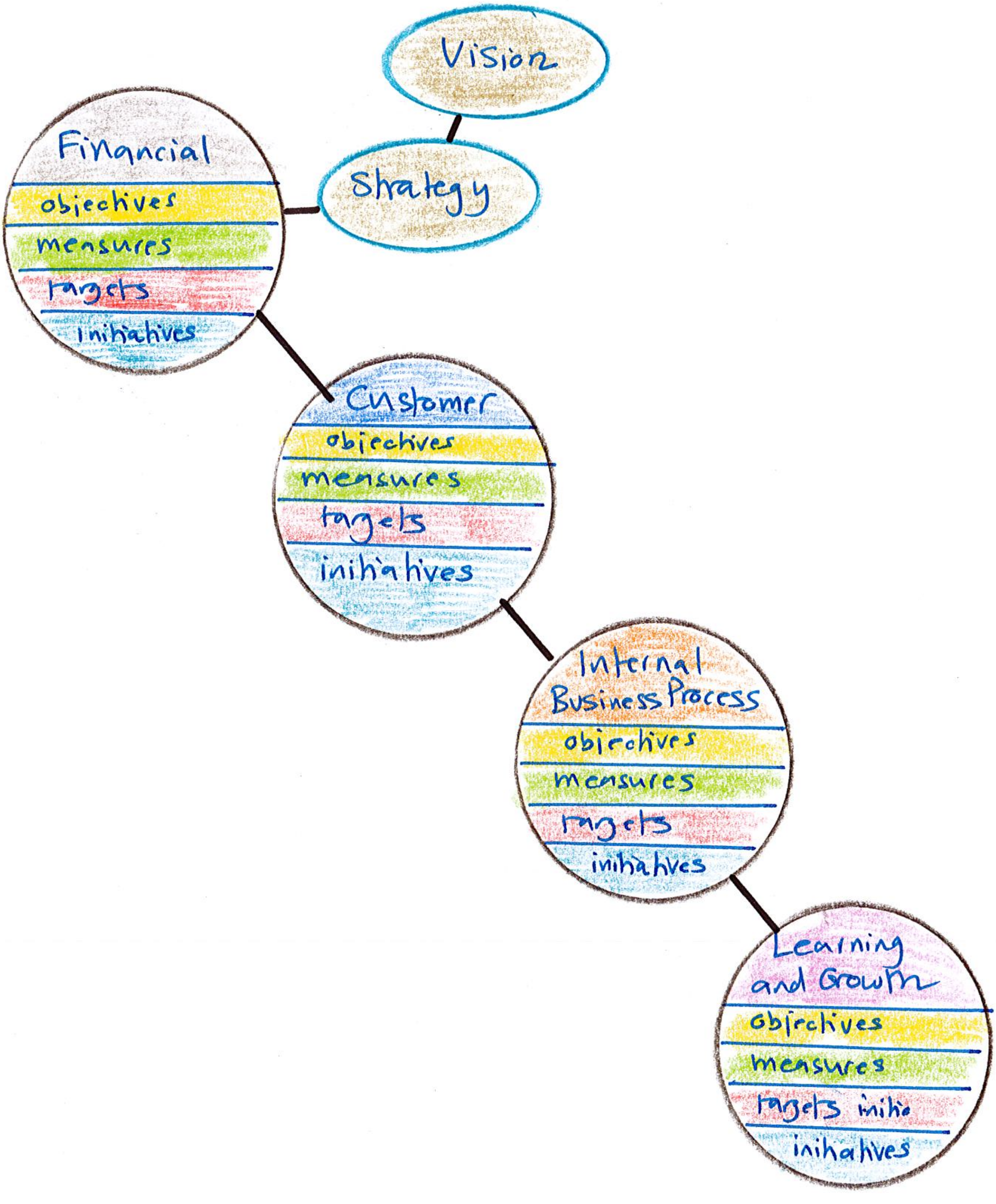
Balanced Scorecard by Robert Kaplan



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Global and International Strategy

Market Size
Access to resources
Economies of Scale
Extend product life
Access new cust.
Apply new tech.

Global — Central office control

Transnational — Interdependence between Centre and offices

International — Decentralised offices

Multi-Domestic — Nationally autonomous offices

Environmental

Culture
Economics
Ethics
Being a Stranger

Entry Modes

Export License Alliance
Acquisiton Wholly owned Subsidiary

Risks in Intl. Business

Political Economic Ethical

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Mergers and Acquisitions

Merger

Combining two firms into one larger firm

Shares in old firms exchanged for shares in new firm

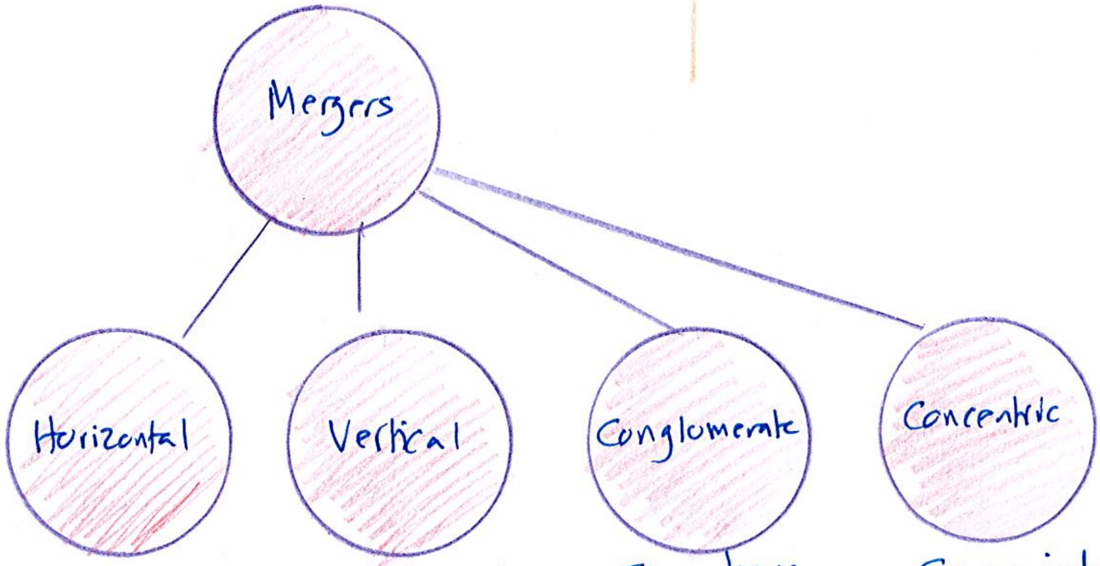
Acquisition

One firm purchases another

Friendly or hostile

Share acquisition

Asset "



Horizontal: Firms in direct competition

Vertical: Customer and firm or supplier and firm

Conglomerate: Firms have no common business

Concentric: Same industry but no mutual customers

Why Mergers and Acquisitions?

- Economies of Scale
- " " Scope
- Strategic opportunities
- Tax benefits
- Increased market power
- Lower risk
- Increased speed
- Acquiring customer base
- Acquiring talent
- Increased speed to market
- Realising potential

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Mergers

Horizontal	Companies in direct competition in same industry
Vertical	Company and supplier customer and company
Conglomerate	Companies do not have any common business
Concentric	companies in same industry but no mutual customers

Economies of scale
" " Scope
Increased market power
overcoming entry barriers
New customer base
Acquiring talent

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Scaling and Co. Growth

Growth Scaling Stages Operations Strategy Resources

Startup Success Initial Growth Rapid Growth Risk

Stability Maintenance External Forces Market

Industry Porters Management Factors Scaling

Market Exploration Market Exploitation

Backward Integration = gain control of Suppliers (vertical)

Forward Integration = gain control of Distributors (vertical)

Buy competitors = Horizontal Integration

Alliances Globalisation Risks

Stakeholders Staff alignment to Strategy

Sales Pipeline CPR Sales

Leadership Infrastructure Customer

Repeatable Growth Automation

Harvest and Exit

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