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Assignment

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Introduction

One dominant strategy that organisations focus to achieve competitive advantage and high market share is 'competition'; this is evident from the history of organisations which strived to achieve competitive advantage. It is imperative to note that though fierce competition causes oversupply of products or services, the same tends to increase market share; however it does not increase profits. However in the past for bringing innovative ideas, organisations look for various other strategies other than competition (Tavallaee, 2010). Kim and Mauborgne(2005)in this context asserted the fact that blue ocean strategy emphasises on the mitigation of competition within a market and create valuable innovation thereby lowering costs and increased value for _____ Confidential____ Confidential Confidential Confidential Confidential Confidential Confidential Confidential Confidential Confidential Confidential_____. In this context, the strategies which support Blue Ocean are not conventional strategies that are confined to development of product and services, homogeneous variety, scopes of work and service development, intrusions in other areas of work and services, participation, cost reduction and transfer. Rather, considering innovation as a strategy and adopting the same aids the mitigation of costs and the creation of benefits for the organisational stakeholders.

Blue Ocean Strategy concepts

Chan and Mabourn (2011) examined and criticised the paradigm in strategic thinking, which is always based on the existence of a competitive field that is blood flow, straight faced, which leads to the formation of Red Ocean. In this context, the previous researchers suggest that a new and innovative philosophy which operates business organisations in an environment laden with peace apart from rivalry which is blood filled. Such a strategy is known as the Blue Ocean. The previous researchers further challenge the assumptions of of ____ dominant thinkers in the world Confidential_____ Confidential Confidential Confidential Confidential Confidential run by organisations were different; they did not utilise latest technologies such as: biotechnology, mobile phones wherein these cases denote Blue Ocean. The strategies of Blue _____ Confidential Confidential Confidential

Property of Avail Research Help – No part of this document shall be used in part or full without the written permission of Avail Research Help. If did so, they will be legally sued Confidential Confidential Confidential Confidential Confidential Confidential Confidential_____. There is a need to create large monitors for the detection of such areas and hence an organization should never outsource the processes of monitoring. Industries adopting the Blue Ocean strategy are the most profitable industries wherein competitors have direct exposure. It is deemed that as soon as a company in the Blue Ocean expands and achieves more successes, more firms will attempt to enter this market. Hence, barriers for organisational creation is considered an important entry for new competitors and suppliers who tend to imitate. Blue ocean strategies are based on eight key concepts which are as follows- a) the strategy is grounded in researches from more than 30 industries and over 150 years of research; b) cost _____ Confidential____ n (Blue Ocean Strategy, 2017). Without intense competition, organisations can achieve business growth which is associated with the fact that an organisation can sell its products in a unique manner in their own style rather than competing with fellow organisations.

Value innovation

Blue oceans creators do not place competitors as: the basis and criteria and never utilise the approach of modelling from the best processes. Instead, a different logic strategy is followed by management scholars who state innovation of Value or value innovation. Value creation is a prerequisite for organisational success; however, it is not enough to act as a leader in the market. Innovation which does not combine value makes the company technology-oriented and hence market leadership is neglected. Hence, it is forgotten that buyers are ready to pay money in exchange.

Hence, value innovation as a concept emphasises equally on two major factors which include value and innovation. Value and innovation are two main concepts which when integrated provide fruitful results for the organisation. Innovation and value when integrated by companies coordinate innovation with the situation of price, cost and utility. Companies which are looking for the creation of blue oceans will follow the strategies of cost differentiation and reduction. The reduction of costs coupled with differentiation is the only way to achieve competitive advantage; however as Blue Ocean strategy creates a new

Property of Avail Research Help – No part of this document shall be used in part or full without the written permission of Avail Research Help. If did so, they will be legally sued channel for development for all organisations, the integration of differentiation and cost reduction may not affect the organisations.

Differentiation —from cost reduction which is imaged for strategic planning for the integration of value and innovation, organisations should observe the reduction of costs while increasing customer value. Cost reduction should emphasise the reduction of costs wherein organisations reduce the costs of products to achieve business success. Value innovation occurs in the region wherein the decision of organisation and management improve in a simultaneous manner based on the cost structure of organisations and increase in the grants which provide value to customers. With the mitigation and complete elimination, there occurs loss of cost and on the _____ Confidential_____ Confidential_____ Confidential_____ Confidential_____ Confidential_____ Confidential_____ Confidential_____ an organisation. When all the values of an organisation are unique, it leads to the creation of a differentiation scenario wherein each organisation will have its own products to sell in the market. This strategy further requires company efforts to achieve an advantage for the company and its buyers (Chang, 2010).

Blue Ocean Strategy execution

Blue Ocean Strategy focuses on four major principles:

3.4.1 Reconstruct of market boundaries

Industries which over time will provide alternative products which appeal on emotional or application and forecast customers' changing needs. There is a need for reconstruction of the market boundaries which is the first step to the adoption of the blue ocean strategy

3.4.2 Focus on the big picture rather than the numbers

Ecological tools can act as alternatives to budget - oriented process.

3.4.3 Above current demand

Apart from the demand of consumers, there are gaps wherein products which facilitate customers can also help organisations achieve a good market share. Apart from

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3.4.4 Selection of proper sequencing strategy

The selection of a proper sequencing strategy should follow the steps below and needs to be customised for every project-

1)	Buyer's advantage: The offered service or product should create unique advantage fo				
	the buyer where	in the		Confidential	
	Confidential			Confidential	
	Confidential	Confident	al		
2)	Confidential		Confidential	be reduced which is	
	known as "cream making". However, in the blue ocean, it is important to know from				
	the beginning the price wh	ich will absort	most customers	. However, high volume when	
compared with the past, is more efficient and from the opinion of the				e opinion of the buyers it is	
	evident that product value	depends on the	e number of users	who utilise the products.	
3)	Cost: Costs as goals with respect to profit should be aligned to the pricing strategy of				
	the organisation. The costs should be acceptable by the buyers which is the only way to				
	attract possible customers.				
4)	Market penetration rate: There are barriers for market penetration and companies				
	should solve the barriers in the beginning. Blue ocean ideas threaten the existence and				
the status of creating fear among workforce, stakeholders, and Busin				rs, and Business partners. For	
	those with a defensive sta	nce, require f	urther training (F	Rostami & Ehteshami Akbari,	
	2011).				

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