r opportunity for growth. Cirque du Soleil (CdS) 1984 created a new market place targeting adults rather than children. Creates a new demand cycle
*econstruct market boundaries * Focus of big picture not numbers * reach beyond sting demand * get strategic sequence right * overcome key organisational hurdles * ld execution in the strategy **

ed Ocean – industry boundaries are defined and accepted. Outperform rivals, wed market space.
rategic theory has mostly concentrated on competition based red ocean strategies.
alue Innovation – focus on making the competition irrelevant rather than beating m. Come away from the *value-cost trade off* by pursuing differentiation and low t. CdS cut out animals, had one stage and decreased performers to lower the cost. s lowered the cost and differentiated meaning they could charge a higher price.
ur Actions Framework– (in relation to industry standards) Reduce-Eliminate(to p costs)-Create-Raise (to lift buyer value and demand) grid. Yellow Tail wine ated simple wine: cut out aging process, complicated flavours, product range and gon.
ang & Yang 2011) – A firm must create value rather than just satisfying customers be successful

ission is the present business and purpose. One of the most popular and despread management tools. It should: identify company's products/services, ecify buyers needs that the company seeks to satisfy, identify customer, mmunicate company identity. *Provides an effective vehicle for communicating to ernal and external stakeholders, guides allocation of resources, provide a sense of rpose, inspires members by describing values.*
sion is the future. The company's long term direction and what product-market-tomer business mix. Distinctive and specific. Should provide a management tool giving a sense of direction. Must be understood by all levels of staff. A well-ught-out vision: Sets senior exec's views of the company direction, reduces risk of aseless decision making, tool for winning organisation member's support, provides opportunity for lower level management to set objectives, helps prepare for the ure.
nior management need to distinguish between strong and weak visions (Rafferty Griffin 2004) as well as positive and negative visions (Senge 1990) to ensure ectiveness. Particularly important in geographically dispersed organisations so to re one vision (Kantabutra & Avery 2010). They also found a **positive correlation** ween clear, concise, inspiring, future orientated vision statements and ganisational performance.
nderstanding how the **customer** sees the company's mission and vision is vital, s can be done by creating a slogan. K & A 2010 found shared vision statements ve positive, direct effects on customer and staff satisfaction (in Sydney retail res). Compared to vision statements Fortune's best companies to work for (2002), st had similar qualities.

Legal **ANALYSIS** – *provides a general idea of the macro environment and situational of a company.* The concept of international competition has increased due to the rise in technology and ease of cross-country purchase. Macro factors are greater and more important. **Strategic analysis** is one of the basic stages of strategic management. **Environmental analysis** *is important for developing a sustainable competitive advantage, identifying opportunities and threats and providing opportunities for productive corporation with other companies.*
*__Basic functions__ – Identify the environment in which a company operates *and* provide data and info used to predict future situations and circumstances.
*__Criticisms__ – does not adopt a qualitative approach to measurement so cannot be objectively or rationally analysed. Does not rate the importance of each factor and sees each section as independent entities (Dincer 2004). One factor my influence other factors (Erin 2002). These limitations do not allow detailed and objective analysis of macro environment (Dare 2006, Katko 2006, Shilei & Young 2009, Vitkiene 2009, Mayaka & Prasad 2012). (Yuksel 2012) – proposes an alternate model to address the limitations. The model made it possible to determine the positions and relative importance of all factors by using DEMANTEL and ANP.

Objectives convert mission and vision into specific performance targets. They can provide **motivation**, **focus** and **standards**. **Financial objectives** are targets for financial performance and **strategic objectives** are for an organisations marketing standing and competitive validity. The **balanced scorecard** (BSC) is a tool, which helps to achieve financial objectives by linking them to strategic ones. A company's past financial performance s not an indicator for its future (*lagging indicator*). Strategic outcomes which indicate the competitive position of the organisation are the best and most reliable *leading indicators* for its future. Linking the two provides a clear guideline for employees on how their jobs are linked the objectives. (Kaplan & Norton 1996) Scorecard lets managers link long-term strategic objectives with short term actions through 4 processes: *Translating the vision, communicating and linking, business planning and feedback and learning.* **The Alliance Strategy Map** (by pharmaceutical companies in Brussels and presented by Kaplan et al 2010) – Identifies 5 strategic themes *(lining the alliance, collaboration, speed and process innovation, growth and value for both)* of a partnership and identifies how each of them will be of value to each company. The map goes from *Employees & Organisation > Business process > Customer value > Stakeholder outcomes.* A scorecard is then created by specifying metrics, targets and initiatives for each objective. This approach has yielded impressive results: savings, faster work rate and new products to market faster.

on costs and/or prices. Important to understand the industry position the firm to deal with changes in forces of con Anticipate consequences of changes in forces. Select the segment in which to compete as each has different opportunitie
*If there are few **suppliers**, they are able to set the price. suppliers. If the **product** is not unique, the **buyer** be price Powerful buyers have the power to drive down prices and den increase in value. Eg cement industry in US, buyers are big com are able to drive down prices, in Mexico most buyers are indiv have no power.
***Competitive rivalry** comes when selling the same product
***Threat of substitution** comes from alternate products that same need
*X-axis – Supply chain / Y-axis – the operating environment
*Tackles the misconception that competition is a direct contest rivals
***High profit industries** (eg pharmaceuticals) – highly diffe product, protected by strong patents. Has a great amount of p from new entry, competition between firms are limited as t different patented products. However, generic products (wit patents) offer a very different competitive structure and profitability.
***Low profit industries**– (wireless telecommunications) p suppliers (government-monopoly) is high as you need to bi against competitors. (Consumer goods) Have strong buyers wh for discounts. (Airlines in Europe) High threat of substitutes high-speed rail services. Overall excess capacity within the multiple companies.
***Strengths** - simplified Micro-economic theory, effectively **systems thinking**, showed how **competitive revelry** is a funct other forces, helped to **predict** long-run rate of returns, empha importance of **imperfect markets** and their opportunities for returns, emphasized the importance of **negotiating pow** bargaining in determining market attractiveness, focused man **external environment**.
***Critique** – Not much **development** since its creation, fail directly to **possible management action**, over-stresses th analysis, **oversimplifies** industry value chains, ignores the **industry boundaries** are now far more fluid and sees an indu specific entity, **self contained** and not related to PEST factors, **economic terminology** and **over branded.**
* **The great success of the model may have lead to it n adequately challenged or developed** (Grundy 2006)

ompany's **Strategy** is the set of actions that its managers take to perform the company's competitors and achieve superior ofitability (Thompson et al 2014). A company strives for **mpetitive advantage,** which is achieved by having some type of ge over its rivals in attracting buyers and coping with mpetitive forces. Managers must be ready and willing to **modify** strategy in response to changing market conditions. A blend of **oactive** and **reactive** responses makes up the **deliberate** and **ergent** strategies of a company, some strategies will be **andoned** due to becoming obsolete or ineffective (Mintzberg). **od strategy** provides clear answers to 4 questions: *1. Where to mpete? 2. What unique value do we bring? 3. What resources and abilities do we utilise? 4. How do we sustain our unique value?* It o provides a clear boundery line eg. IKEA does not try to mpete in the high end furniture market (Kryscynski 2015). mpetition is not about being the best because there is no 'best',

Strategic management process: 1. Developing a strategic vision, mission and values. Provides direction, motivation and guidance. 2. Setting objectives to conver and vision into performance targets and using targeted results as measures of performance. 3. Crafting Strategy to move the organisation along the strategic cou has been charted. A learning-by-doing process involving experimentation. 4. Executing the chosen strategy and converting the plan into action. 5. Monitoring deve evaluating performance and initiating corrective adjustments deciding whether to continue with or change an organisations mission, vision, objectives, strategy etc

Sixth Force – Complementors, organisations whose products compliment eg. Smartphones and accessories/apps.
Value Net Model (Brandenburger & Nalbuff 1996) shows the relationship between those who surround the business (buyers, complementors, competitors and s Highlights the need for firms to collaborate in order to create value rather than just competing. Co-opetition (competition and cooperation). **Game Theory** (1928) the concept that each player brings added value to the game, the rules of the game structure the player interaction and player perceptions affect the game. the game your must change one of these components. **Value Network Analysis** (Allee 2008) a way to model, analyse, evaluate and improve the capability of a b convert tangible and intangible assets (financial assets, human competence, brand and relationship, internal structure) into other forms of negotiable value eg pr expertise (intangible) to consulting services (tangible). The two mediums of exchange for intangibles are: through conversion to monetary value or through conve negotiable form of value that can be used more informally as a type of barter. Value conversion is the act of converting or transforming financial to non-financi an intangible input or asset into a financial value or asset. Knowledge is one of the most interchangeable commodities. Value can be converted into inputs or outp **conversion strategy model** (Allee & Schwabe 2007) shows the conversion from assets into roles (utilising assets) and roles into assets (realise value) eg. Addin service to make it charged. Roels – played by real people or participants in the newtwork who provide contributions and carry out functions. Transactions – origi