

SUMMARY OF WHAT IS STRATEGY? CASE-STUDY

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Strategy

Strategy is creating a valuable and unique position that involves numerous sets of projects and it requires making trade-offs, involving the creation of “fit” among the activities of an organisation (Porter, 1996). The centre of strategy is based on the action selection activities that have a greater focus on the actions that differs from the rivals in the industry. More importantly, strategy inclines toward the construction of a slogan that is used for marketing in manners that does not withstand competition and is not considered as operational effectiveness.

Strategy Versus Operational Effectiveness

SUMMARY OF WHAT IS STRATEGY? CASE-STUDY

Strategy and operational effectiveness are essential for superior performance that helps an organisation in accomplishing its organisational goals & objective. However, both operational effectiveness and strategy work distinctively. Operational effectiveness refers to performing the activities that helps in creating and producing, selling as well as delivering a service or product in a better, faster or with limited defects and inputs in comparison with the industry rivals. Whereas, strategy is more focused on performing distinctive activities from that of the industry rivals or even if an organisation performs similar activities, it ensures that it is performed in a completely different way (Porter, 1996).

Although, the operational effectiveness lies in accomplishing excellence in individual functions or activities, strategy combines every activity of an organisation and creates a fit with further focusing on reinforcing one another.

Furthermore, strategy is more about deliberately choosing distinctive sets of activities for delivering a unique value mix that requires challenging choices. Positioning trade-offs is an essential component of it that helps a company in being extensively competitive by choosing the activities that need to be eliminated. On the other hand, operational effectiveness internalises the idea of eliminating trade-offs and running at a faster speed for just being in the market, determining the relative performance of an organisation because of its seductive pursuits of being actionable and concrete (Porter, 1996).

Types of Positioning

Variety-based Positioning

Variety-based positioning is based upon producing different subsets of existing industry's services or products, ignoring the consumer segments (Porter, 1996). Focus is laid more on making economic senses during the time an organisation is capable of being able to best create particular services or products by using differentiating sets of different activities. For example, Jiffy Lube International specialised in offering automobile lubricants to their consumers and is focused on avoiding any other car maintenance or repair services. The value chain of Jiffy Lube International produces a quicker service at a lower cost that helps in attracting consumers that wish to go to rivals to purchase other services than lubricating.

Needs-based Positioning

Needs-based positioning refers to satisfying all or most of the requirements of particular consumer groups (Porter, 1996). This positioning type arises out of the requirements of particular customer groups, demanding tailored activities. For example, the organisation Ikea

follows the needs-based positioning strategy by offering all the requirements and not just subsets of home furnishing to their consumers.

Access-based Positioning

Access-based positioning is about segmenting consumers that are accessed differently. Although, the requirements of all the consumers remain the same, the best customization of activities for reaching them differs (Porter, 1996). For example, Delta Air Lines serves a wider array of consumers by performing numerous sets of activities that are designed for meeting the common needs of customers, ignoring or meeting partially only the most distinguishing consumer demand of a particular group.

Activity-system Map

Activity-system map demonstrates the ways of containing an organisation's strategic position in sets of customised activities designed for delivering it (Porter, 1996). This map is used for examining the strategic fit and even focuses on strengthening it. An organisation can use an activity-system map for strategical analysis by following the process ahead.

Firstly, an organisation is required to check if each of their organisational activity is constant with their overall positioning namely, the produced varieties, the served needs and the consumer's type accessed. This inspection demands the organisation to question the responsible members assigned for the above-mentioned activities to identify the ways of detracting or improving other activities in an organisation for better performances. Secondly, an organisation is required to identify methods for strengthening the ways of groups of numerous activities and activities that reinforce one another. Finally, for using an activity-system map for performing their strategic analysis, an organisation needs to analyse if changes in any one activity can eliminate the requirements for performing other activities (Porter, 1996).

Leadership Responsibilities

- Organising deals and operational improvements.
- Defining as well as communicating organisational unique position, make trade-offs & ensuring forging fit between activities.
- Responding to specific industrial changes & consumer needs, avoiding organisational distractions and maintaining company's distinctiveness (Porter, 1996).

Reference

Porter, M. (1996). What Is Strategy?. Retrieved 13 June 2022, from <https://hbr.org/1996/11/what-is-strategy>