**Competitive advantage** – an advantage over competition gained by offering customers greater value, either by means of lower prices or by providing greater cost savings and service that justifies higher prices.

Bowman’s Strategic Clock (Bowman and Faulkner 1997) – 8 strategic positions which compare a company’s performance to target levels and evaluate it relative to competitors. These are based on source-based competitive advantage. Firms in these positions have particular strengths and weaknesses. The VRIO (value, rare, imitable and Organisation) framework can be used to evaluate factors such as the factors of production that includes skilled, labour, education, capital, climate and infrastructure.

*Porter did not identify that a product is either low cost or differentiated you get ‘stuck in middle’ – likely to suffer competitive advantage eg. McDonalds, whsmith, irisons(stagnant and declining).*  
*Porter identified if you are neither low cost or differentiated you get ‘stuck in middle’ – likely to suffer competitive advantage eg. McDonalds, whsmith, irisons(stagnant and declining).*

EVR Congruence – Thompson 1990 (congruence = an agreement or harmony). Creating and maintaining effective strategic management requires a congruence between its environment, values and resources. Environment – a source of opportunities and threats – key external factors. Resources – constitute strengths and weaknesses of strategic competencies and capabilities which either match, or fail to match, environmental needs. (In basic terms a SWOT). The values and culture determine the effectiveness of the E-R match as well as the ability and will of the organisation to change and strengthen this match. Lost organisation – all factors are out of alignment. Carelessness incompetent company are aware of need for success in marketplace and a satisfied customer but are not achieving the desired level of service quality. Unconsciously incompetent – enjoys strategic positioning without real commitment. Strategic drift – lack of environmental change may make the company’s product less attractive.

**Porter’s Diamond 1990** – is a model that is designed to help understand the competitive advantage that nations or groups due to certain factors available to them, and to explain how governments can act as catalysts to improve a country’s position in the global competitive economic environment. Firm strat – compete in the home market that drive innovation and quality. Demand conditions – a country with sophisticated home buyers who have awareness and demand for advanced, quality and innovative products which can create international competitiveness. Rel: supporting industries – inputs for a company which drives its (eg materials sent into Italy drive it’s fashion market). Factor conditions – the factors of production that includes skilled, lab education, capital, climate and infrastructure.

**MINTZBERG 5 Ps for Strategy 1987** – There are 5 definitions of strategy: Plan – some sort of consciously intended course of action, a deal to deal with a situation. Made in advance to the actions they apply and develop consecutively and purposefully. Play – a manoeuvre intended to outwit an opponent or competitor. Pattern – a pattern in a stream of actions of resulting behaviour from the plan. Position – the act of located an organisation in a specific environment (this definition can stand alone as well as after its preceding ones). External. Perspective – An organisation consists of an ingrained way of perceiving the world, the personality of the organisation. Internal. Crafting strategy – strategy is deductive not inductive. Strategists recognise patterns rather than plan Planning actually distort and misguides. Believed in the personal touch of managers and see them as craftsmen. The whole purpose is to manage the strategy of an organisation, not change. Notice the trends

**Activities** (supply chain management, operations, Human resources, marketing, services, profit margin) and **Support A** (Development, HR management, General admin). These vary by industry, the above are basic illustrations. The order of the make up a process.

*Each activity in the chain increases costs and ties up a company’s resources.*

To remain competitive in the market, companies must perform tasks effectively in order to be competitive. By identifying activities, a company must identify each activity (eg. Assets, time, money etc). These costs contribute against each activity as well as the chains of supply competitors.

*A value chain analysis facilitates a comparison, activity-by-a how effectively and efficiently an organisation delivers value customers relative to its competitors.*

**Seven Components of the Macro environment**

*Demographics – size, growth rate, age distribution, geographic dispersion, income and trends of different sectors of the population.*

*Socio-cultural factors – societal values, attitudes, cultural factor lifestyle.*

*Political, legal and regulatory factors.*

*Natural environment.*

*Technological factors.*

*Global forces – changes in the global market.*

*General economic conditions – at a local, national or international scale. Economic growth, inflation, unemployment rates etc.*

Delphi - a flexible, mixed method research technique: (P+4M+0)/6

**Strengths:** ability to develop qual and quan data, provide controlled, anonymous feedback, testing a quality assurance program to support diversity, forward-looking. **Criticism** – definition of ‘expert’ questioned (Kitson et al 1994). Anonymity by panellists leads to a lack of explanatory thinking. (Millovitch et al 1972), no ideal panel size has been stated (Bowles 1999), potential for research bias at all stages from designing of open questions to content analysis. (Sackman 1975).

There has been a decline in Delphi use possible due to the financial and workload factors as well as a change in methodology fashions as this is a dated technique (1944).

For a more comprehensive understanding of natural, cultural, economic and technological conditions, organisations need to look at the departments’ performance and progress. **Kaplan & Norton’s Balanced Scorecard method can be used to assess:**

1. Cost Leadership 2. Differentiation
2a. Cost Focus 3a. Differentiation
3b. Cost Focus

**Seven Components of the Macro environment**

*Demographics – size, growth rate, age distribution, geographic dispersion, income and trends of different sectors of the population.*

*Socio-cultural factors – societal values, attitudes, cultural factor lifestyle.*

*Political, legal and regulatory factors.*

*Natural environment.*

*Technological factors.*

*Global forces – changes in the global market.*

*General economic conditions – at a local, national or international scale. Economic growth, inflation, unemployment etc.*

EVR Congruence - Thompson 1990 (congruence = an agreement or harmony). Creating and maintaining effective strategic management requires a congruence between its environment, values and resources. Environment – a source of opportunities and threats – key external factors. Resources – constitute strengths and weaknesses of strategic competencies and capabilities which either match, or fail to match, environmental needs. (In basic terms a SWOT). The values and culture determine the effectiveness of the E-R match as well as the ability and will of the organisation to change and strengthen this match. Lost organisation – all factors are out of alignment. Carelessness incompetent company are aware of need for success in marketplace and a satisfied customer but are not achieving the desired level of service quality. Unconsciously incompetent – enjoys strategic positioning without real commitment. Strategic drift – lack of environmental change may make the company’s product less attractive.

EVR Congruence - Thompson 1990 (congruence = an agreement or harmony). Creating and maintaining effective strategic management requires a congruence between its environment, values and resources. Environment – a source of opportunities and threats – key external factors. Resources – constitute strengths and weaknesses of strategic competencies and capabilities which either match, or fail to match, environmental needs. (In basic terms a SWOT). The values and culture determine the effectiveness of the E-R match as well as the ability and will of the organisation to change and strengthen this match. Lost organisation – all factors are out of alignment. Carelessness incompetent company are aware of need for success in marketplace and a satisfied customer but are not achieving the desired level of service quality. Unconsciously incompetent – enjoys strategic positioning without real commitment. Strategic drift – lack of environmental change may make the company’s product less attractive.

EVR Congruence - Thompson 1990 (congruence = an agreement or harmony). Creating and maintaining effective strategic management requires a congruence between its environment, values and resources. Environment – a source of opportunities and threats – key external factors. Resources – constitute strengths and weaknesses of strategic competencies and capabilities which either match, or fail to match, environmental needs. (In basic terms a SWOT). The values and culture determine the effectiveness of the E-R match as well as the ability and will of the organisation to change and strengthen this match. Lost organisation – all factors are out of alignment. Carelessness incompetent company are aware of need for success in marketplace and a satisfied customer but are not achieving the desired level of service quality. Unconsciously incompetent – enjoys strategic positioning without real commitment. Strategic drift – lack of environmental change may make the company’s product less attractive.