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Global Strategy Summit

Virtual edition 4

MR. ANDREW CONSTABLE

Blue Ocean strategy - open up a new market spaces

We hope you enjoy the presentation.

For any inquiries, please feel free to contact the CEO, Mr. Shaik Abdul Khadar, at +91 77997 9833, fruiStrategy Pvt. Ltd.

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BLUE OCEAN



STRATEGY

Presentation by



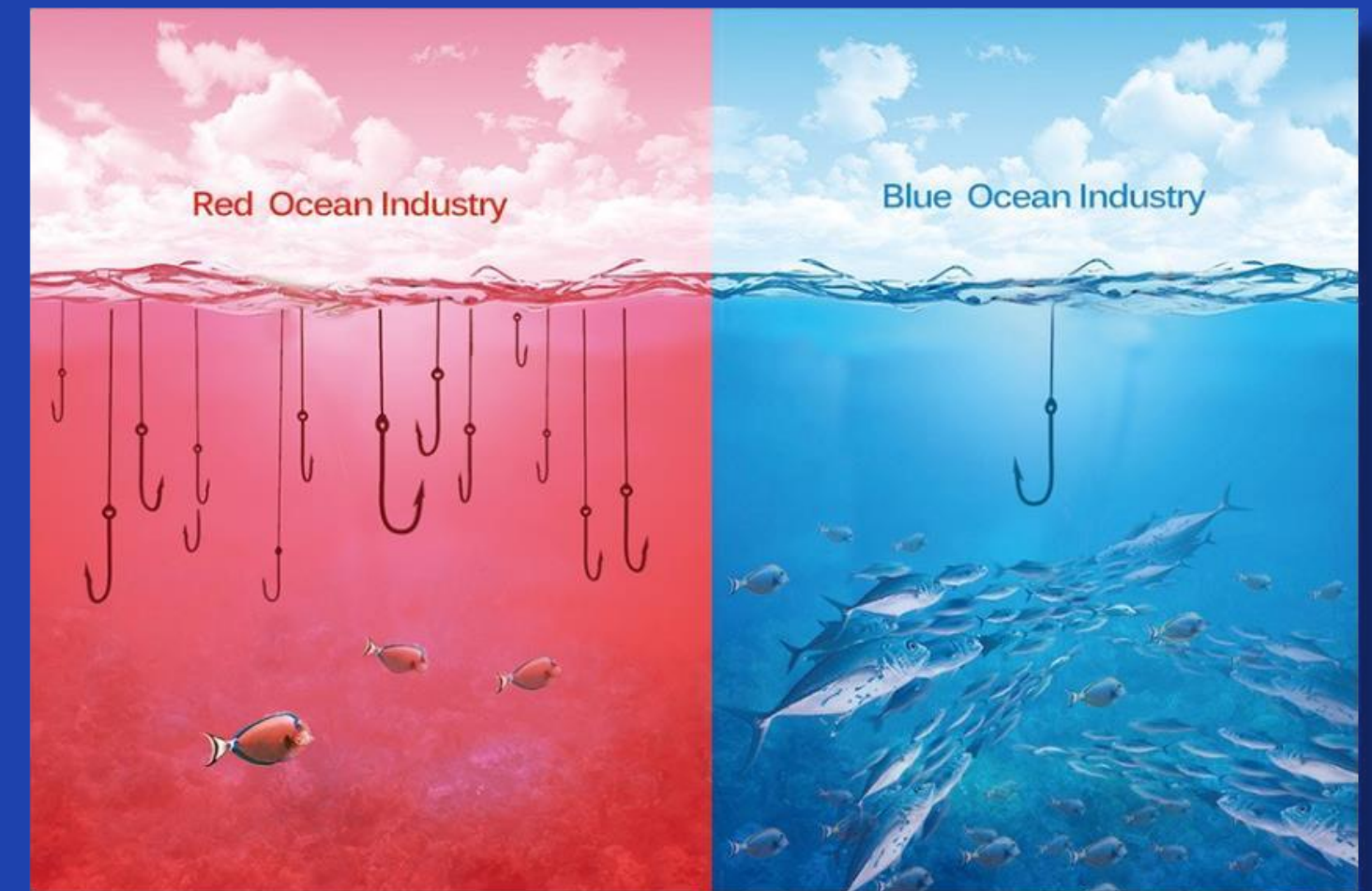
Andrew Constable

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What is Blue Ocean Strategy?

Blue ocean strategy creates new market spaces, avoiding competition in crowded industries.

It focuses on innovation, targeting noncustomers, and turning challenges into opportunities, balancing “managing today” with “creating tomorrow.”



Value Innovation

Create new value for customers while reducing costs.

Reconstructing Boundaries

Redefine industry norms using tools like the Strategy Canvas.

The Climate

Focus on noncustomers to expand the market.



Red Vs Blue Oceans

RED OCEAN STRATEGY

BLUE OCEAN STRATEGY

Compete in existing market space	Create uncontested market space
Beat the competition	Make the competition irrelevant
Exploit existing demand	Create and capture new demand
Make the value-cost trade-off	Break the value-cost trade-off
Align the whole system of a firm's activities with its strategic choice of differentiation or low cost	Align the whole system of a firm's activities in pursuit of differentiation and low cost

Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

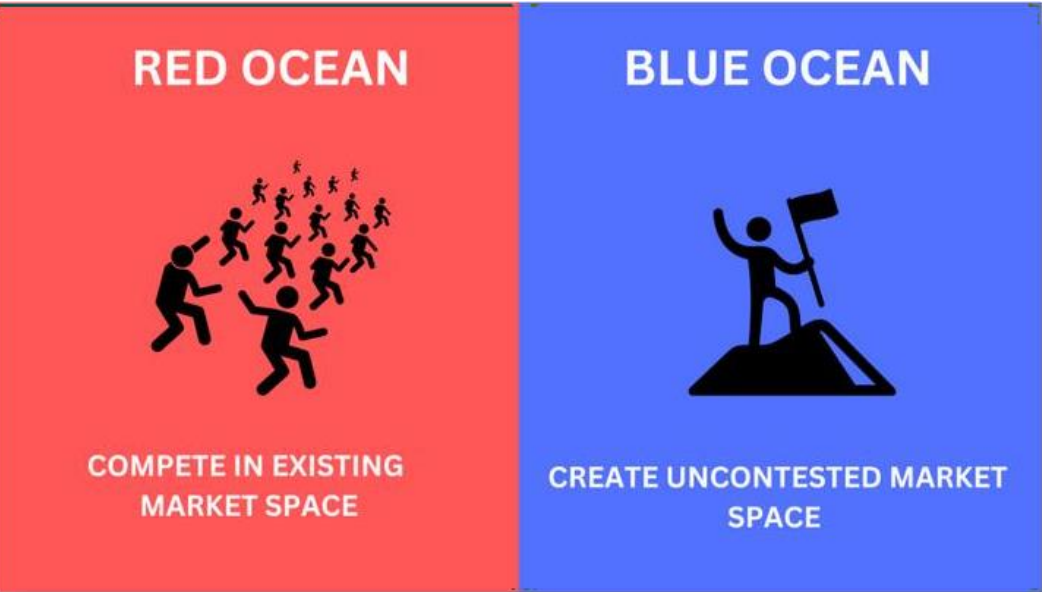
Red Oceans are crowded, competitive markets where businesses fight over limited demand. Blue Oceans, on the other hand, focus on creating new, uncontested markets for sustainable growth and innovation.

Red Oceans

Businesses compete in existing markets, fighting for limited demand. Intense competition leads to price wars and shrinking profits, creating a zero-sum game.

Blue Oceans

Companies create new markets by innovating and targeting noncustomers. This unlocks untapped demand, avoids competition, and drives growth and profitability.



Red Ocean

Blue Ocean

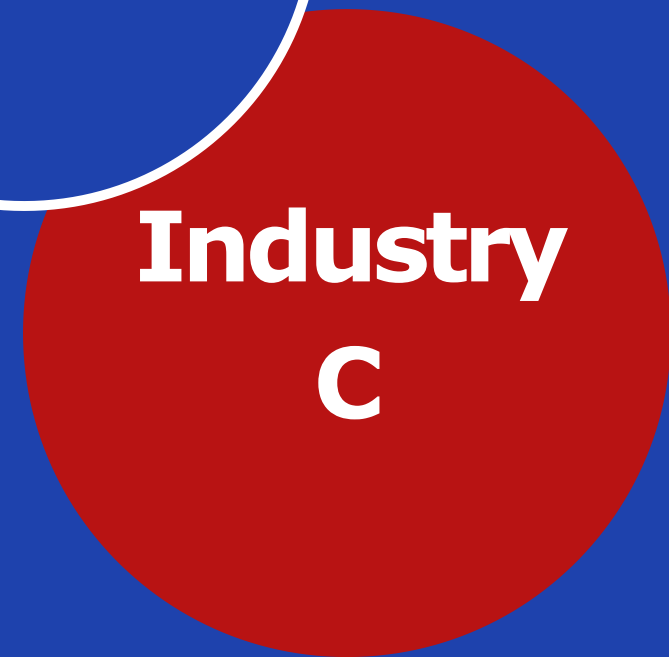
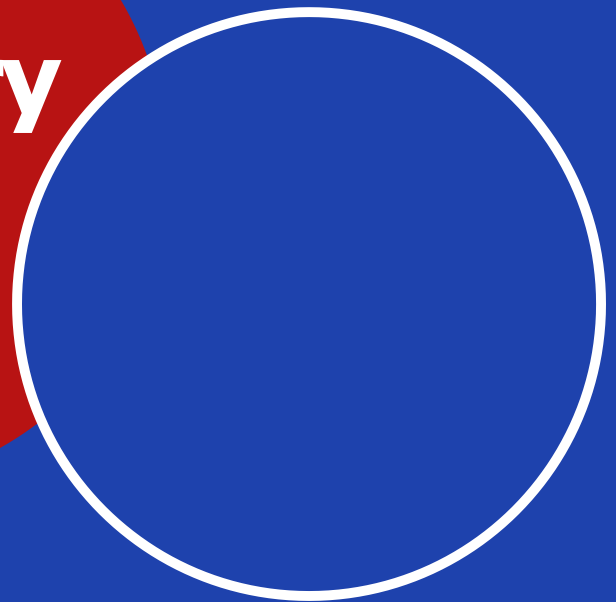
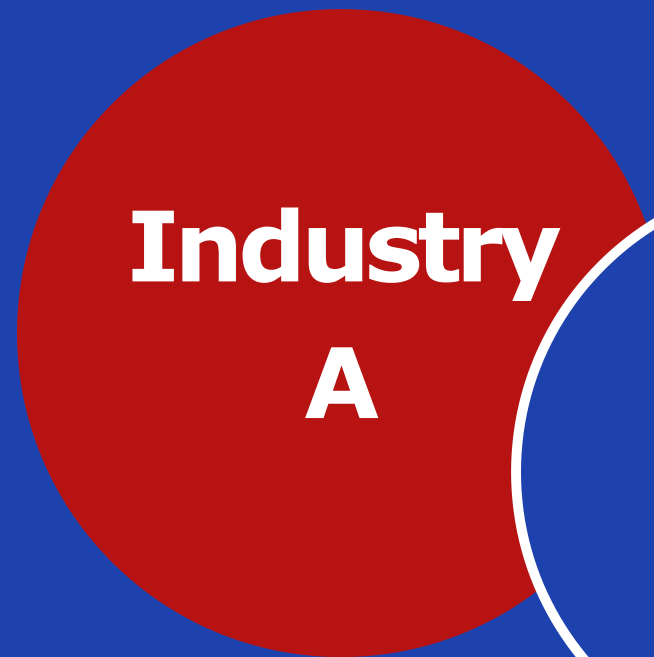
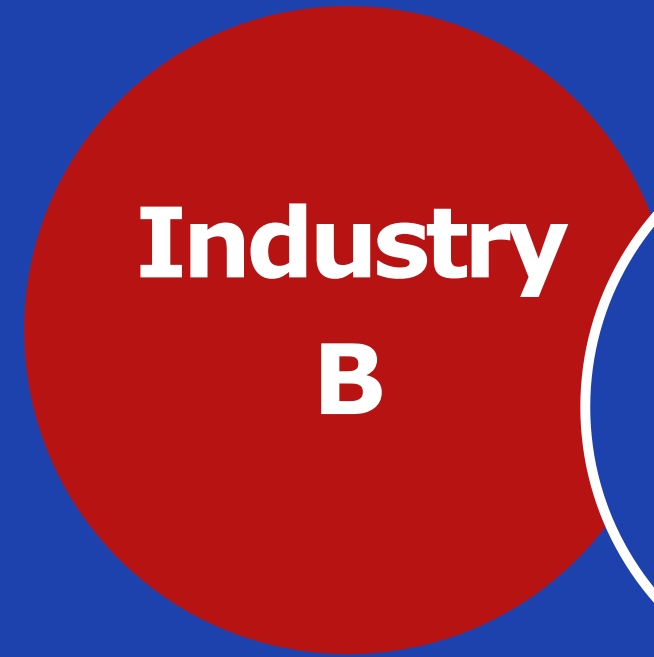
KNOWN MARKETSPACE

UNKNOWN MARKETSPACE

**Industry
A**

**Industry
B**

**Industry
C**



Market Competing Strategy

Market Creating Strategy

**Structure
Shapes
Strategy**

**Strategy
Shapes
Structure**

The Blue Ocean Books

Chan Kim and Renee Mauborgne have been researching what it takes to break out of the red ocean of competition and generate strong, profitable growth for over 30 years.

They uncovered a systematic process of achieving growth that works whether you are a cash-strapped startup, non-profit, small business, or a large, established company.

Over 4.5 Million Copies Sold

The books have collectively sold over 4.5 million copies worldwide.

A Landmark in Strategy Thinking

Blue Ocean Strategy is recognized as one of the most iconic and impactful strategy books ever written.

Bestseller

Blue Ocean Shift is New York Times and #1 Wall Street Journal bestseller.



Creates uncontested market space

Market Space

Focuses on making competition irrelevant by redefining industry boundaries.

Builds execution into strategy

Inclusive

Inclusive, easy-to-use tools integrate execution with strategy.

Grounded in data

Data

Based on 150+ strategic moves across 30 industries over 100 years.

Provides a step-by-step process

Steps

Guides from industry analysis to converting noncustomers into customers.

Empowers with tools and frameworks

Frameworks

Offers tools to transition from competition to creating new markets.

Creates a win-win outcome

Win-Win

Aligns value, profit, and people for successful outcomes with confidence.

Pursues differentiation and low cost

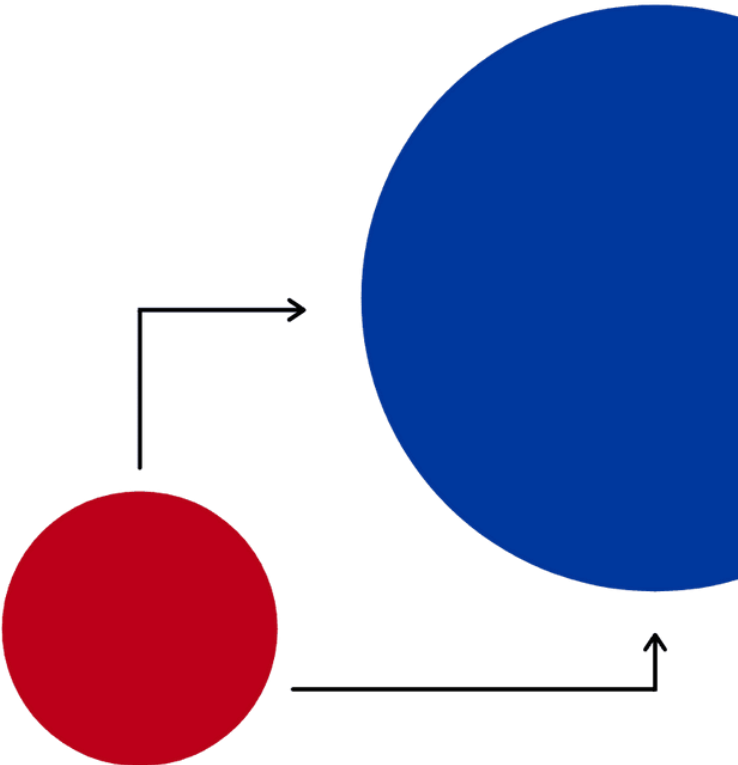
Duel Approach

Achieves both differentiation and cost efficiency simultaneously.

Maximizes opportunity, minimizes risk

Balance

Tests and refines ideas to balance growth potential and risk.



Key Principles

Value Innovation

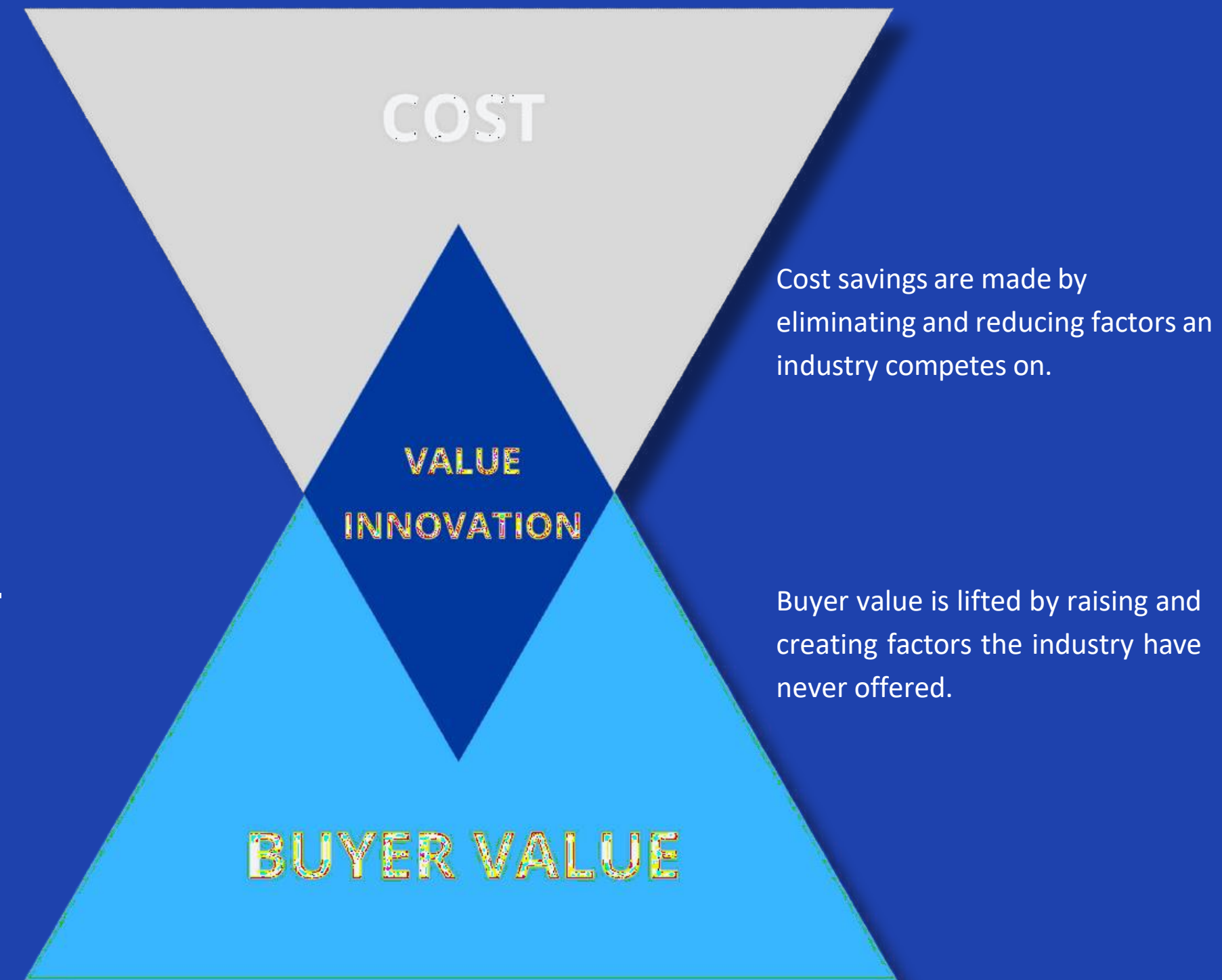
Value Innovation is the cornerstone of Blue Ocean Strategy. It involves creating significant value for both customers and the company by simultaneously pursuing differentiation (offering unique and superior value) and low cost (reducing costs by eliminating or reducing unnecessary elements).

Instead of choosing between differentiation and cost leadership, value innovation combines both by challenging industry norms and focusing on what customers truly value.

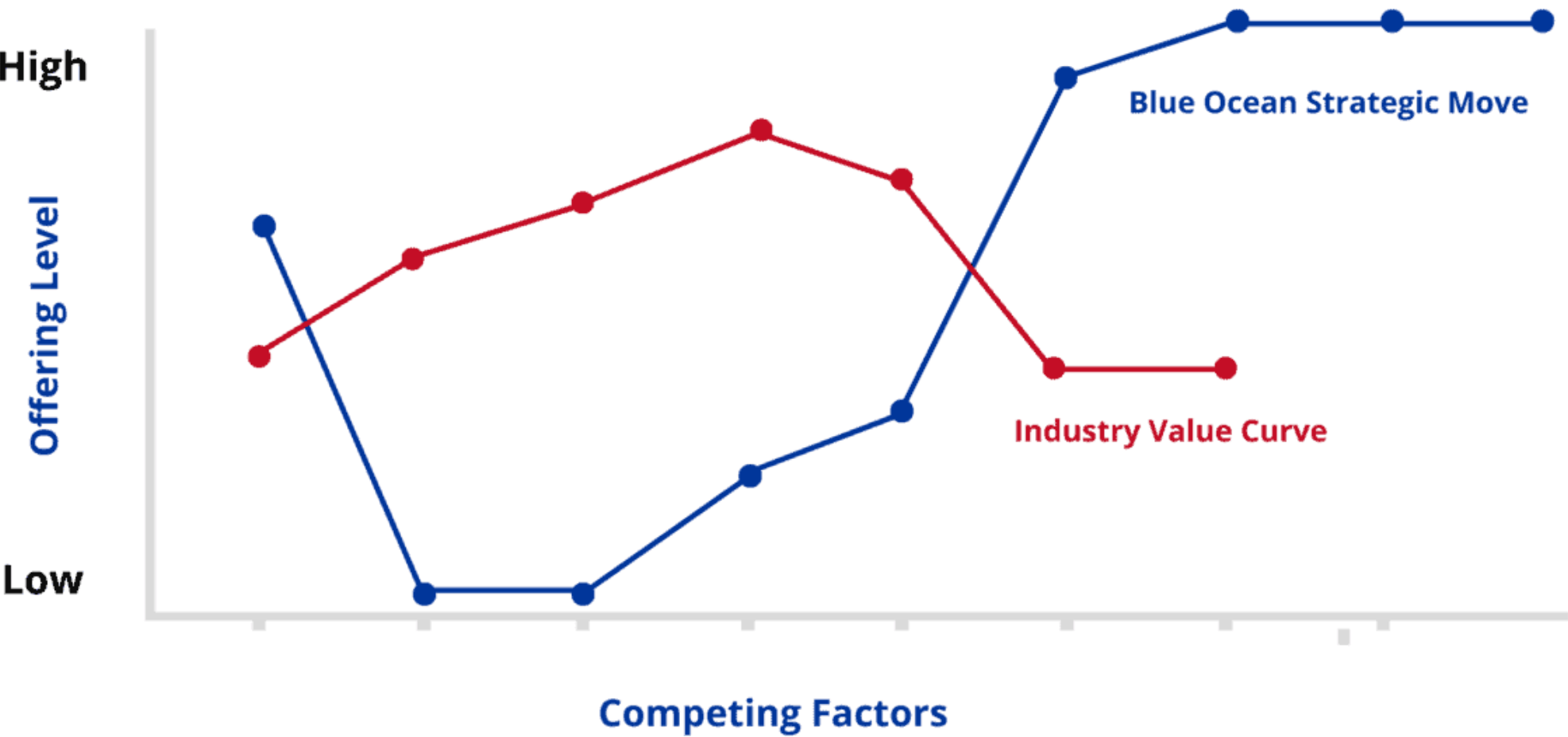
Simultaneous Pursuit of
Differentiation and Low Cost

Focus on Creating a Leap in Value for
Customers and the Business

Challenge Industry Assumptions



Strategy Canvas



Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

Serves Two Purposes

To capture the current state of play in the known market space, which allows users to clearly see the factors that the industry competes on and where the competition currently invests.

To propel users to action by reorienting focus from competitors to alternatives and from customers to noncustomers of the industry.

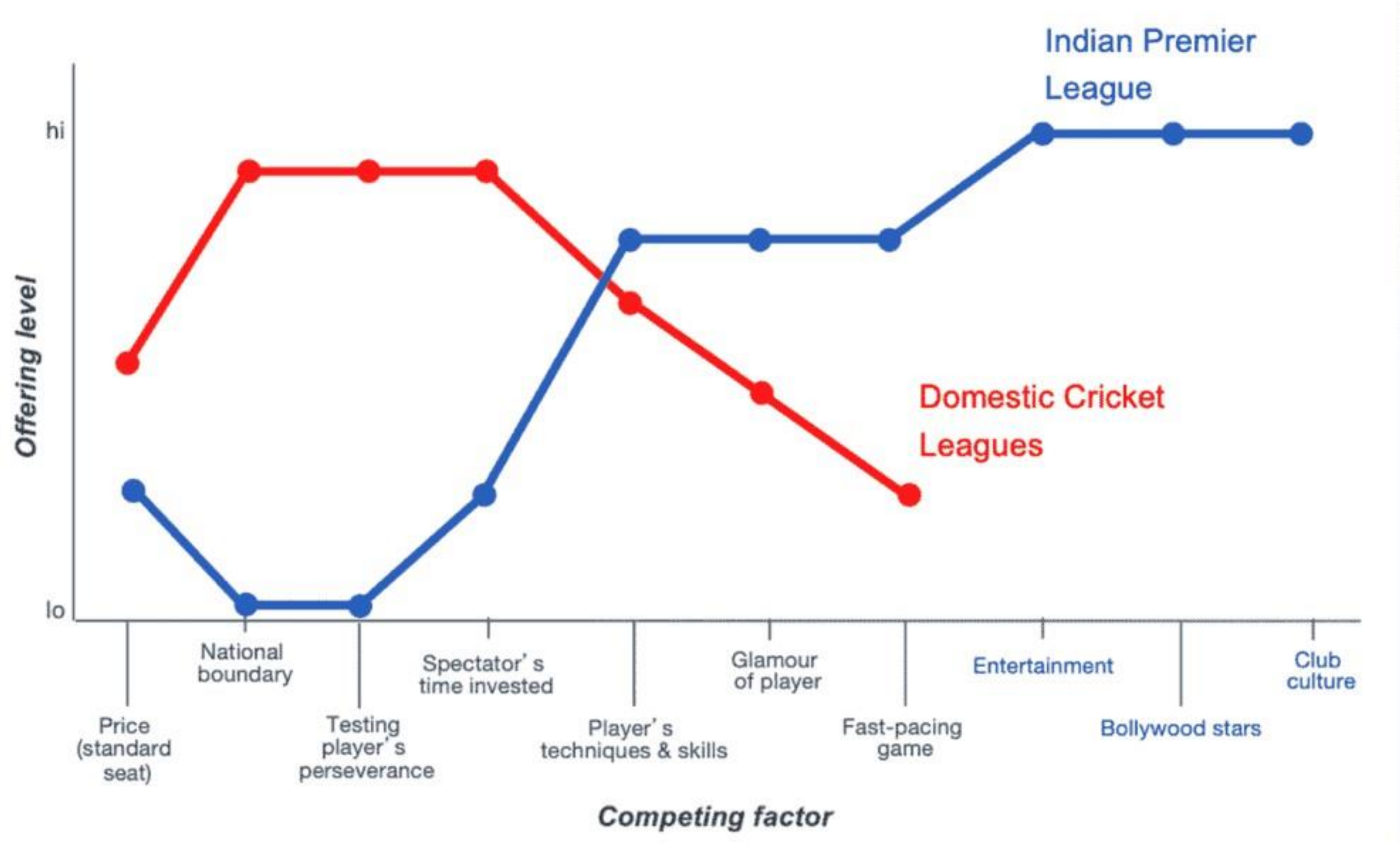
The strategy canvas is both a diagnostic and an action framework for building a compelling blue ocean strategy. The horizontal axis captures the range of factors that the industry competes on and invests in, while the vertical axis captures the offering level that buyers receive across all of these key competing factors.

The value curve is the basic component of the strategy canvas. It is a graphic depiction of a company's relative performance across its industry's factors of competition. A strong value curve has focus, divergence, as well as a compelling tagline.



 **MUMBAI INDIANS**

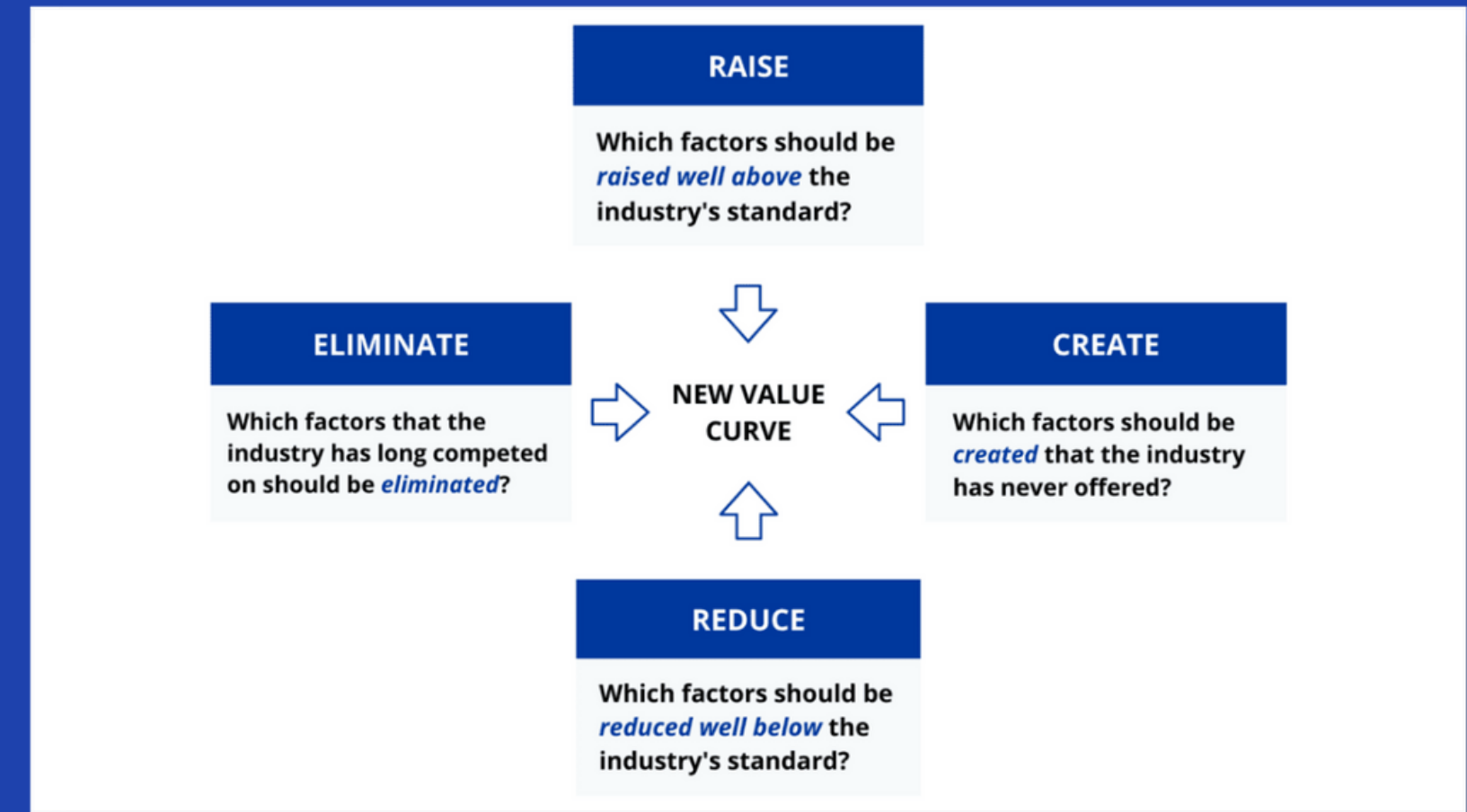
Indian cricket's new value proposition



Strategy Canvas of Indian Premier League

Four Actions Framework

The Four Actions Framework is used to reconstruct buyer value elements in crafting a new value curve. To break the trade-off between differentiation and low cost and to create a new value curve, the framework poses four key questions, shown in the diagram, to challenge an industry's strategic logic.



Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

Eliminate

Which of the factors that the industry takes for granted should be eliminated?

Reduce

Which factors should be reduced well below the industry's standard?

Raise

Which factors should be raised well above the industry's standard?

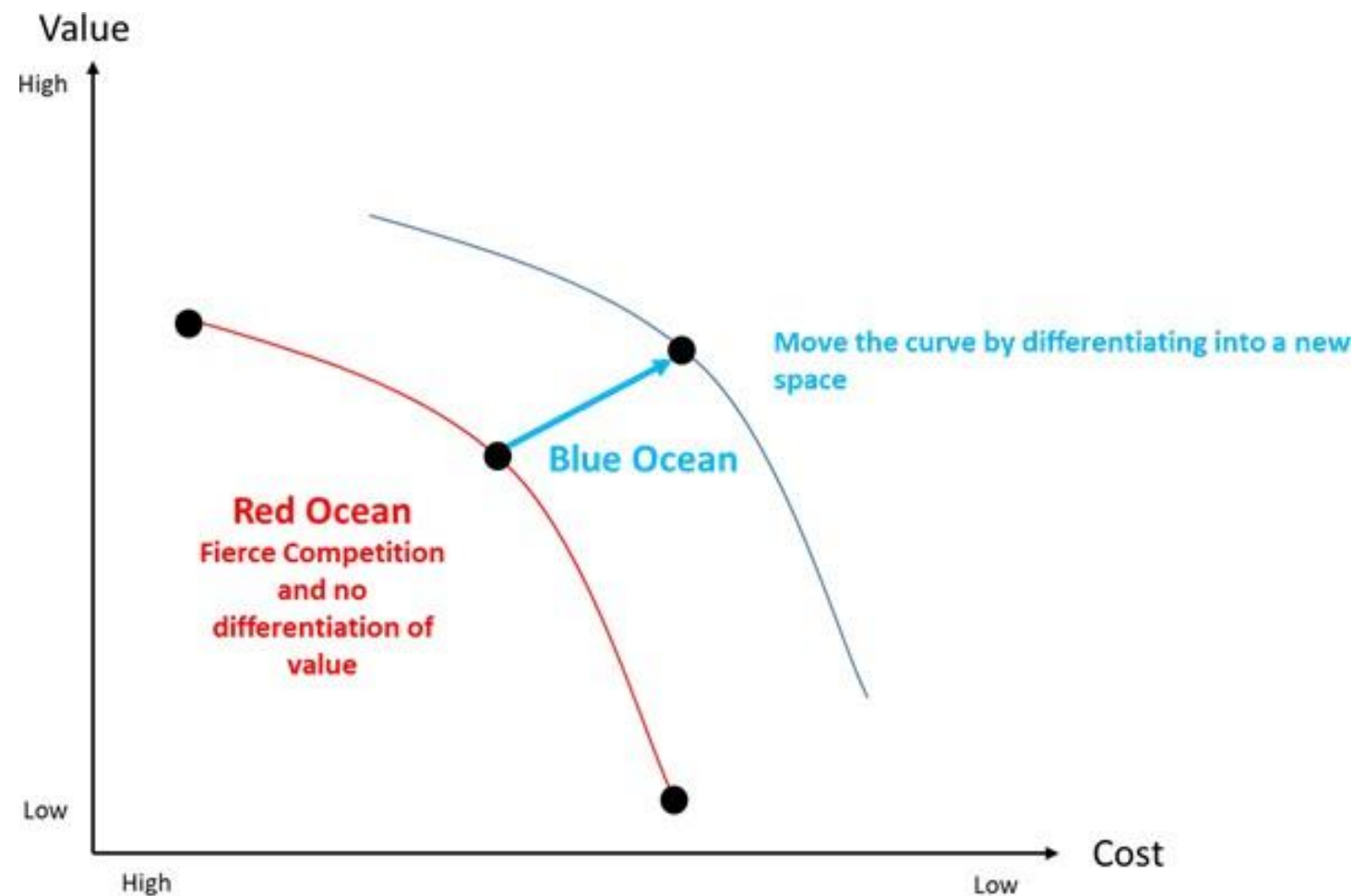
Create

Which factors should be created that the industry has never offered?

Where do you start?

Blue Ocean Shift

A Blue Ocean Shift is a systematic process that organizations follow to move from highly competitive "red oceans" to untapped, uncontested "blue oceans." It involves creating new market spaces where competition is irrelevant by focusing on innovation, value creation, and unlocking new demand.

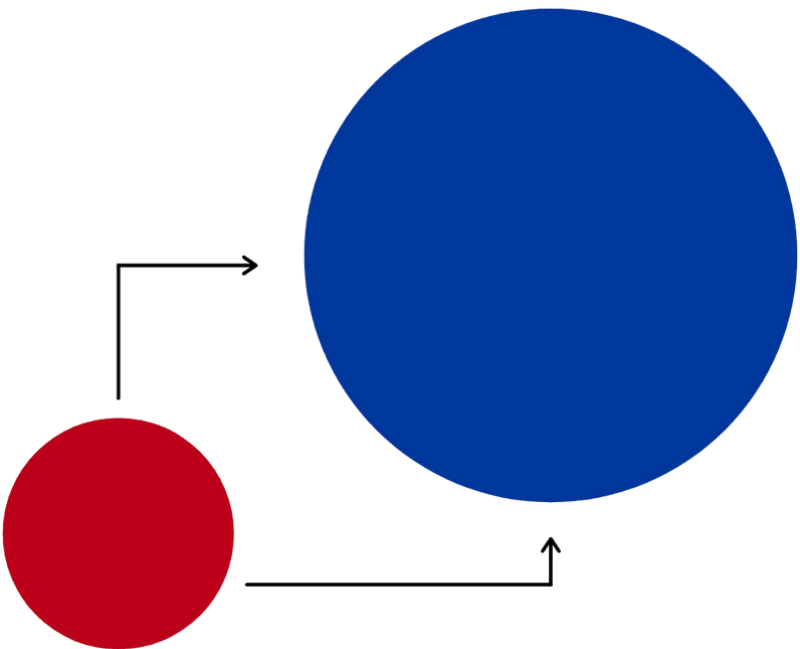


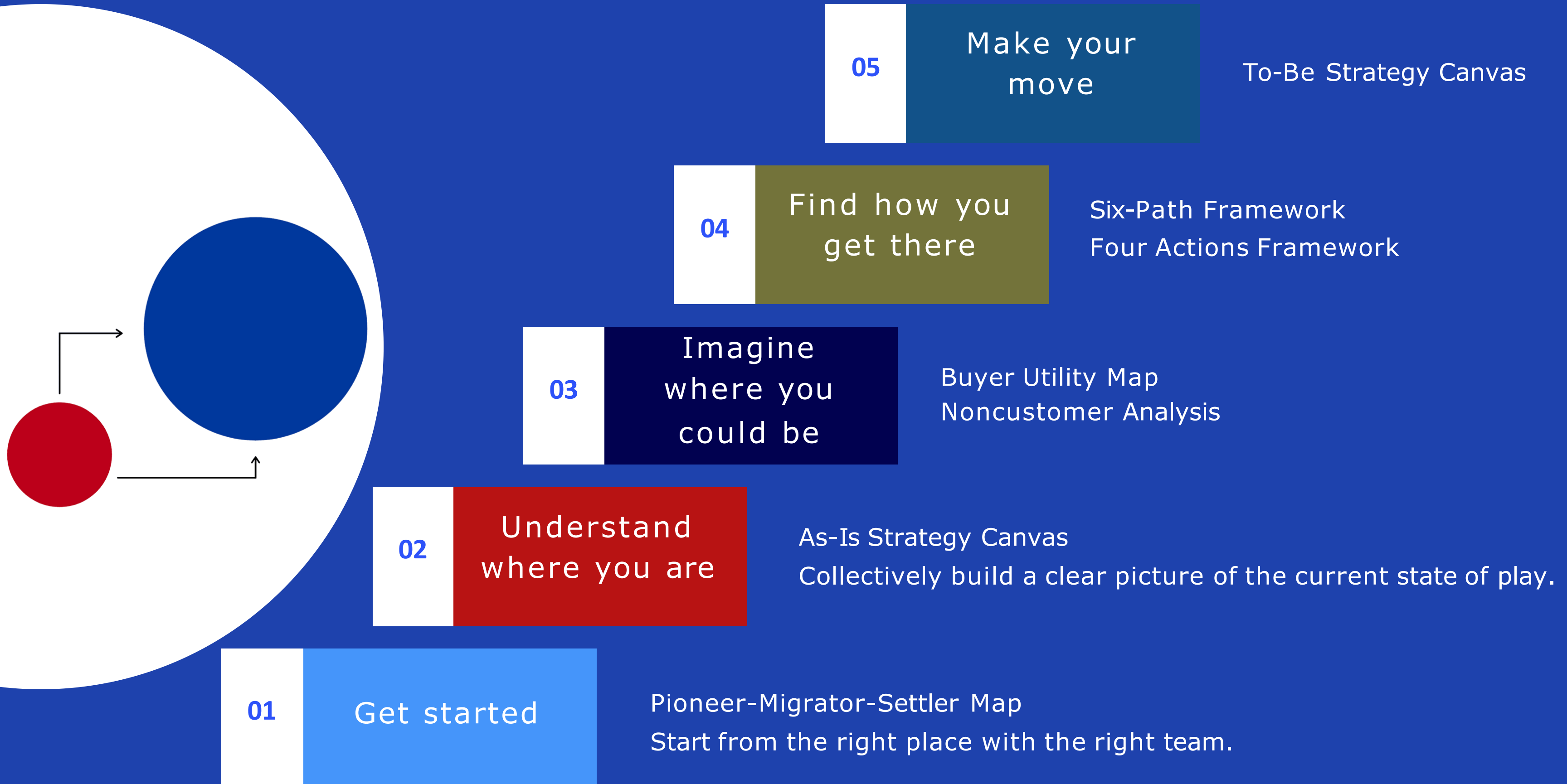
Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

Key Aspects

A Blue Ocean Shift helps organizations escape intense competition and declining profits by focusing on innovation-driven growth.

It provides a systematic approach to reduce risks, minimize costs, and maximize opportunities for success.





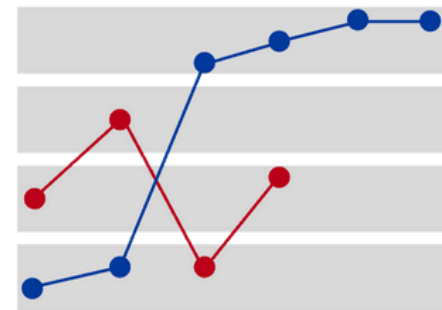
Blue Ocean Toolkit

Chan Kim and Renée Mauborgne have created a comprehensive set of analytic tools and frameworks to create blue oceans of new market space.

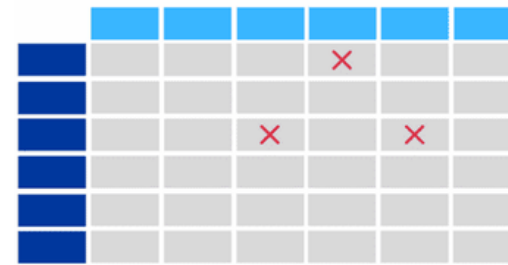
Learn how to use these practical market-creating tools to move from the red ocean of competition to the blue oceans of new market space and to do so in a way that people own and drive the process.



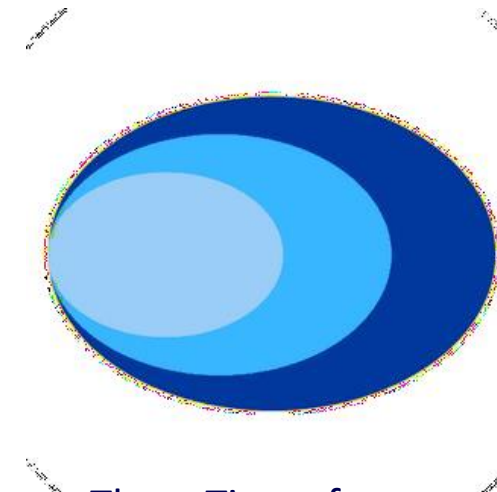
Value Innovation



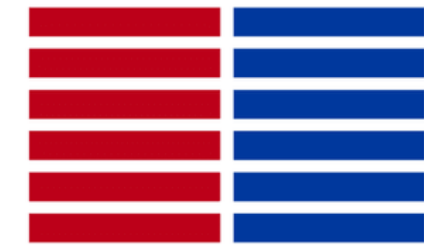
Strategy Canvas



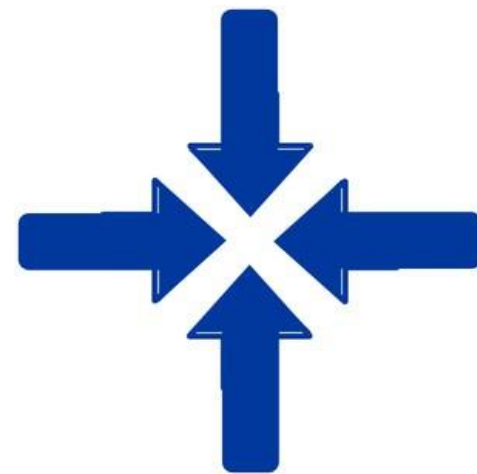
Buyer Utility Map



Three Tiers of Noncustomers



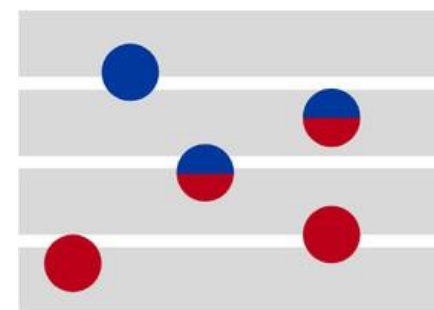
Six Paths Framework



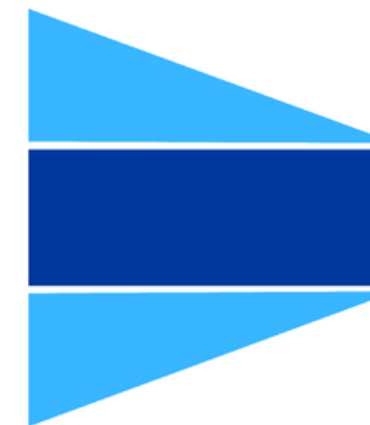
Four Actions



ERRC Martix



PMS Map



Price Corridor



Fair Process

Blue Ocean Leadership

Blue Ocean Leadership

Most leadership development programs and strategies are designed to hone leaders' cognitive and behavioural skills with the implicit assumption that this would ultimately translate into high performance. In contrast, Chan Kim and Renée Mauborgne's Blue Ocean Leadership tap into the field of strategy by focusing on actions tied to market realities to bring about a rapid step-change in leadership strength. It's distinct from traditional leadership development approaches in several overarching ways, as indicated in the table below:

Conventional Leadership Development Approaches	Blue Ocean Leadership
Focus on the values, qualities and behavioral styles that make for good leadership under the assumption that these ultimately translate into high performance.	Focus on what acts and activities leaders need to undertake to boost their teams' motivation and business results, not on who leaders need to be.
Tend to be quite generic and are often detached from what organizations stand for in the eyes of their customers and the market results their people are expected to achieve.	Connect leaders' actions closely to market realities by having the people who face market realities define what leadership practices hold them back and what leadership actions would enable them to thrive and best serve customers and other key stakeholders.
Focus mostly on the executive and senior levels of organizations.	Distribute leadership across all three management levels because outstanding organizational performance often comes down to the motivation and actions of middle and frontline leaders who are in closer contact with the market.

Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

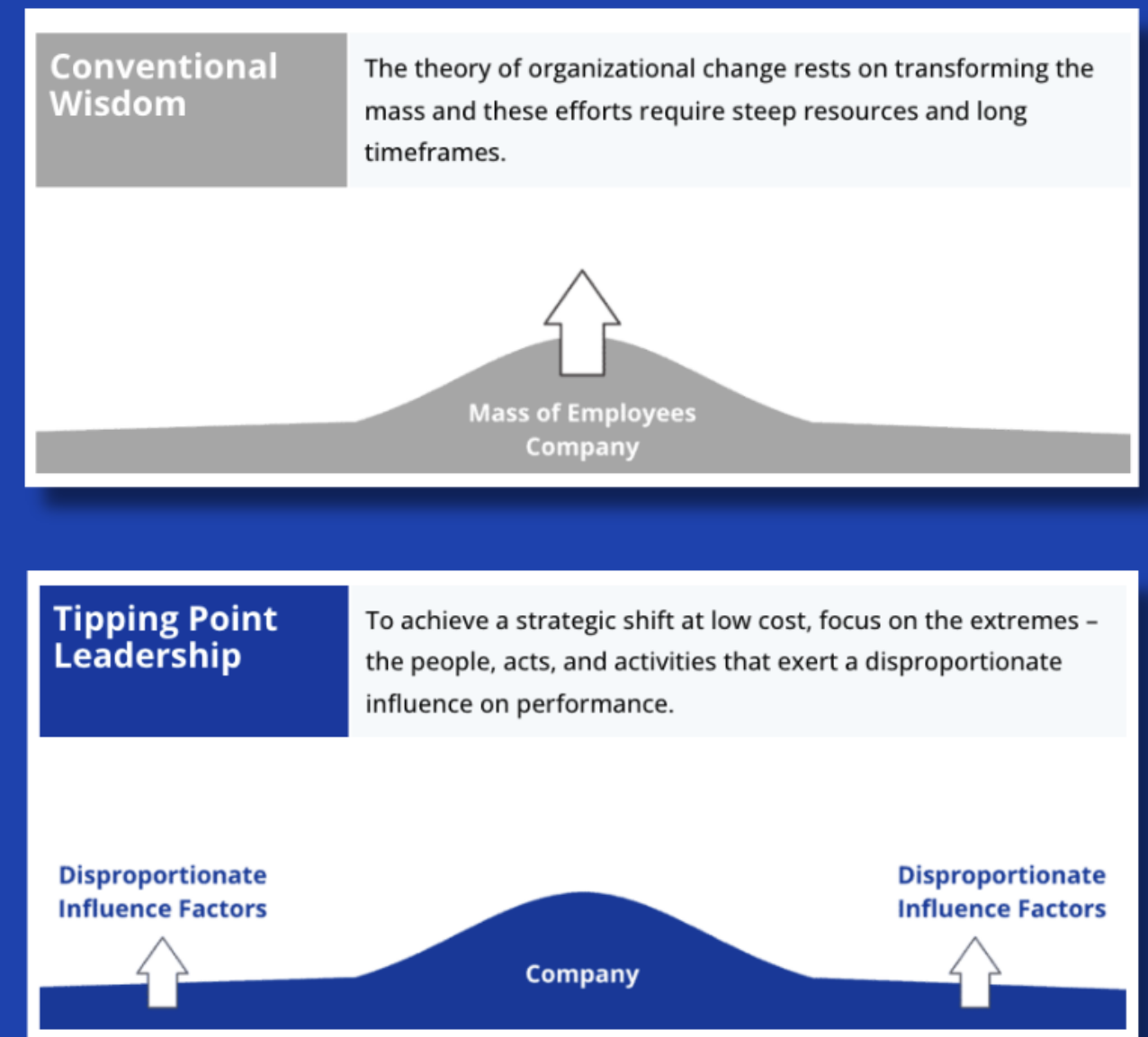
Tipping Point Leadership

Conventional organizational change focuses on transforming the mass, requiring significant resources and time. In contrast, tipping point leadership, developed by Chan Kim and Renée Mauborgne, targets the extremes—people, acts, and activities with disproportionate influence. By transforming these key elements, leaders can drive rapid, low-cost change to execute their strategy.

Conventional Change Theory Focuses on the Mass

Tipping Point Leadership Focuses on the Extremes

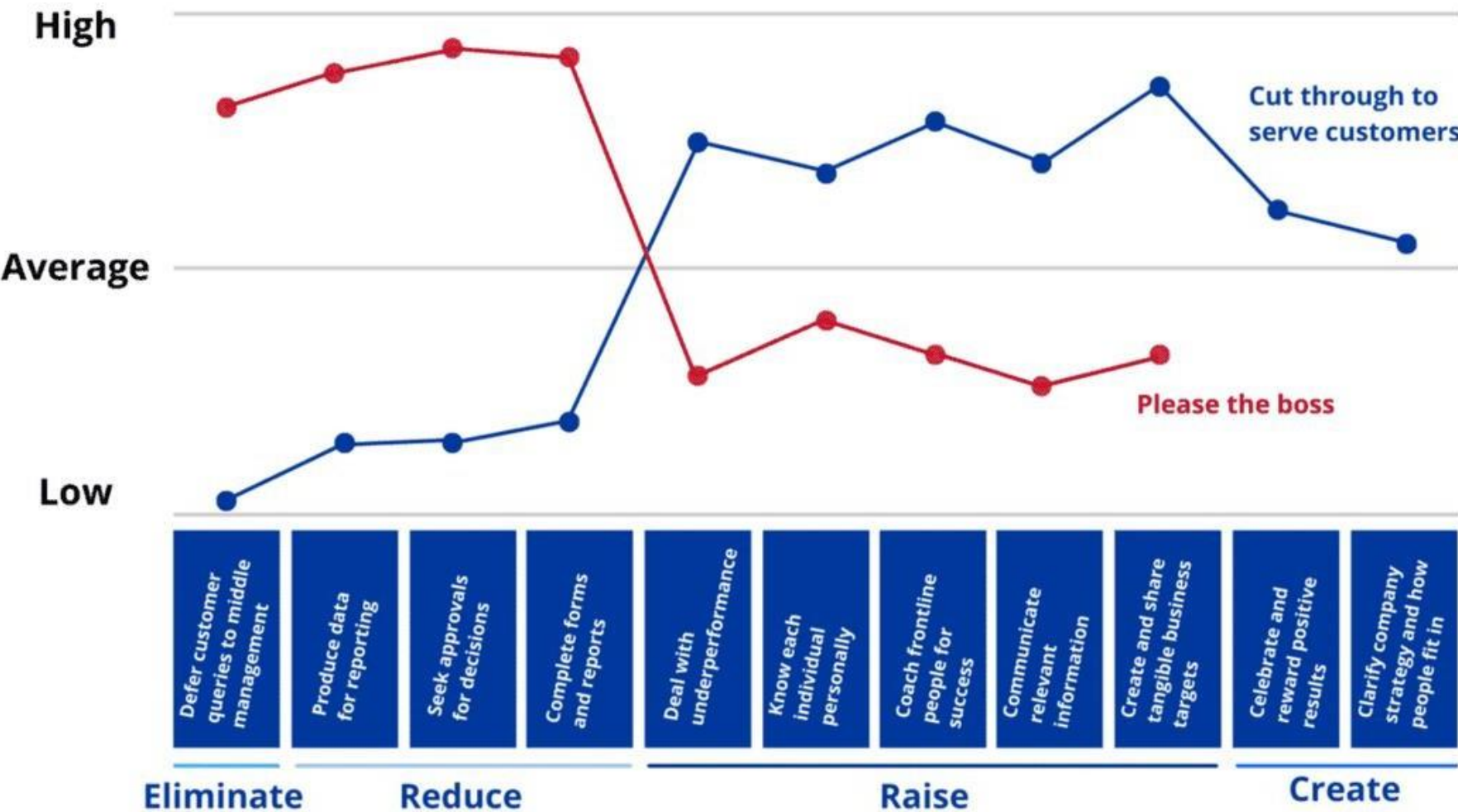
Fast and Cost-Effective Transformation



Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

Leadership Canvas

Chan Kim and Renée Mauborgne’s Leadership Canvas is a central, analytic tool of Blue Ocean Leadership. It gives managers a concrete, visual framework to draw a clear picture of the current leadership reality at various levels in an organization and to understand the way employees experience leadership and where leadership may be falling short. It allows them develop a new, effective blue ocean leadership profile that releases unrealized talent and energy of employees and lifts individual and organizational performance.



Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

Leadership Process

Blue ocean leadership involves a four-step process developed by Chan Kim and Renée Mauborgne. It allows leaders to gain a clear understanding of just what changes it would take to bring out the best in their people while conserving their most precious resource: time.

Uses Analytic Tools

Highly Visual and
Practical

Focuses on Actionable
Metrics

Step 1:
See your leadership reality

Step 2:
Develop alternative leadership profiles

Step 3:
Select to-be leadership profiles

Step 4:
Institutionalize new leadership practices

Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

Blue Ocean Example



The Mobile Phone Industry in the Early 2000s

Handset makers

- Engaged in an R&D arms race to make more technologically innovative, value-added handsets.
- Focused on selling more units of hardware (handsets). The more add-ons were equipped, the more expensive the mobile was.
- Two strategic groups: Feature phone OR Smartphone

Carriers

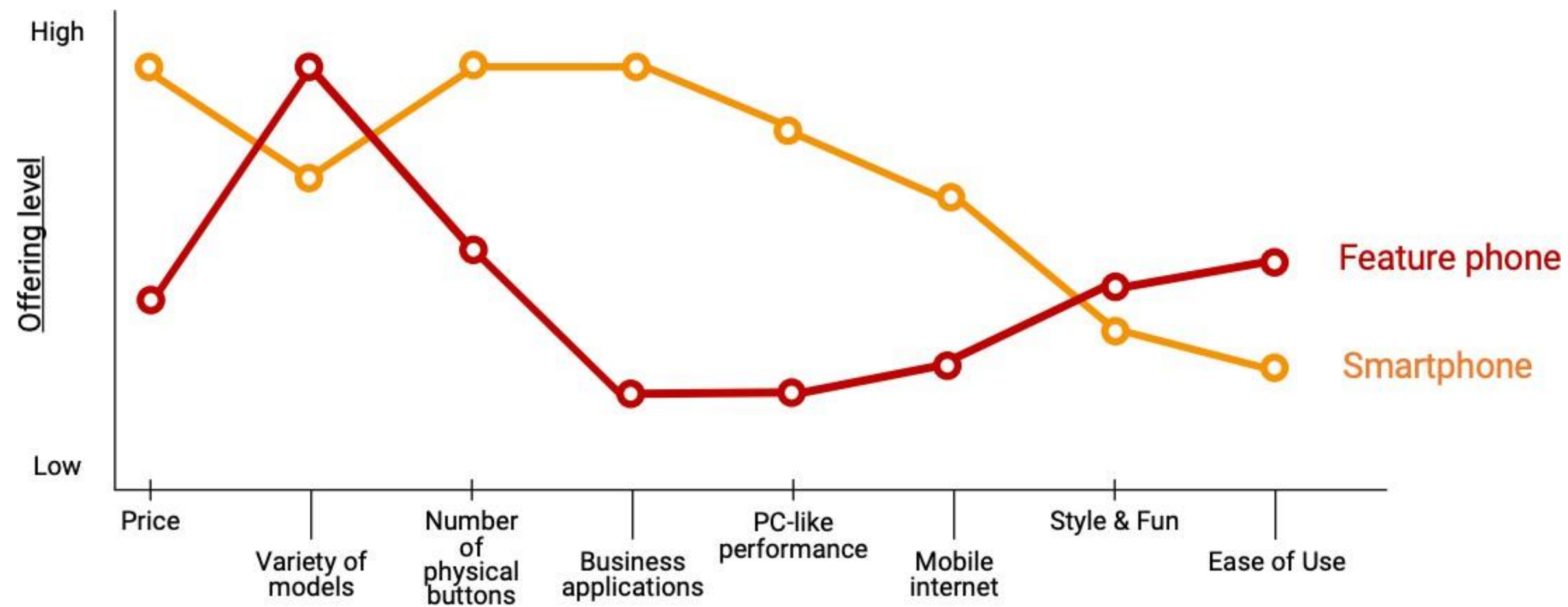
- Faced downward pressure on prices and slimmer margins on voice calls.
- Dictated to handset makers what to build, how to build, and at what cost.

Market was flooded with me-too handsets and services

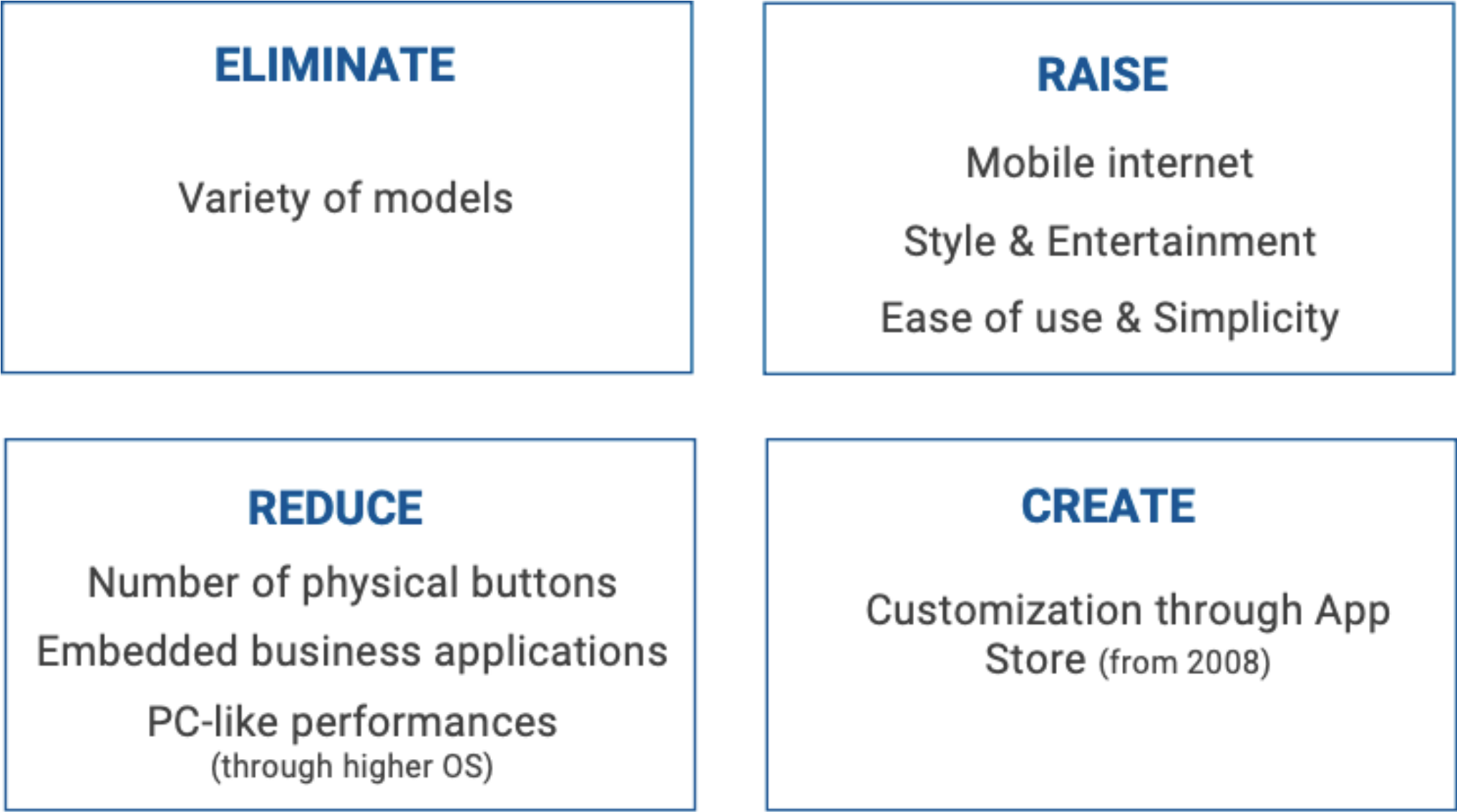
Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy



Strategy Canvas of the Mobile Phone Industry

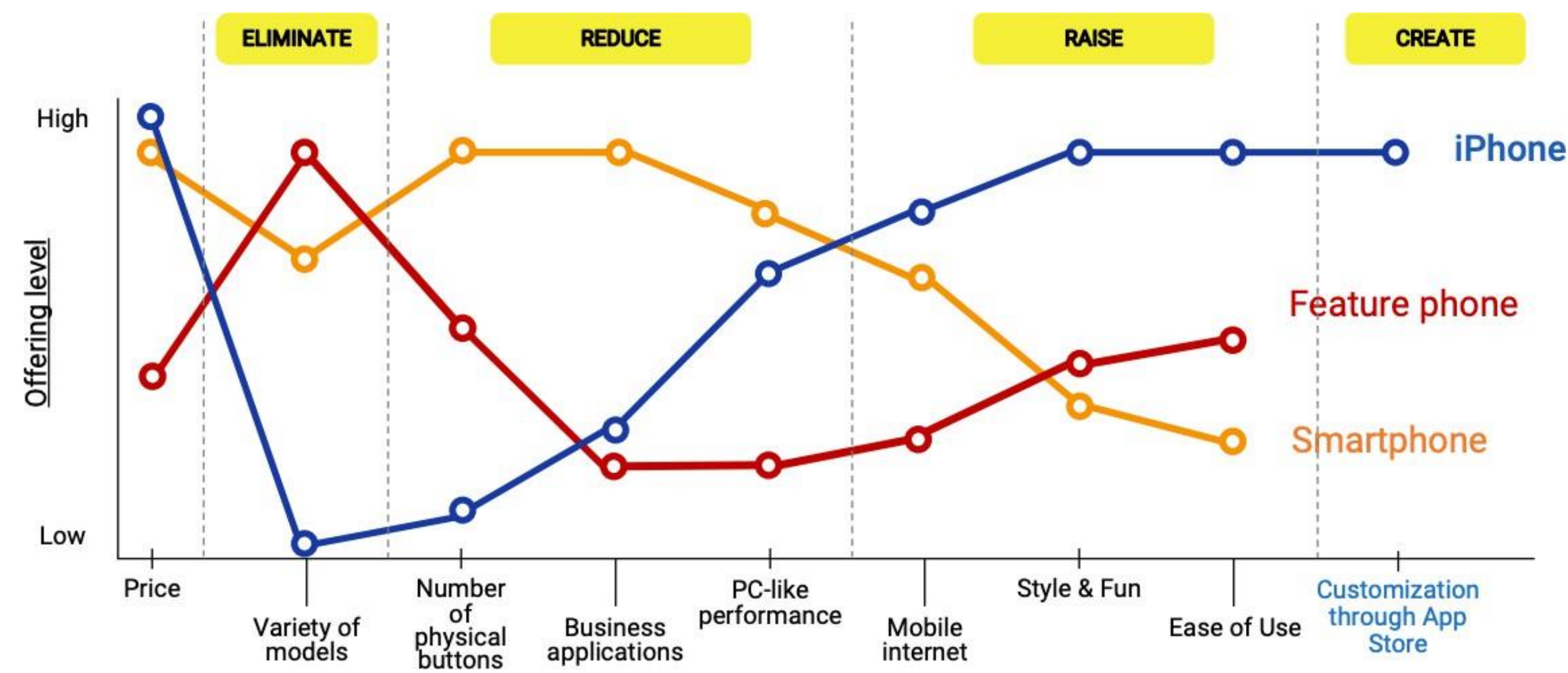


ERRC Grid of iPhone



Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

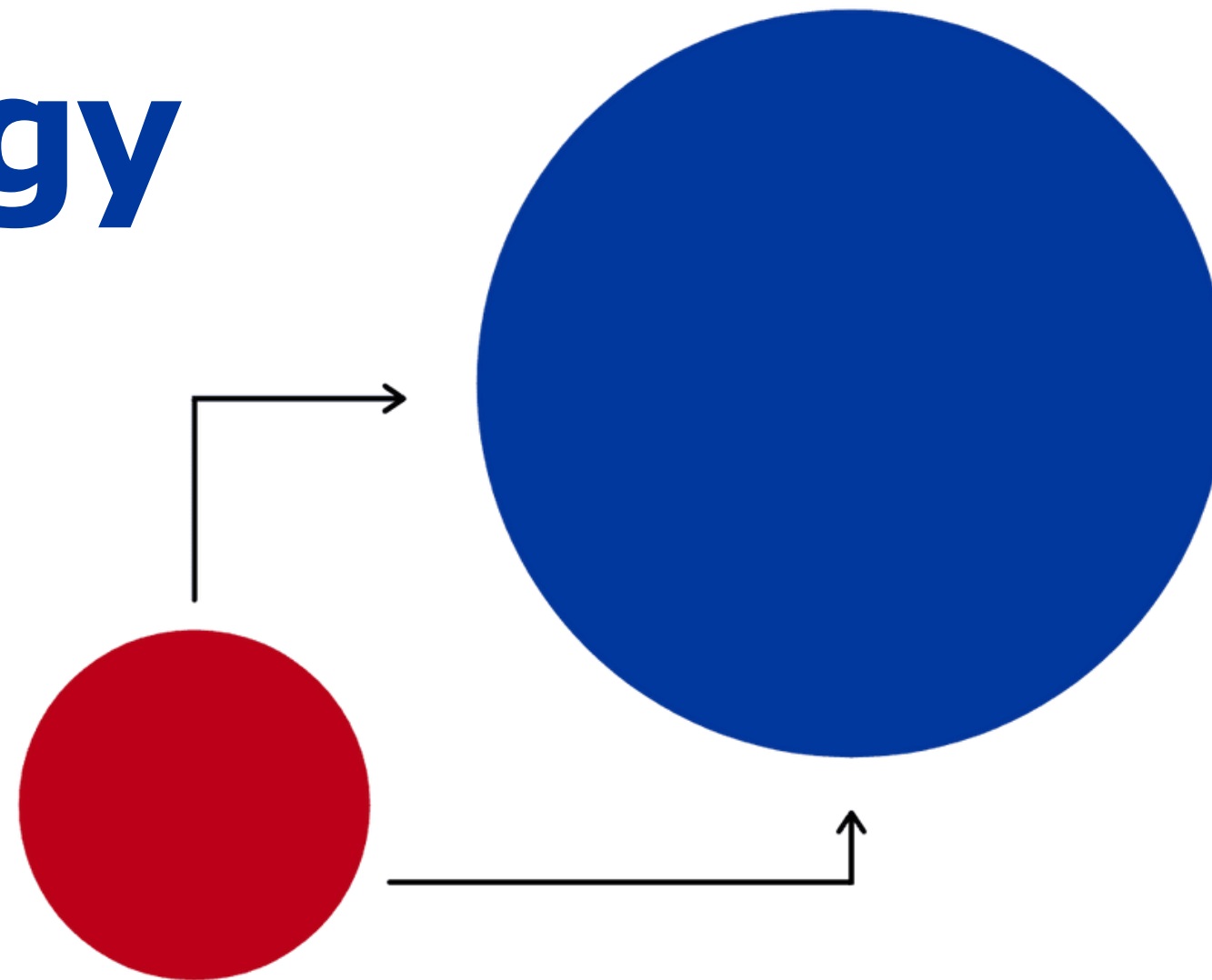
Strategy Canvas of iPhone



Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

Summary

Blue Ocean Strategy



Credit: Chan Kim & Renee Mauborgne, Blue Ocean Strategy

Create New Market Spaces

Blue Ocean Strategy focuses on unlocking untapped markets and making competition irrelevant.

Value Innovation

Achieve both differentiation and low cost by eliminating, reducing, raising, and creating key factors.

Tools and Frameworks

Use practical tools like the Strategy Canvas and Four Actions Framework to guide strategy development.

Expand

Target noncustomers and explore new opportunities to drive growth and profitability.



Andrew Constable, DBA (Cand), MBA, BSMP

1st
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