

ESP lecture 6

1. Part one: Strategic management vs Business strategy: core concepts

Lecture two:(Philip, 2003; Porter, 1998b, 1998a; Understanding Michael Porter The Essential Guide to Competition and Strategy - PDF Room, n.d.-a)

1. Part two: Competitive strategy and general analytical techniques (Porter, 1998b)

1.1. Chapter 1: key concepts: the structural analysis of industries

1.2. Strategy's formulation from the Classic approach view

Creating a competitive strategy essentially entails creating a general formula for how a corporation will compete, what its objectives should be, and what regulations would be required to achieve those objectives. To provide the reader with a standard starting point before diving in (dipping) the analytical



FIGURE I-1. The Wheel of Competitive Strategy

REF:(Porter, 1998b)

framework of these lectures, this section will assess a classic approach to strategy formulation that become a standard in the field. Figures I.1 and I-2 demonstrate this approach.(Porter, 1998b)

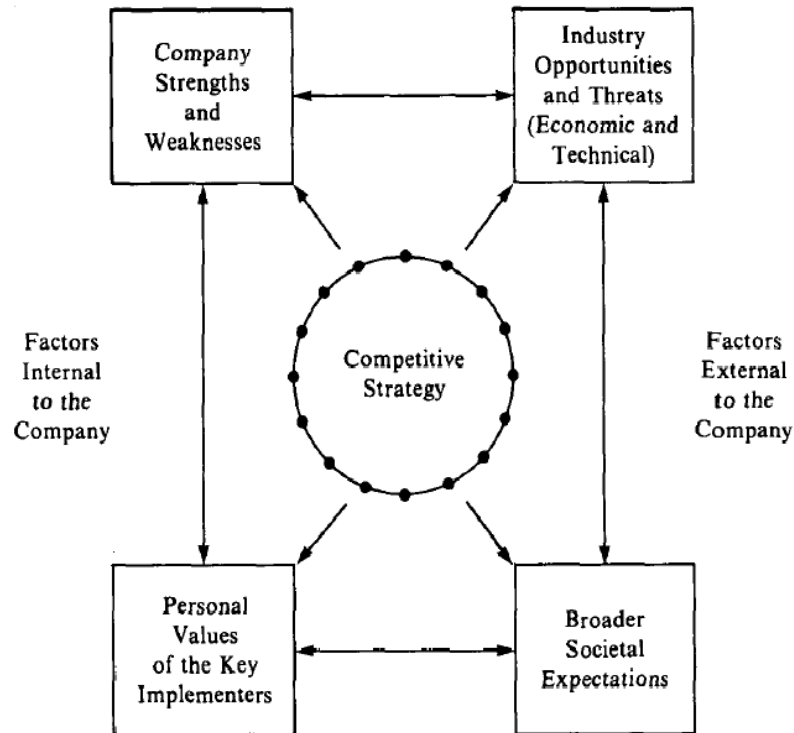


Fig.I.2 Context in which competitive strategy is formulated

Figure one illustrates the competitive strategy is a combination of the ends (goals) for which the firm is striving and the means(policies) by which it is seeking to get there. Different firms have different words(terms) for some of the concepts illustrated. For example, some firms use terms like "mission" or "objective" instead of "goals" and some firms use "tactics" instead of "operating" or "functional policies".

Fig I.1, which can be called the "wheel of competitive strategy" is a device for articulating the key aspects of a firm's competitive strategy . In the hub of the wheel are the firm's goals, which are its broad definition of how it wants to compete and its specific economic and non-economic objectives. The spokes of the wheel are the key operating policies with which the firm are seeking to achieve these goals. Under each heading in the wheel a succinct statement of the key operating policies in that functional area should be derived

1.3. *Chapter 2: Generic competitive strategies*

1.4. *Chapter 3: Structural industries' analysis*

1.5. *Chapter 4: Competitor's analysis*

References

Philip, S. (2003). *Strategic Management*. Kogan Page Limited.

Porter, M. E. (1998a). *Michael E. Porter - Competitive Advantage_ Creating and Sustaining Superior Performance-Free Press (1998).pdf* (p. 422). THE FREE PRESS.

Porter, M. E. (1998b). *Michael E. Porter - Competitive Strategy_ Techniques for Analyzing Industries and Competitors (1998).pdf*. THE FREE PRESS.

Understanding Michael Porter The Essential Guide to Competition and Strategy - PDF Room. (n.d.-a).