

Chapter 7 Summary

Strategy is the idea and actions that explain how the firm will make its profit.

Strategic planning for a small business is a four step process

1. The major goals you set for your firm
2. The types of customers you seek and what benefits you plan to offer them
3. The stage and trend of your chosen industry
4. The specific generic and supra strategies you choose to pursue

Goals: the first step of strategic planning

1. As an owner what do you expect out of the business?
2. What is your product or service idea?
3. For your product or service how innovative or imitative will you be?
4. Who do you plan to sell to, everyone or target markets?
5. Where do you plan to sell to? Locally regionally nationally globally?

GOALS	CUSTOMERS AND BENEFITS
OWNER REWARDS	VALUE BENEFITS
PRODUCT SERVICE	COST BENEFITS
INDUSTRY	
IMITATION INNOVATION	
MARKETS - SCALE OR SCOPE	TOOL:
TOOL	PERCEPTUAL MAPPING
MAGIC NUMBER	

<p>INDUSTRY DYNAMICS AND ANALYTICS</p> <p>INDUSTRY LIFE CYCLE</p> <p>INDUSTRY TRENDS</p> <p>TOOL:</p> <p>INDUSTRY ANALYSIS</p>	<p>STRATEGY SELECTION</p> <p>GENERIC STRATEGIES</p> <p>DIFFERENTIATION</p> <p>COST</p> <p>FOCUS</p> <p>COMBINATION</p> <p>SUPRA STRATEGIES</p> <p>ENTRY WEDGES</p>	<p>POST START UP TACTICS</p> <p>COMPETITIVE ADVANTAGE</p> <p>STRATEGIC ACTIONS</p> <p>TACTICAL ACTIONS</p>