

Strategic Management

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Class # 3 - Discussion Notes

Case: Young Canada Dock Builders

8 Steps in Planning

Competitive Advantage, Chapter 2

Firm Value Chain

Competitive Advantage, Chapter 7

Market Segmentation

Industry Value System (Industry Level)

Also known as Supply Chain

- . Sales and distribution channels matter**
- . Your choice of where to compete matters**
- . The configuration of the system influences your market segmentation opportunities**

Firm Value Chain (within the firm)

(Chapter 2)

- 1. You can identify key elements in the firm value chain for your situation**
- 2. You can select which elements you should focus on as you concentrate your efforts**
- 3. In using this tool, the resource allocation among cells is the key.**
- 4. In particular, resource allocation is likely to CHANGE over time based on the market strategy that you will pursue. Use this tool to illustrate CHANGES in what you do internally.**

Competitive Advantage Chapter 7: Key Lessons to Retain:

- . There are many ways to define an industry.**
- . There are many ways to arrange a matrix.**

- . After trial and error, reduce the matrix down so that it is useful in helping you to think and explain.**
- . Segments have varying attractiveness.**
- . Attractiveness is based on a combination of:**
 - Size**
 - Growth Rate**
 - Competition**
 - Your Situation**
- . Consider buyer and seller channels in setting up the Segmentation Matrix**
- . You can indicate competitor positions, growth rates, or changes in firm positioning on the matrix.**

end