



blue ocean strategy[®]



Go where profits and growth are –
and where the competition isn't



Researching the history of blue ocean **creation**

- Data: 150 strategic moves, more than 30 industries, over 100 years (1800-2000)
- Variables considered: industrial, organizational and strategic



Red **versus** blue

Red Ocean Strategy

Compete in existing market space

Beat the competition

Exploit existing demand

Make the value-cost trade-off

Align the whole system of a company's activities with its strategic choice of differentiation *or* low cost

Blue Ocean **Strategy**

Create uncontested market space

Make the competition irrelevant

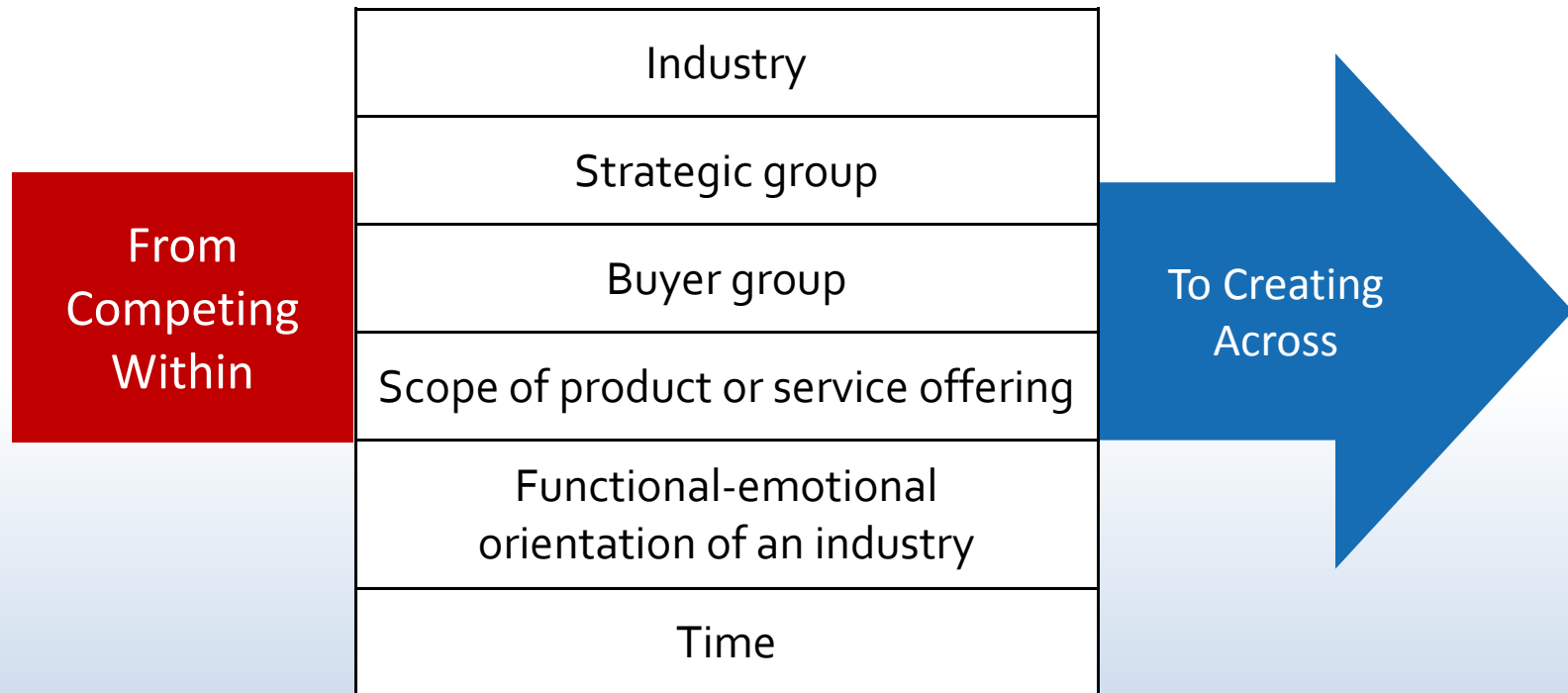
Create and capture new demand

Break the value-cost trade-off

Align the whole system of a company's activities in pursuit of differentiation *and* low cost



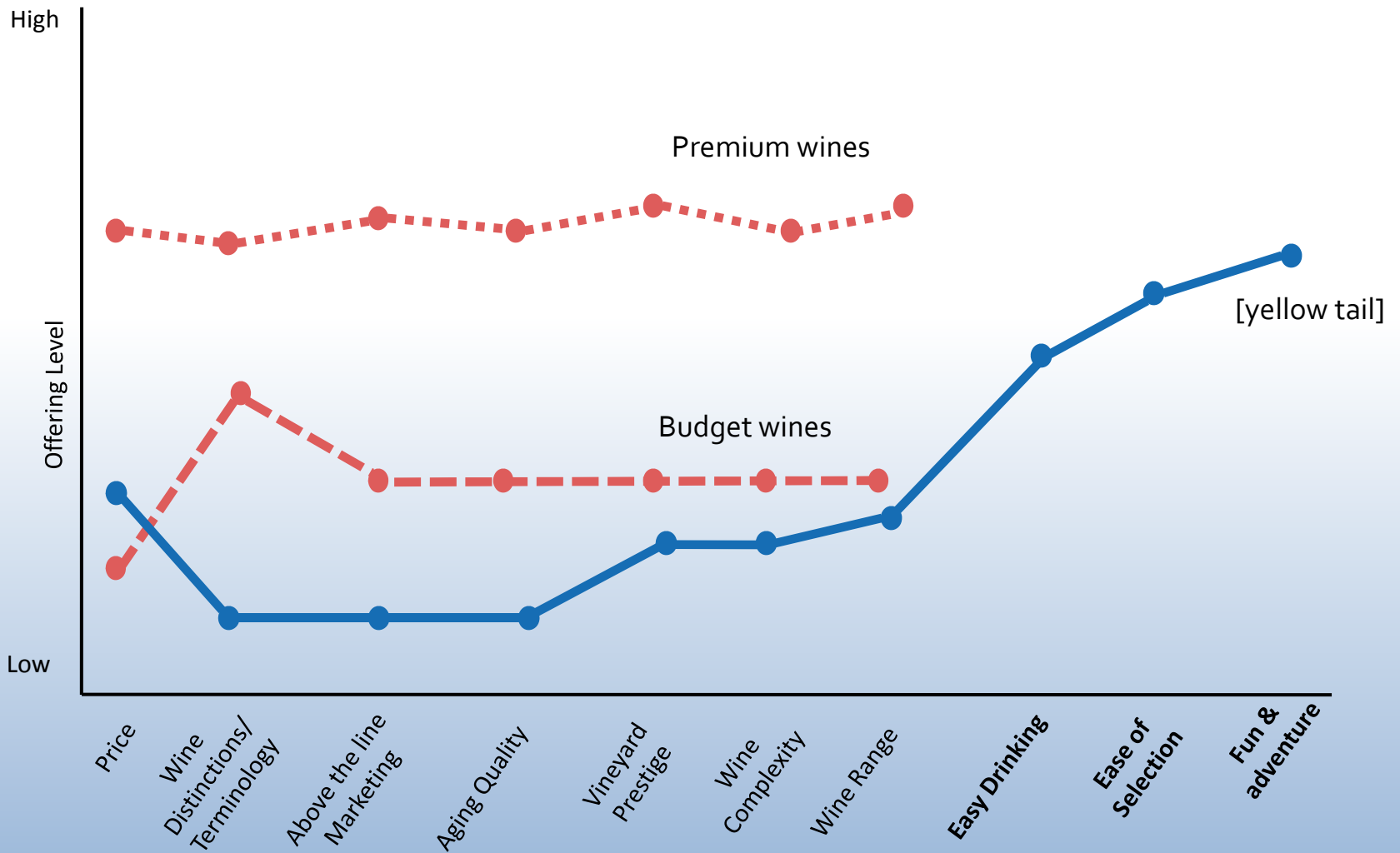
Six paths to blue ocean strategy



The six conventional boundaries of competition

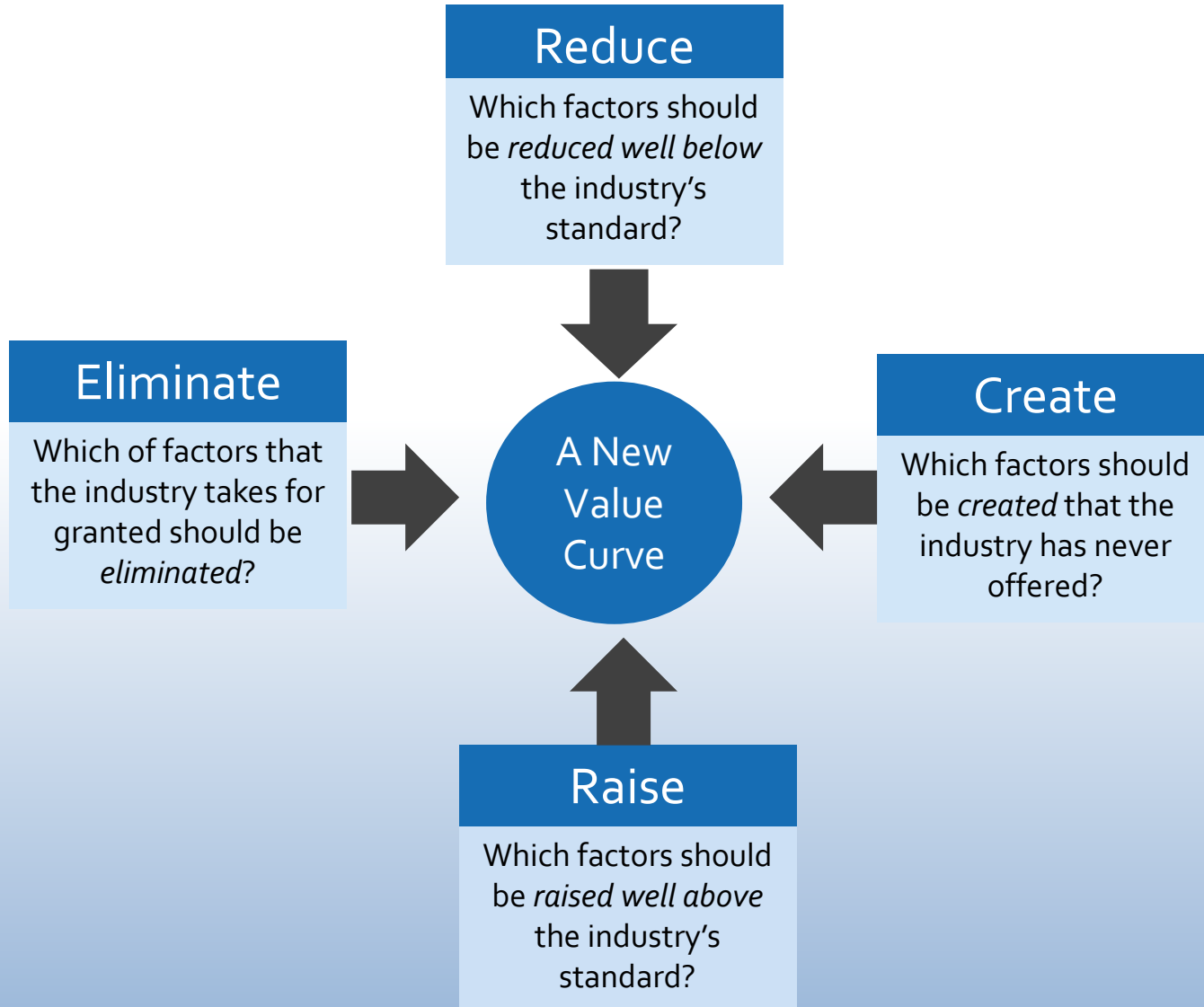


Strategy canvas of [yellow tail]





Four actions framework





Minimizing risks & maximizing opportunities in formulation & executing blue ocean creation

Formulation Principles

- Reconstruct market boundaries
- Focus on the big picture, not the numbers
- Reach beyond existing demand
- Get the strategic sequence right



Formulation Risks

- Search Risk
- Planning Risk
- Scale Risk
- Business Model Risk

Execution Principles

- Overcome key organizational hurdles
- Build execution into strategy

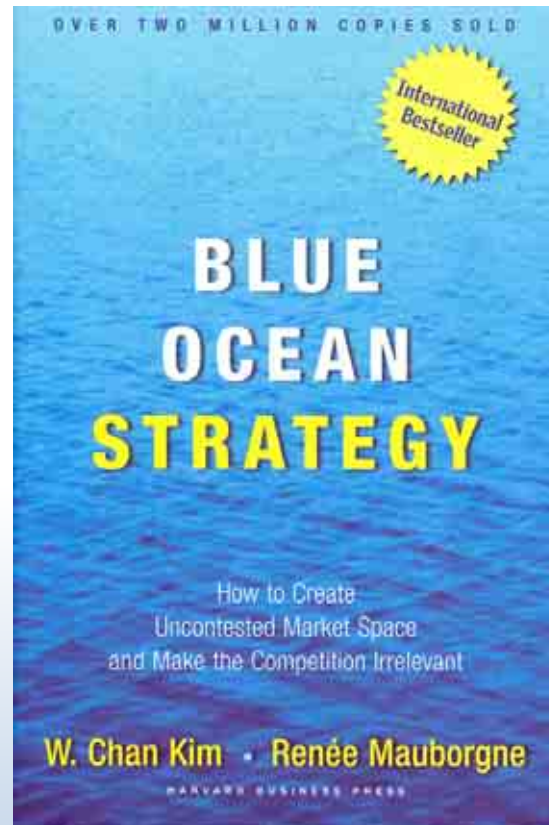


Execution Risks

- Organizational Risk
- Management Risk



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How to create uncontested market space and make the competition **irrelevant**.