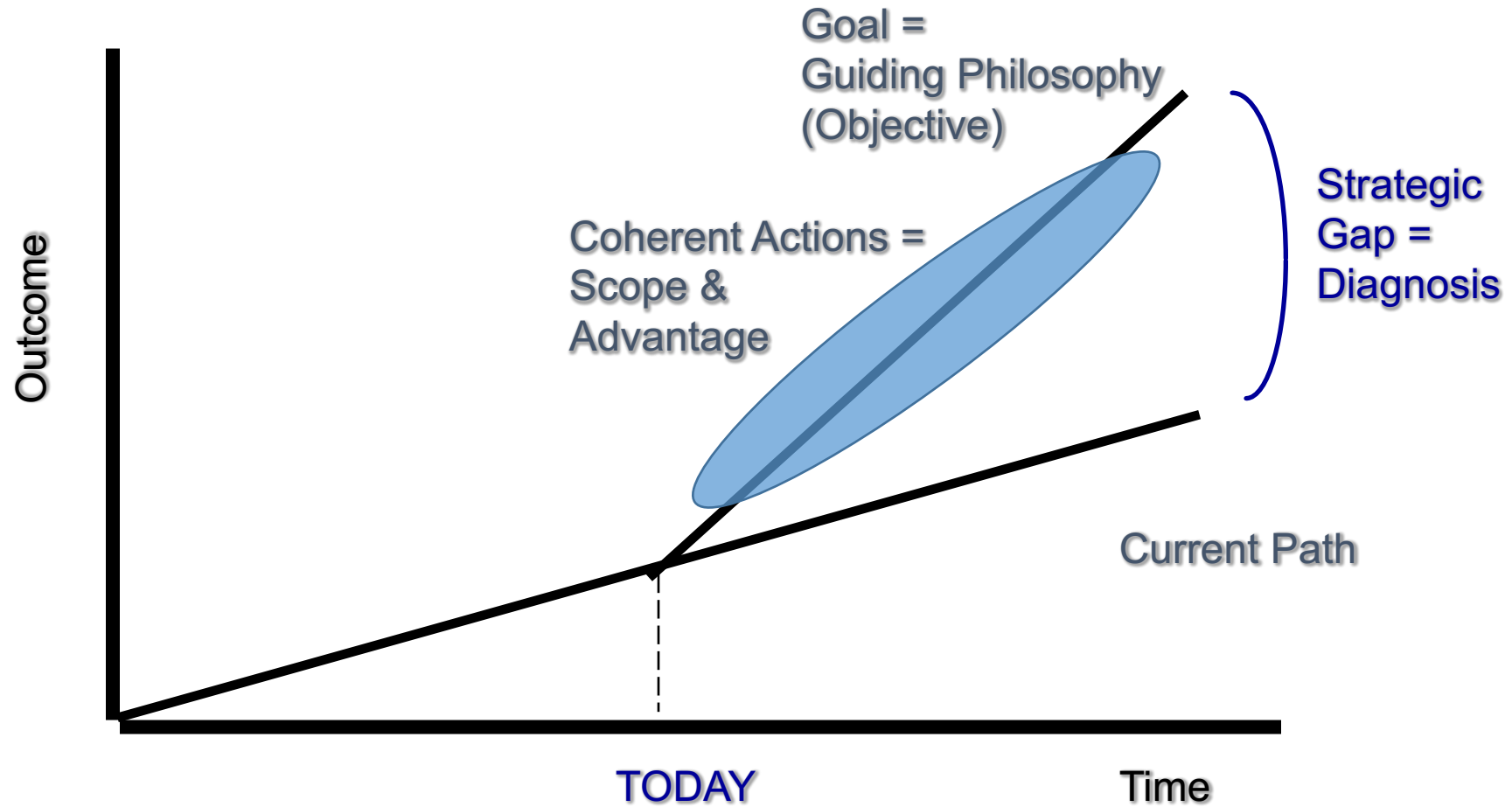


# Frameworks of Strategy: Analysis and Development

Allan Gray, Purdue University

# The Performance Gap












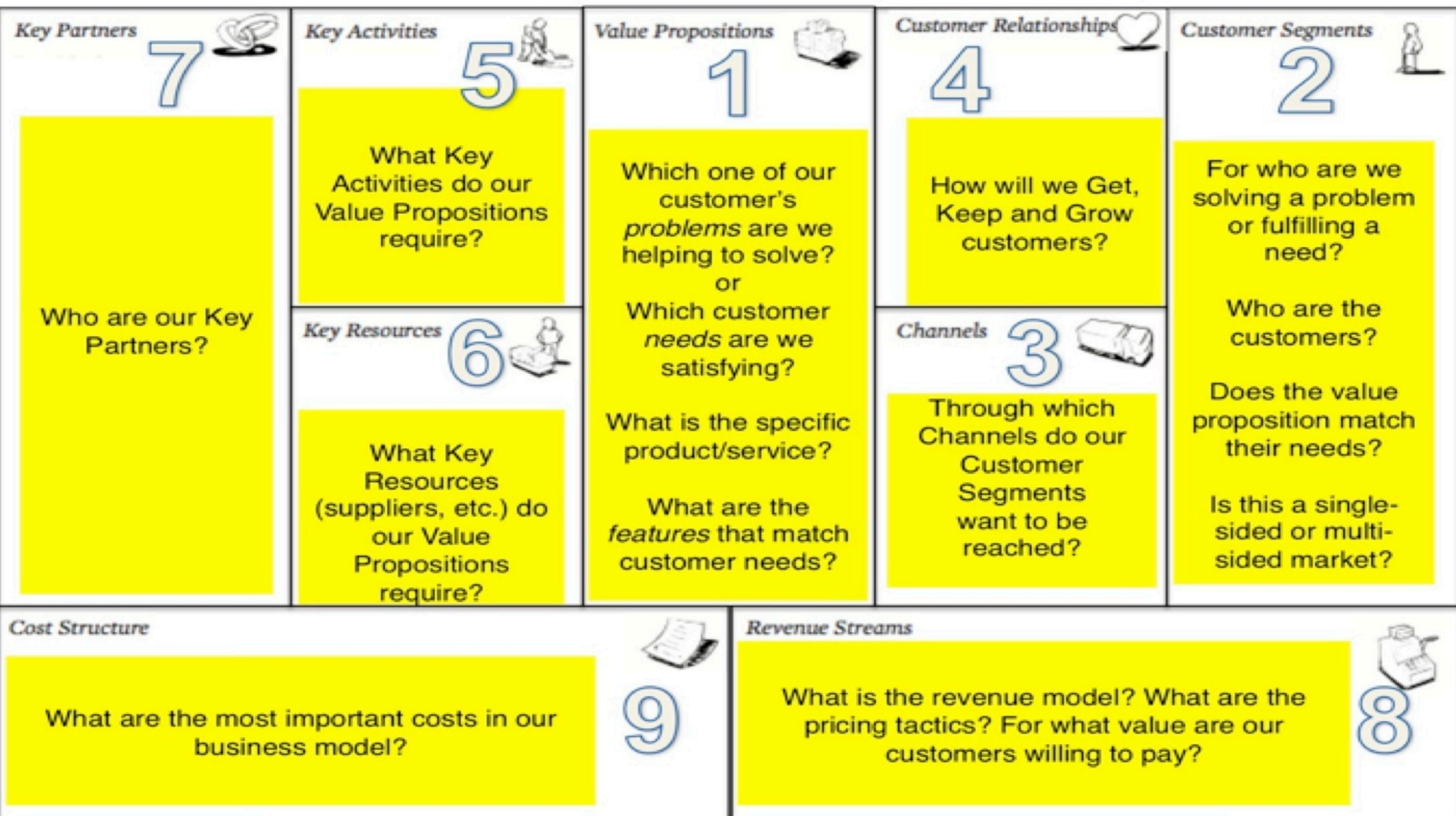
# What is a Business Model?

- A business model describes the rationale of how an organization creates, delivers and captures value

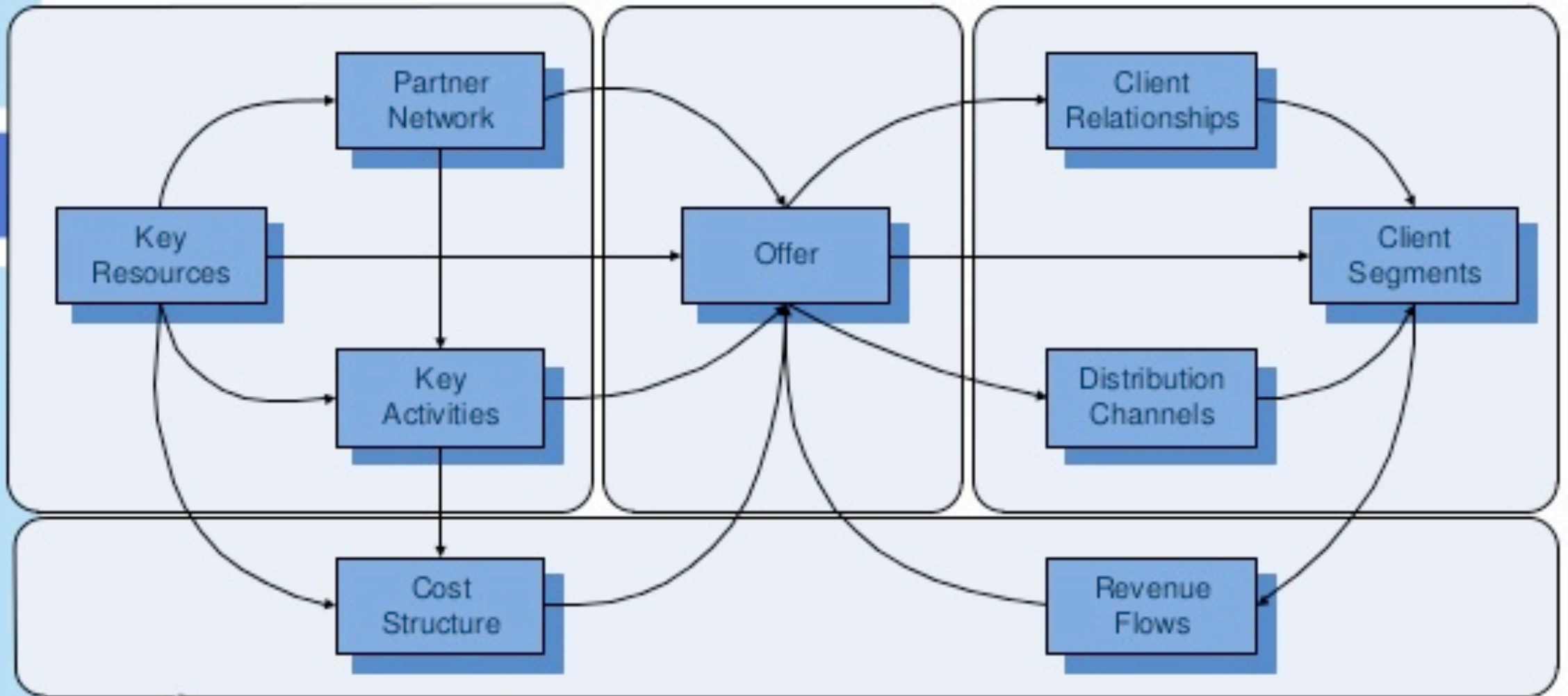
## The Business Model Canvas

**STRATEGIC**  
PLANNING PROGRAM

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 			Revenue Streams 	

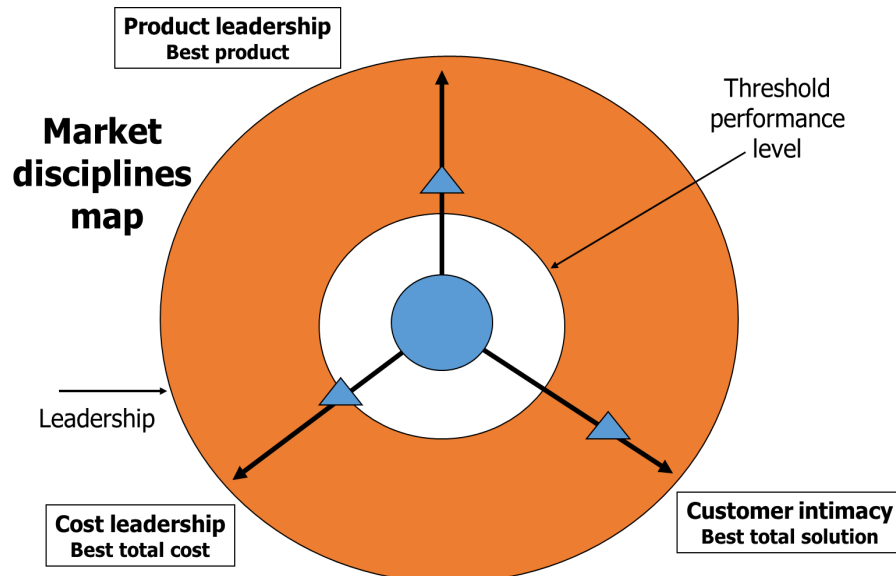
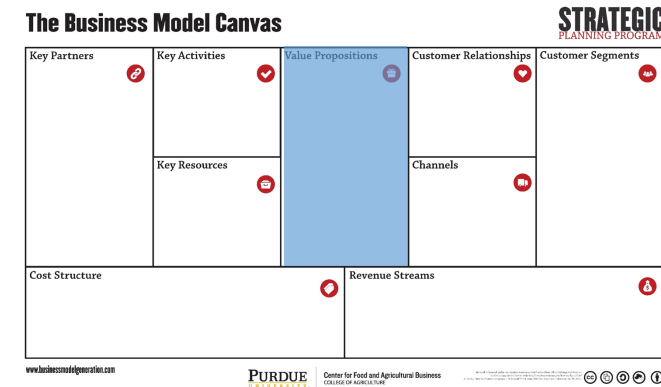


# How the Nine Elements Relate



# Value Proposition

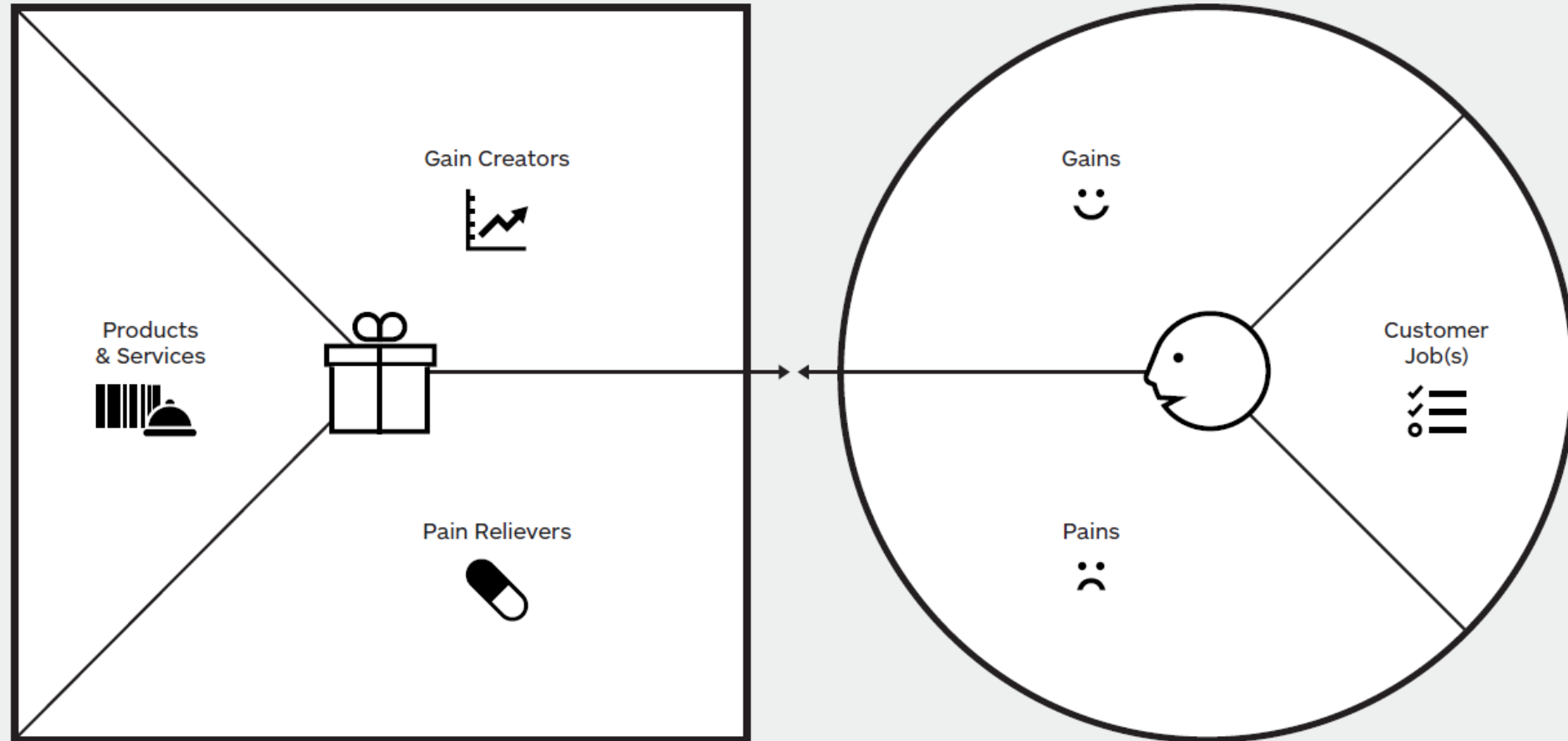
- Creates value for a customer segment through a distinct mix of elements catering to that segments needs.
- Some examples:
  - New offering meets previously unknown need
  - Improving product/service performance
  - Tailoring products/services to specific needs
  - “Getting the Job Done”
  - Design
  - Brand/Status
  - Price
  - Cost Reduction
  - Risk Reduction
  - Accessibility
  - Convenience/Usability



# The Value Proposition Canvas

Value Proposition

Customer Segment



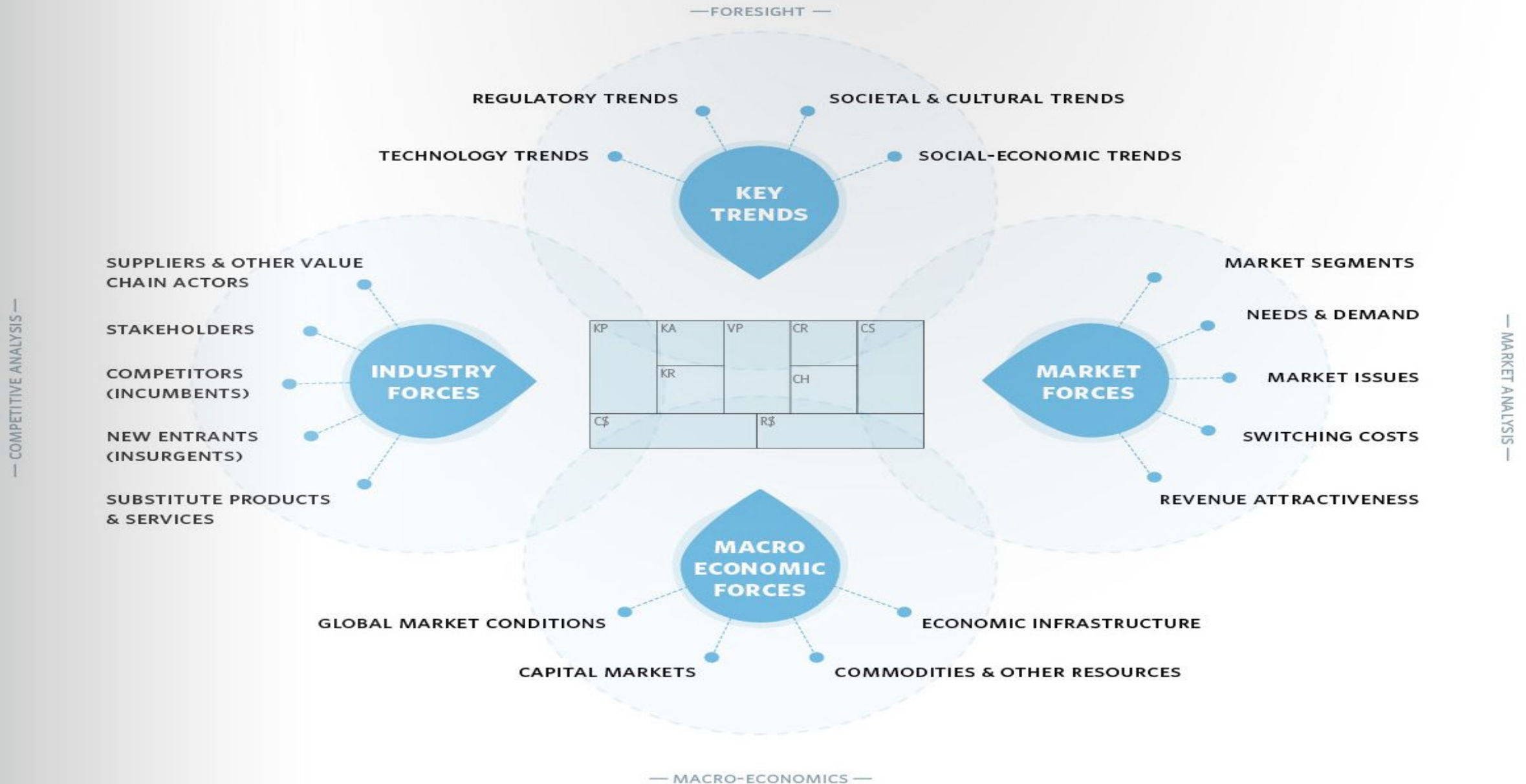


# Customer Needs and Competitor Delivery





# Factors Impacting our Business Model



# SWOT Analysis of the 9 Blocks

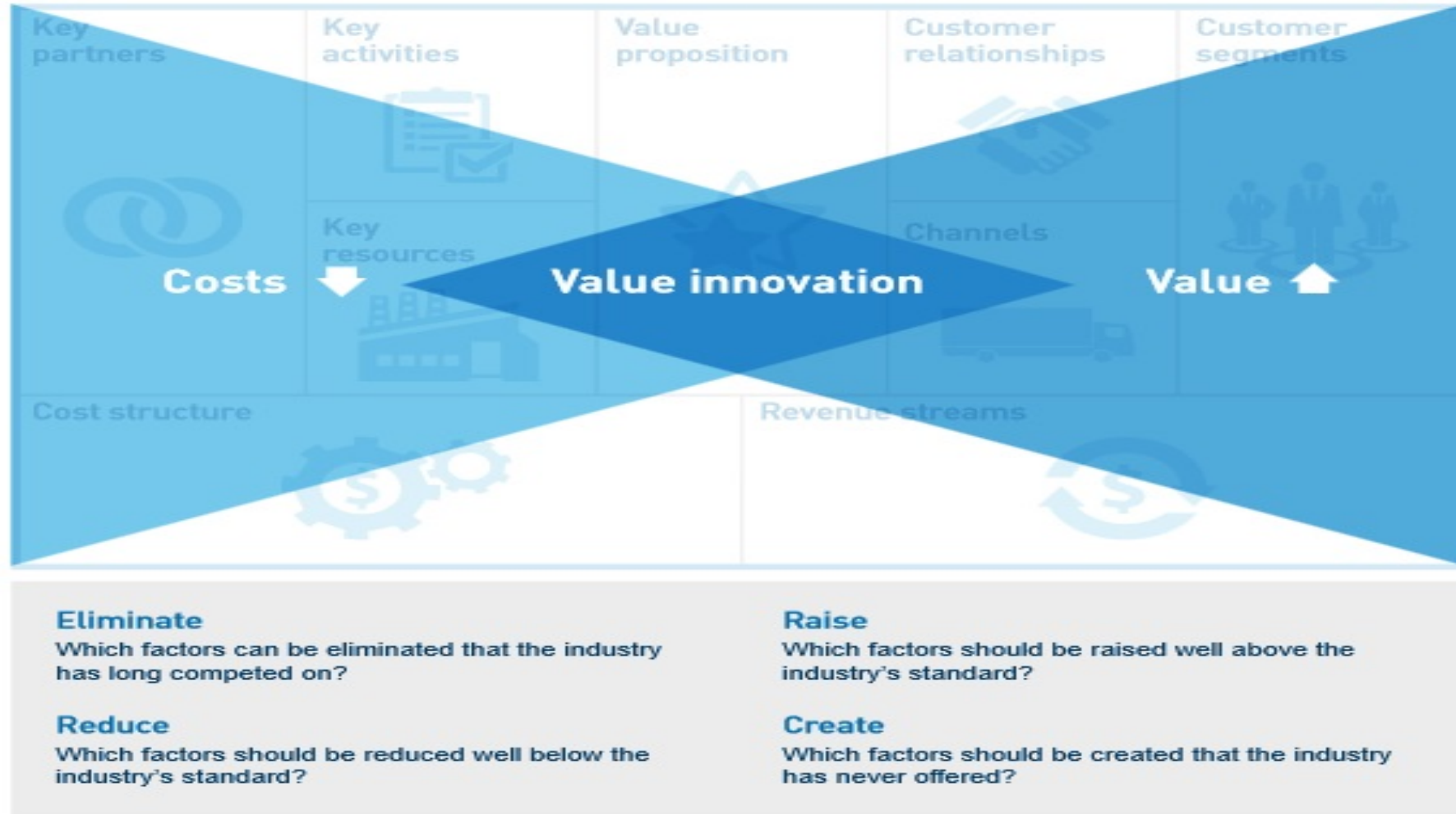


Source: Business Model Generation, Alexander Osterwalder and Yves Pigneur, 2012, [businessmodelgeneration.com](http://businessmodelgeneration.com)

# Confrontation Matrix

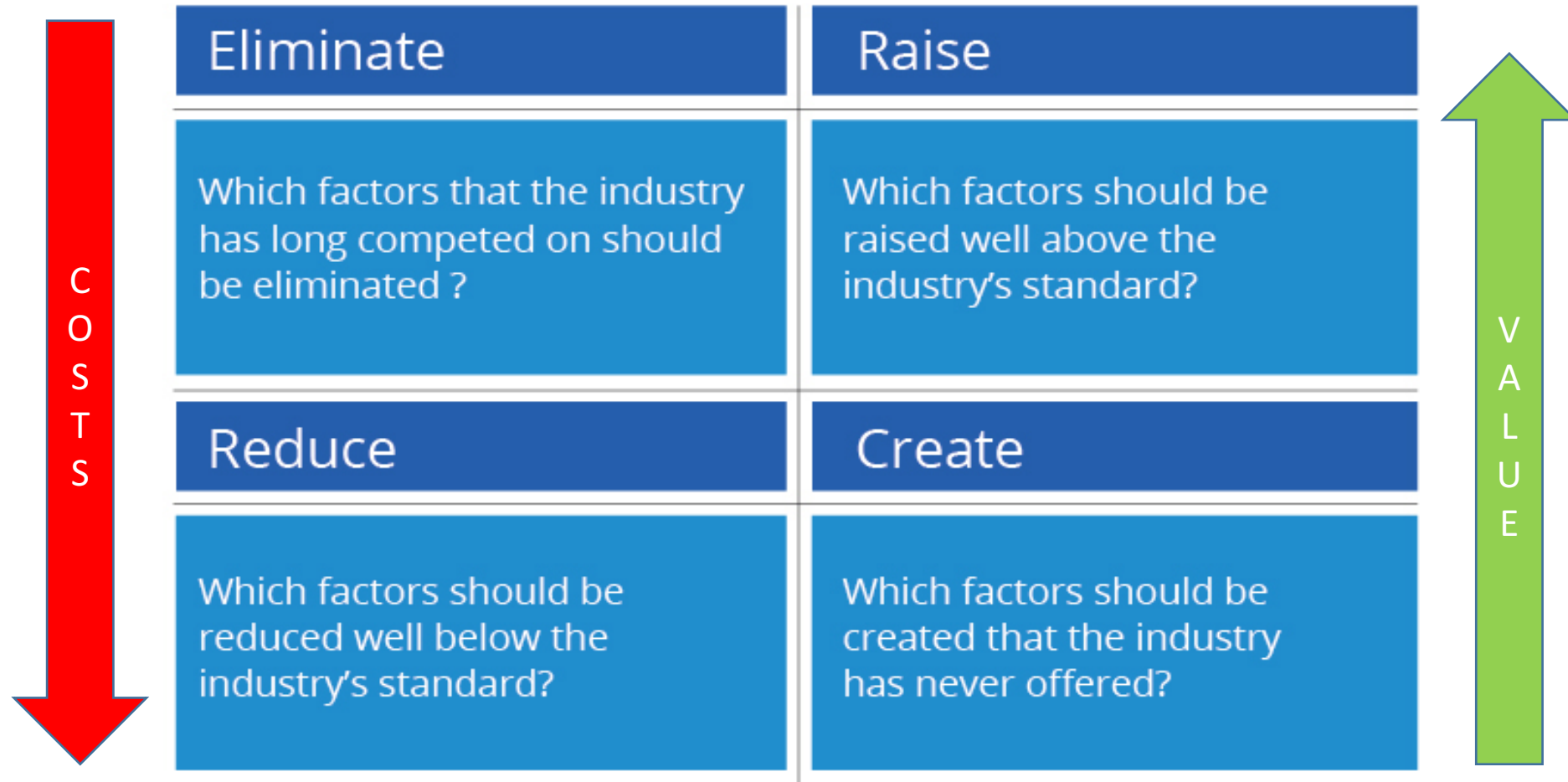
<b>S</b>	To what extent will our strengths enable us to take advantage of opportunities?	To what extent will our strengths enable us to defend against threats?
	To what extent will our weaknesses prevent us from taking advantage of opportunities?	To what extent will our weaknesses prevent us from protecting against threats?
<b>W</b>	<b>O</b>	<b>T</b>

# Blue Ocean Strategy and the Canvas

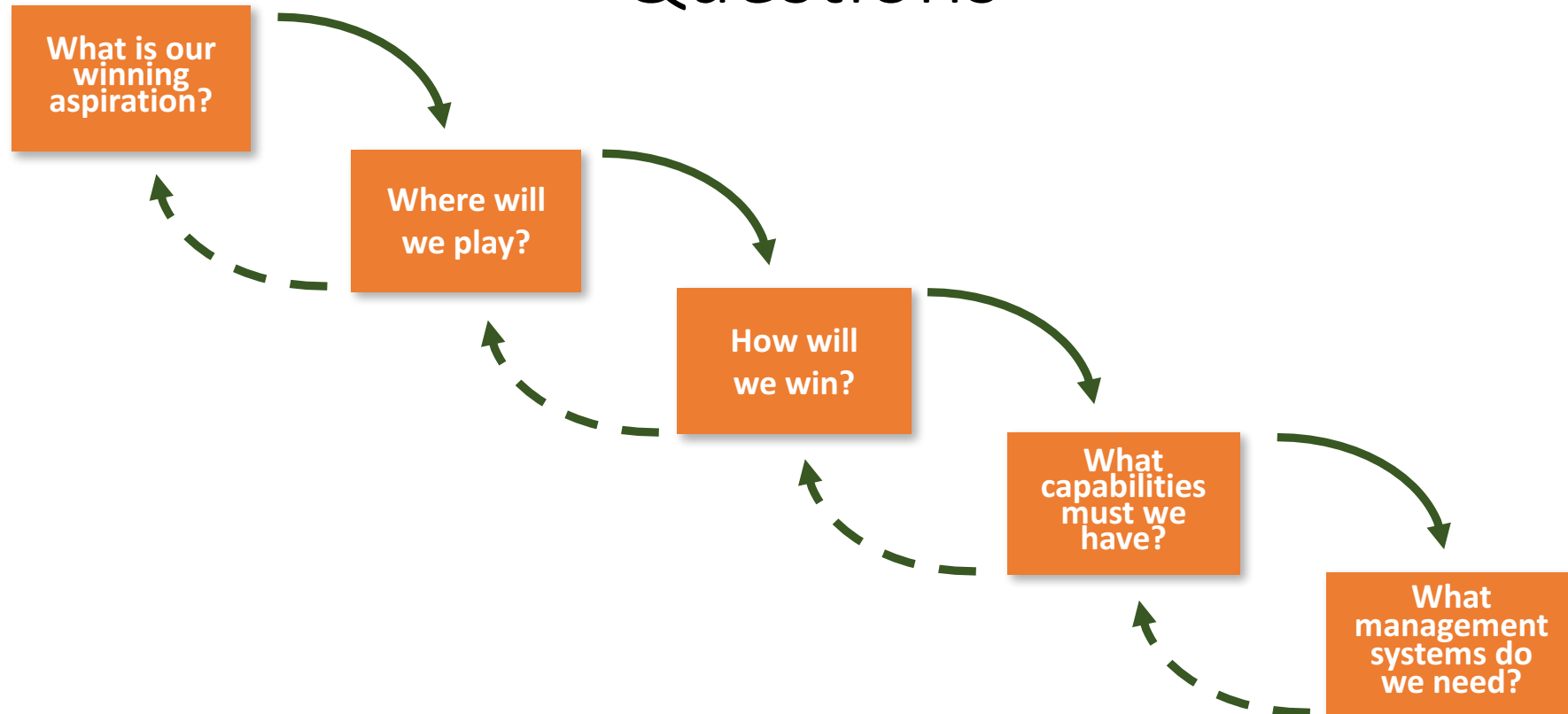


Source: Business Model Generation, Alexander Osterwalder and Yves Pigneur, 2010, [businessmodelgeneration.com](http://businessmodelgeneration.com)

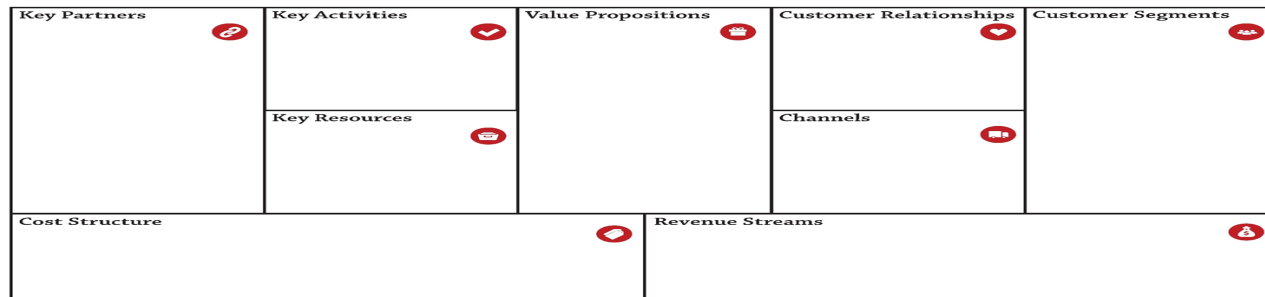
# The ERRC Matrix



# Strategy Is the Answer to Five Questions



Current  
Business  
Model



Strategic  
Analysis

SWOT Analysis of Current  
Business Model

Confrontation/TOWS Matrix

External Forces  
Key Trends  
Macroeconomic Forces  
Market Forces  
Industry Forces

Blue Ocean Analysis

ERRC Matrix

Strategy  
Development



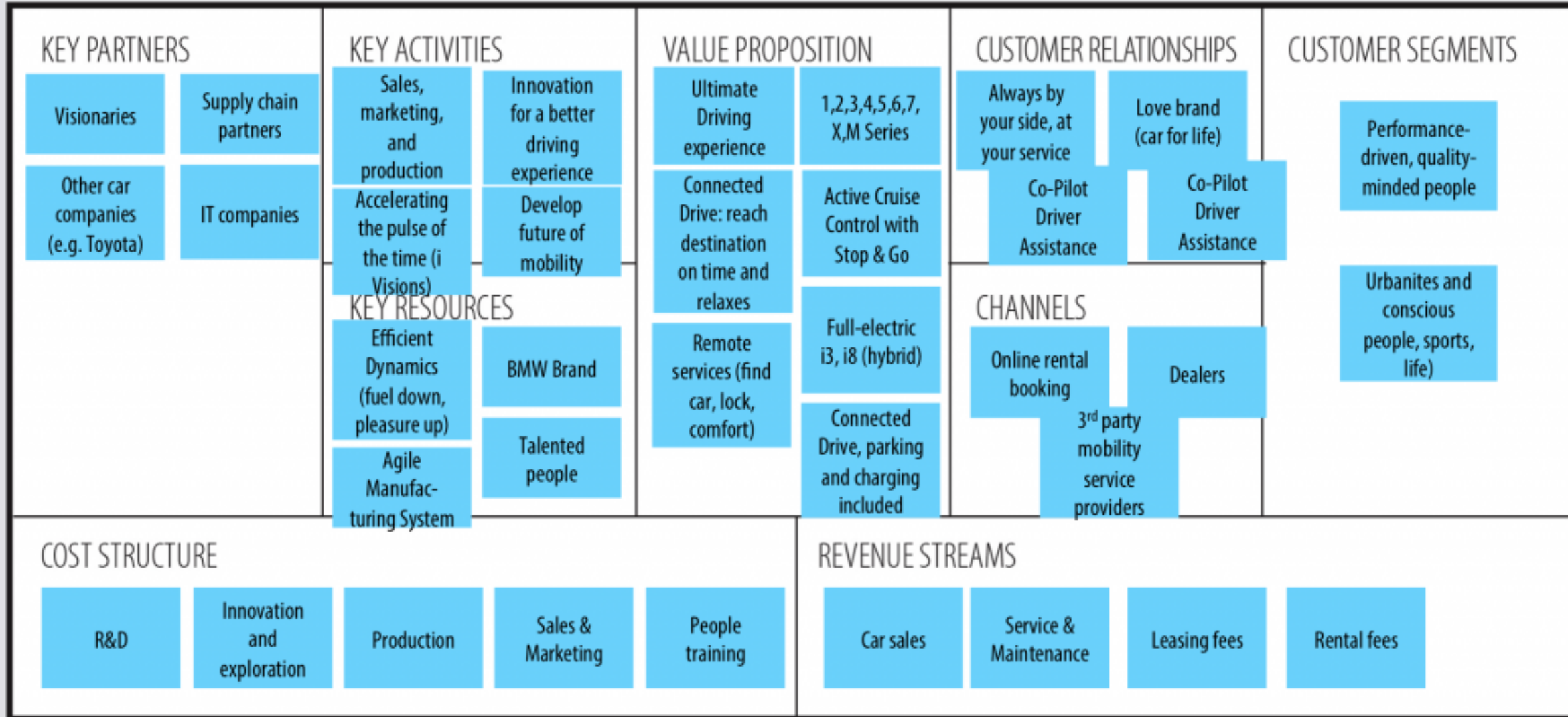
New  
Business  
Model





# BUSINESS MODEL CANVAS

# BMW



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