*Strategic Management*, 9e: Chapter 5 study guide

Checklist of some factors to help develop dynamic strategies

Here are some factors that will assist in developing a more dynamic approach to strategy analysis. They are in no order:

1. Head-on attacks are expensive and unlikely to succeed against well-established products and services where there is no technical breakthrough by the attacking company. In other words, if you don’t have technical superiority or some other form of real differentiation, it is at best expensive to attack the market leader.

2. A flanking attack – i.e., an attack on a market segment that avoids the dominant competitor – may be much more effective against the market leader.

3. Where this is dominant company, it may be better to segment the market and attempt to dominate a segment.

4. In most strategy situations, it is important to identify and then exploit the competitive resource advantages of the organisation. If the company has no competitive advantages, then it is questionable whether the company will be able to meet its objectives.

5. In any event, it is much better to concentrate resources on markets, regions or segments. While it is possible to take warfare analogies too far in business strategy, it makes sense to adopt this one: it is difficult to win against competitors if the resources are spread too thinly.

6. Exploit segment opportunities. Many markets have strategic opportunities: perhaps a segment that is poorly served, perhaps a segment that is growing fast, perhaps a new way of meeting existing demand.

7. Seek out other companies that might be interested in cooperation: the combination may be much more effective, even if cooperation is often difficult to manage.

8. Cooperation is easier when the partners complement each other rather than compete with the same resources.