



DPM Overview

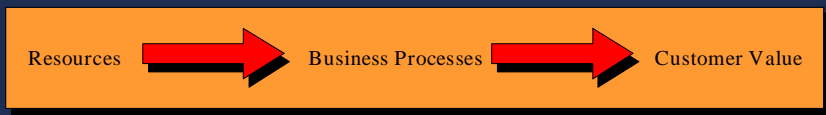
- Strategy Content and Process
- The Role of Culture
- Competencies, Assets & Competition
- Corporate Level Strategy
- Sustaining Advantage



Strategy Content & Process

* The Multiplicity of Views of Strategy

- ☞ Strategy as muddling through
- ☞ Strategy as the process of resource usage and development
- ☞ Our model

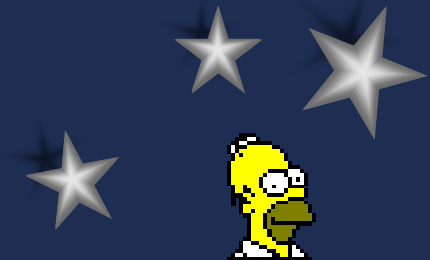


* Strategy is Developed within an Organizational and Personal Context

- ☞ Strategy \neq Planning
- ☞ Strategy requires a strategic system

* Strategic Intent

- ☞ The dynamic of strategy
- ☞ Strategy as a definition of a 'future'
- ☞ Strategy as commitment



The Role of Culture

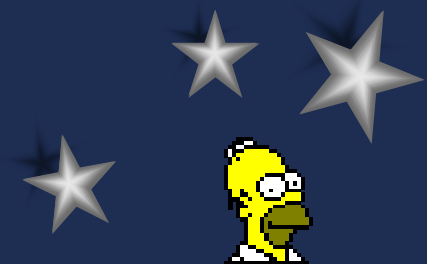
✿ Culture defines the organizational environment within which strategy is developed

☪ Hard culture

- ✗ Organizational hierarchy
- ✗ Control systems
- ✗ Power structure

☪ Soft culture

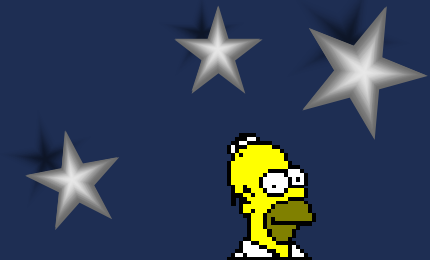
- ✗ Stories
- ✗ Symbols
- ✗ Routines & rituals



Strategically Valuable Assets

✿ Strategy Can Only be Developed Upon Strategically Valuable Assets and Resources

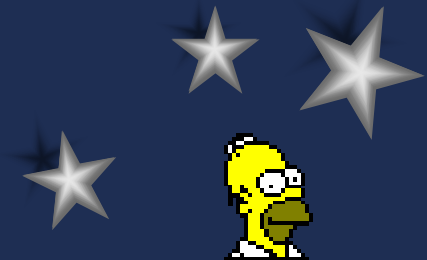
- ☪ Imitability—Is it rare?
 - ✗ Casual ambiguity
 - ✗ Path dependence
- ☪ Durability—Is it long lived?
- ☪ Substitutability—Is there an alternative?
- ☪ Appropriability—Who gets the rents?
- ☪ Importance (Salience)—Does it matter?



Rules of Engagement

✿ Strategy is Determined Within an Environmental Context

- ☪ Rules of engagement allow markets to function efficiently
 - ✗ As such they can blind players in the game to change
- ☪ Do you work to keep the rules or break the rules?
 - ✗ New entrants rarely win by following the rules
 - ✗ Established players may chose to break the rules before someone else (either a new player, a savvy established firm, or a desperate established firm)

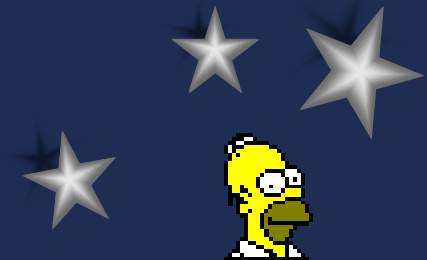


The Strategy Map

✿ The Process Map

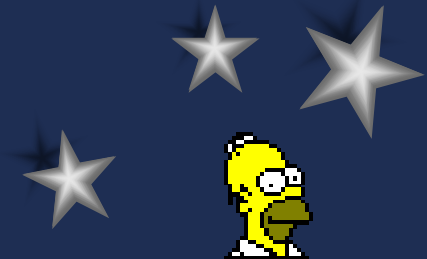
- ☪ Articulate the customer segment's value
- ☪ Break the value creation process into its component stages
- ☪ Relate the process stages and support activities to required competencies and your own resources
- ☪ Relate the component stages to specific process activities
- ☪ Relate these specific process activities to specific components of the customer valuation process of a specific customer segment

✿ The Goal is Efficiency in the Provision of Customer Value



Corporate Strategy

- ✿ Corporate Level Strategy Requires a ‘Corporate Logic’
 - ☪ What is the purpose in having this bundle of businesses
- ✿ The Corporate Core Must:
 - ☪ Provide benefits to the individual businesses and/or
 - ☪ Be built and sustained by the individual businesses



Sustainability of Advantage

❁ Components of Sustainability

- ☪ Flexibility & adaptability
- ☪ Environmental monitoring
- ☪ Internal change systems
- ☪ Protection, development and expansion of strategically valuable assets and resources

❁ Long-Run Success Depends on Creating Socio-Cognitive Advantage:

- ☪ The ability to generate know-how
- ☪ The ability to transfer this know-how
- ☪ The ability to regenerate know-how

