

STRATEGY & ENTREPRENEURSHIP

ANDREW BELLAY | MGT 351
JULY 11, 2018 | ST. MARY'S COLLEGE



DEFINE STRATEGY

Synonyms?

WHAT IS STRATEGY?

MICHAEL PORTER

- Michael Porter, *What is Strategy* (HBR, 11/1996)
 - Not operational effectiveness
 - "Strategy is the creation of a unique and valuable position, involving a different set of activities."
 - "Strategy is making trade-offs in competing."
 - "Strategy is creating fit among a company's activities."
- What strategy is not & three descriptions - no definition.

WHO CARES?

ME, MY THESIS & MY GOAL

ANDREW BELLAY, STRATY.COM

- **Who am I?**
 - Education - family, unique high school, 3 degrees
 - 3-time founder
 - Helped form, advise, or vendor for 300+ companies
 - Experimented a lot: ExxonMobil, patents, published research, ran clean-tech nano VC fund, micro-brewer, self-taught iOS developer
- Operate MetaNeer Labs
- Write at Straty.com
- **My thesis:** Strategy is poorly understood and therefore poorly valued.
- **My goal:** Define, Explore, Codify, Exploit.

WHAT IS STRATEGY?

STRATY

Strategy is the **process** of creating a set of well-aligned **activities** with the aim of occupying a **valuable position** in a **competitive landscape**.

- Greek *strategia* "office or command of a general"
- From *stratos* "multitude, army, expedition, encamped army," (literally "that which is spread out") + *agos* "leader,"

<https://www.etymonline.com/word/strategy>

WHAT IS COMPETITION?

- **Compete** = to "strive to gain or win something by defeating or establishing superiority over others who are trying to do the same"
- Latin *competere*, from **com** "with, together" + **petere** "to strive, seek, fall upon, rush at, attack"
- Same root as *competence*
- Obvious military association
- Why is there competition?

<https://www.etymonline.com/word/compete> &
Google Definitions



**WHAT'S WITH ALL
THE DEFINITIONS?**

THE 7 CLASSICAL LIBERAL ARTS

TRIVIUM + QUADRIVIUM

- **Trivium = Grammar, Logic & Rhetoric (lower division)**
 - “Grammar is the art of inventing symbols and combining them to express thought;”
 - “Logic is the art of thinking;”
 - “Rhetoric is the art of communicating thought from one mind to another, the adaptation of language to circumstance.”
- **Quadrivium = Arithmetic, Geometry, Music & Astronomy (upper division)**

Sister Miriam Joseph, *The Trivium: The Liberal Arts of Logic, Grammar, and Rhetoric* (2002)

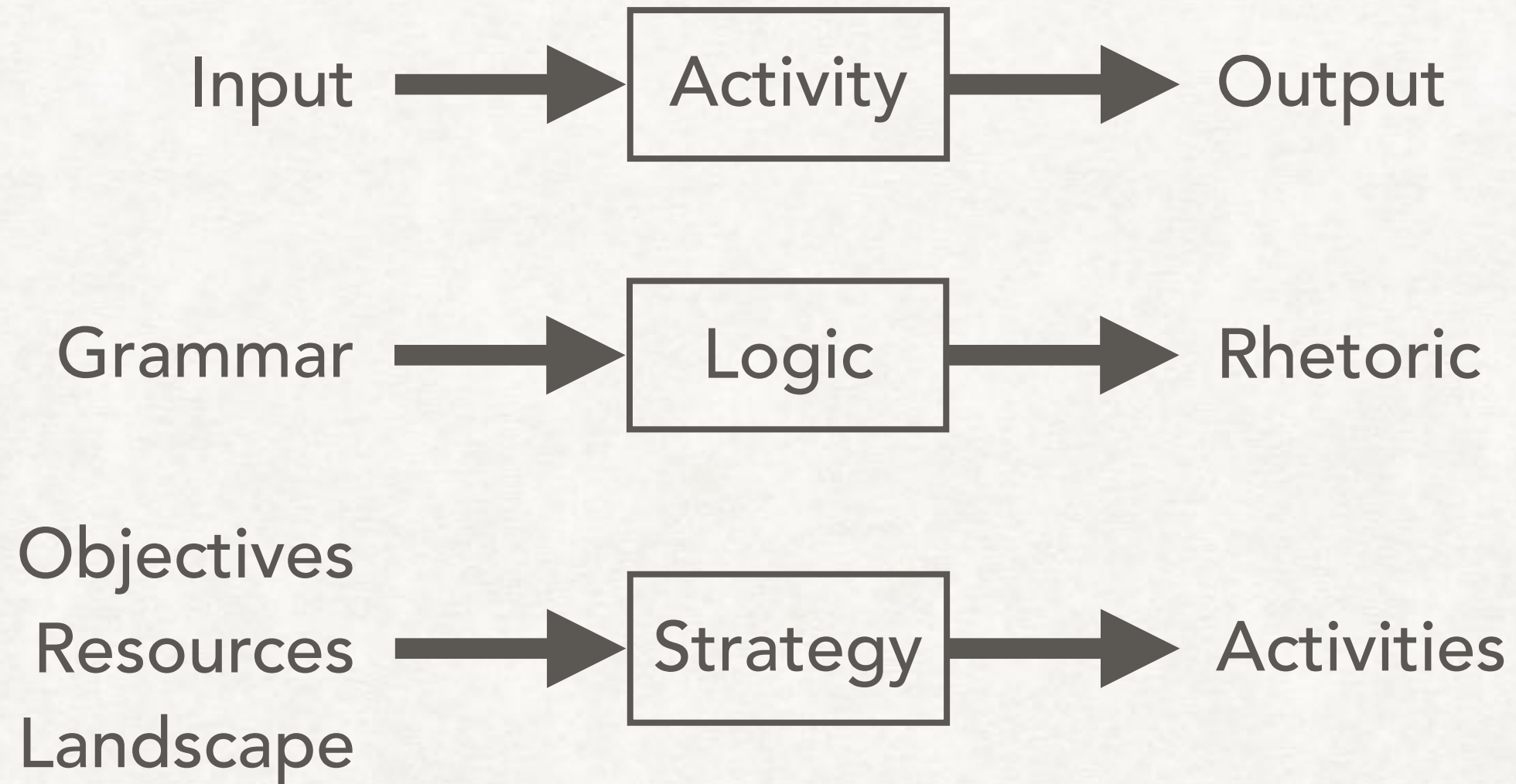
PROCESS



TRIVIUM



STRATEGY IS A PROCESS



Strategy is the process of creating a set of well-aligned activities with the aim of occupying a valuable position in a competitive landscape.

INTRODUCTIONS

WHO ARE YOU?

- Name
- Hometown
- Most recent / current company
- What do you want to do after your MBA?
- Why are you taking this class?

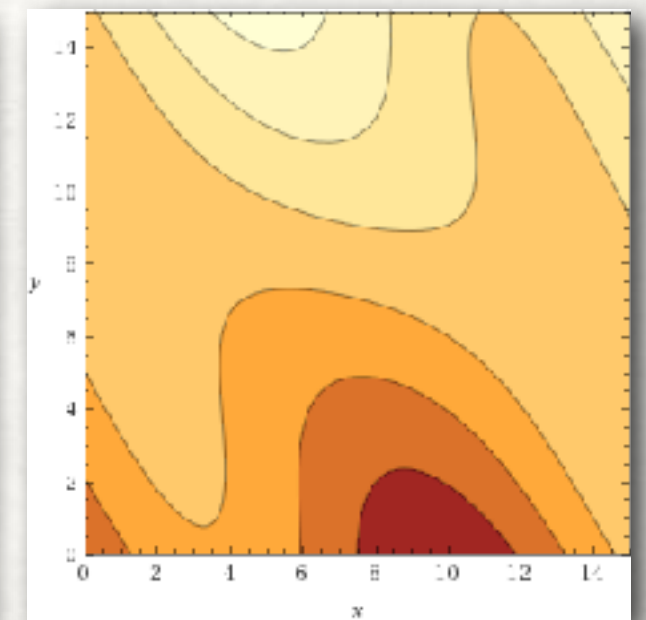
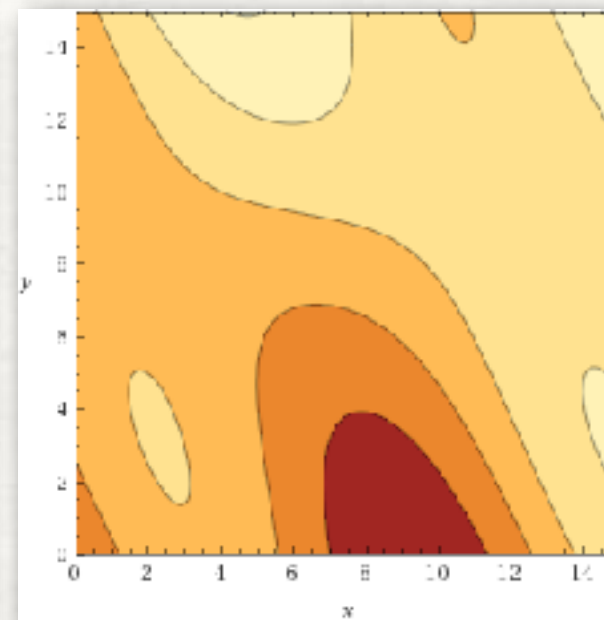
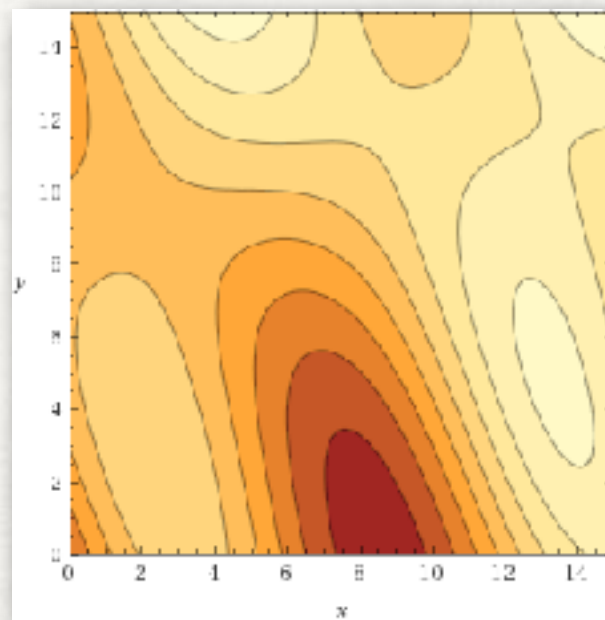
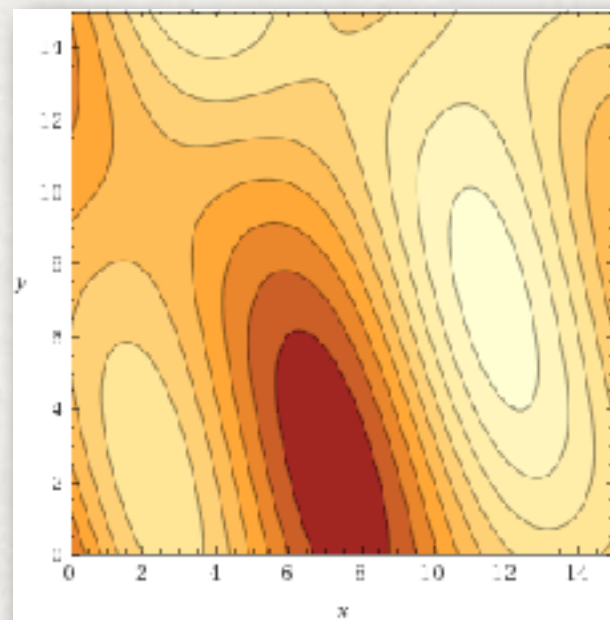
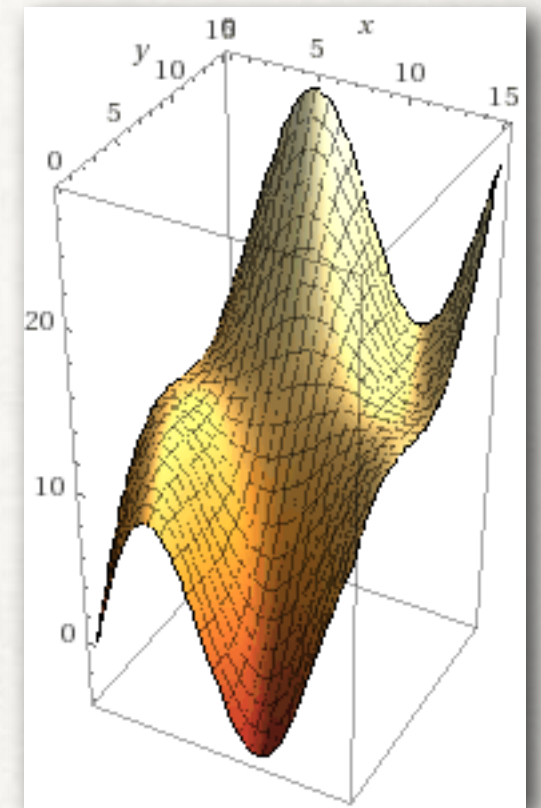
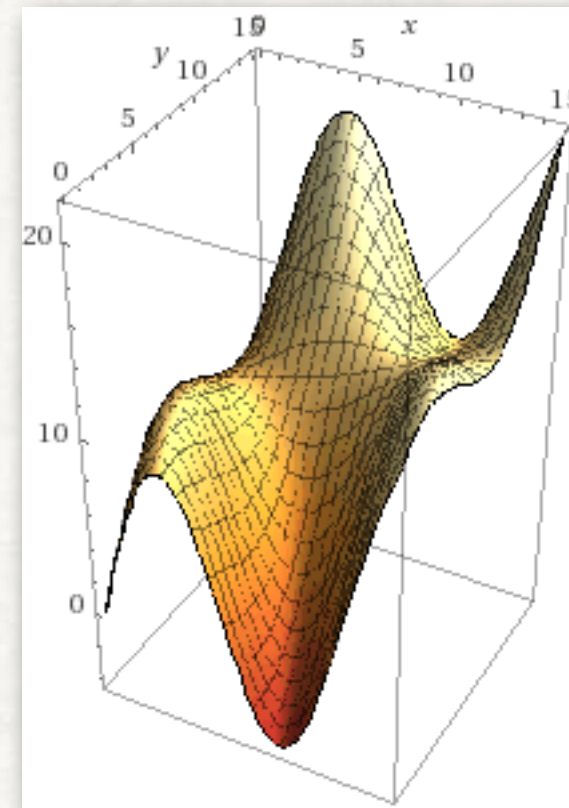
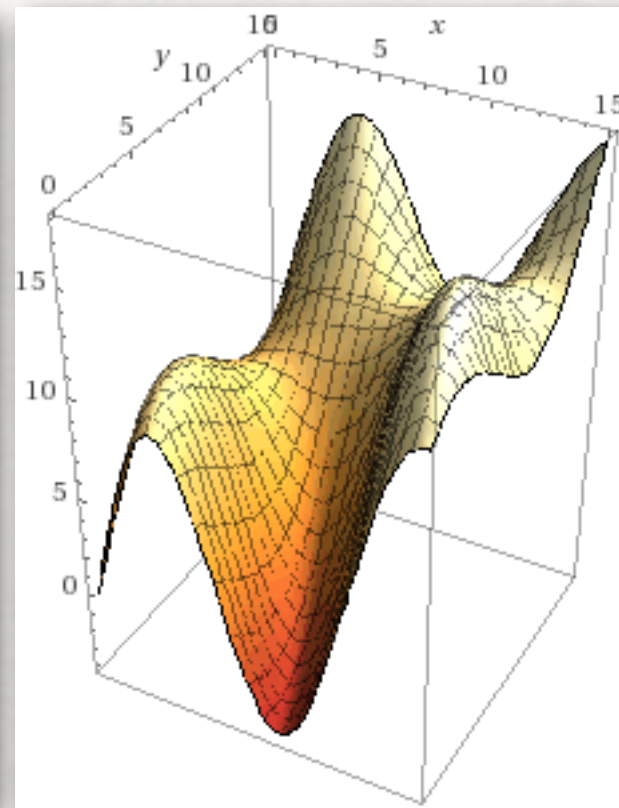
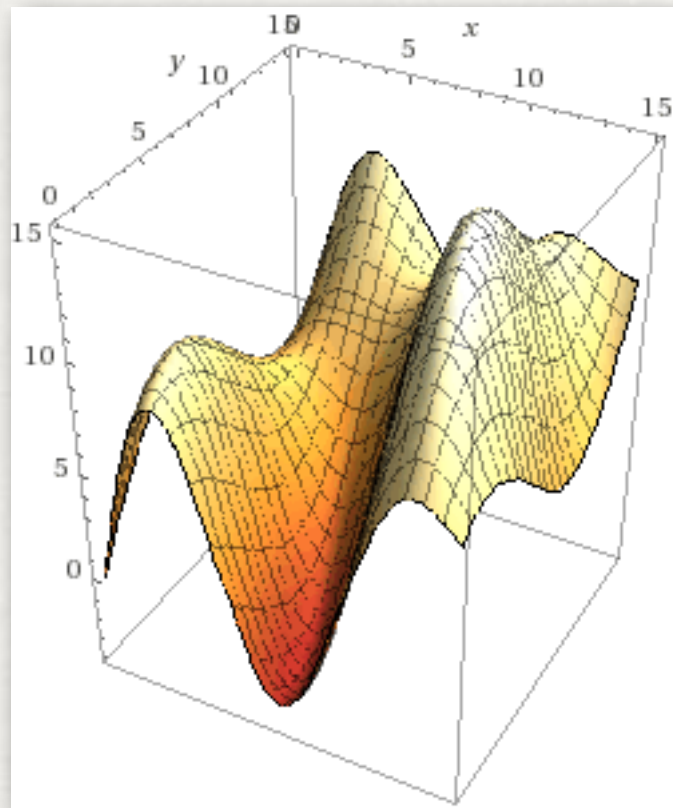
SIMULATION

FIDGET SPINNER SIMULATION

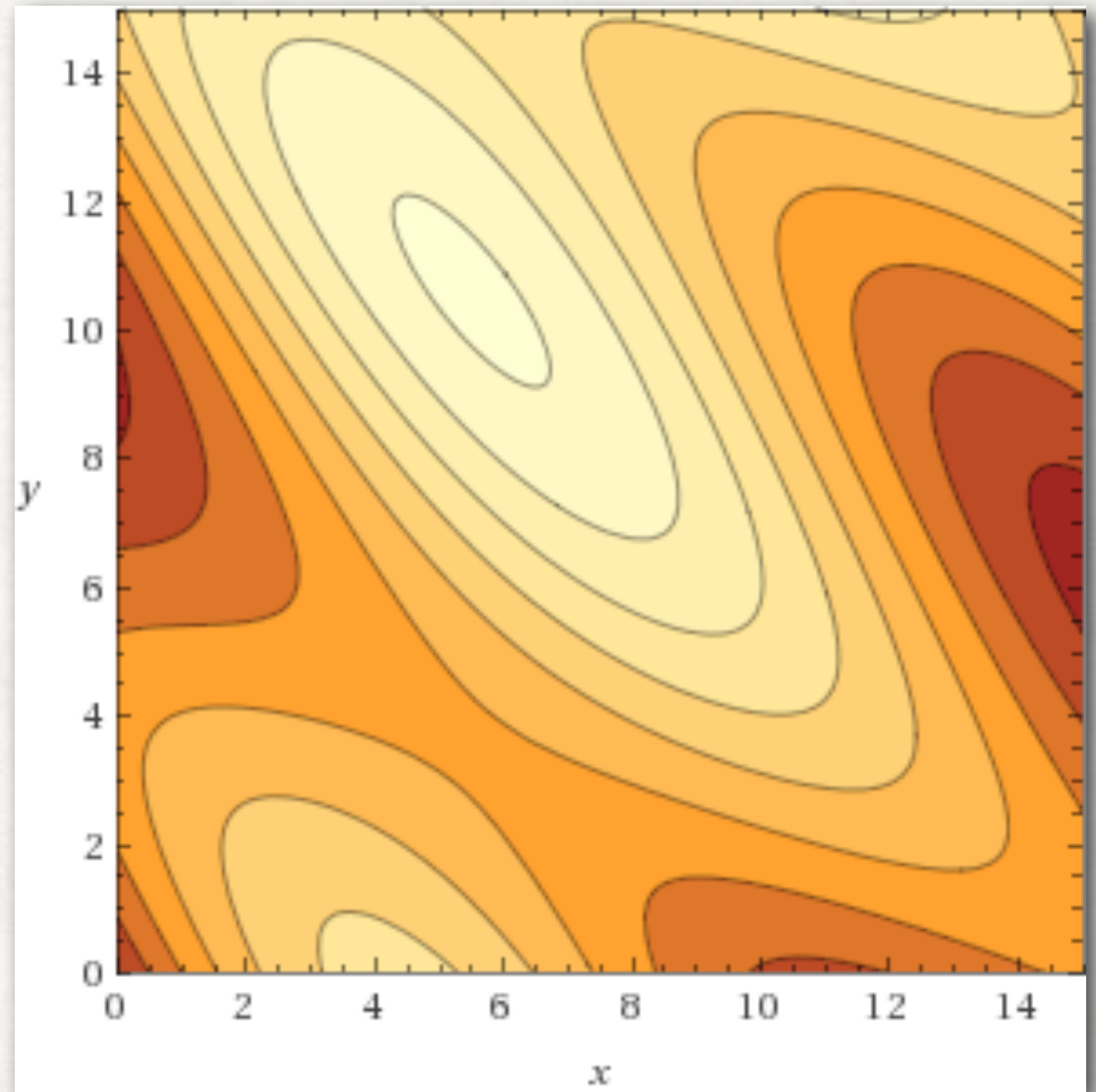
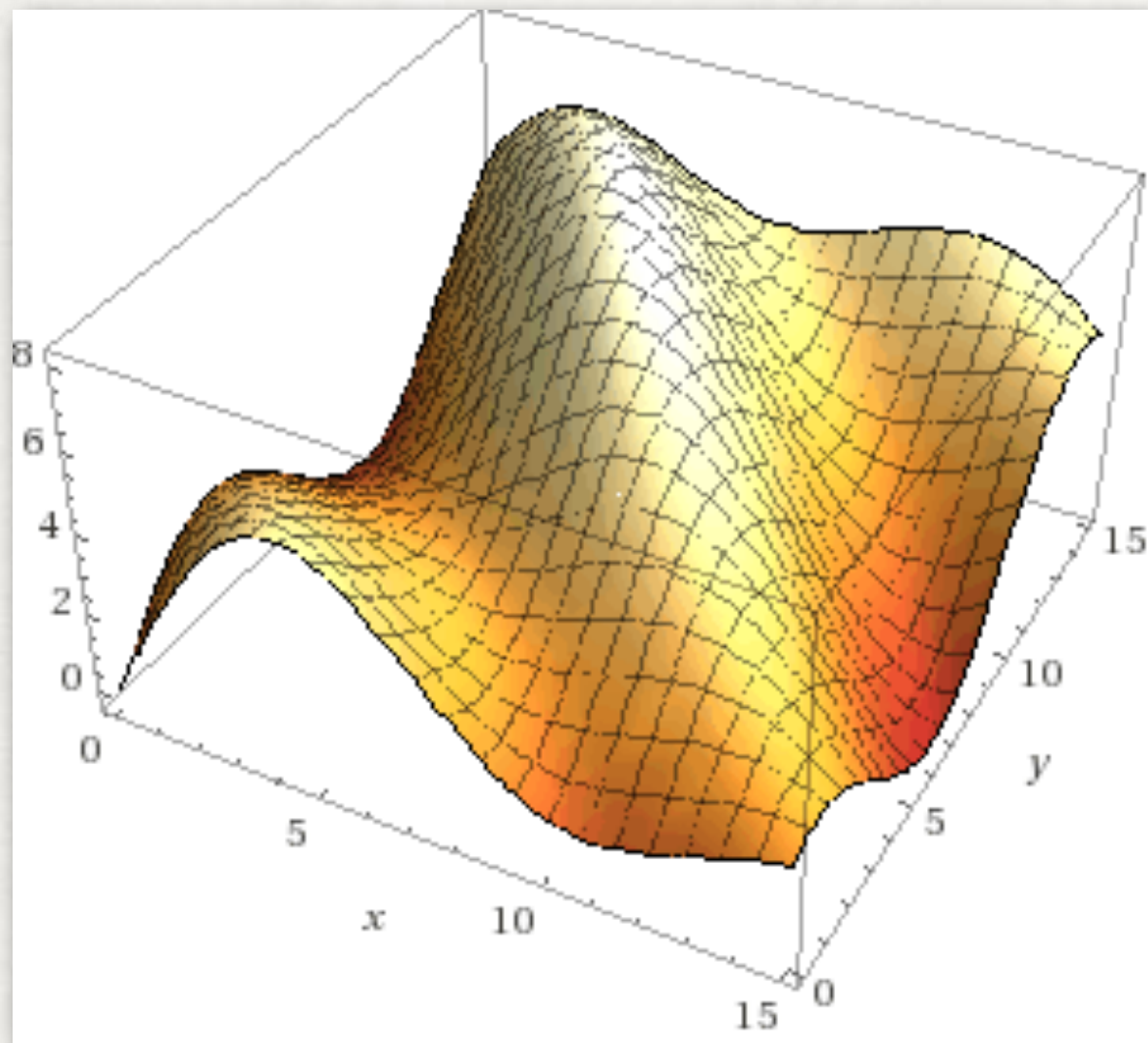
YOUR COMPANY SELLS FIDGET SPINNERS

- 5 teams, 4 rounds, 4 decisions per round:
 - **Feature X** (0-15)
 - **Feature Y** (0-15)
 - Investment in **Cost Reduction**
 - Investment in **Marketing**
- Features don't cost anything. Investments do. You have 10 credits per round to invest in either Cost Reduction or Marketing.
- Winner = team with highest Sales Score at the end
- There may be other, undisclosed, rules.
- Questions?
- What's your strategy?

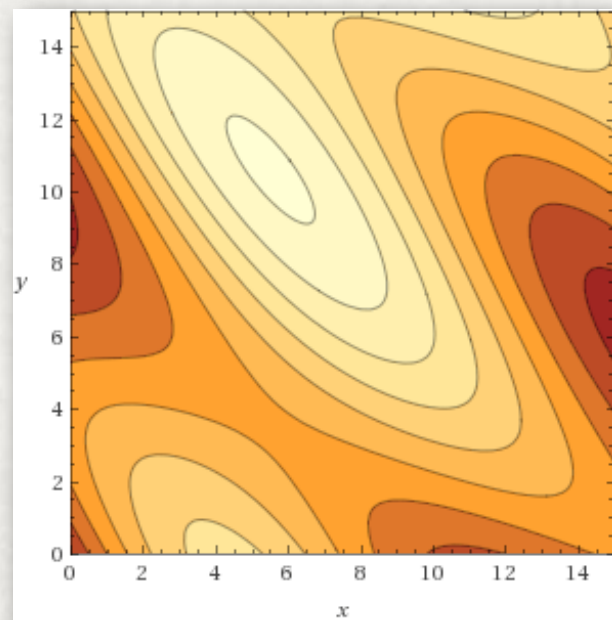
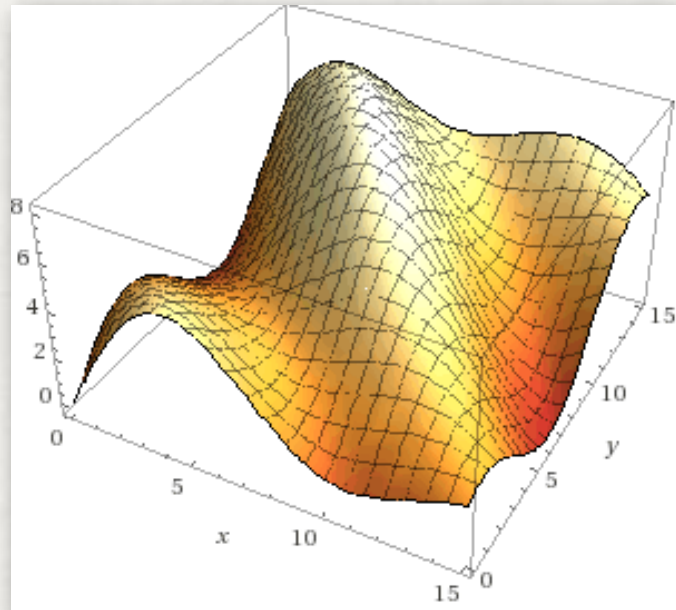
EXAMPLE ROUNDS



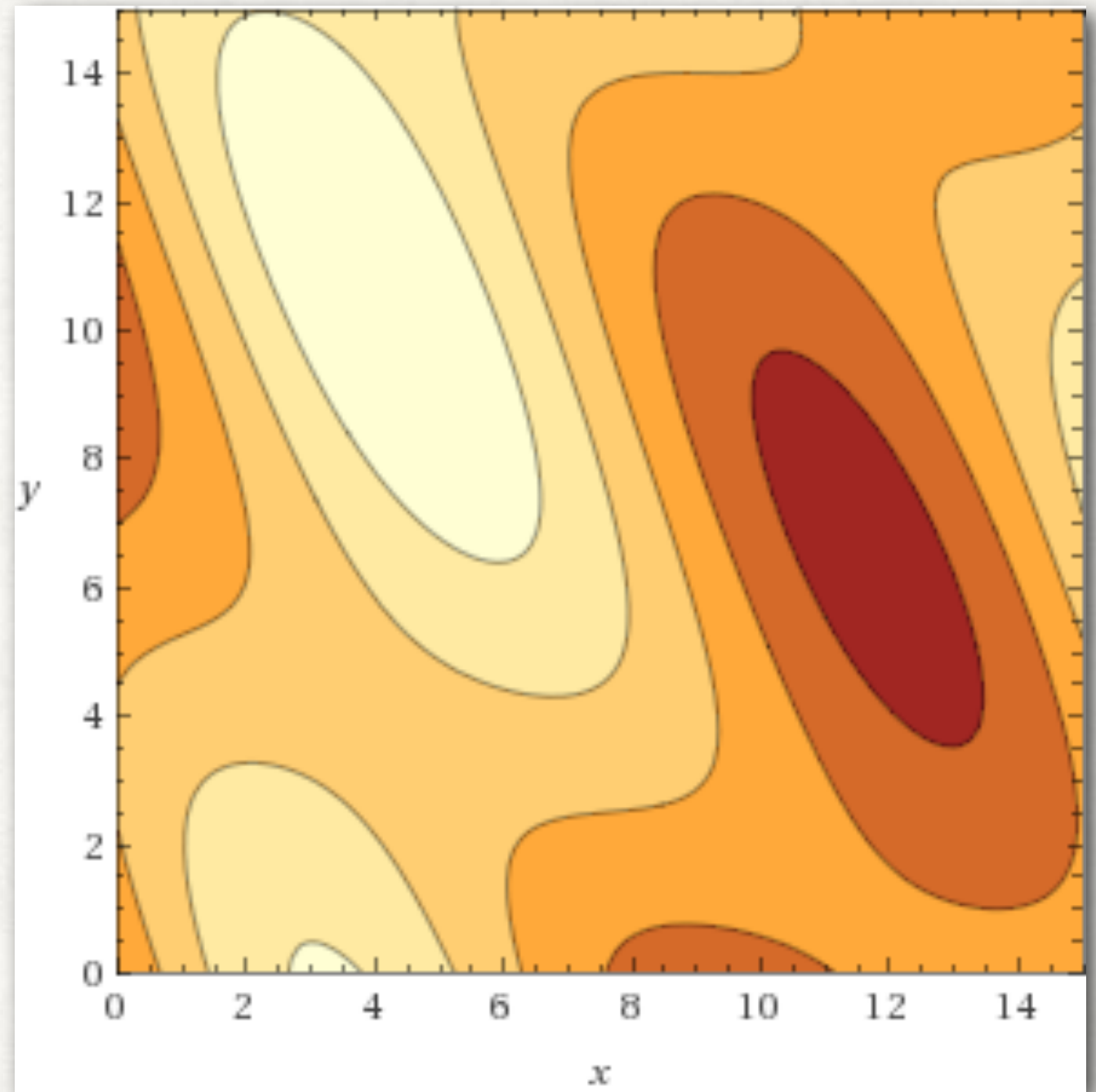
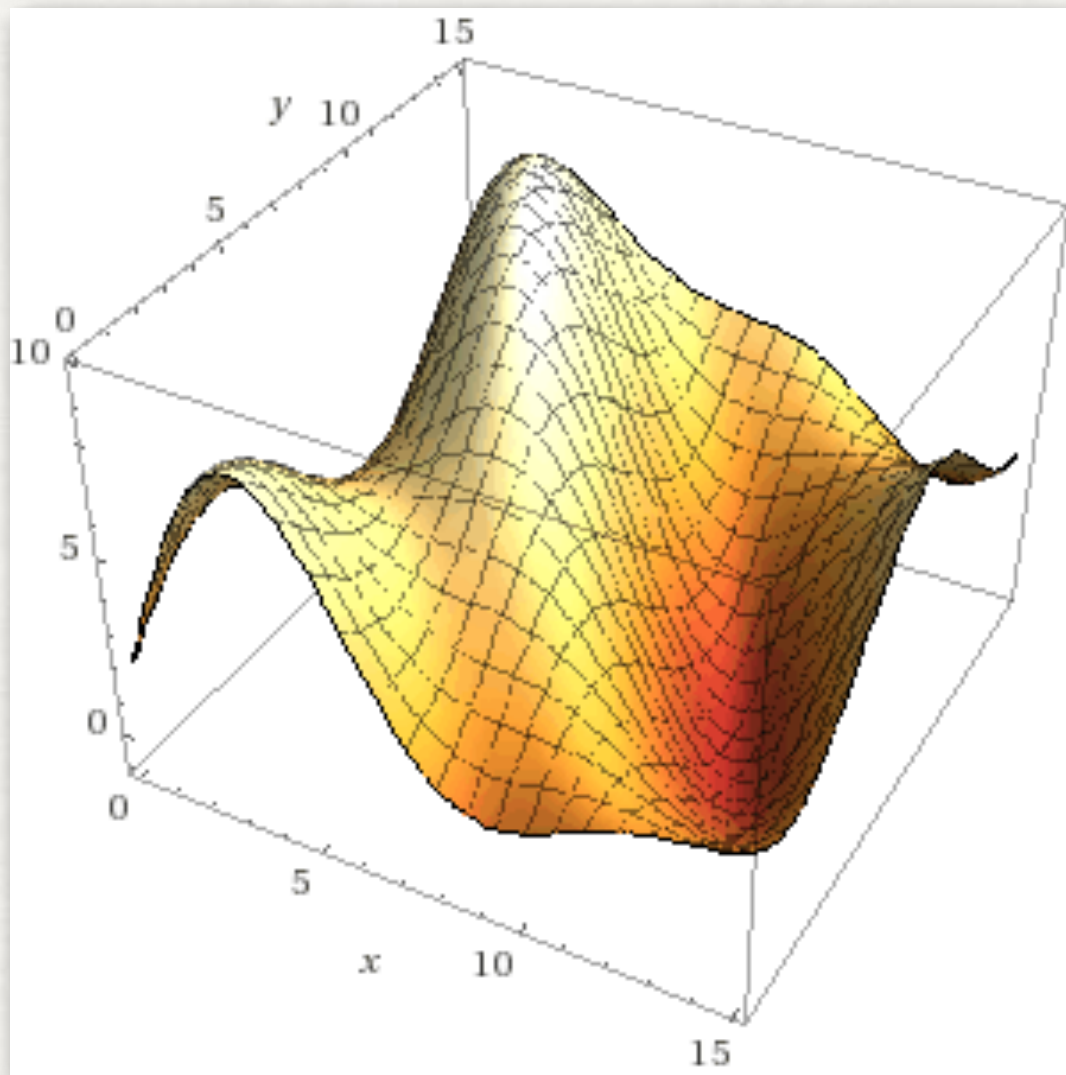
ROUND 1 RESULTS



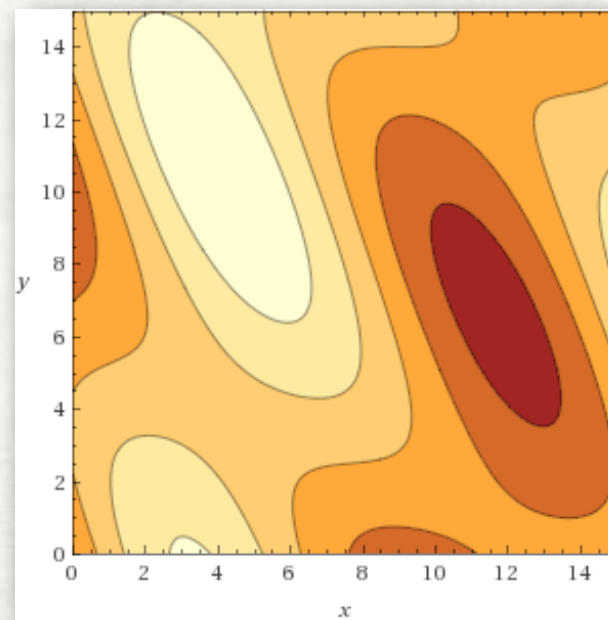
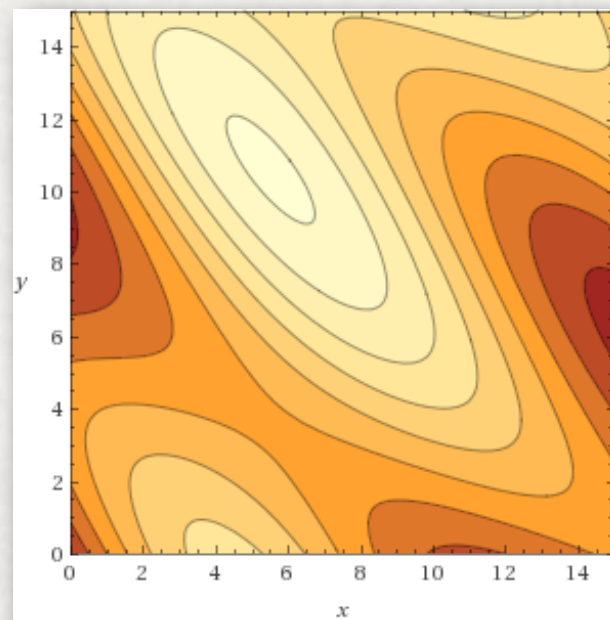
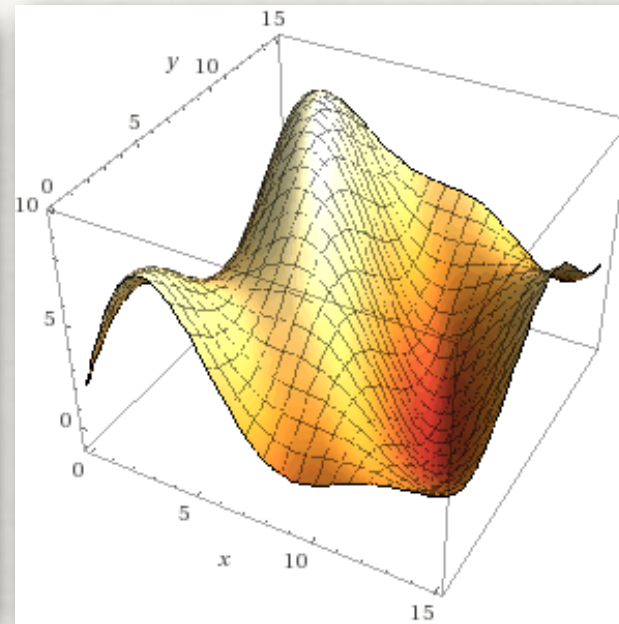
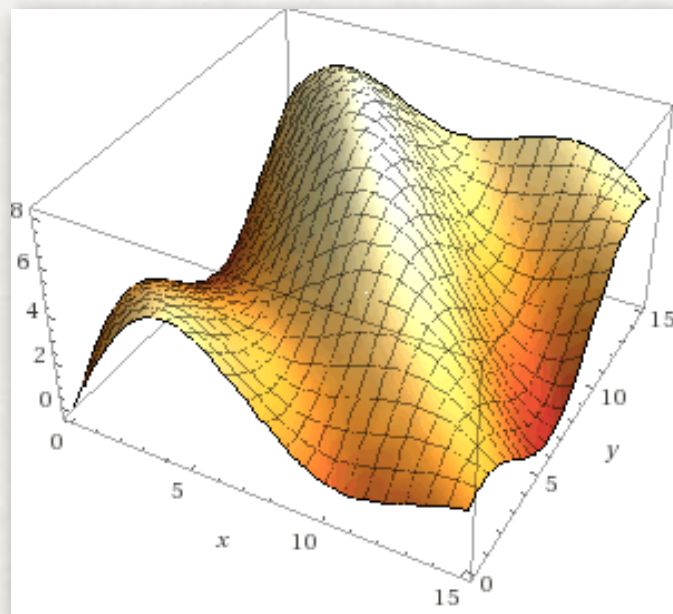
RESULTS TO ROUND 1



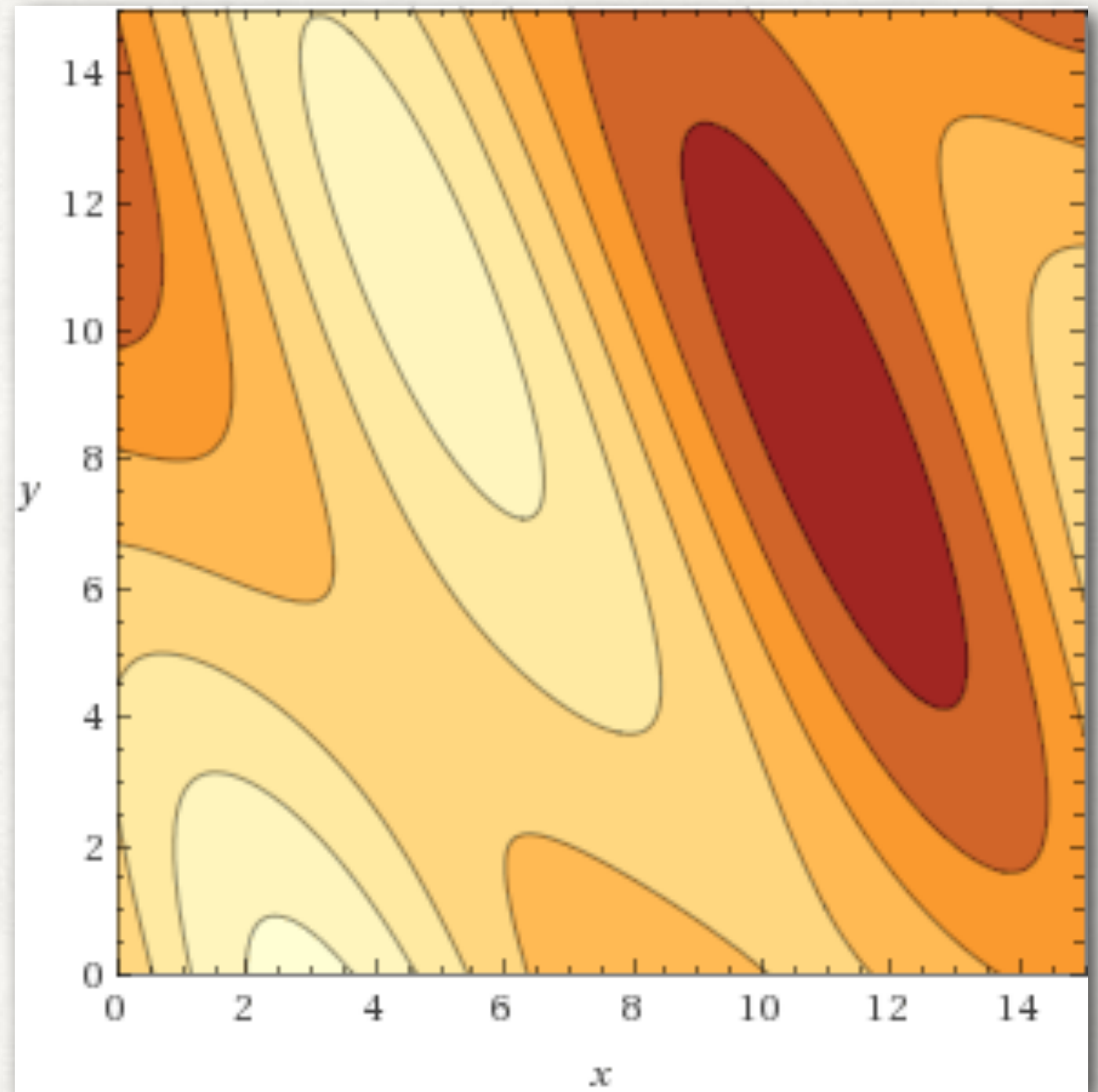
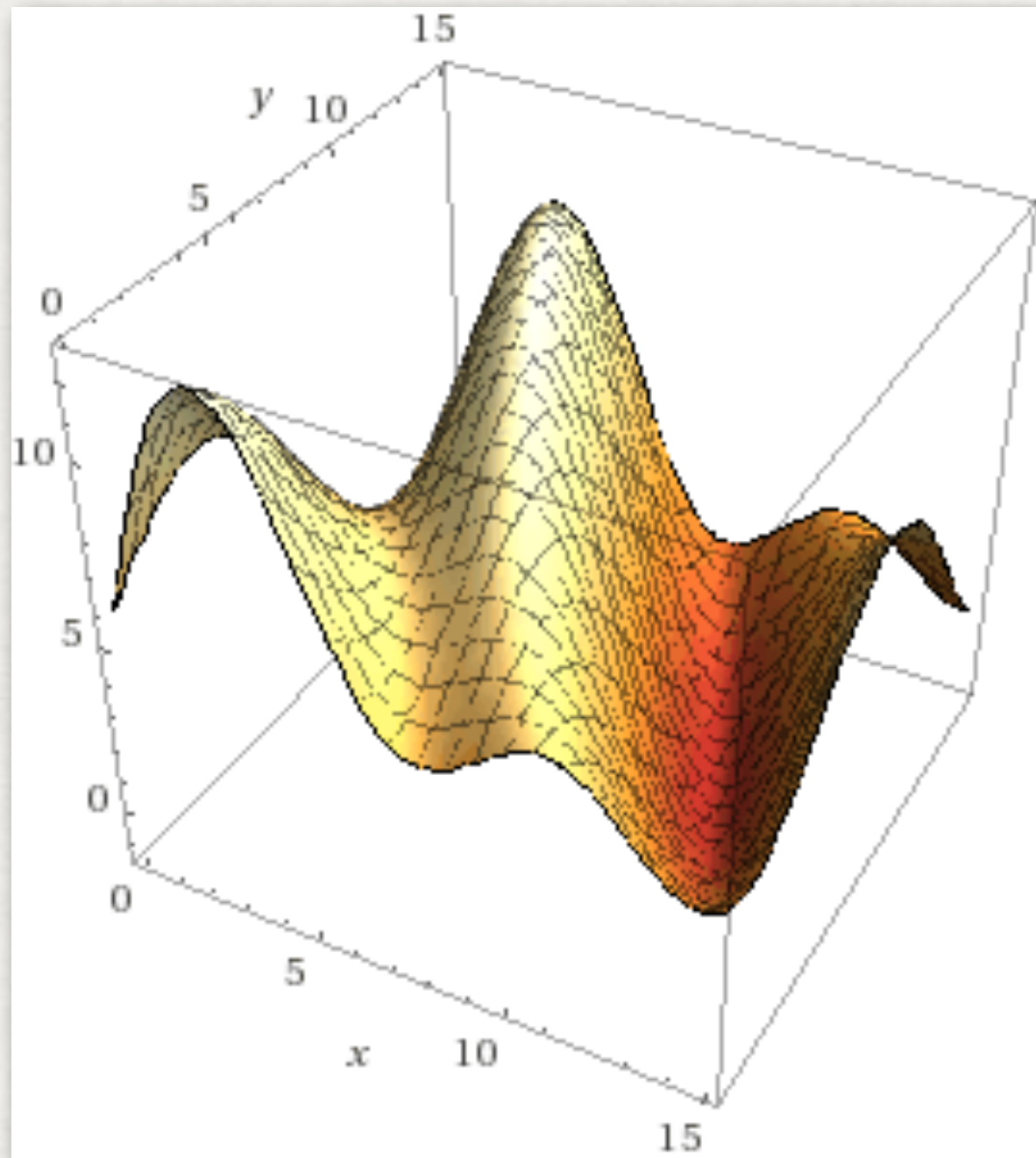
ROUND 2 RESULTS



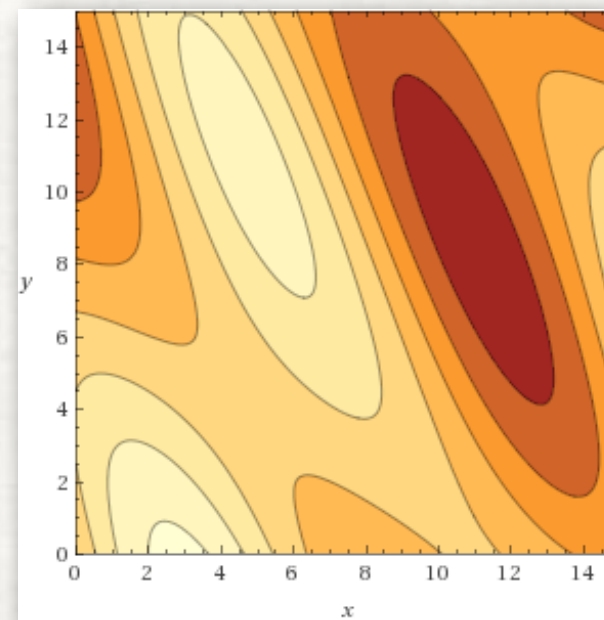
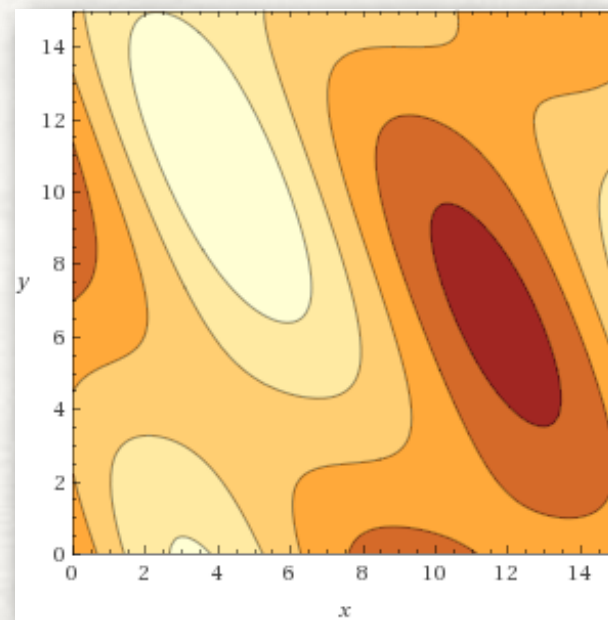
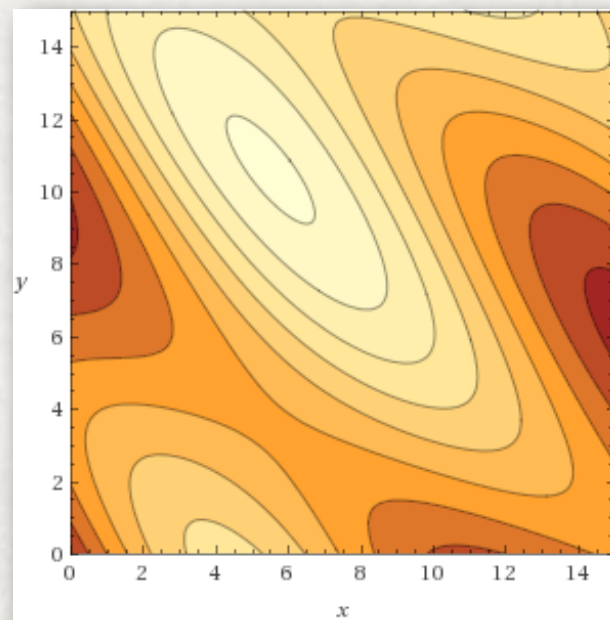
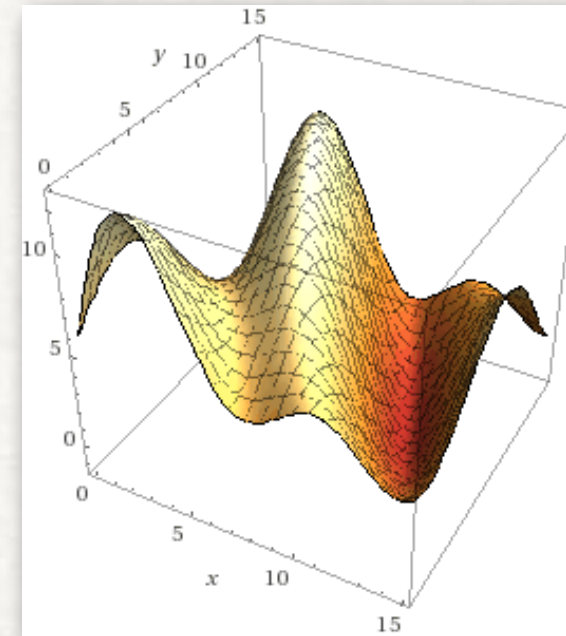
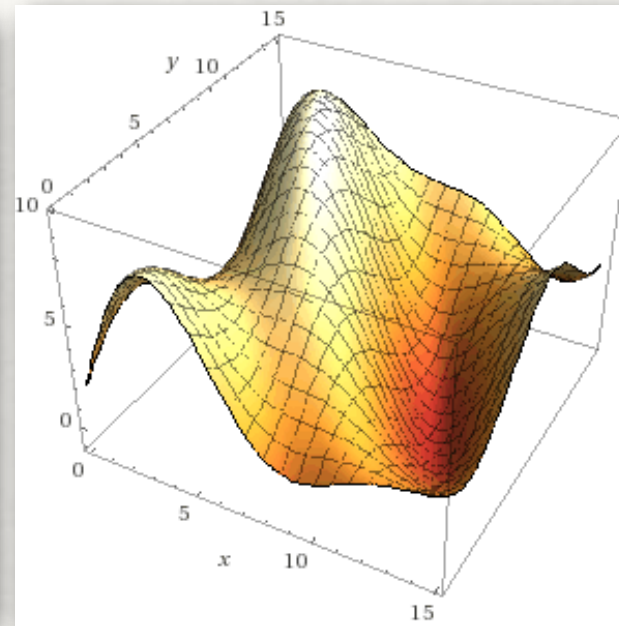
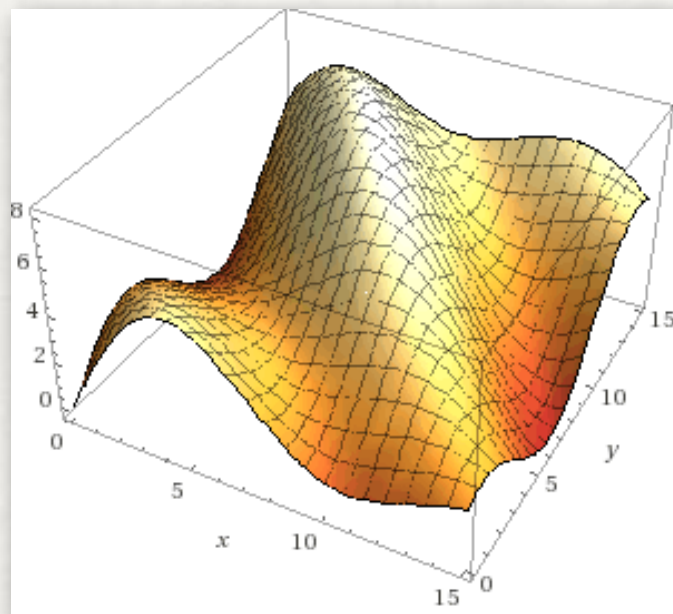
RESULTS TO ROUND 2



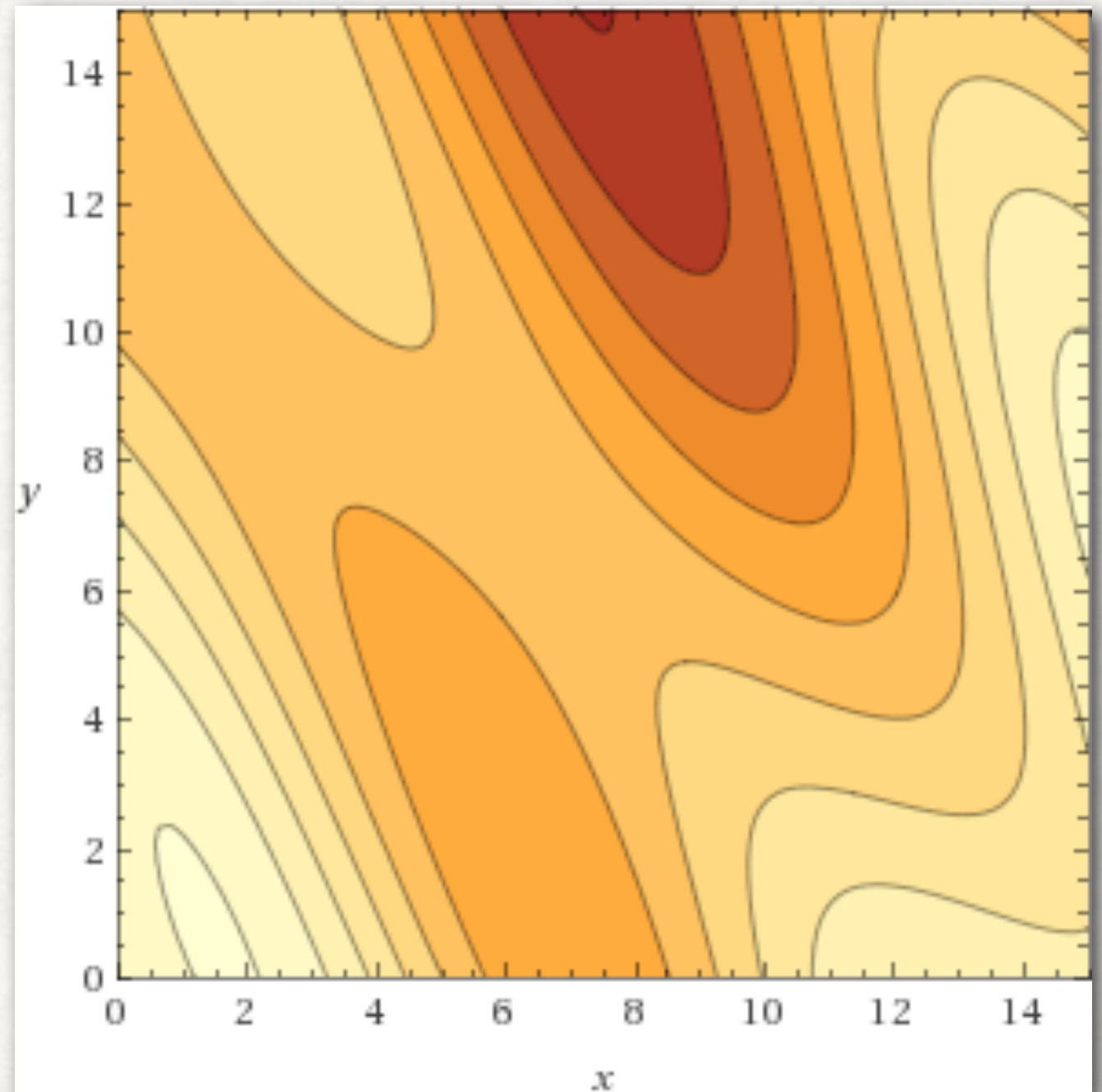
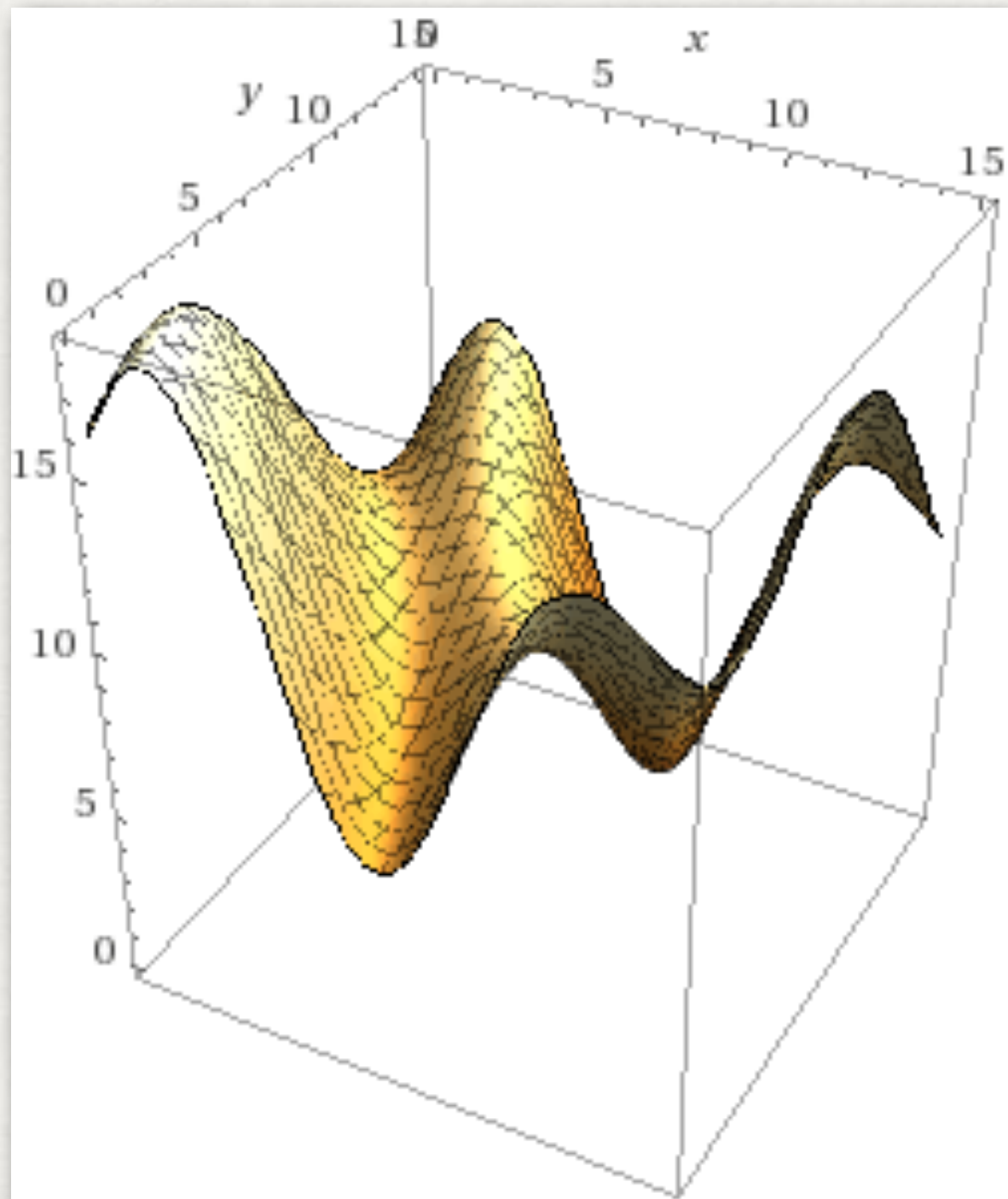
ROUND 3 RESULTS



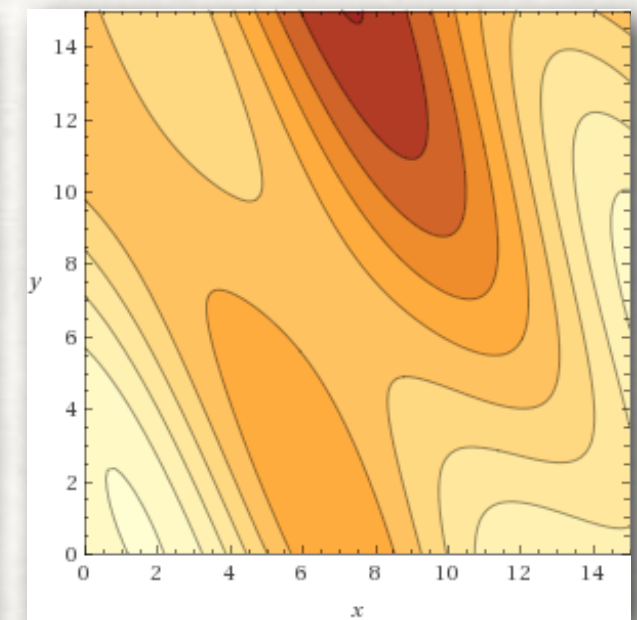
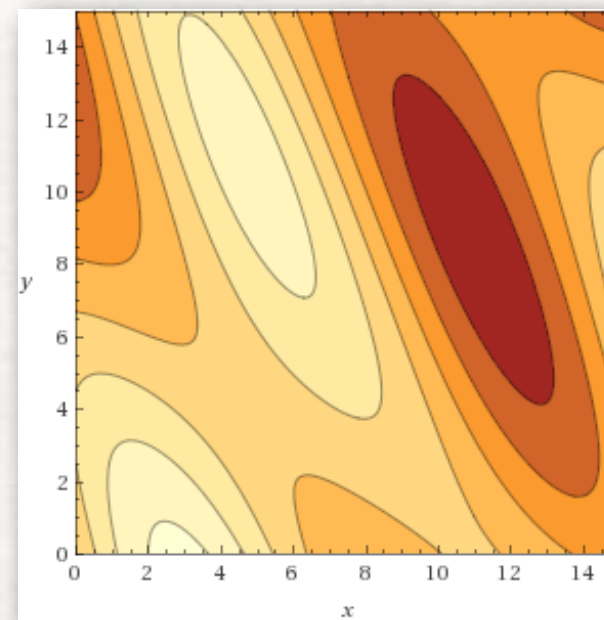
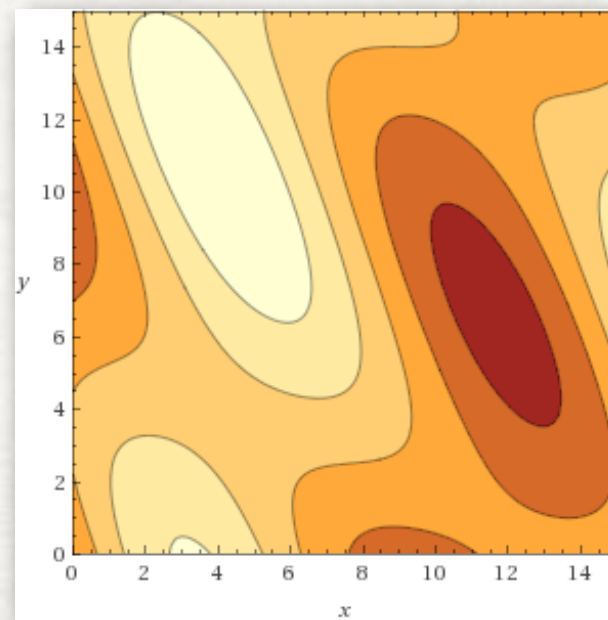
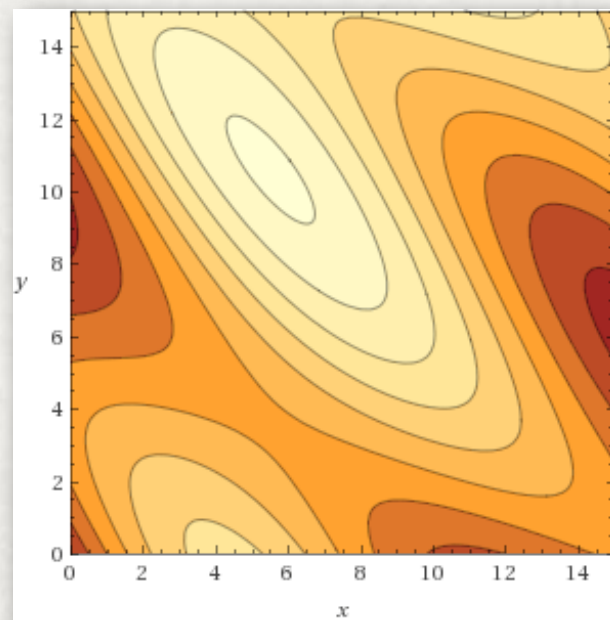
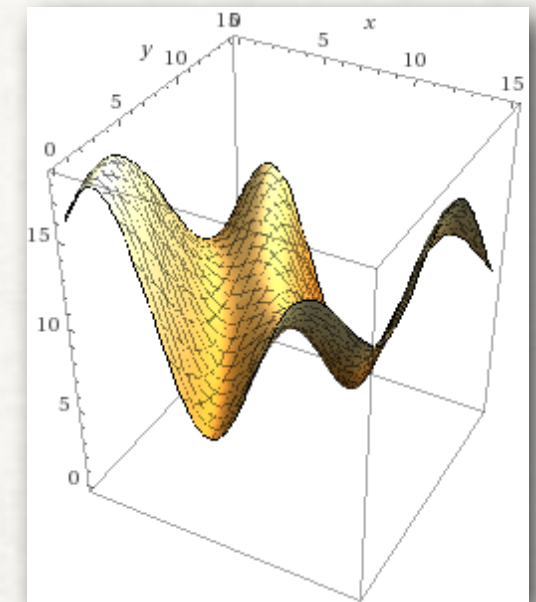
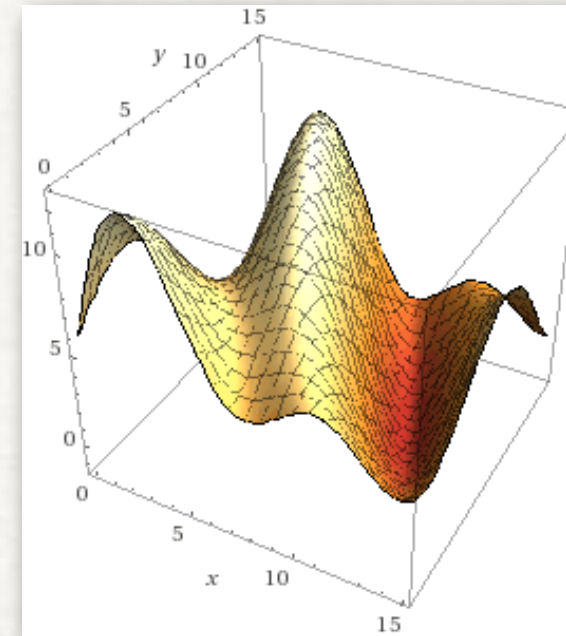
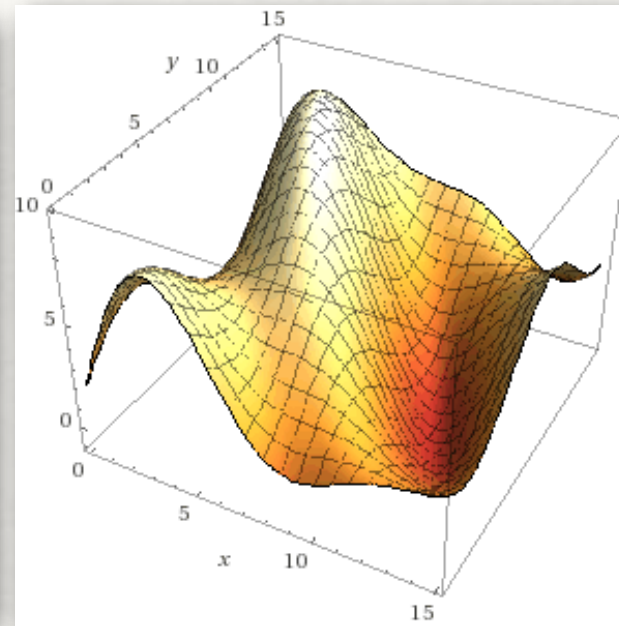
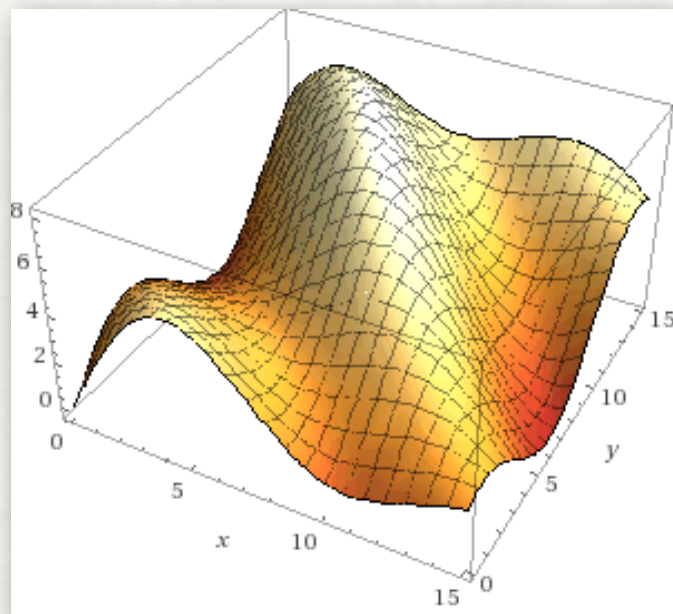
RESULTS TO ROUND 3



ROUND 4 RESULTS



RESULTS - ALL ROUNDS



SIMULATION DEBRIEF

- What were all of the inputs to the process?
- Outputs?
- What was your strategy? Did you stick with it?
- Why do you think your team won? lost?
- How would you play differently if you were to play again?
- What are the flaws or limitations in the simulation? What changes would make it more realistic?

HOW TO FORM A STRATEGY?

WHAT DO WE NEED TO CONSIDER?

- Inputs:
 - Values, Objectives, POV
 - Resources
 - Competitive Landscape:
 - Natural Terrain
 - Competition
 - Rules & Regulations
- Outputs: Activities

HOW TO APPLY TO SIMULATION?

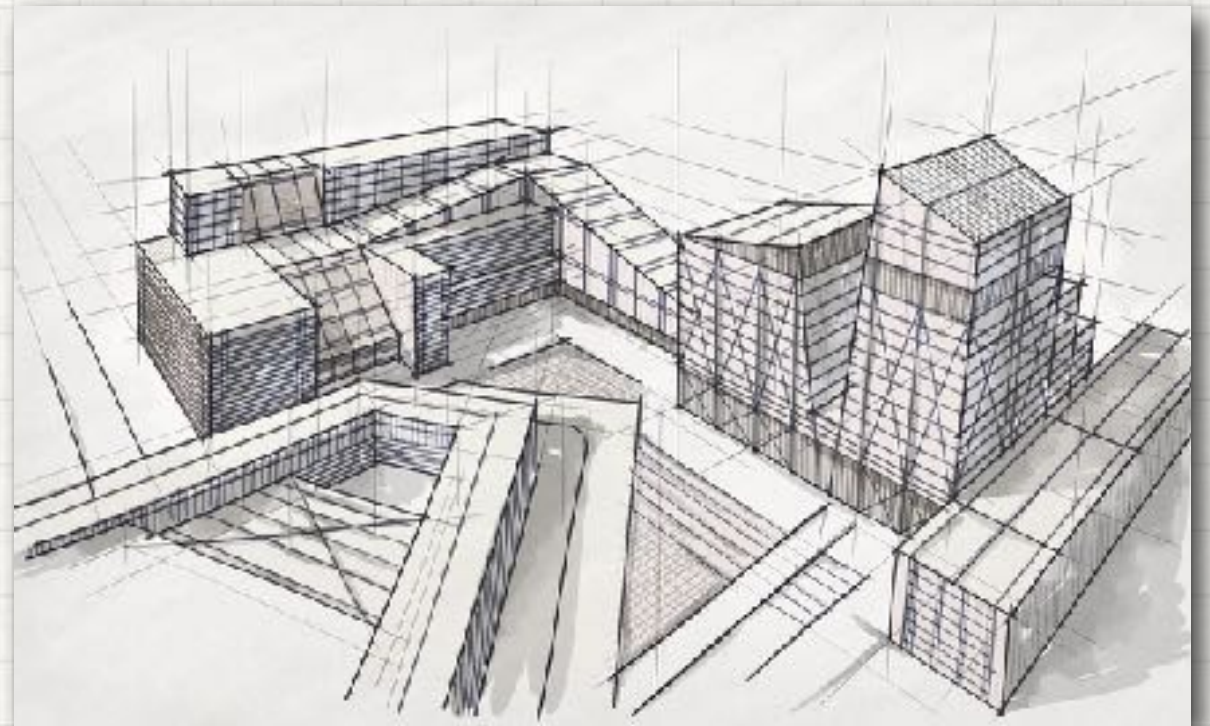


VALUES & OBJECTIVES

- What are our values?
- What's our vision? Mission?
- What are our objectives? Goals?
- Desired outcomes?
- Outcomes to avoid?
- What's your POV? Philosophy?
- What are our priorities?
- What does success look like? KPIs?

RESOURCES

- What scarce resources are we competing for? Why?
- What resources do we have at our disposal?
- What resources can we get? How? At what cost?
- What resources do we need? Why? How?
- What resources are over-valued?
- What resources are under-valued?





COMPETITIVE LANDSCAPE

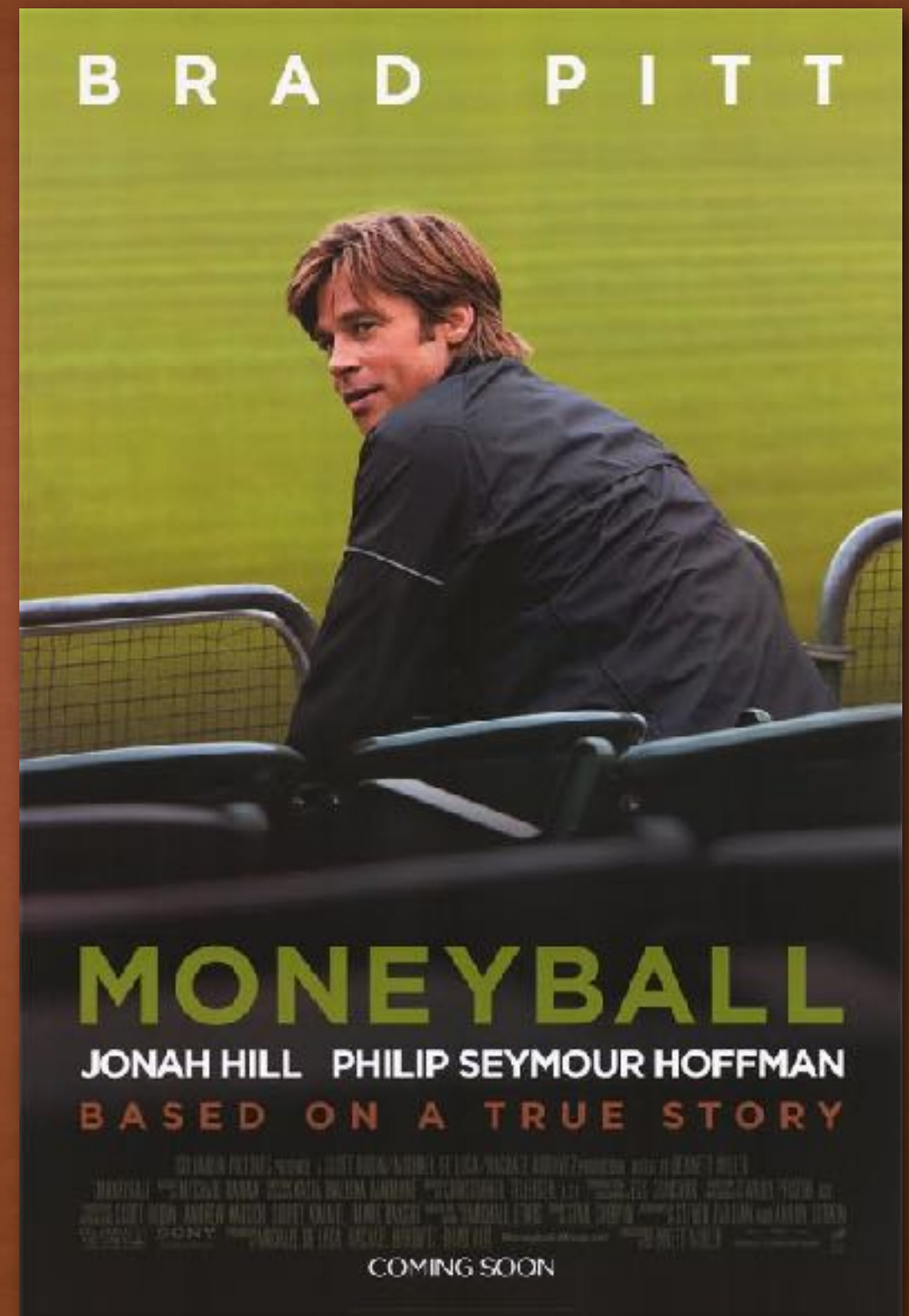
- What does the landscape look like?
Terrain?
- What are the valuable positions?
Why?
- What are the relevant variables of a position? Irrelevant?
- Who are the players involved?
Competition? Allies? Why?
- What does each player care about?
Motivation?
- What rules govern the competition?
- What are the limits? boundaries?
- Which rules can we break at little or no cost? How can we cheat?

POTENTIAL ACTIVITIES AND DECISIONS

- What are all of our potential moves? Activities?
- Why signals do we want to send?
- What can we say? to whom?
- What can we do? to whom?
- What activities align with our strengths and resources?
- Which activities reinforce one another?
- How can we avoid head-on competition?
- How can we foster coopetition?
- What are the important decisions you need to make? Unimportant?
- What are the largest elements of chance?
- What are the other forces at play? Macro? Micro?
- Does anyone control these forces? Us? Competition? Joint? Govt? Fortune? Other?

2002 OAKLAND A'S

- Values & Objectives
- Resources
- Competitive Landscape:
 - Natural Terrain
 - Competition
 - Rules & Regulations
- Potential Activities



ENTREPRENEURIAL STRATEGY

- Focus on the 3 big risks:
 - Technical / Product Risk
 - Market Risk
 - Team Risk



THANK YOU