

Strategy and Entrepreneurship

Strategy as the road to success



Why strategy is important for a business?

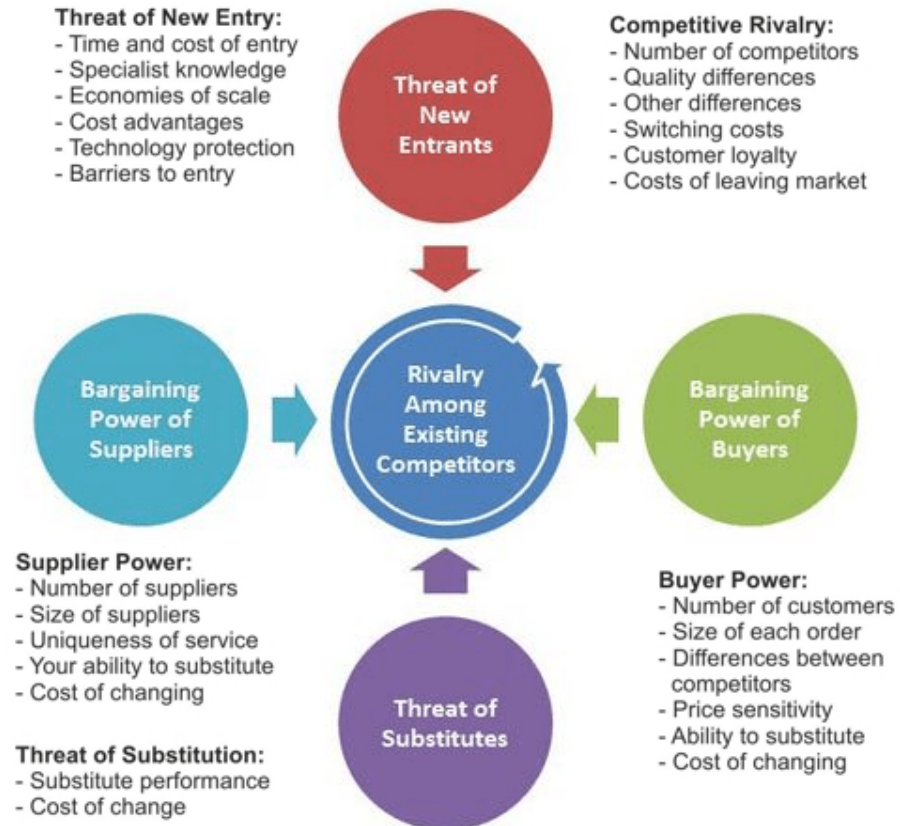


- Definition of the business itself
- Set of values and principles
- Purpose
- Vision
- Roadmap
 - how they are performing,
 - what their capabilities are,
 - and if these capabilities are able to help them grow

What tools are available to build a business strategy? (1)

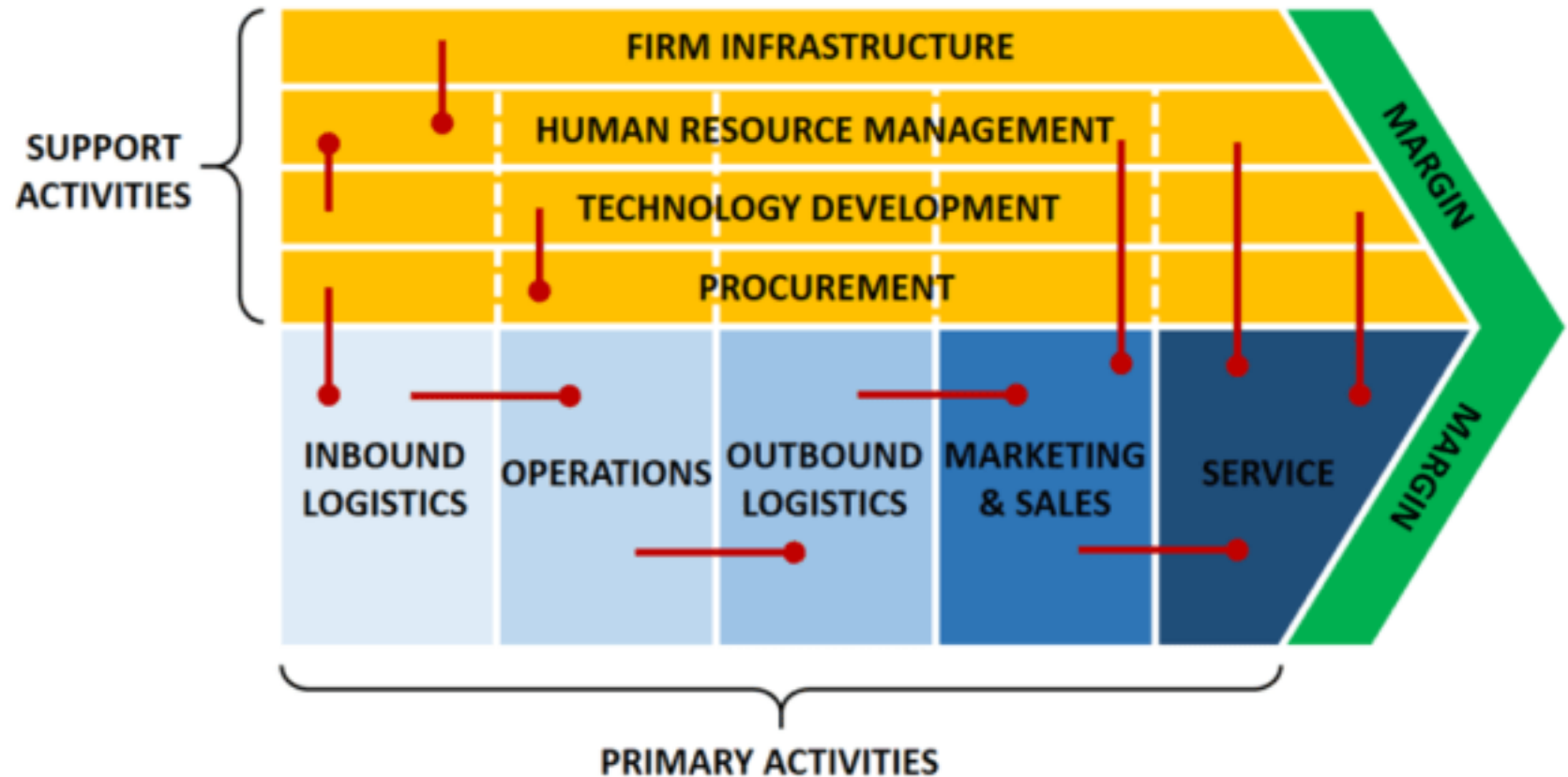
■ External environment analysis

Five Forces Analysis (Porter)



What tools are available to build a business strategy? (2)

- Internal Environment analysis



What tools are available to build a business strategy? (3)

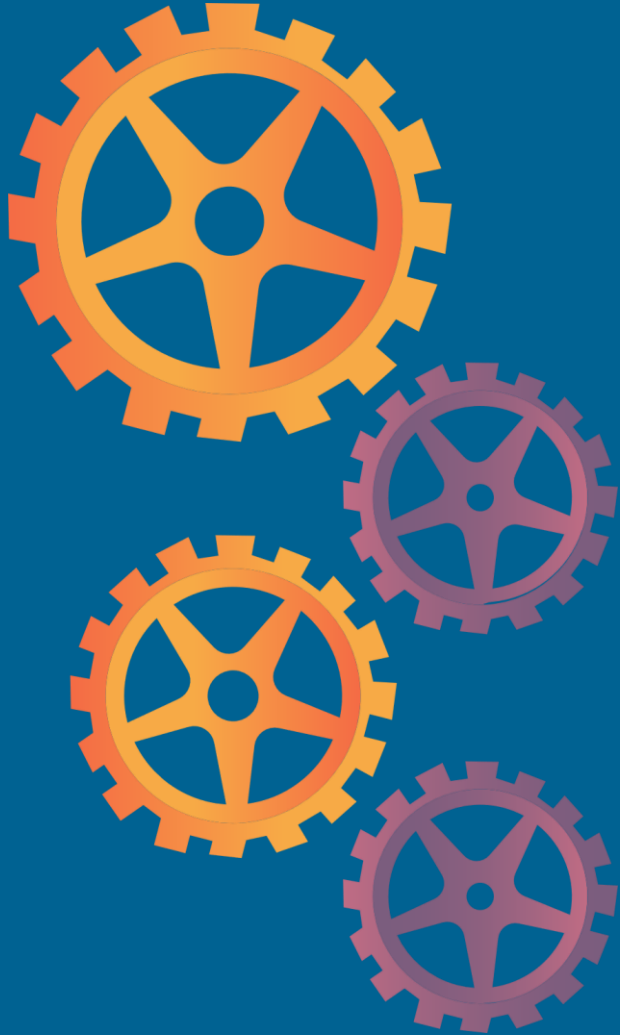
■ Risk and Innovation analysis (Entrepreneurial Strategy Matrix)

Innovation (Creating a unique and Diferrent Product/Service)	High	High Innovation Low Risk	High Innovation High Risk
	Low	Low Innovation Low Risk	Low Innovation High Risk
		Low	High
		Risk (Probability of Major Loss)	

Sonfield, M., Lussier, R. (1997), 'The entrepreneurial strategy matrix: A model for new and ongoing ventures', Business Horizons, Vol 3, p 73.










What tools are available to build a business strategy? (4)

■ SWOT Analysis (External – Internal)



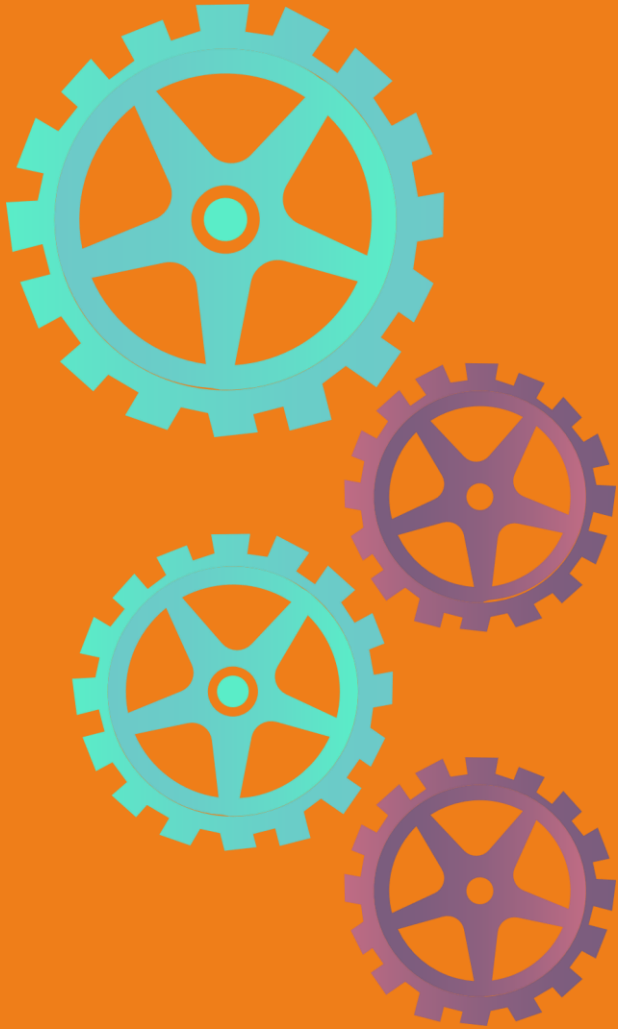
What tools are available to build a business strategy? (5)

■ Business Canvas

The Business Model Canvas		Designed for:	Designed by:	Date:	Version:
Key Partners  Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform? REASONING FOR PARTNERSHIPS Economies of scale and scope Reduction of risk and uncertainty Acquisition of particular resources and activities	Key Activities  What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams? EXAMPLES Production Software development Problem Solving Platform/Network	Value Propositions  What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying? EXAMPLES Convenience Personalization Customization "Selling the air down" Design Brand/Status Price Clear Reduction Risk Reduction Accessibility Convenience/Usability	Customer Relationships  What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they? EXAMPLES Personal assistance Dedicated Personal Assistance Self Service Automated Services Communities Co-creation	Customer Segments  For whom are we creating value? Who are our most important customers? EXAMPLES Mass Market Niche Market Segmented Overlapped Multi-sided Platform	
	Key Resources  What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams? TYPES OF RESOURCES Physical Intellectual (brand patents, copyrights, data) Human Financial		Channels  Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines? CHANNEL MODELS 1. Awareness How do we raise awareness about our company's products and services? 2. Evaluation How do we help customers evaluate our organization's Value Proposition? 3. Purchase How do we allow customers to purchase specific products and services? 4. Delivery How do we deliver a Value Proposition to customers? 5. After sales How do we provide post-purchase customer support?		
Cost Structure  What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? IS YOUR BUSINESS MORE Cost Driven (lowest cost structure, low price value proposition, maximum automation, extensive outsourcing) Value Driven (focused on value creation, premium value proposition) SAMPLE CHARACTERISTICS Fixed Costs (salaries, rent, utilities) Variable costs Economies of scale Economies of scope		Revenue Streams  For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues? TYPES Asset sale Usage fee Subscription Fee Licensing/Renting/Leasing Licensing Advertising fees Advertising	STREAM MODELS Lot Price Product feature dependent Customer segment dependent Volume dependent STREAM TYPES Registration (one-time) Freemium (one-time) Real-time Market		

Are there any distinct types of Entrepreneurships?

- ✓ Replicative versus innovative
- ✓ Opportunity-based versus necessity-based
- ✓ Corporate Venturing
- ✓ Social Venturing



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