MODULE III
INTERNAL ANALYSIS–CREATING VALUE?

The Importance of Internal Analysis
I.

II. Resource Based Model
   A. Resources
   
   B. Capabilities
   
   C. Core Competencies
   
   D. Competitive Advantage
   
   E. Strategic Competitiveness and Above-Average Profits

III. Creating Value
   A. Valuable
   
   B. Rare
   
   C. Hard to Imitate
   
   D. Few Substitutes
IV. Building Competitive Advantage--Basic Question: Who are we?

V. The Value Chain

A. Purpose

B. Value Chain Vs. SWOT

C. Primary Activities

1. Logistics—Inbound and Outbound

2. Operations

3. Marketing and Sales

4. Service

D. Secondary Activities

1. Procurement
2. Technology

3. HR

4. Infrastructure

E. Outsourcing

VI. Functional Strategy—Turning resources and capabilities into competencies and competitive advantage.

A. Choices—How Do We Perform Value Chain Activities?

B. Bundling—How Do We Combine Value Chain Activities?

1. Efficiency

2. Quality

3. Innovation

4. Customer Responsiveness
C. Cautions–What Can Go Wrong?

1. Core Rigidities

2. Canabalized Competencies

D. Moving Target–How Do We Stay Ahead of Competitors?

REMEMBER—COMPANIES ATTEMPT TO COMBINE THE WAY THEY COMPETE (product features, range of products, positioning, pricing, sourcing options, etc.) WITH WHERE THEY COMPETE (market selection, competitor selection) TO FORM COMPETITIVE ADVANTAGE.