Chapter 1

Where to Compete

The product-market investment decision



How to Compete

Value proposition

Assets & competencies

Functional area strategies & programs

Present products

New products

Present	
markets	

New markets

Market
penetration

Market expansion Product expansion

Diversification

STRATEGIC ANALYSIS **Internal Company Analysis External Analysis** · Size, growth, and financial Customer analysis Competitor analysis performance Assets and competencies · Market/submarket analysis (including brand, customer Environmental analysis relationships, innovation) · Image and positioning Current and past strategies · Organizational culture Cost structure STRATEGIC ANALYSIS OUTPUT **External Assessment** Internal Company Assessment Firm strengths, weaknesses, Opportunities, threats, trends, liabilities, problems, constraints, insights, and external and uncertainties uncertainties

CREATING AND ADAPTING STRATEGY

- Identify strategy alternatives
 - Product-market investment strategies
 - Customer value proposition
 - Assets, competencies, and synergies
 - Functional strategies and programs
- Select strategy

IMPLEMENTING STRATEGY AND PRODUCING FIRM VALUE

- Implement strategy
- · Measure performance