

# Reaching Sustainable Competitive Advantage

Through

Unique Value Proposition



# Got Strategy?

The understanding of the competitive forces impacting profitability in an industry, combined with organizational analysis of its strengths and weaknesses, positioned to competitive advantage, could propel your business from surviving to a thriving mode.



CONSULTANTS



So is your business operating adrift or swiftly navigating making the most of tides, currents and storms?



# Strategy vs. Operational Effectiveness

"The quest for productivity, quality, and speed has spawned a remarkable number of management tools and techniques: total quality management, benchmarking, time-based competition, outsourcing, partnering, reengineering, change management. Although the resulting operational improvements have often been dramatic, many companies have been frustrated by their inability to translate those gains into sustainable profitability. And bit by bit, almost imperceptibly, management tools have taken the place of strategy. As managers push to improve on all fronts, they move farther away from viable competitive positions...

A company can outperform rivals only if it can establish a <u>difference that it can preserve</u>. It must deliver greater value to customers or create comparable value at a lower cost, or do both. The arithmetic of superior profitability then follows: delivering greater value allows a company to charge higher average unit prices; greater efficiency results in lower average unit costs."

Source: Michael E. Porter – What is Strategy? Harvard Business Review



## Got Sound Strategy?

Having a strategy is not enough to successfully compete in this global economy. Companies must successfully position themselves and be capable of quickly repositioning in response to rapid changes in the global markets and technologies. From small to large organizations, operating domestically or internationally, to successfully compete means to have a SustainABLE competitive advantage through a value proposition that is AdapTable.

The use of strategy frameworks can support organizations in the process of strategy formulation. Nevertheless, any strategy success ultimately relies on the organization's ability to implement such strategy, hence to change. Therefore creating an organization that is adaptable is essential to any strategy formulation.



## The Role of Data Intelligence

An ever growing amount of information gathered on organization's operation through its internal systems, and from outside sources such as mobile communication, blogs, email and internet surfing are resourceful data to provide organizations with intelligent insight.

Data Analytics becomes the basis for successful strategy formulation as it allows:

- Identification of emerging trends
- Ability to identify current trends for timely responses
- Insight on competitors' strategy
- Identification of new markets
- Understanding of customers' behavior and preferences
- Product perceptions









## Data Analytics

### **KEY FACTORS**

- Data Reliability
  - The source, quality, accuracy and timing of available information is fundamental
- Scope
  - Focus on gathering data relevant to strategic areas of the organization. The gathering of unrelated data,
     perhaps irrelevant to the business, can disturb the analysis
- Cost
  - Data scope definition helps manage the ROI on data acquisition. The acquisition of data can be very
    expensive, therefore defining a scope helps to manage the cost and measure the return on the investment.
- Qualified Analysts
- You will need resources capable of researching hypothesis, identifying trends and creating regression models
  that are relevant to the business, as well as being able to communicate its findings to management.



# Data Analytics

### BEYOND DATA ANALYTICS

Data analytics becomes a relevant component for strategy formulation, yet it cannot provide business with insight on disruptive technologies or global events. To this extent, business strategy relies on strategists' ability to understand the impact of emerging trends and global developments to create STRATEGIC FORESIGHT.



# Strategic Foresight

Successful strategy formulation relies on strategists' ability to predict using assumptions derived from sound data intelligence and global perspective.



**PAST PRESENT** NFAR FUTURE **FUTURE Emerging Trends Current Trends** Understand of Trends Evolution **ERP** Reporting CRM OLAP - Online **Business** Analytical Processing Apps Ad-Hoc Reports Social Media Public Web Predictability Models Media Risk Analysis

# **BUSINESS STRATEGY DEVELOPMENT**



### Zetta Consultants Value Added

Zetta consultants strategists are critical thinkers capable of understanding the impact of emerging trends and global developments to create foresight. Their best practices and applied knowledge to various industries allow them to quickly understand the competitive landscape and guide organizations through the different phases of a strategy development.

#### STRATEGY FORMULATION

- Industry and Competitor Analysis
- Competitive Advantage
- Growth Strategies
- Global Competition
- Transformation

- Structure
- Culture
- People
- Leadership
- Systems

#### STRATEGY PLANNING

- Current and desired future status
- Generate strategic alternatives
- Strategic choices
- Organization & Management
- Evaluation & Control

#### STRATEGY IMPLEMENTATION

Strategy implementation bears 99% of the risk of any strategy developments. Our consultants are equipped to help your organization change through effective communication strategy implemented through our Program & Project Management and Operational Improvement services.



### Zetta Consultants Framework

Description of all variables influencing organizational performance that relates to strategy.

An explanation of how industry influences firm level strategy, and how firm level strategy in turn influences industry.

### Performance

The objective of a business strategy is to increase corporate performance to a competitive advantage position. It is achieved by having a Unique Value Proposition.

### Unique Value Proposition

Exists when a company can offer something that no one else offers and that cannot be easily replaced. Such condition is identified by analyzing internal and external conditions.

### Sustainable Competitive Advantage

It is achieved when a company has differentiation and cost advantage in relation to its competitors

# Internal Conditions Organization Analysis



### Barriers to Entry

Existing internal and/or external conditions that make difficult for a new player to enter the industry

# External Conditions Industry Analysis

SWOT Analysis

Porter's Five Forces Analysis



### Industry Analysis – The Sixth and Seventh Competitive Force

### COMPLEMENTORS (6) GOVERNMENT & CULTURE (7)

 Time and cost of entry Regulations Specialist knowledge Threat of Political stability Economies of scale New · Social stability Cost advantages Government Entrants Environmental issues Technology protection & Culture Barriers to entry Cultural sensitivities Number of customers Bargain Size of each order Number of suppliers Competitors difference Power of Size of suppliers Bargain Price sensitivity Rivalry **Buyers**  Uniqueness if service Ability to substitute Power of **Among**  Price sensitivity Cost of changing **Suppliers**  Ability to substitute Existing Cost of changing Competitors Number of competitors Quality differences Other differences · Number of products and Switching costs services · costs of leaving market Complementors Performance Partnership to Threat of competitors Substitute Substitute performance Products or Cost of changing

Suggested Reading:

Services



### **SWOT Analysis**

"Competitive strategy begins with the iterative assessment of the external environment and the organization's internal capabilities. This process of looking outside as well as inside is known to strategic planners by the acronym "SWOT": Strengths, Weaknesses, Opportunities, and Threats. " *Harvard Business Review* 

#### The SWOT Matrix

This matrix helps companies to develop strategies that match their <u>strengths</u> and <u>weaknesses</u> (internal conditions) against the <u>opportunities</u> and <u>treats</u> identified (external conditions). In this case instead of pursuing the most lucrative opportunity available a company should focus on areas it can develop a competitive advantage (SO). In some cases a firm strategy will be to overcome weaknesses to take advantage of a market opportunity.

The matrix can also be used to develop risk management strategies for a firm, as identified threats are aligned with areas of weaknesses of the organization

SWOT MATRIX	STRENGTHS	WEAKNESSES
Opportunities	Develop strategies to pursue opportunities that are a good fit to the organization's strengths (SO)	DEVELOP STRATEGIES TO OVERCOME WEAKNESSES TO PURSUE OPPORTUNITIES. (WO)
THREATS	DEVELOP STRATEGIES THAT ORGANIZATION CAN USE ITS STRENGTHS TO REDUCE ITS VULNERABILITY TO EXTERNAL THREATS (ST)	DEVELOP DEFENSIVE STRATEGIES TO PREVENT A ORGANIZATION'S WEAKNESSES TO BECAME VULNERABLE TO EXTERNAL THREATS.



## Zetta Consultants Insights

"The use of strategy frameworks can support organizations in the process of strategy formulation. Nevertheless, any strategy success ultimately relies on the organization's ability to implement such strategy, hence to change. Therefore creating an organization that is adaptable is essential to any strategy formulation."

"Data analytics becomes then a relevant component for strategy formulation, yet it cannot provide business with insight on disruptive technologies or global events. To this extent, business strategy relies on strategists' ability to understand the impact of emerging trends and global developments to create foresight."

"Successful strategy formulation relies on strategists' ability to predict using assumptions derived from sound data intelligence and global perspective."

"Government & Culture – The Seventh Force: Its is undeniable how government regulations and subsidies, and prevailing values and beliefs can affect an industry."



# Why Zetta Consultants?

- APPLIED DATA INTELLIGENCE AND GLOBAL PERSPECTIVE TO CREATE STRATEGIC FORESIGHT
- SUCCESSFULLY POSITIONING WORLD-WIDE ORGANIZATIONS TO COMPETE
- CRITICAL THINKERS PROVIDING INNOVATIVE SOLUTIONS

We will make a difference.

