Strategic positioning

A Business-level strategy is a strategy targeted to compete in a single industry or product market using your core competencies. Business-level strategies are intended to create differences between the firm's strategic positon and those of its rivals.
To position itself relative to its rivals, the firm must decide either to perform activities differently, or perform different activities to its rivals.

Basically, strategy is about two things: deciding where you want your business to go, and deciding how to get there.

Porter (1985), in his generic strategies approach, explains the different strategies that a firm can decide to pursue. He states that strategies involve taking offensive or defensive actions to create a defendable position in the industry. Generic strategies can help the organization to cope with the five competitive forces in the industry and do better than other organization in the industry. Generic strategies include **cost leadership**, **differentiation**, and **focus**. Generally, firms pursue only one of the above generic strategies but some firms make an effort to pursue more than one strategy at a time by bringing out a differentiated product at low cost. However, according to Porter, if firms try to maintain cost leadership as well as differentiation at the same time, they may fail to achieve either.

Michael Porter has described three general types of strategies that are commonly used by businesses to achieve and maintain competitive advantage. These three generic strategies are defined along two dimensions: Strategic scope and strategic strength. Strategic scope looks at the size and structure of the market you intend to target. While strategic strength looks at the strength or core competency of the firm.