

# The Significance of Implementing a Successful Strategy

It is imperative to utilize an effective strategy in business. The differentiating factor between being successful and unsuccessful in the business environment usually comes down to the effectiveness of their strategy. This week's learning was extremely useful in trying to understand how an effective strategy can influence your business's success, and how you could begin to implement an effective strategy.

Kim & Mauborgne (2002), argues that an effective strategy places significant weight on focus. The notion of focus is essential in the business world. Without a clear, narrow focus, your business cannot clearly plan or carry out the important operations that are key to any business's success. My team and I discovered the importance of focus after the two practice roll overs of MikeBikes. We failed to have a clear, distinctive focus on what we really wanted to accomplish. We focused too much on the broad, rather than the depth. We tried to please everything and everyone, whereas, as suggested by Peter, we should have determined whether we wanted to be high-cost/high-quality, low-cost/low-quality, etc. By taking this into consideration you are able to begin to make effective decisions on how you will produce, market, research etc. As a team, we have decided on a clear cut strategy, we know exactly what markets we want to enter, we know exactly how to go about and as a team we have successfully implemented a strategy with a clear focus, and I believe that we will be successful.

With regards to blue/red ocean strategy, Kim and Mauborgne suggests that red oceans represent industries in existence today i.e. the current market, while blue oceans are those industries that are not in existence today, "untainted by competition", which if managed to be successfully entered then the potential for that organisation is huge. Trying to apply that theme to MikeBikes, I think it is a difficult idea to suggest that it is possible to enter a blue ocean. We are confined by a predetermined, and hence we are automatically constrained a sort of "red ocean". Does this mean that there is a limit to success? In my view, absolutely not. If anything I feel that being able to be successful in the red ocean is an interesting challenge. The competition is intense and every single decision made by your firm will impact on your overall market share and level of capitalization. Firms need to make smart decisions, and be aware of every single repercussion that could result.

Magretta (2002), place particular importance on business models. She states that *"a good business model remains essential to every successful organization"*. Business models are an essential part of a business strategy, it is important to note that a business model, and a business strategy are not the same thing, and our team made this mistake in the practice rollovers. We failed to establish both a successful strategy and an effective business model. An effective business model has a direct correlation to business success. A business that can create a significant "unique selling point", will undoubtedly be more profitable and more successful all round. Being able to create unique selling point in MikeBikes, will differentiate your business from the other firms. Again, as a team we experienced this first hand in the practice rounds. As previously stated, our team focused too much on the broad, as a result we were unable to create such a unique selling point, and our sales suffered.

This week we learnt about, I believe, one of the most important topics that can be learnt in business. Strategies have to be taken into account, and designed with extreme care and a smart mentality, or else you risk being left in the dust by those companies that manage to successfully implement an extremely effective strategy and business model.

## References

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