

Strategic Management

- the pathway to a successful company



Source: Christian Abegglen, Unternehmen neu erfinden

What`s it all about?

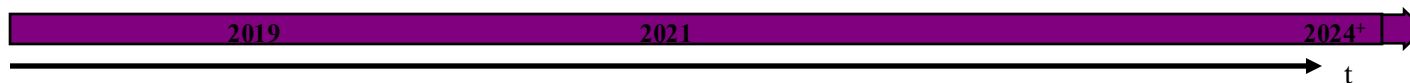
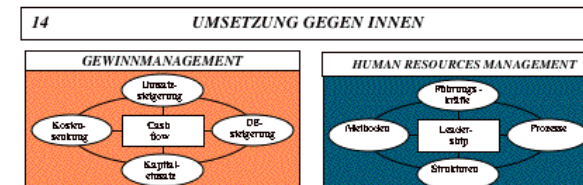
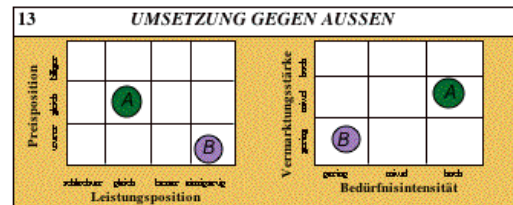
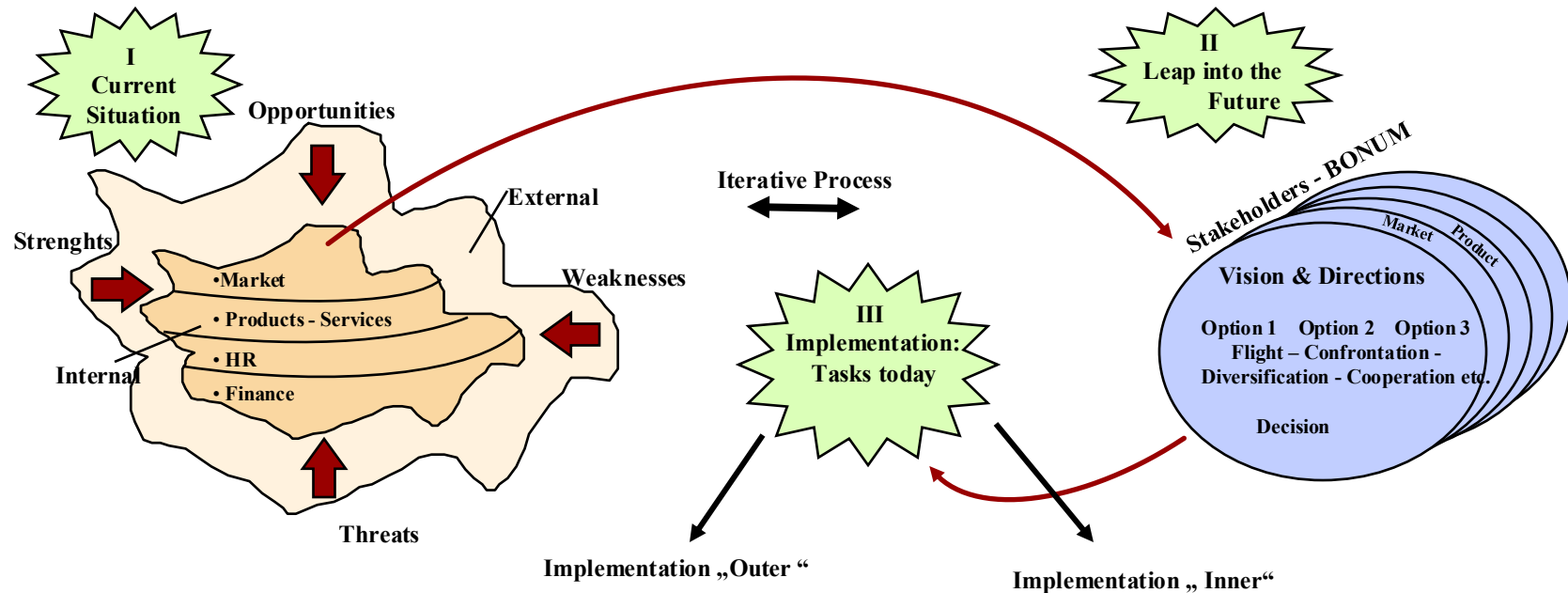
Rerum cognoscere causas et valorem (CUE)

Challenging what is and Inspiring what could be (imd)



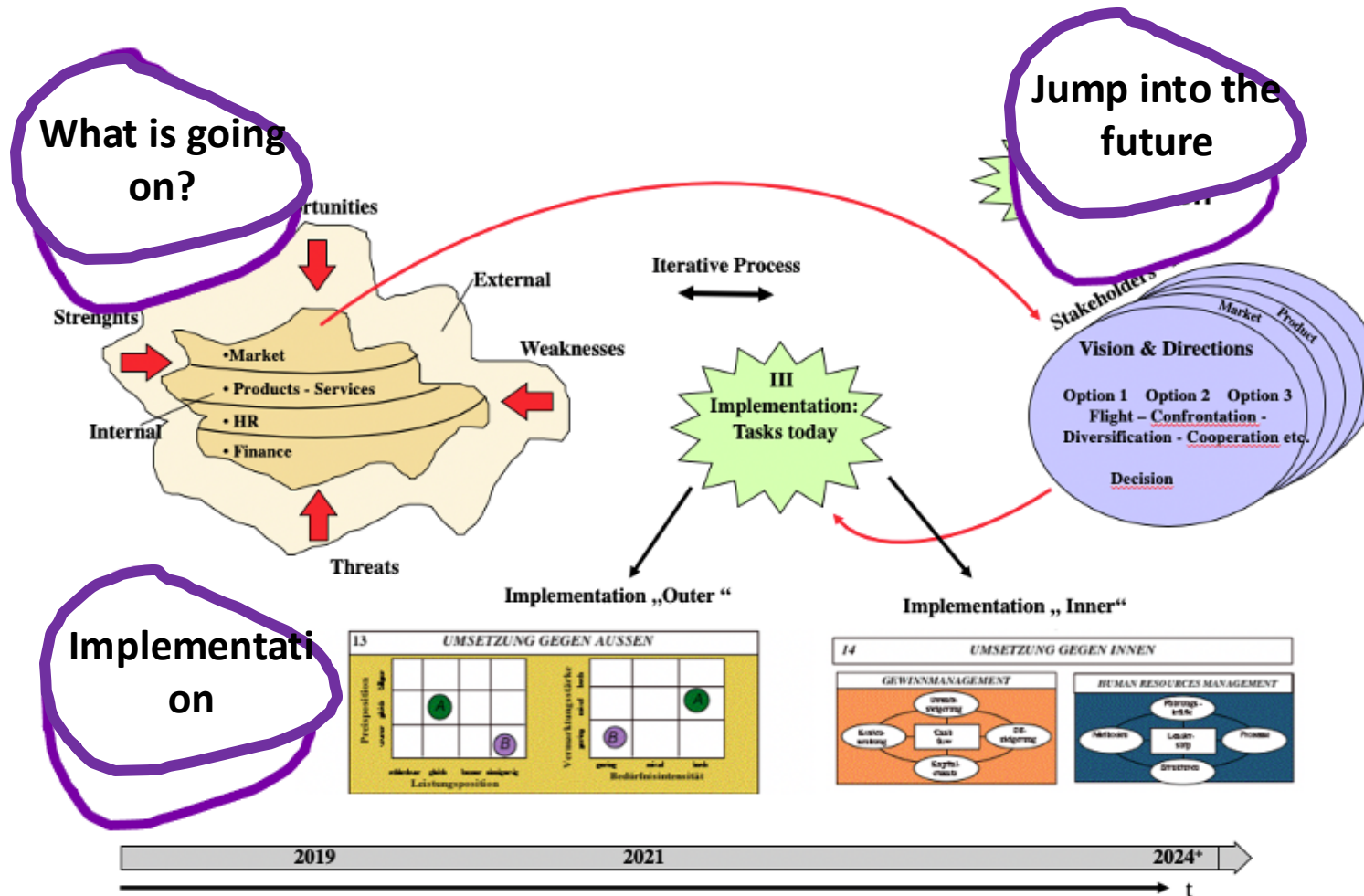
Entrance of
UEK
University
Cracow

INTEGRATED. MANAGEMENT: ROADMAP

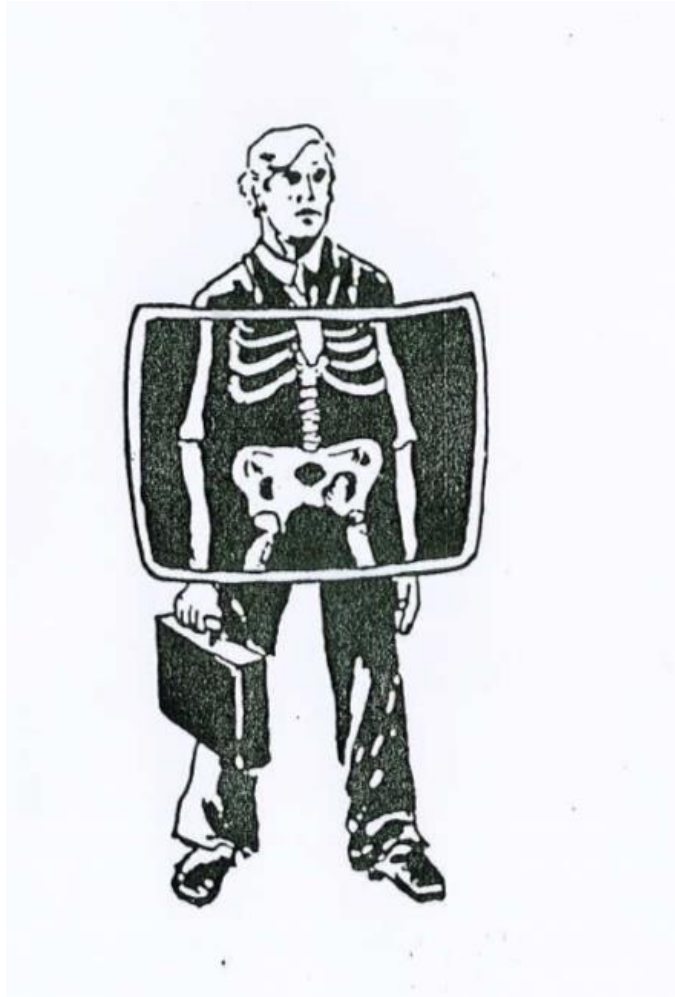


Rerum cognoscere causas et valorem (UEK)

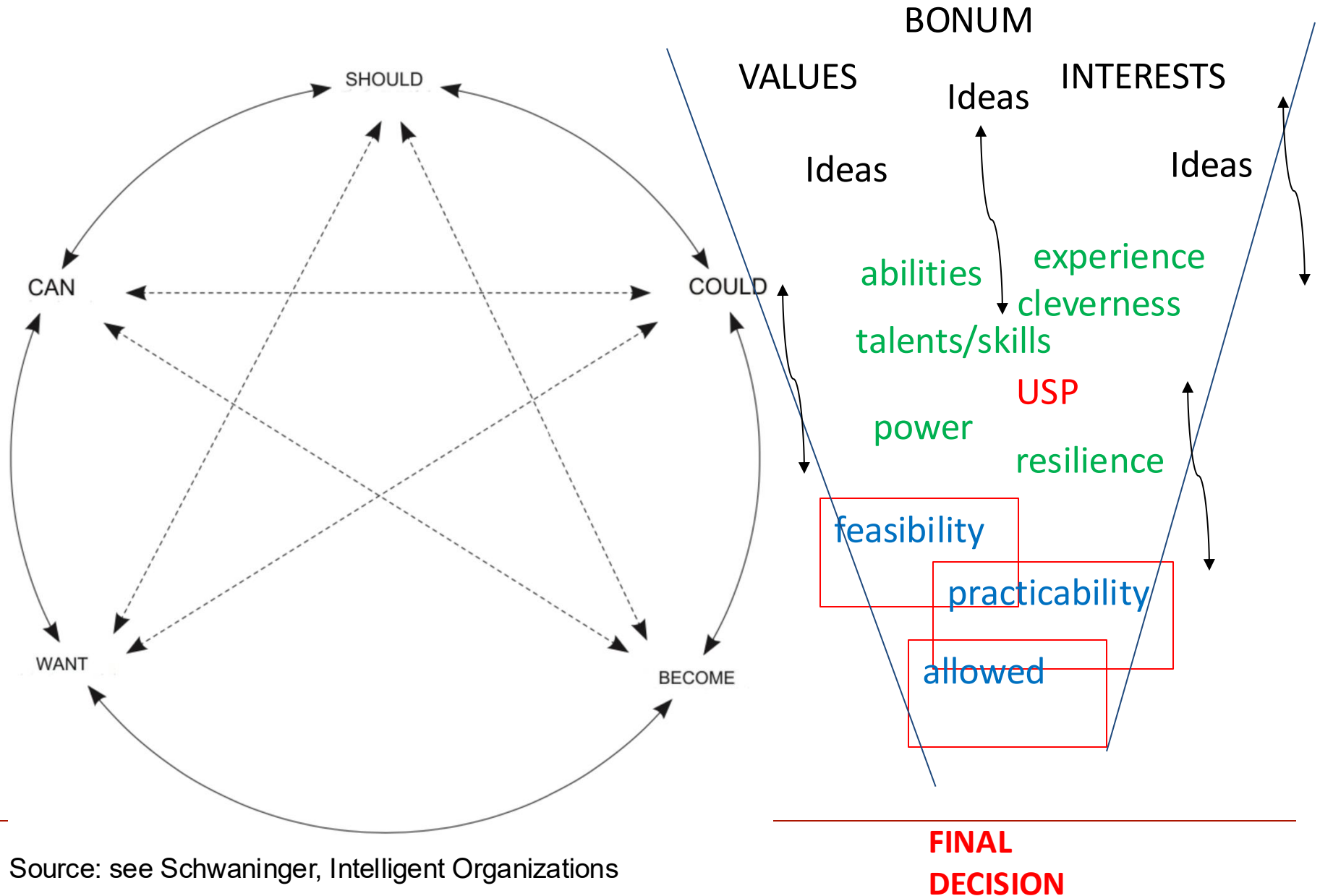
Recognize what is and what could be PLUS: ACT & TRANSFORM



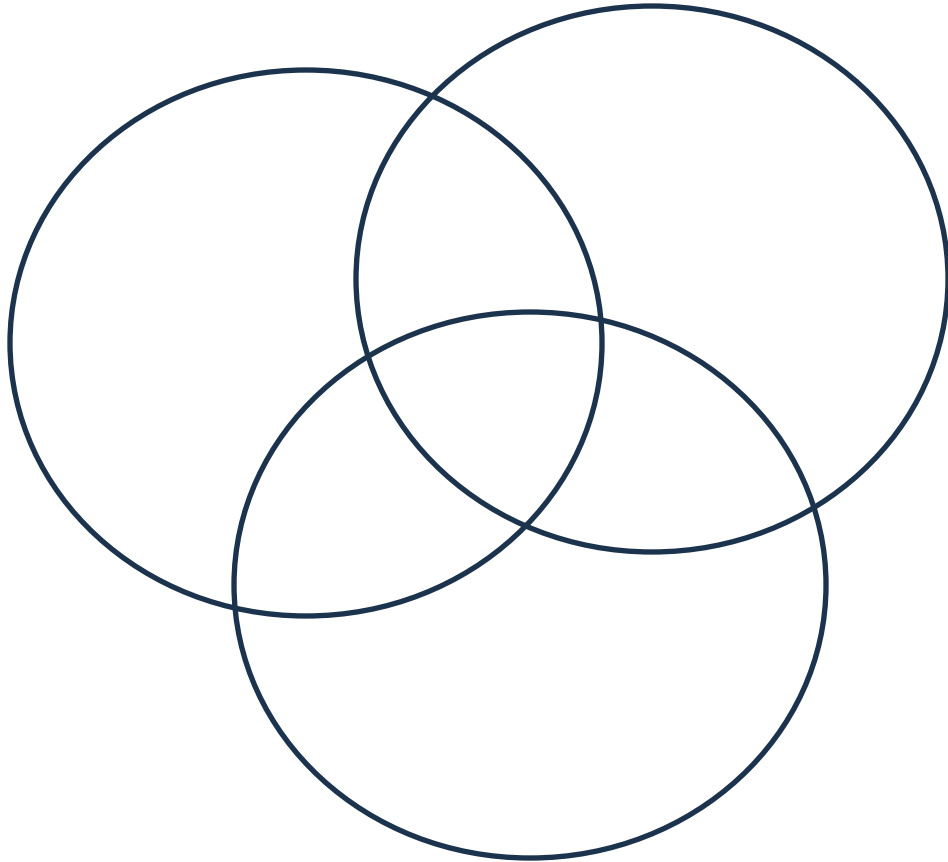
Analysing - Rerum cognoscere causas



ITERATIVE CIRCULAR PROCESSES – DECISION FUNNELS



Your Sweet Spot?



Quick solutions vs. WHAT REALLY MATTERS



Source: compare with Ray Dalio (Principles)

How to – think, communicate and learn with Acronyms

The „5W1H1V“ – for Business & Management Models



S – T – P:
The famous 72

$K_t = K_o \cdot (1+i) ??$
What is missing?

Acronyms and Visuals – Memory aids

STP / 4F/9F Communicate with visuals

SIIEEECC How to communicate

CCSMWB Developing the future

N – S – O Perspectives

HILF H/L-Frequency vs. H/-L-Impact

GROUP WORK - HVAC

CEESIM







Belimo Holding

SWX: BEAN

Übersicht

Vergleichen

Finanzen

Marktbericht > Belimo Holding

551,50 CHF

+122,50 (28,55 %) ↑ im letzten Jahr

2. Apr., 17:31 MESZ • Haftungsausschluss

1 T. 5 T. 1 M. 6 M. YTD 1 J. 5 J. Max.



Eröffnung	549,00	Marktkap.	6,78 Mrd.	52-Wo-Hoch	721,50
Hoch	554,00	KGV	46,21	52-Wo-Tief	403,60
Tief	545,50	Rendite	1,72 %		

lies in the existing building population, as it represent ~98% of buildings globally.

Belimo Capital Markets Day 2023



- 55%

- 41%

- 29%

f g to 21 HVAC energy usage (100%)

nd Building smart field

devices are a key component, can reduce HVAC energy usage by as much as 55%.



Belimo Holding

SWX: BEAN

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How to – build a structure / a process / methodology I

MARKET | PRODUCTS | FINANCES | **RESOURCES**



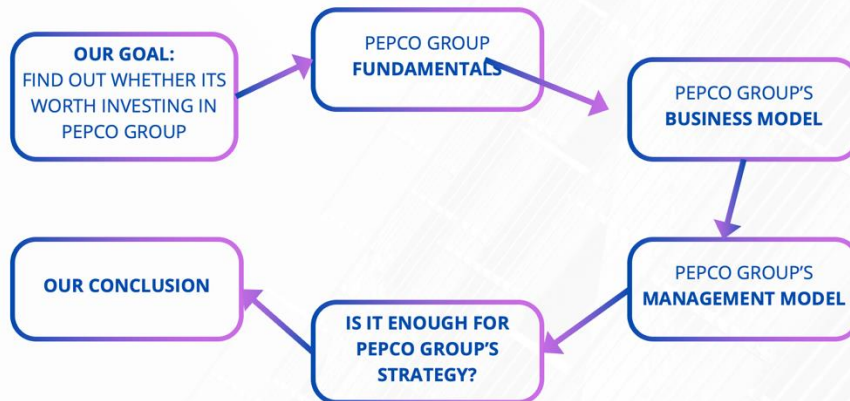
- Investment in developing employees;
- Initiatives and programs for employees

The Pepco Group currently has employing 47,487 people. The vast majority (nearly 90%) work in stores, and the rest in our distribution centers and offices throughout Europe.



MANAGEMENT MODEL

METHODOLOGY

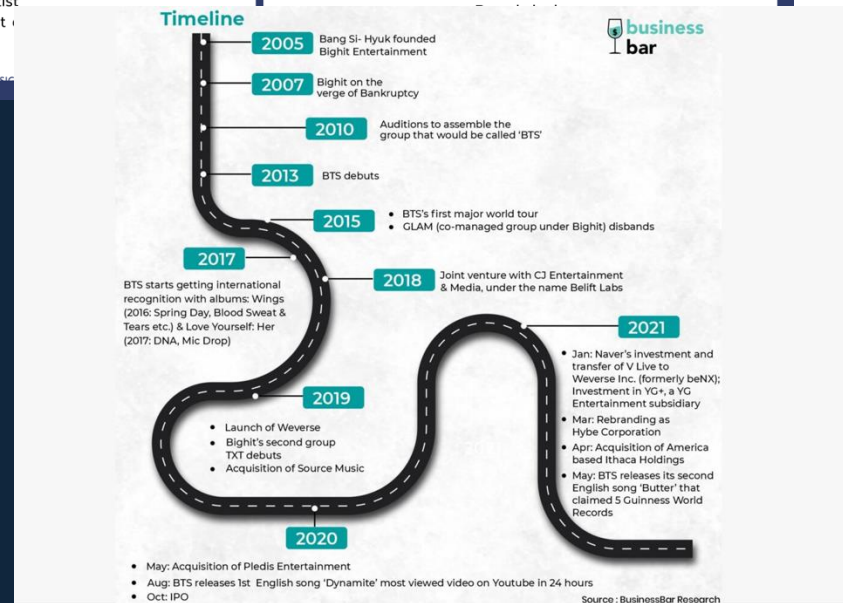
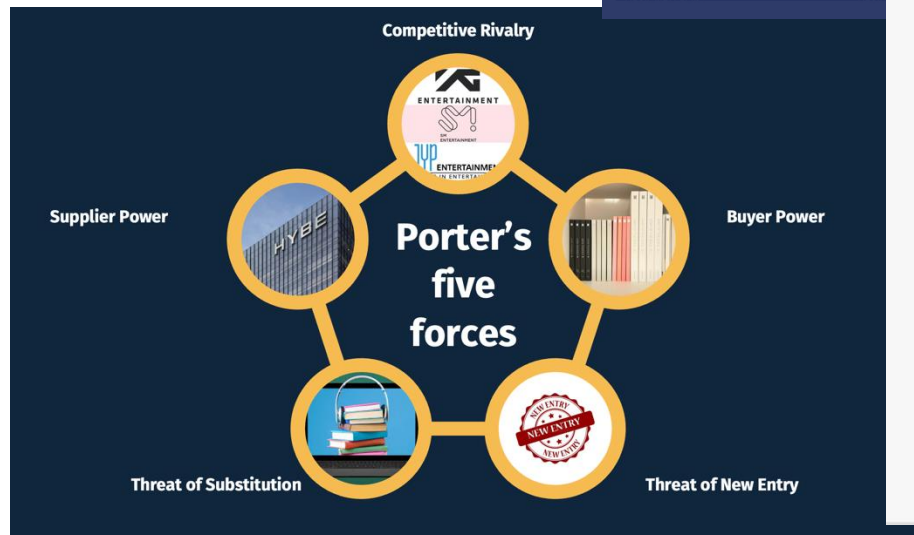
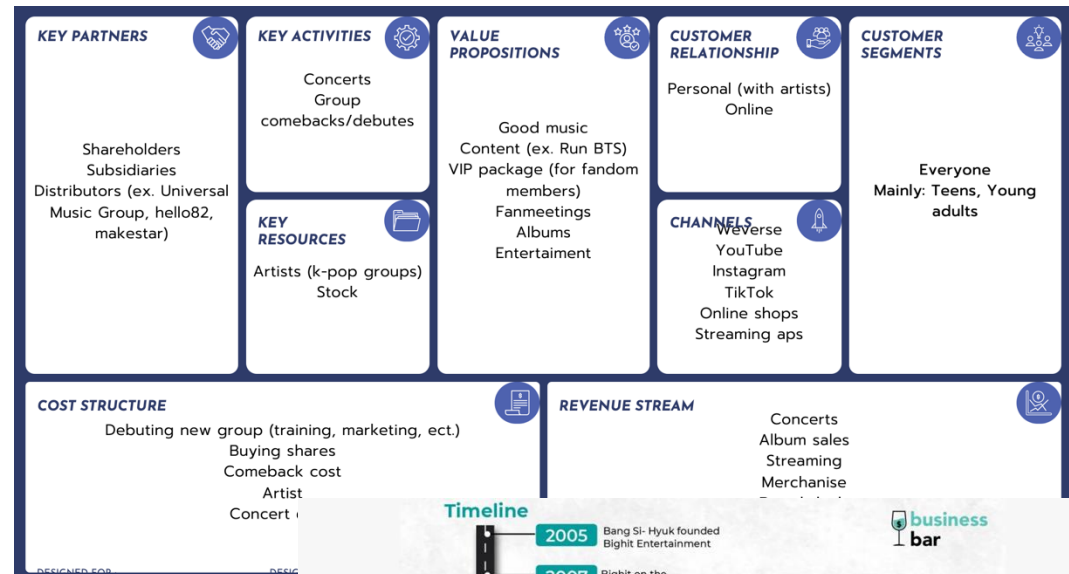


CONSTITUTION <ul style="list-style-type: none">• BOARD OF DIRECTORS OVERSEES STRATEGY IMPLEMENTATION AND REGULATIONS	VISION <ul style="list-style-type: none">• BECOMING BIGGEST AND BEST DISCOUNT VARIETY BUSINESS IN EUROPE	CULTURE <ul style="list-style-type: none">• CUSTOMER FOCUS• TEAMWORK AND COLLABORATION• INTEGRITY AND RESPECT
ORGANIZATION <ul style="list-style-type: none">• 4 BRANDS WITH DIFFERENT LEADERSHIP BUT THE SAME STRATEGIC FRAMEWORK• VERTICAL INTEGRATION• FLAT HIERARCHY	STRATEGY <ul style="list-style-type: none">• EXPANDING STORE NETWORK, ENHANCING THE CUSTOMER OFFER, DRIVING COST AND OPERATIONAL EFFICIENCY, INVESTING IN INFRASTRUCTURE	LEADERSHIP <ul style="list-style-type: none">• SUPPORTIVE LEADERSHIP• DECENTRALIZED DECISION-MAKING• WHISTLEBLOWER
PROCESSES <ul style="list-style-type: none">• ESTABLISHED PROCEDURES• PROCESSES OFTEN CONTROLLED AND MEASURED BY DIGITAL TECHNOLOGIES• SIMILAR THROUGHOUT THE WHOLE GROUP	TASKS <ul style="list-style-type: none">• ALLOCATE RESOURCES FOR FURTHER DEVELOPMENT• CONTINUOUS IMPROVEMENT OF CUSTOMER SERVICE• SUPPLIER RELATIONSHIP	ACTIONS <ul style="list-style-type: none">• OPEN COMMUNICATION• EMPLOYEE ASSISTANCE PROGRAMS• GRIEVANCE MECHANISMS

How to – build a structure / a process / methodology II

AGENDA

1. General information
2. Iceberg model
3. Porter's five forces
4. Business model
5. Marketing
6. Data analysis
7. Business problems
8. Invest?



St. Gallen Knowledge Navigator I

Awareness! Diagnosis, Analyse!

initiate

2 Causes

Create!

clarify

Options

1

3 Choices

Select &

decide!

5

4

optimize

Commit, implement!

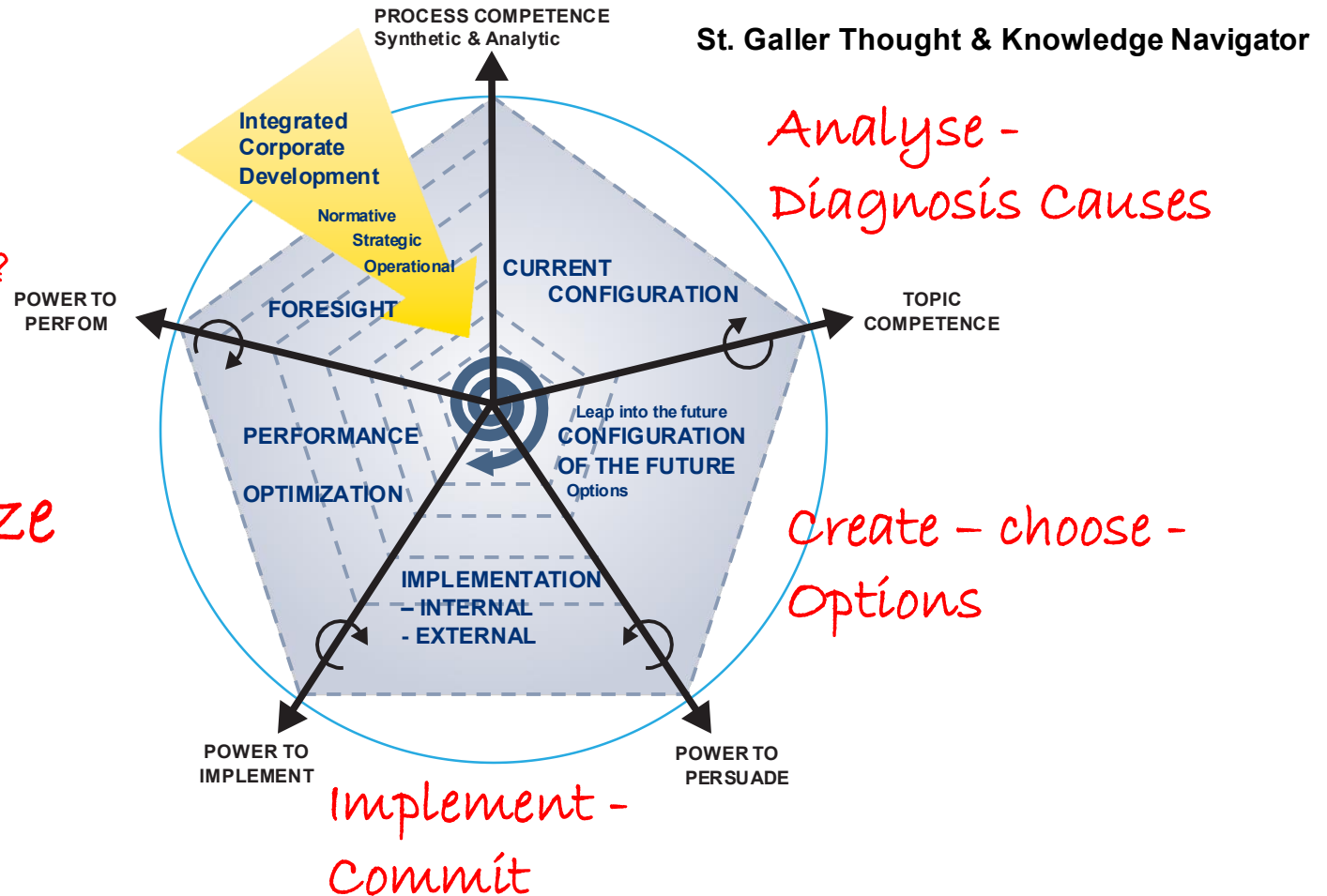
St. Gallen Knowledge Navigator II

How to develop a strategy

clarify

- problems ahead?
- Sustain / exploit or explore/renew?

optímíze



Step 1: Awareness - ICEBERG – MISSILE AHEAD?



What is the situation in your company?



AWARENESS: THE BIG PICTURE



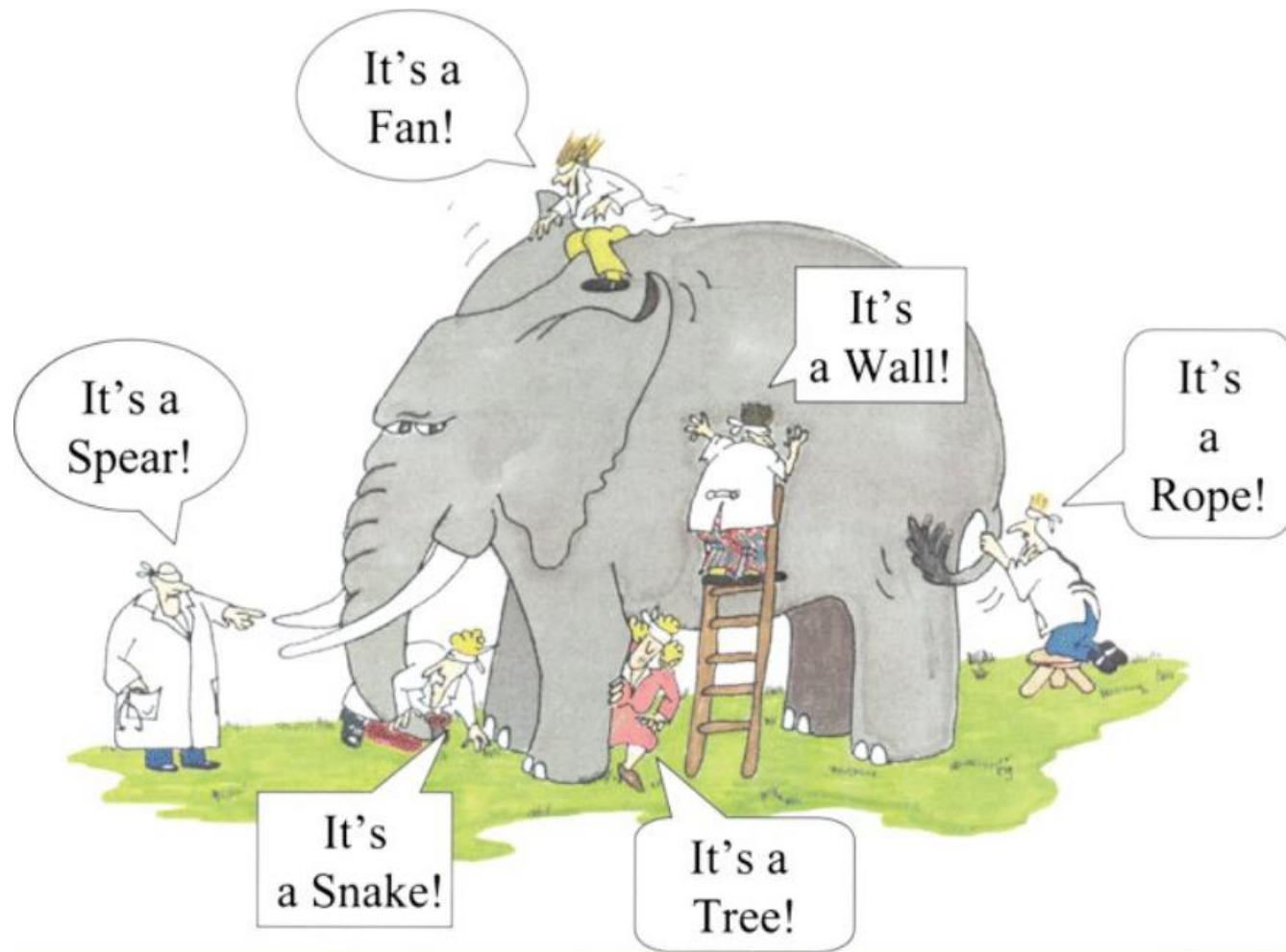
Leap into the future: What options does Hansel have?

WEAK SIGNALS



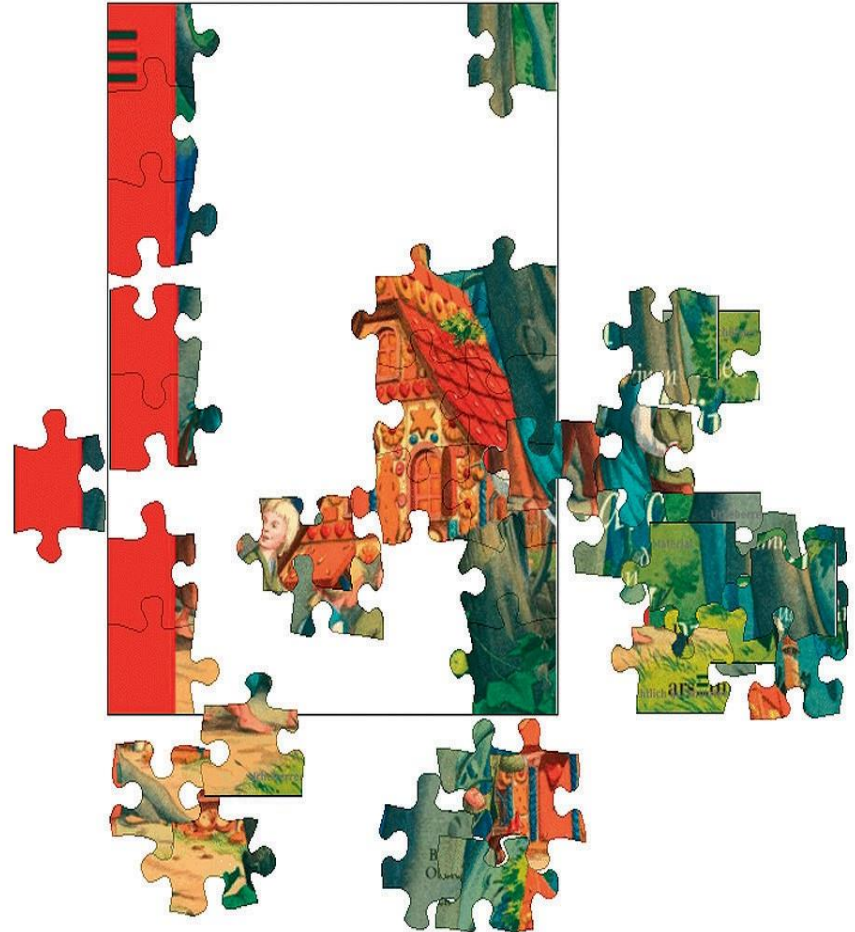
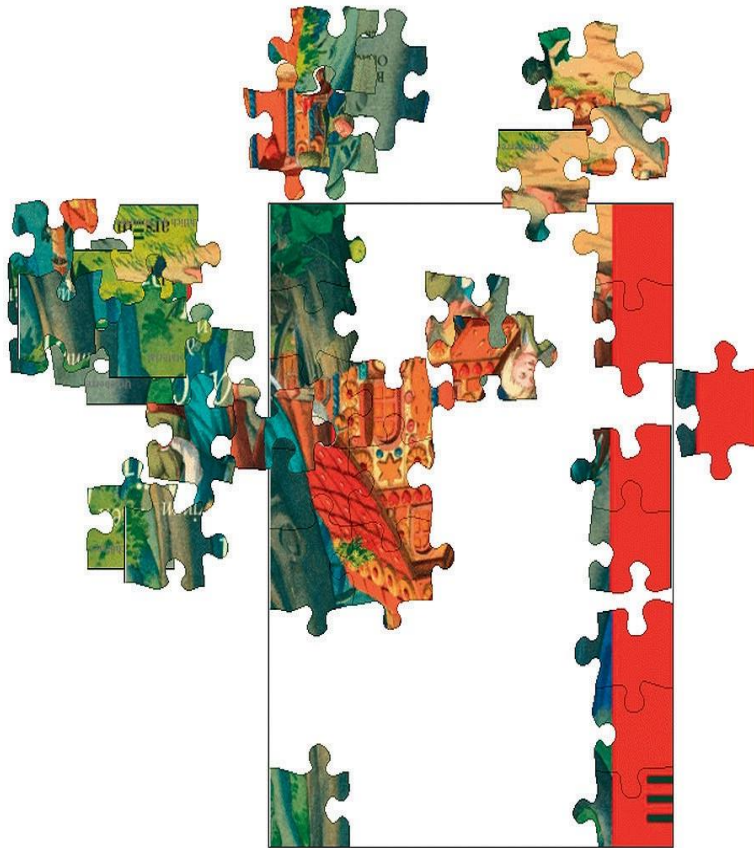
**What's going on in the jungle?
Opportunity or danger?
Do tree fellers want to poison us
or tourists with money ahead?**

Step 2: Diagnosis



Current situation: What is going on, inside - outside

*Is it worth conducting an in-depth analysis?
What is my role in the game?*

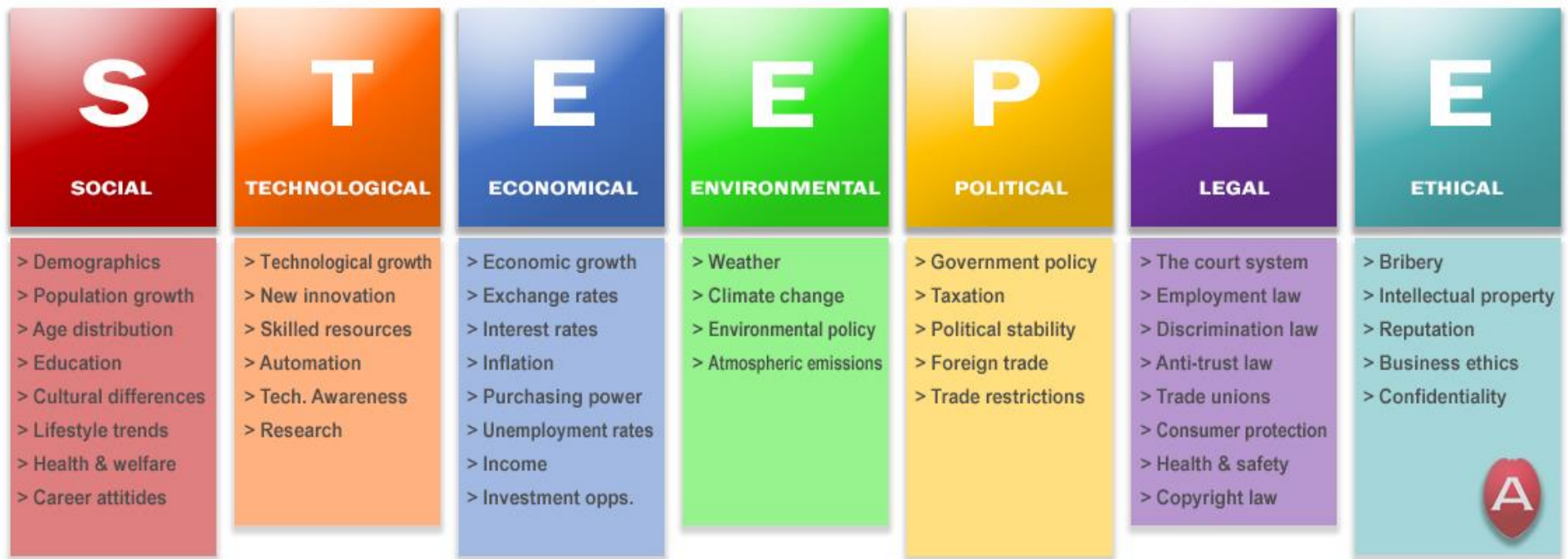


Criteria to analyse

- A framework for quick analysis

Always start with the most important questions:

In what business are we in (Ted Levitt)? What are the driving forces?



...and apply tools like BCG matrix, Porter curve etc.

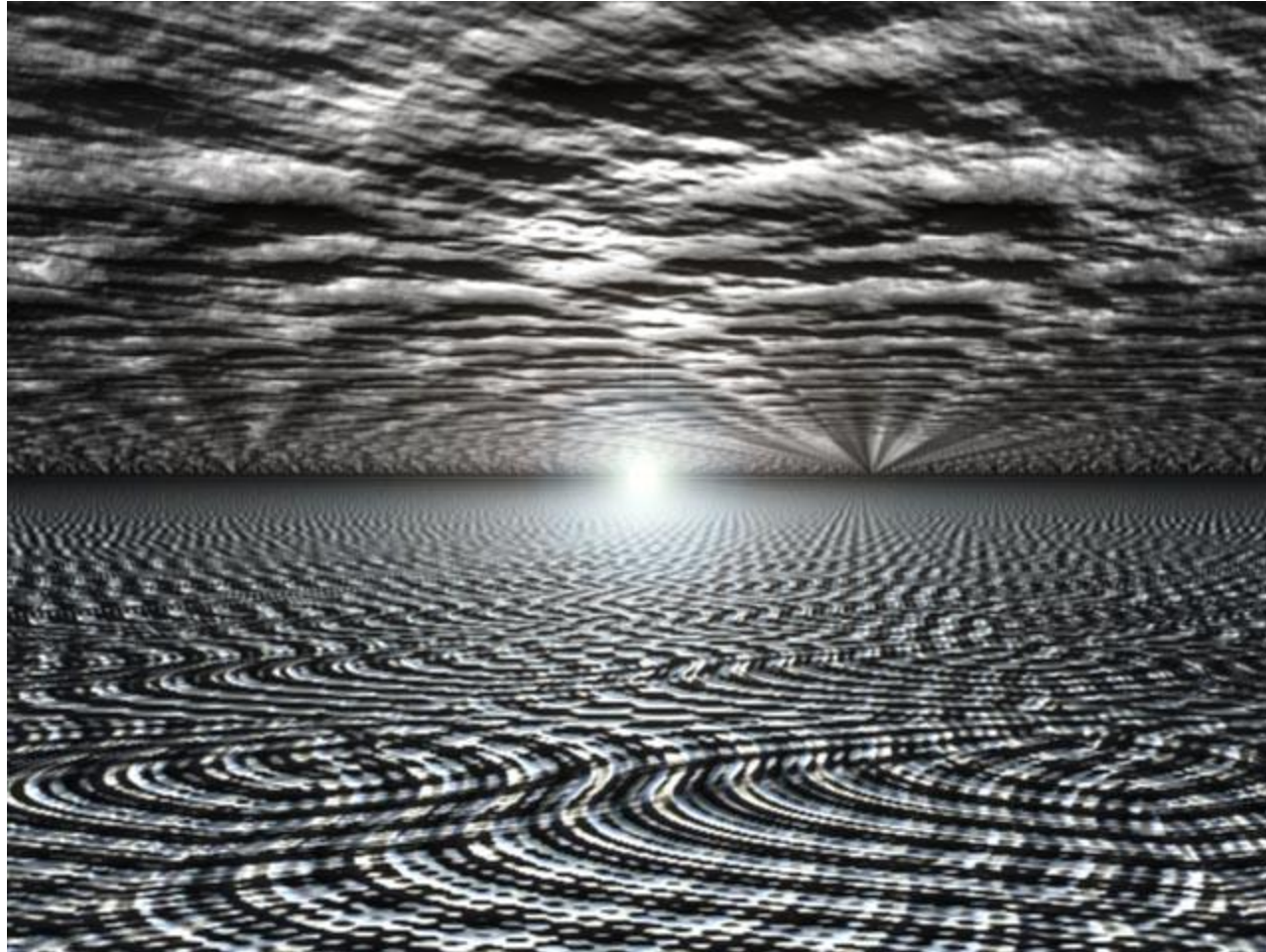
Step 3: Create – Options - Choices - Select – Vision - Mission



Create – Vision - Mission

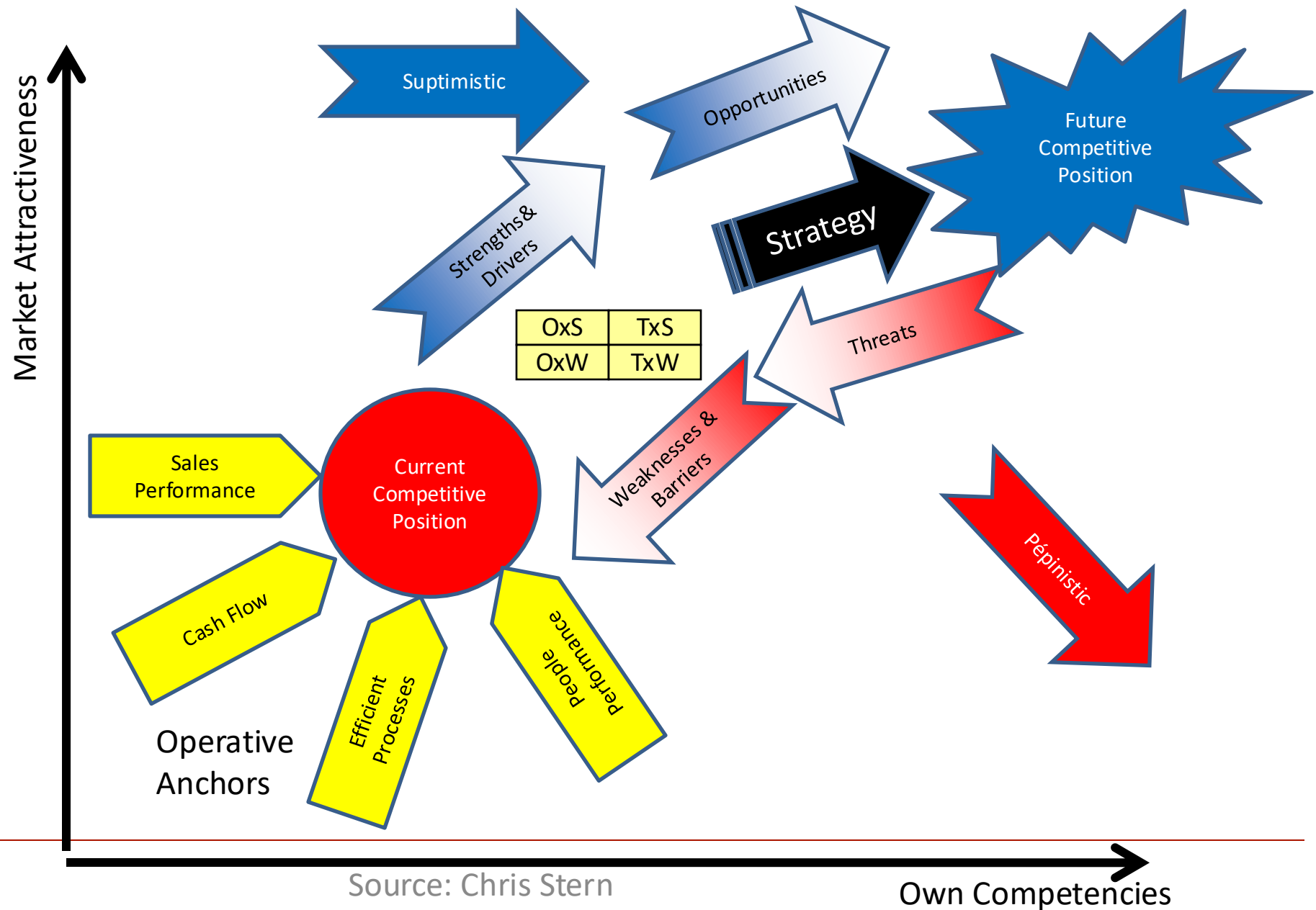


But – a Vision without a plan... so we need
A Vision without a Plan is a Hallucination



A Plan without Resources is a Delusion
Source: Chris Stern

SWOT as Strategic Option Generator



Options – Example Ansoff

Examples:

- 1) Starbucks wants to sell more coffee in the U.S. and opens more coffee shops at airports
- 2) Starbucks intends to conquer the eastern European markets with coffee shops

Product \ Market	Old		New	
	Old		New	
Old	1) Market penetration		2) Market Development	
	Probability of success in %: 50	Ratio of resources: 1	Probability of success in %: 20-30	Ratio of resources: 4-6
New	3) Related diversification (Product Development)		4) Unrelated diversification	
	Probability of success in %: 20-30	Ratio of resources: 6-8	Probability of success in %: 5	Ratio of resources: 12-16

3) Starbucks develops ice cream and sells it in its coffee shops in the U.S.

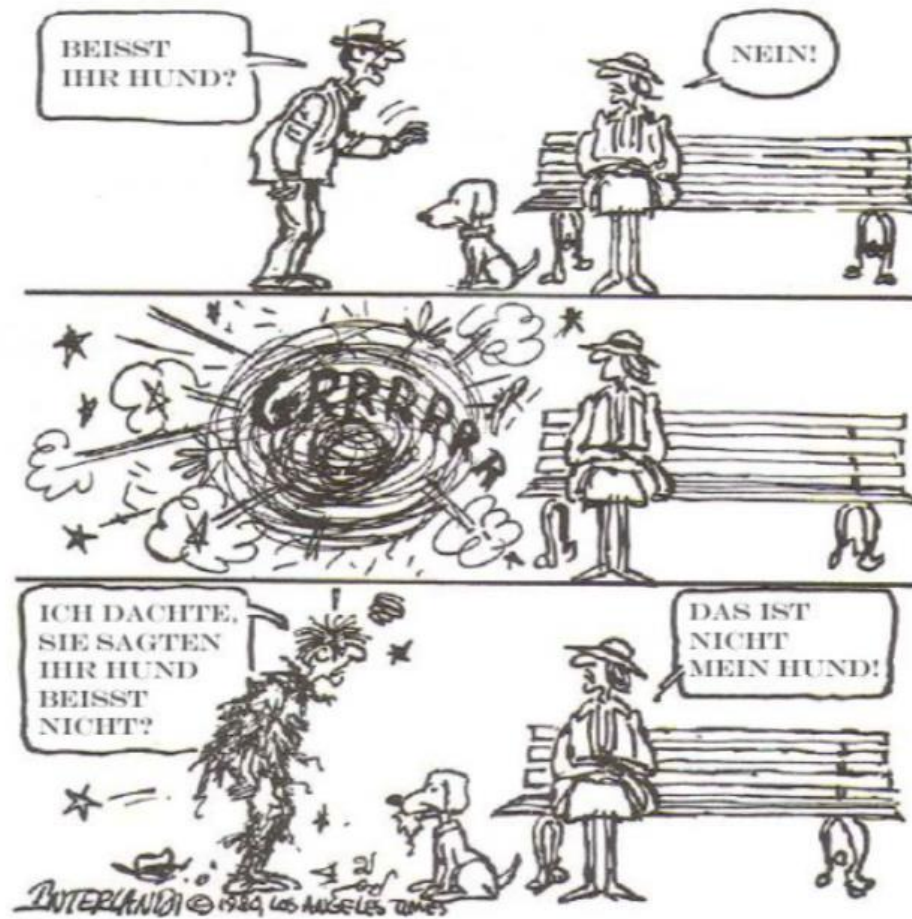
4) Starbucks would want to sell coffee shop furniture in China

Source: Ansoff

Step 4: Commit - Implement



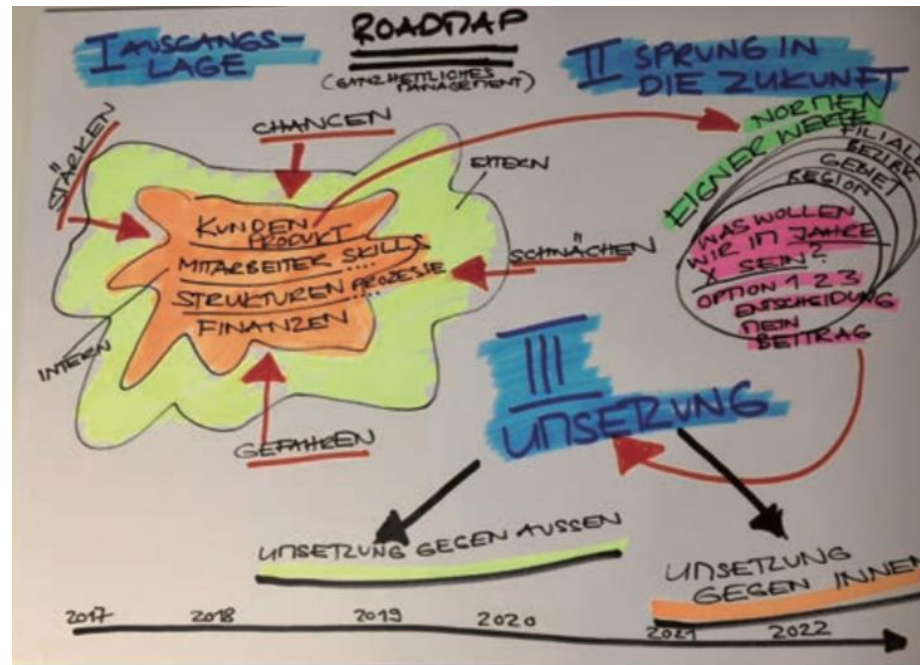
Communication / understanding is Key



Step 5: Optimize



How to build a framework, a model



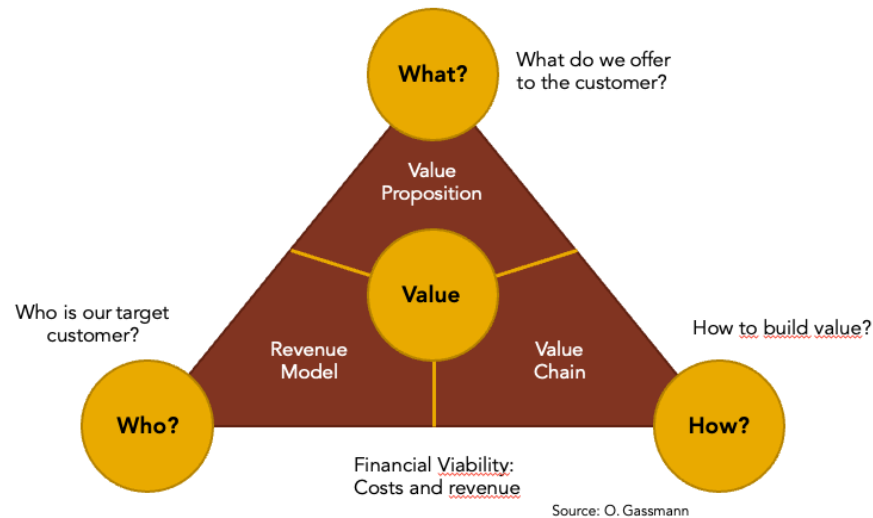
Business Model vs. Management Model?



StGallen Business Model – Oliver Gassmann

Market
Who?
(Customer

Product
What?



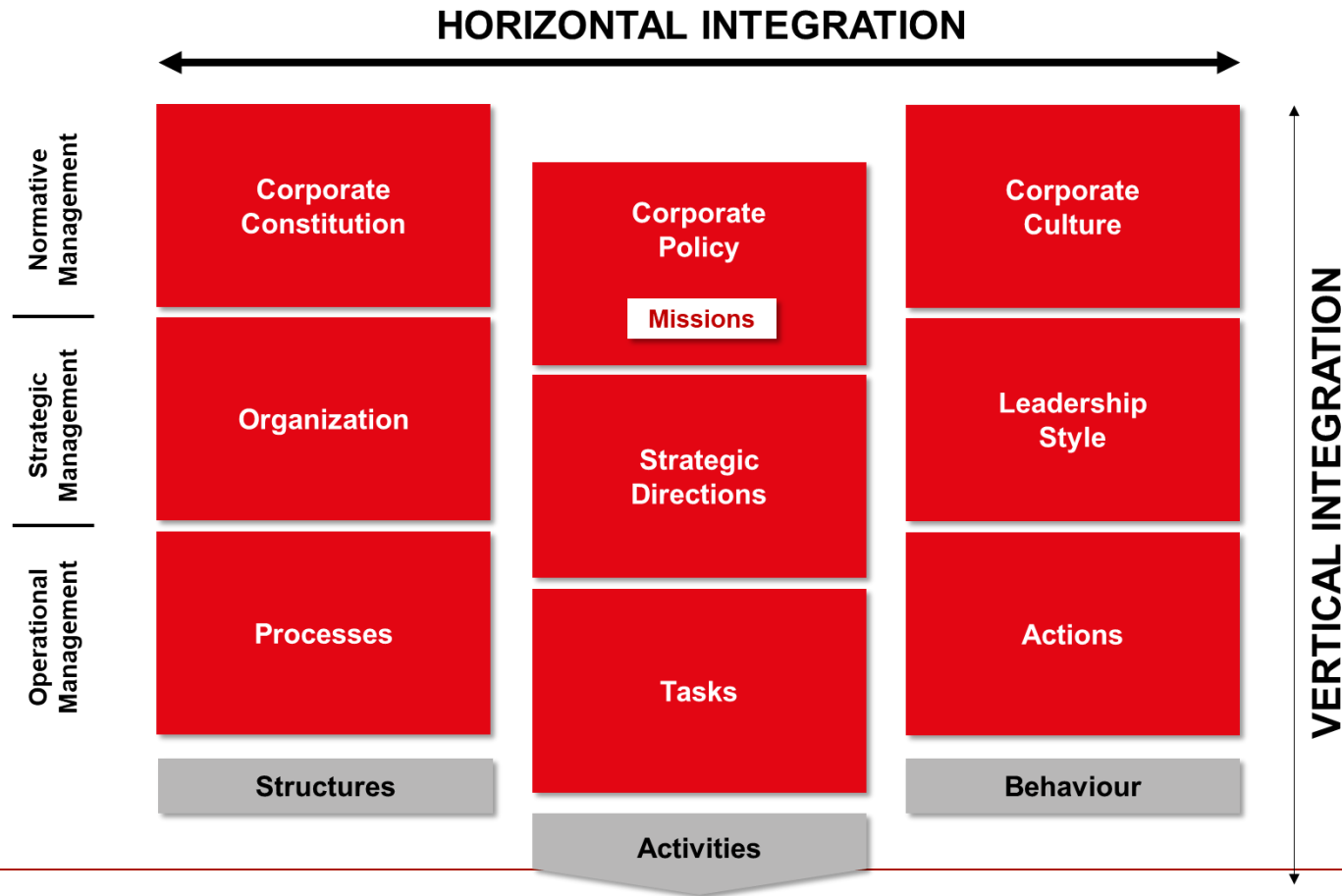
(Financials
(Value)

PKP

HOW

People/Partner,
Knowledge, Power
(Brand, Key success
factors, Abilities,
capabílites etc.)

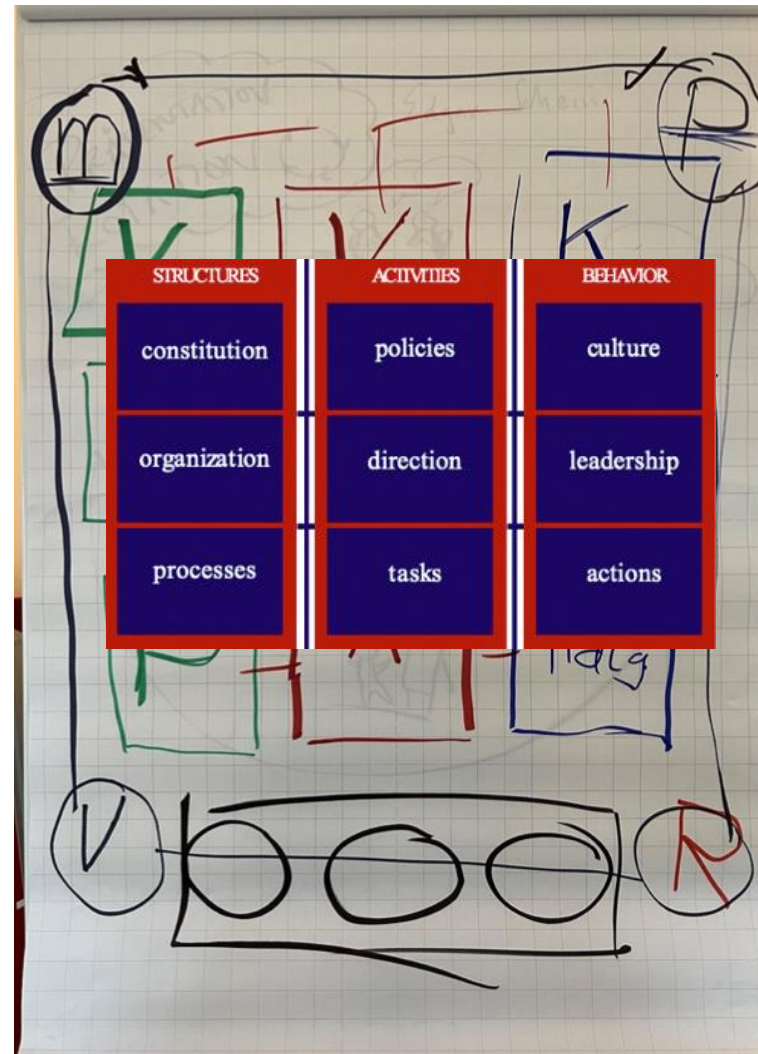
StGallen Management Model – Knut Bleicher



StGallen Concept – Knut Bleicher

Market
Who?
(Customer)

(Financials
(Value)



Product
What?

Resources

How

People, Partner, Know
how, Brand, Key
success factors etc.

Road Map - Framework

Screening:
What is going on?
Iceberg ahead?

Regular review process:

explore vs. exploit
renew vs. optimize

Adaption/Development & Implementation of a Strategy

2

Detailed Analysis

Normative Framework/Owner/Ethics

Inside-out:

- Performance/offerings
- Processes
- Organisation/structures
- Capabilities/employees
- Cost position
- Experience curve
- Complexity curve

Outside-in:

- Market definition
- Market data
- Competition analysis
- 5 Forces
- Porter curve
- Trends/potentials
- Life cycle
- Customer needs
- Substitution

How to build options:

- Portfolio management
- Ansoff matrix
- Morphological box
- Business model frameworks
- Scenario management



Iteration

4

Evaluation

- SWOT analysis

3

Options

Option 1

Option 2

Option ...

6

Implementation

Implementation controlling

External

Marketing mix (market positioning, market entry)

Internal

Planning/measures for processes, structures, systems, human & financial resources

5

Decision



Examples: Research boot camp

- *Creativity tool: St. Gallen Tablau* -

Market:				
Customers	Customer Needs	Products/Offerings	Channels	Capabilities, Success Factors (internal)

Examples: Research boot camp

- Creativity tool: Customer needs -

Customer needs:	rating					Over/under achievement (If (-) Difference): New competitive advantage? (If (+)Difference): Cost savings potential?
	1	2	3	4	5	
(customer expectation) (purchasing criteria) (relation criteria)	Importance for sale:  Customer point of view  Own performance					1=unimportant 3=important 5=very important 1=weak 3=sufficient 5=excellent

Strategy – Definition

„Art of troop leader“ – The art to creat longterm VALUE

(from greek „strategia“, strategos = troop leader)

„Strategy is the determination of the basic long-term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals“

A. Chandler

„...broad formula for how a business is going to compete, what its goals should be, and what policies will be needed to carry out those goals“, "...combination of the *ends* (goals) for which the firm is striving and the *means* (policies) by which it is seeking to get there.“

M. Porter

Some Principles

1. Clarity, simplicity and focus on the future
 2. Concentration of forces
 3. Differentiation, efficiency and accurate timing
 4. Capitalise strenghts and weaknesses
 5. Capitalise opportunities and threats
 6. Multiply successful operations
 7. Successful management of risks
 8. „Unité de doctrine“
-

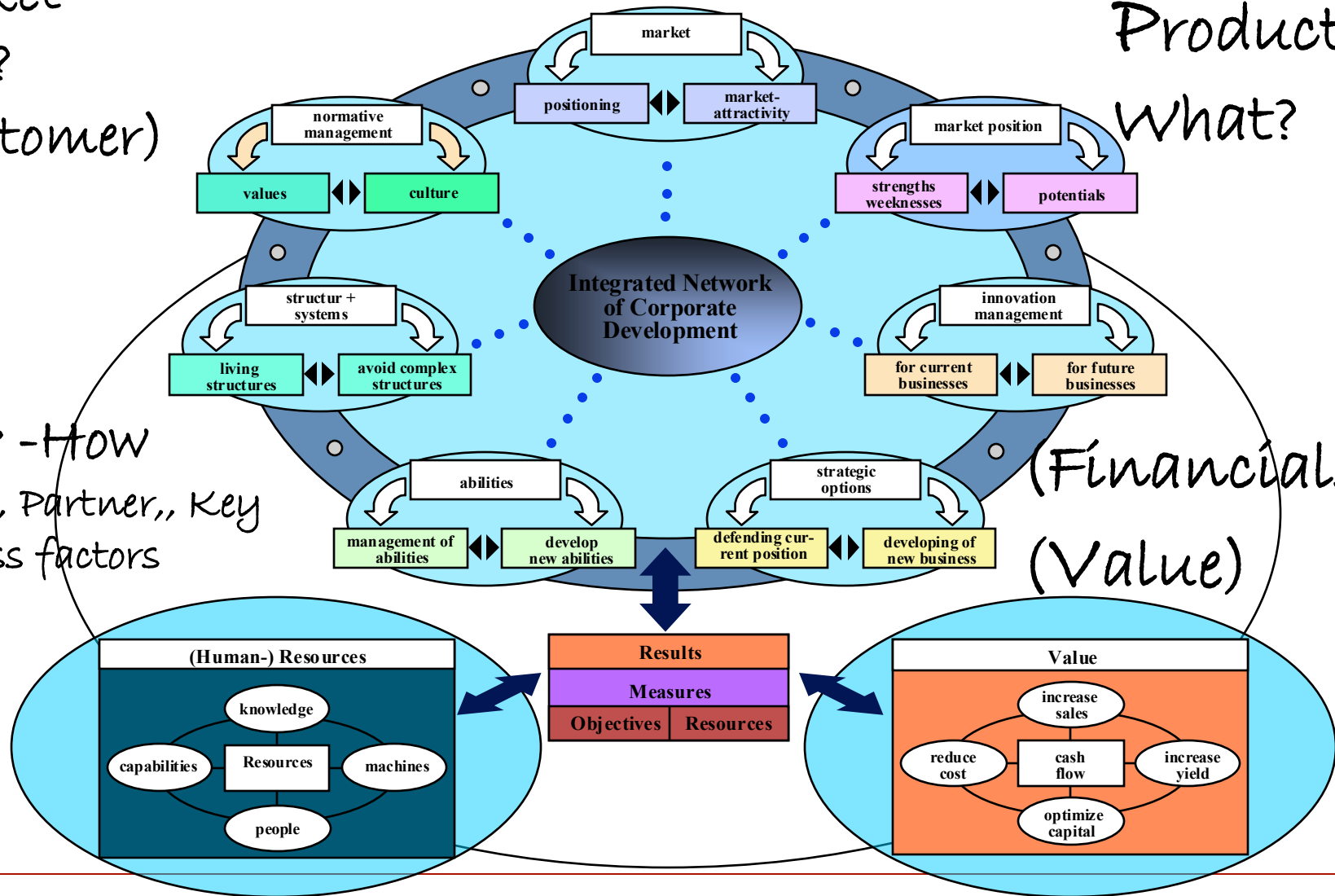
StGallen Business & Management Model – in a nutshell

Market
Who?
(customer)

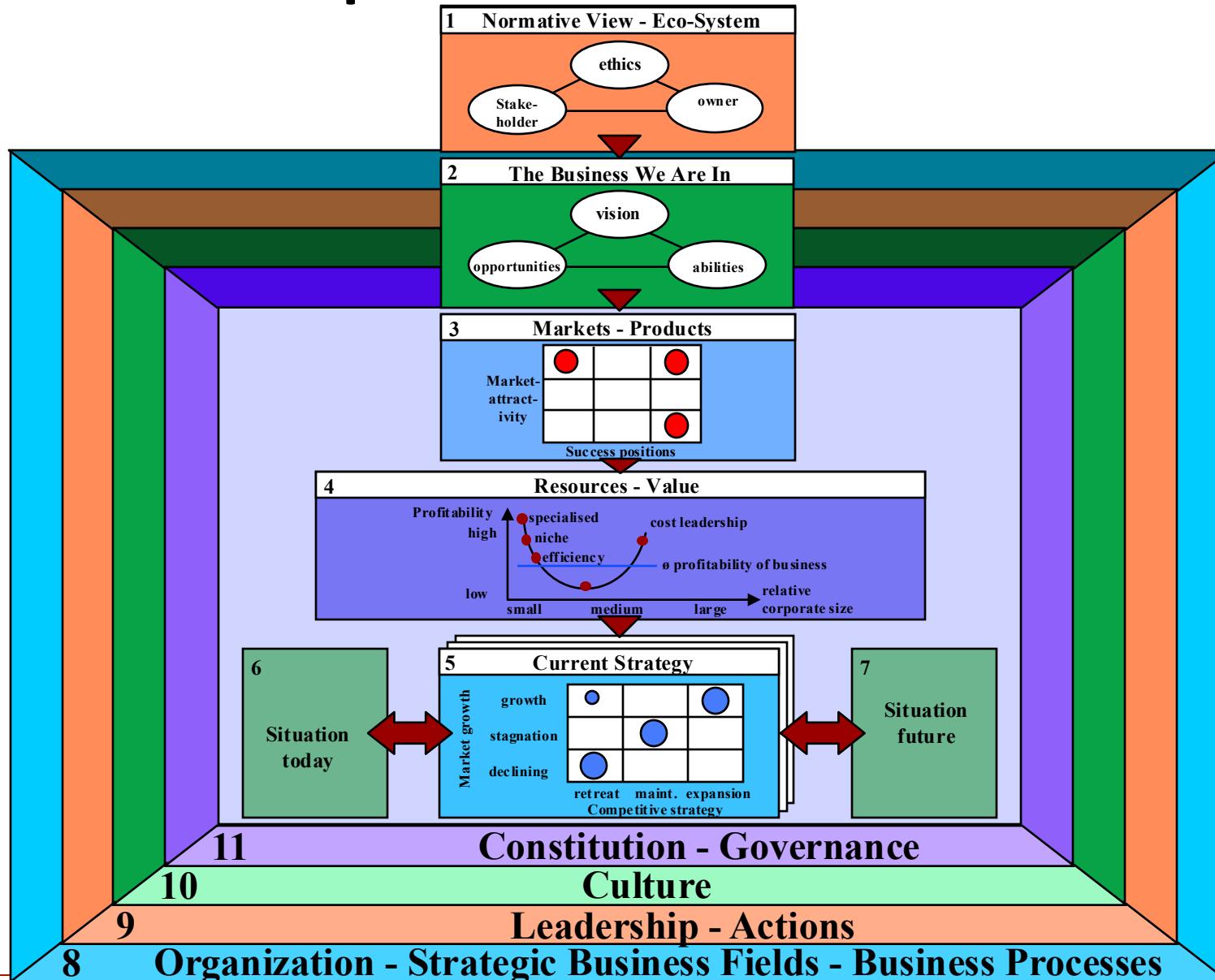
Product
What?

PKP - HOW
People, Partner,, Key
success factors

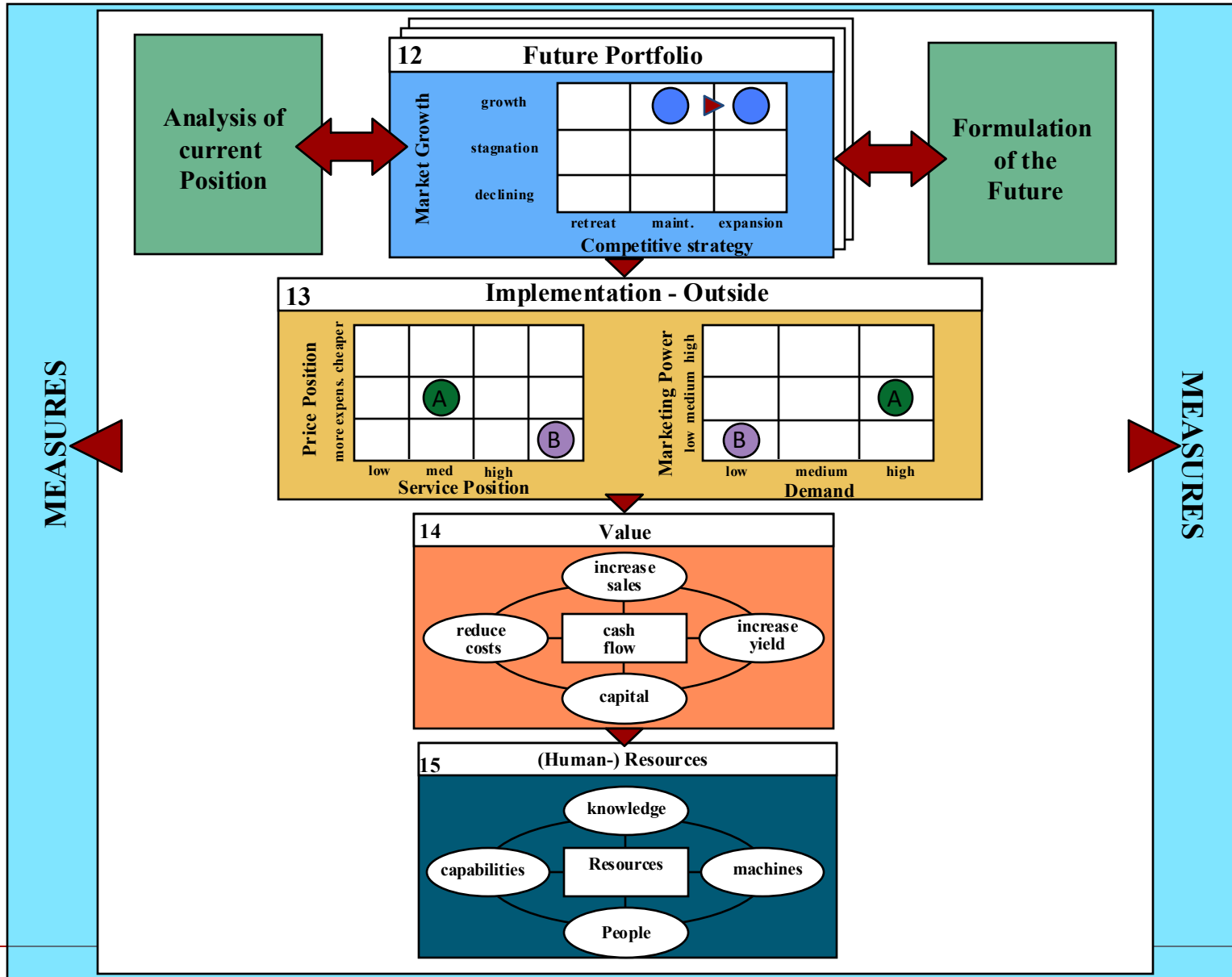
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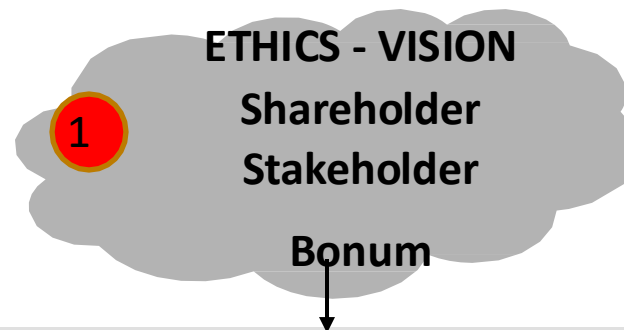
StGallen Concept - Process View I



StGallen Concept - Process View II



Road Map - Framework



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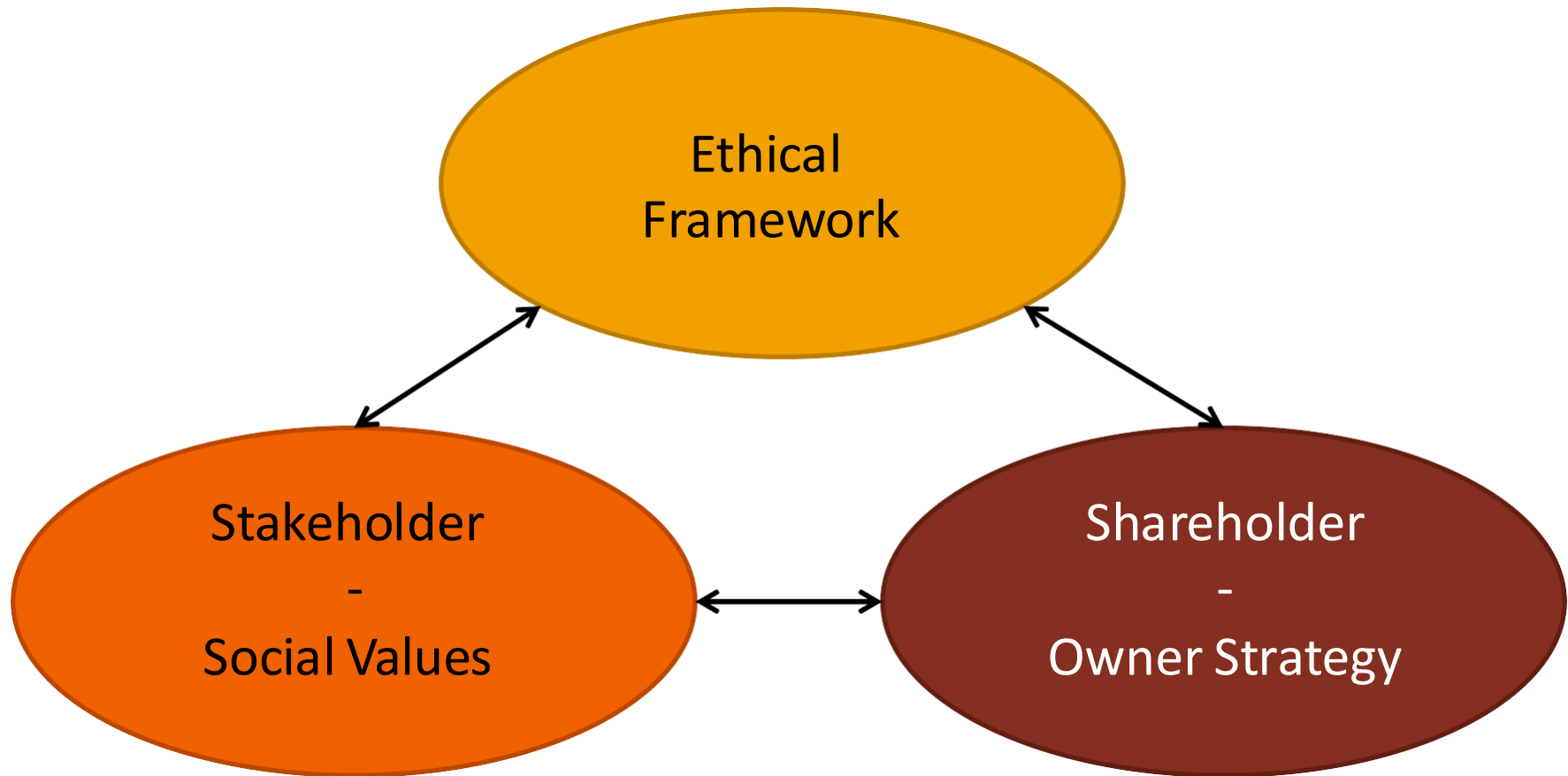
Internal

Planning/measures for processes, structures, systems, human & financial resources

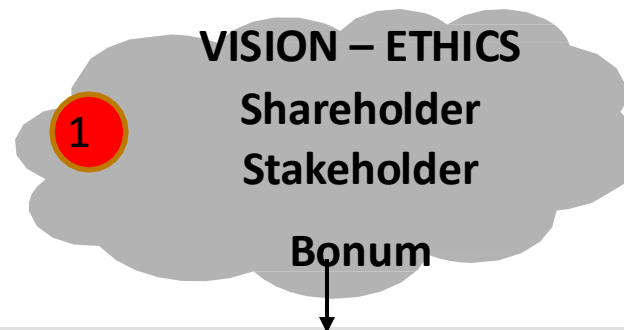
5

Decision

Analysis – Normative Framework



Road Map - Framework



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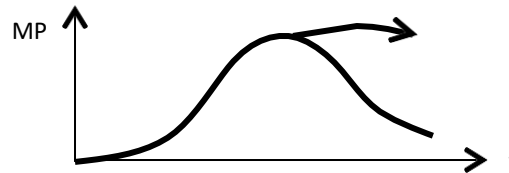
Analysis – Business Modelling: Outside-in vs. Inside-out



Inside-out

Competence driven view
„technology push“

C.K. Prahalad, Gary Hamel



Outside-in

Market driven view
„market pull“

M. Porter



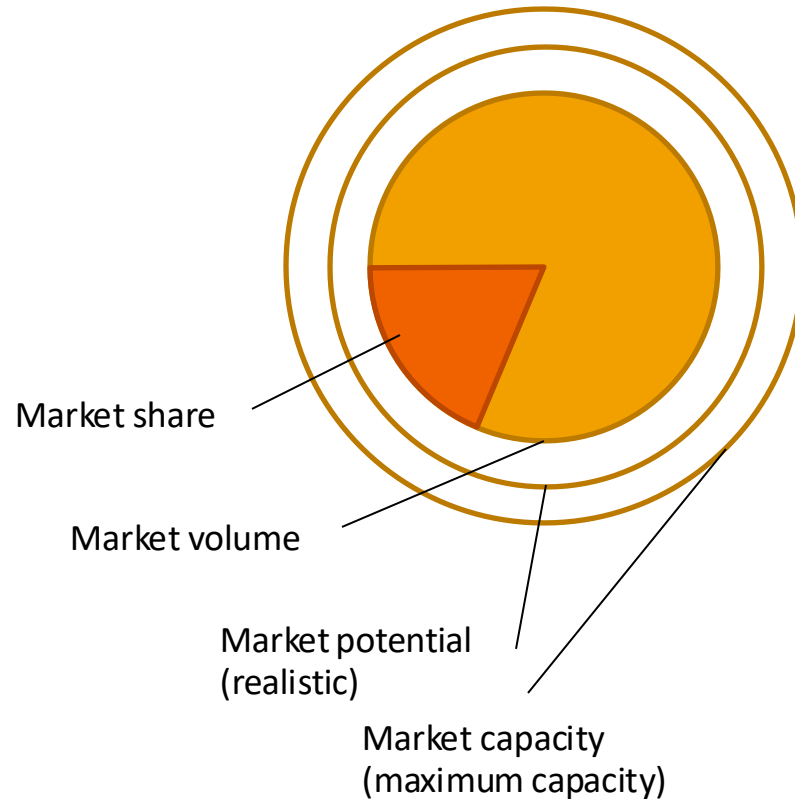
competence-driven

market-driven

Analysis – Outside-in: Market Definition/Market Data

Classification of a market by:

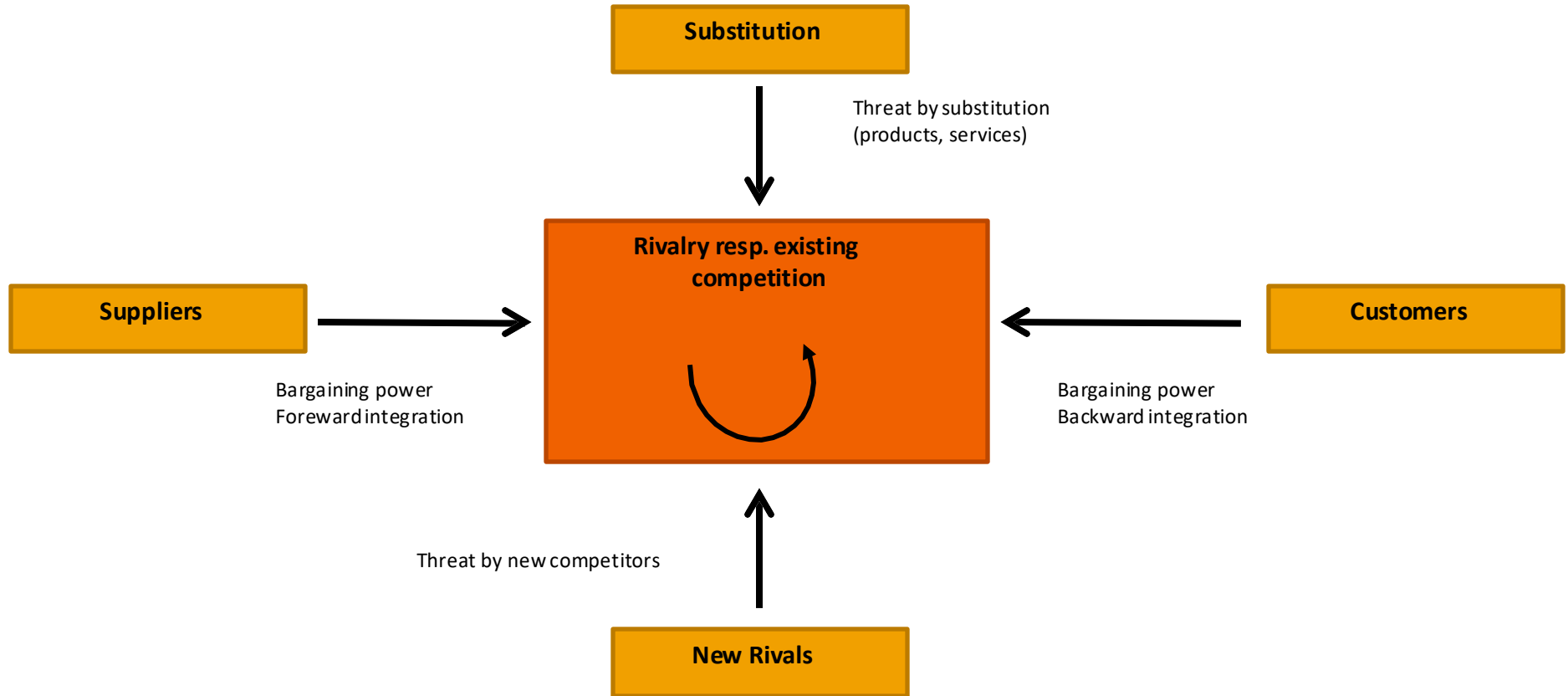
- Content
(need, object, matter, market offering)
- Space
- Time



Analysis – Outside-in: Competitor analysis

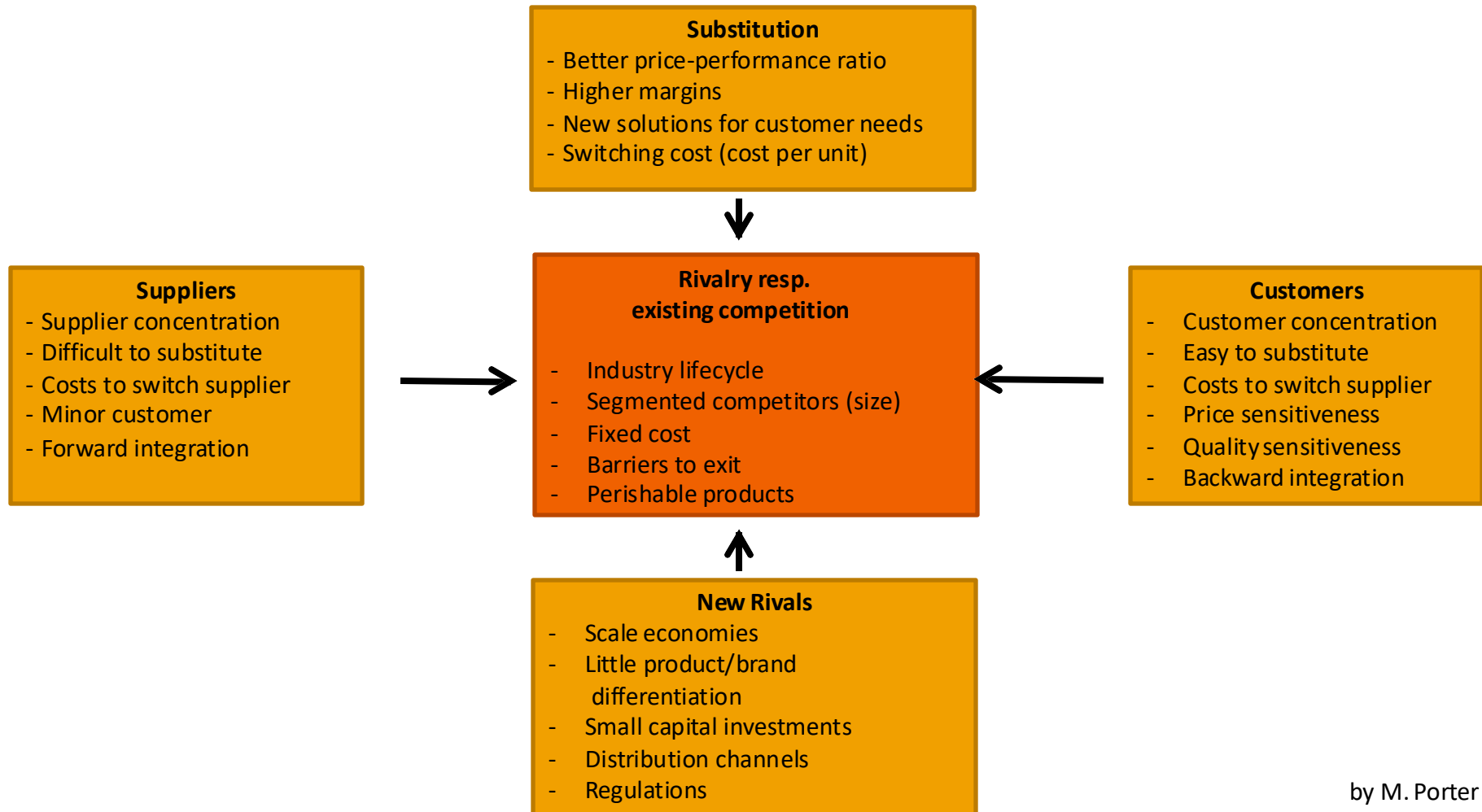
Competitors	Main competitors today	Future potential competitors from within the industrial sector	Future potential competitors from outside the industrial sector
Main competitors (name)	<ul style="list-style-type: none">•••	<ul style="list-style-type: none">•••	<ul style="list-style-type: none">•••
Strengths of the competitors:			
Weaknesses of the competitors:			
What could we learn from our competitor?			
Where ist the „Achilles‘ heel“ of the competition (and ourselves)?			

Analysis – Outside-in: 5-Forces



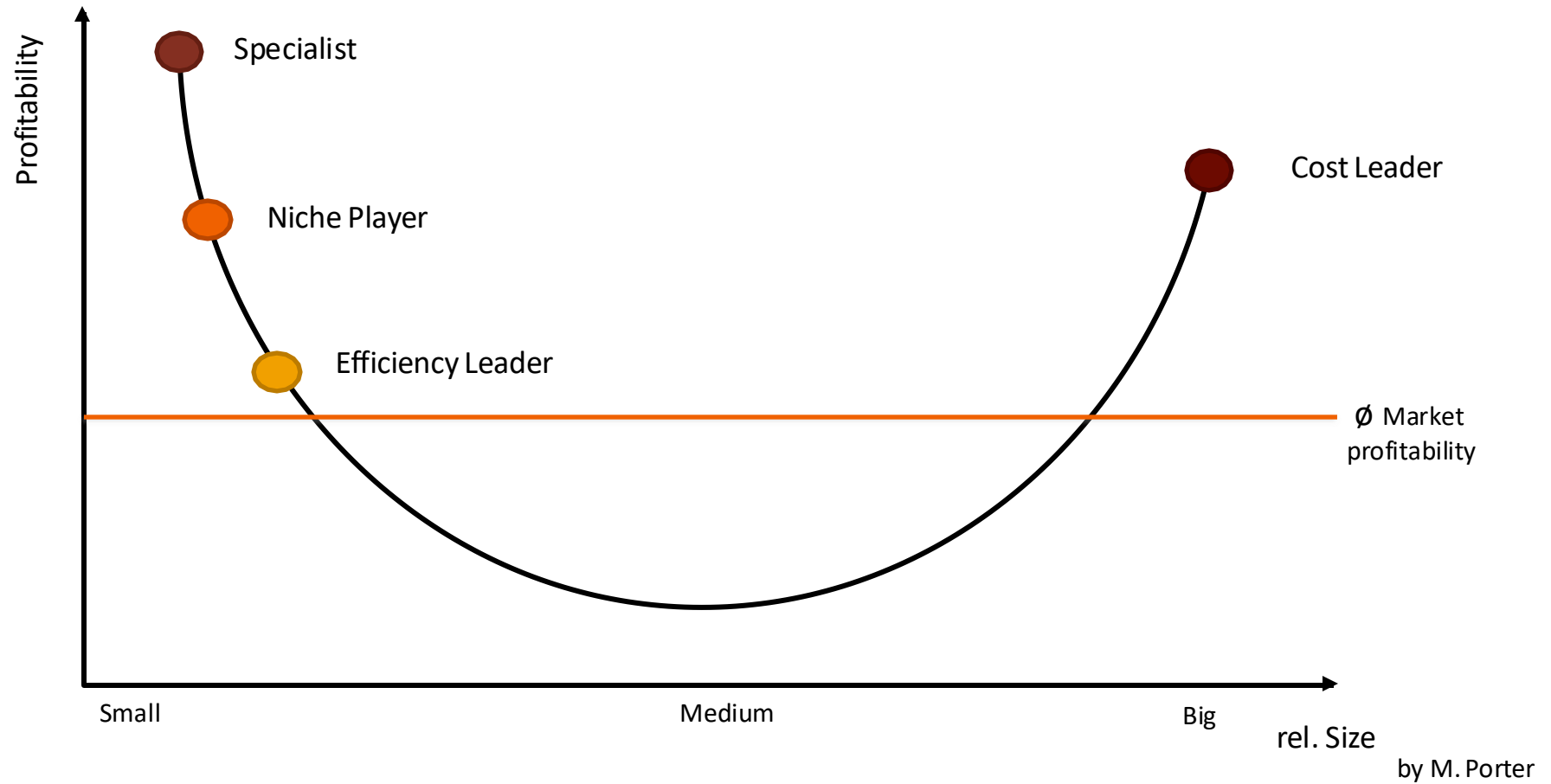
by M. Porter

Analysis – Outside-in: 5-Forces

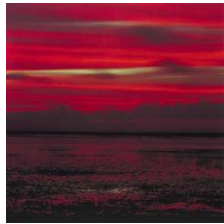


by M. Porter

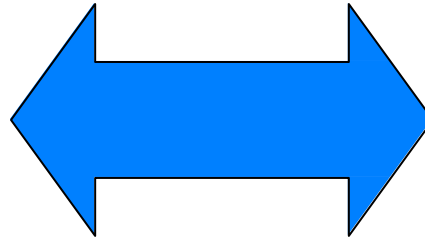
Analysis – Outside-in: Porter Curve



Excursus: Differentiation - Blue vs. Red Ocean



“Best Practice”

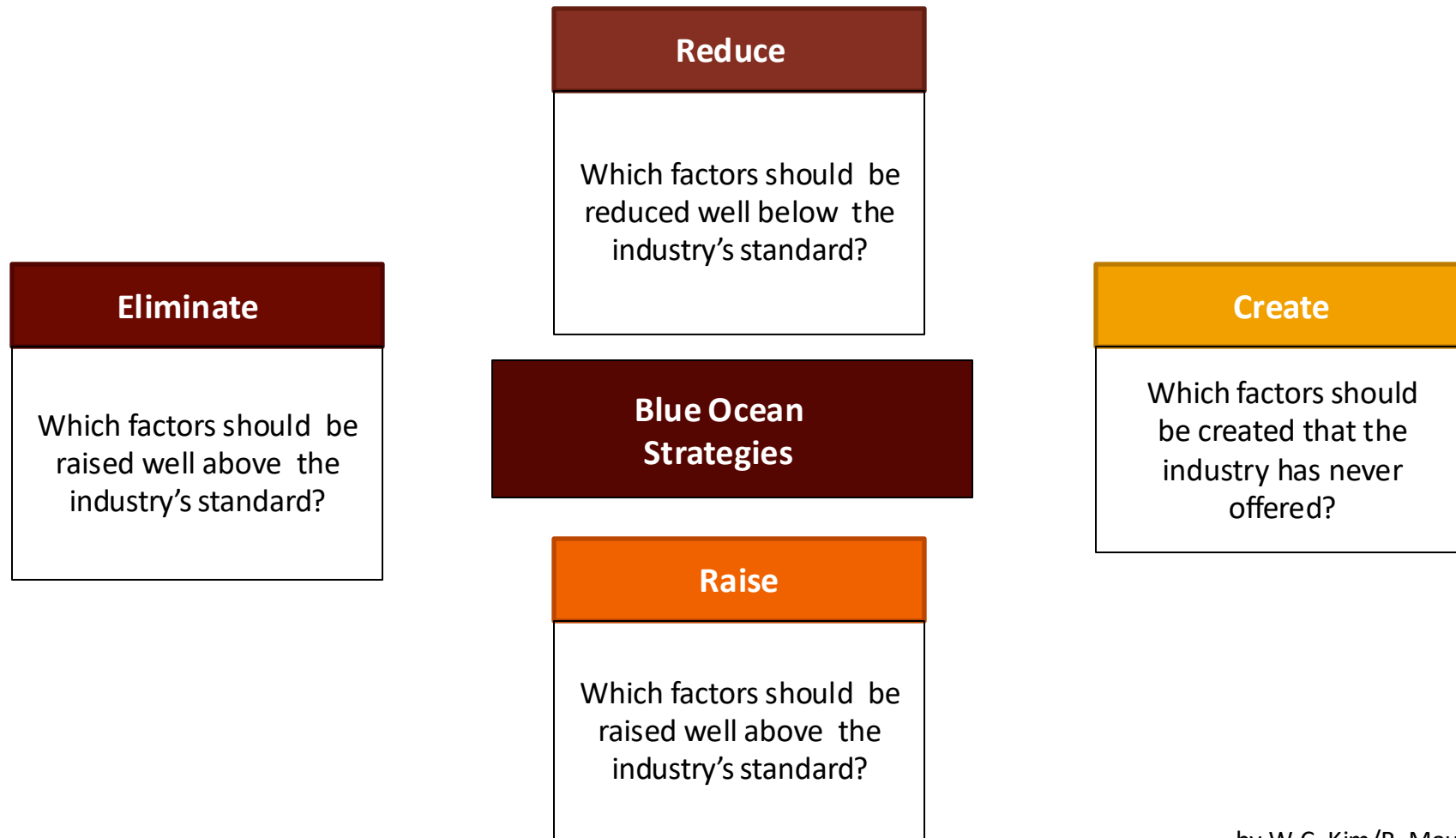


“New Practice”

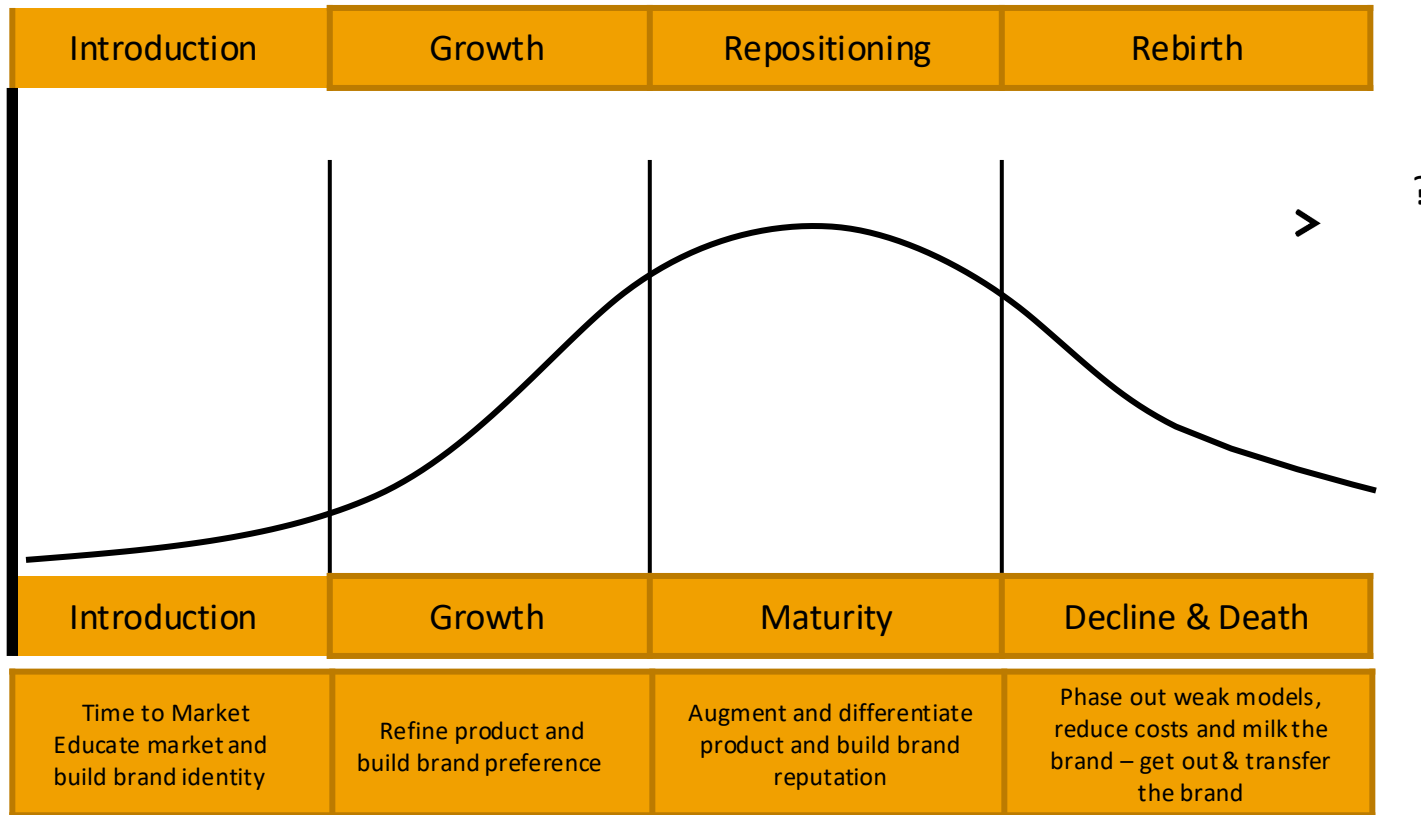


Red Ocean Strategy	Blue Ocean Strategy
Compete in existing market space	Compete in existing market space
Beat the competition	Beat the competition
Exploit existing demand	Exploit existing demand

Excursus: Differentiation - Blue vs. Red Ocean

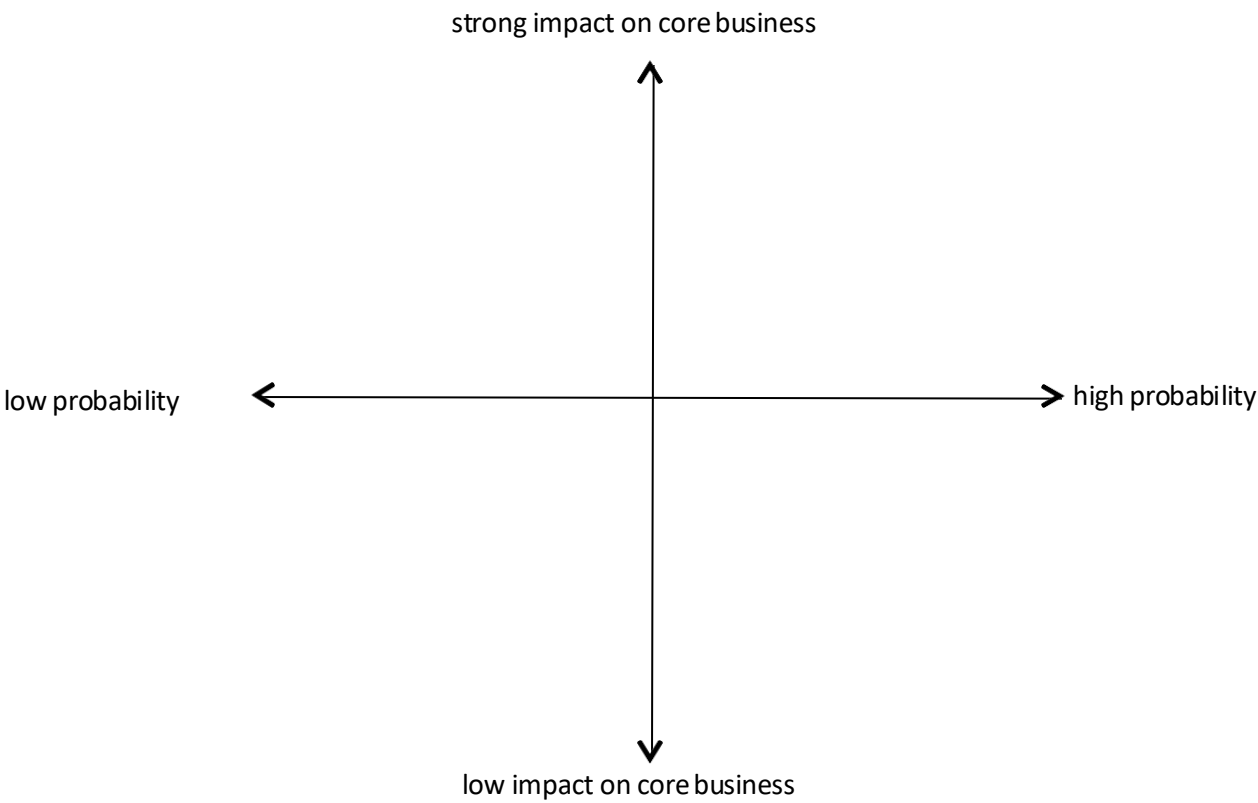









Analysis – Outside-in: Life Cycle



Analysis – Outside-in: Trend Analysis

What relevant trends by future stakeholders can be inferred to our business and our market (e.g. next 5 years):

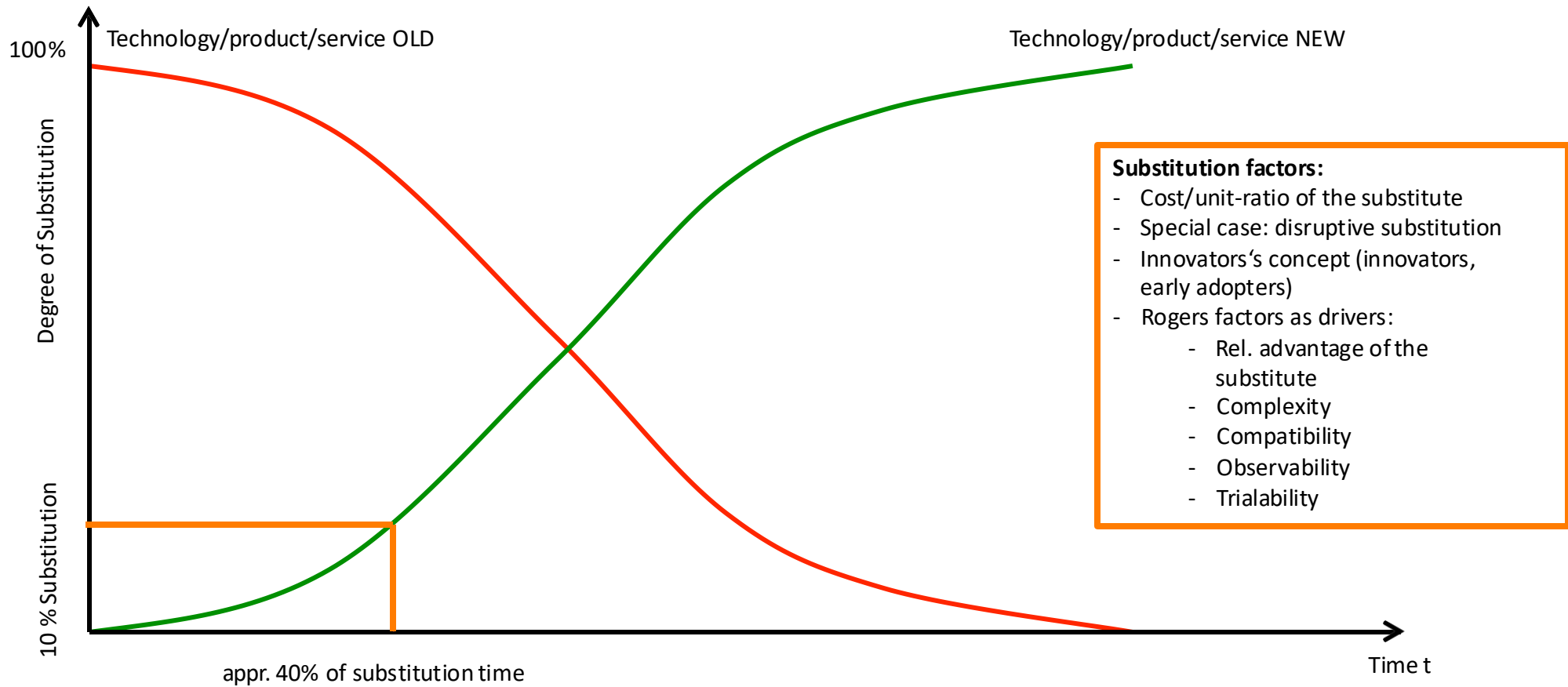


Trend	Colour
	
	
	
	
	
	
	
	
	
	

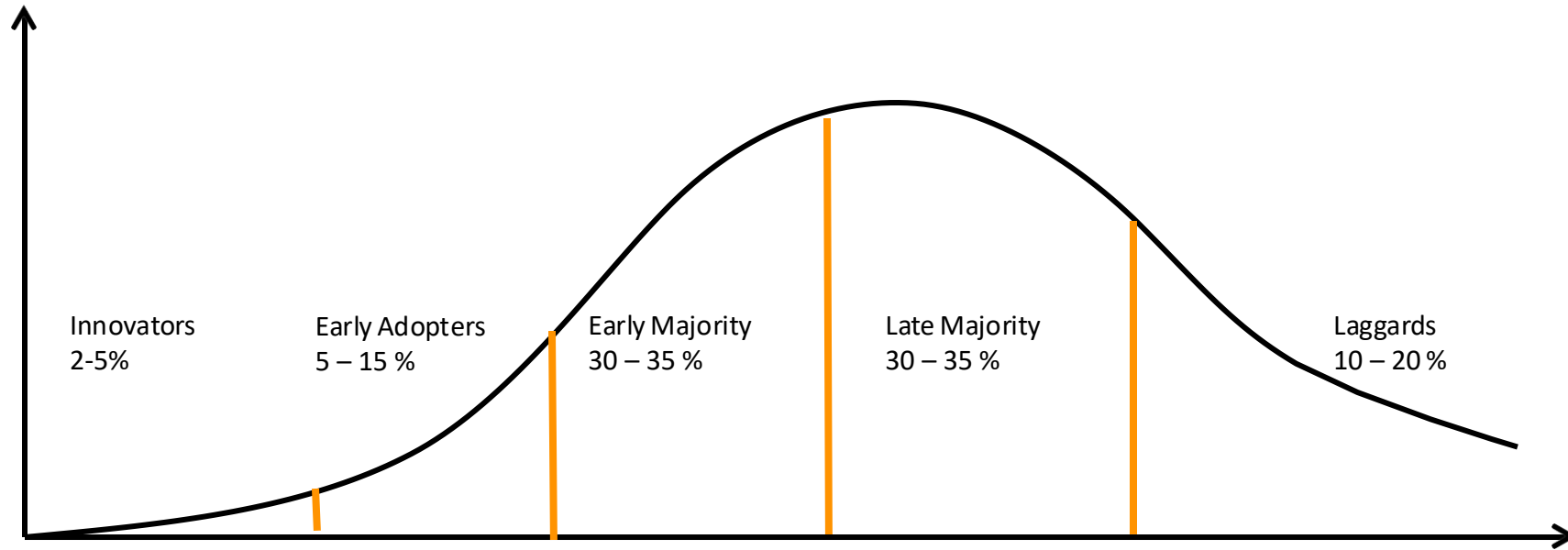
Analysis – Outside-in: Customer Needs Analysis

Market:		Target Group:					Product:	
The customer wants today:		Ranking:					Over/under performance/achievement	
		1	2	3	4	5		
Importance for purchase decision:		1 = not important		3 = important		5 = very important		
Degree of fulfillment:		1 = very low		3 = satisfying		5 = very high		

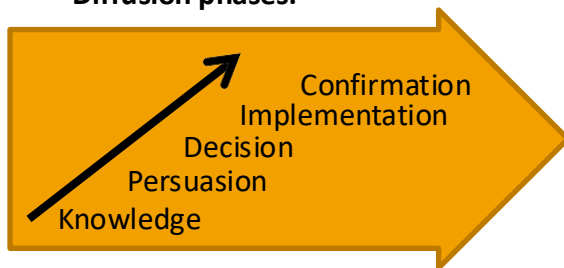
Analysis – Outside-in: Substitution



Analysis – Outside-in: Innovator's Concept (Diffusion of Innovation)



Diffusion phases:



Success factors:

- Rel. Advantage
- Complexity
- Compatibility
- Observability
- Trialability

Analysis – Inside-out: Competences/Employees

Core competences, capabilities	Importance for success			Comparison to competition				
	1	2	3	1	2	3	4	5

Code:

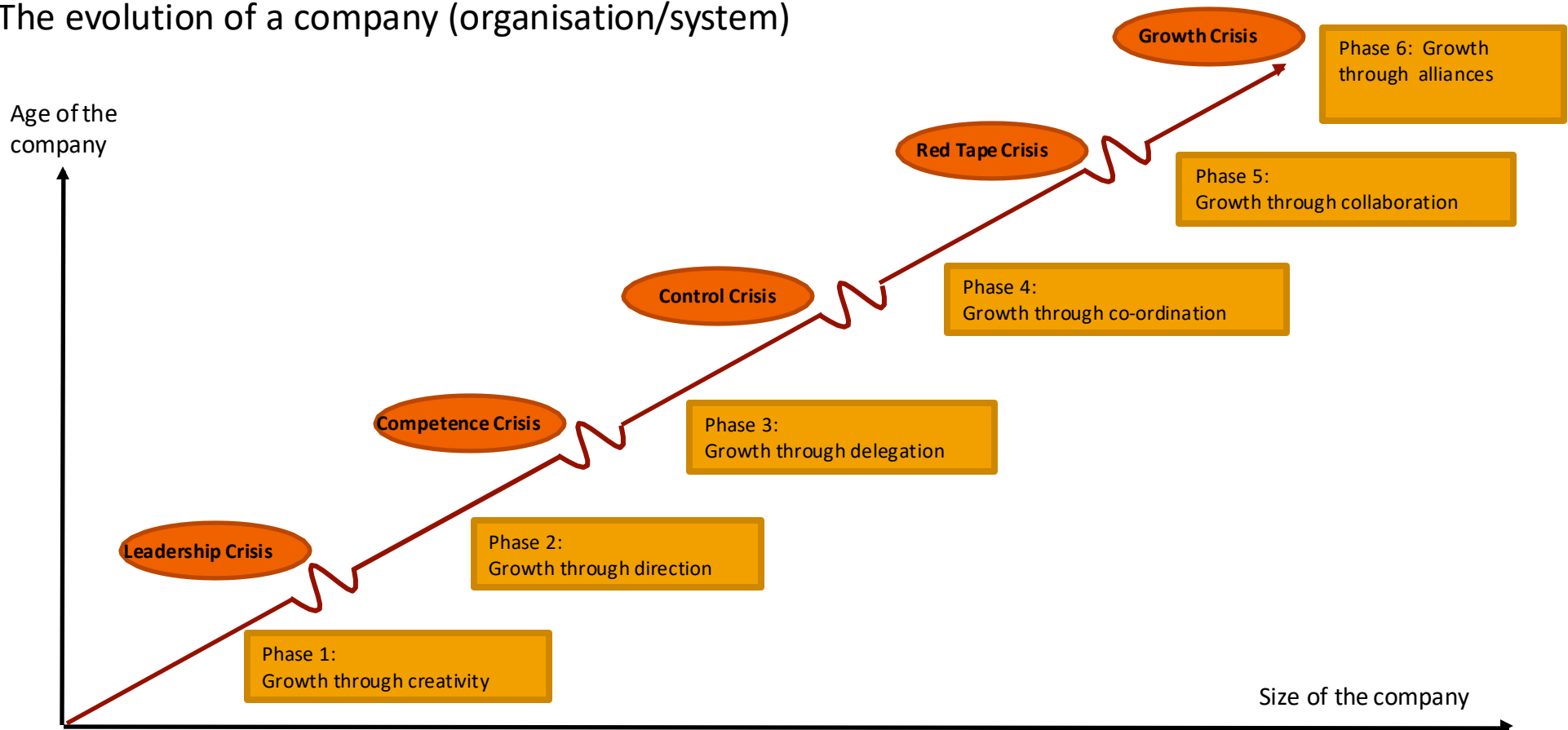
3 = crucial
2 = very important
1 = important

Code:

5 = much better
4 = better
3 = same
2 = worse
1 = much worse

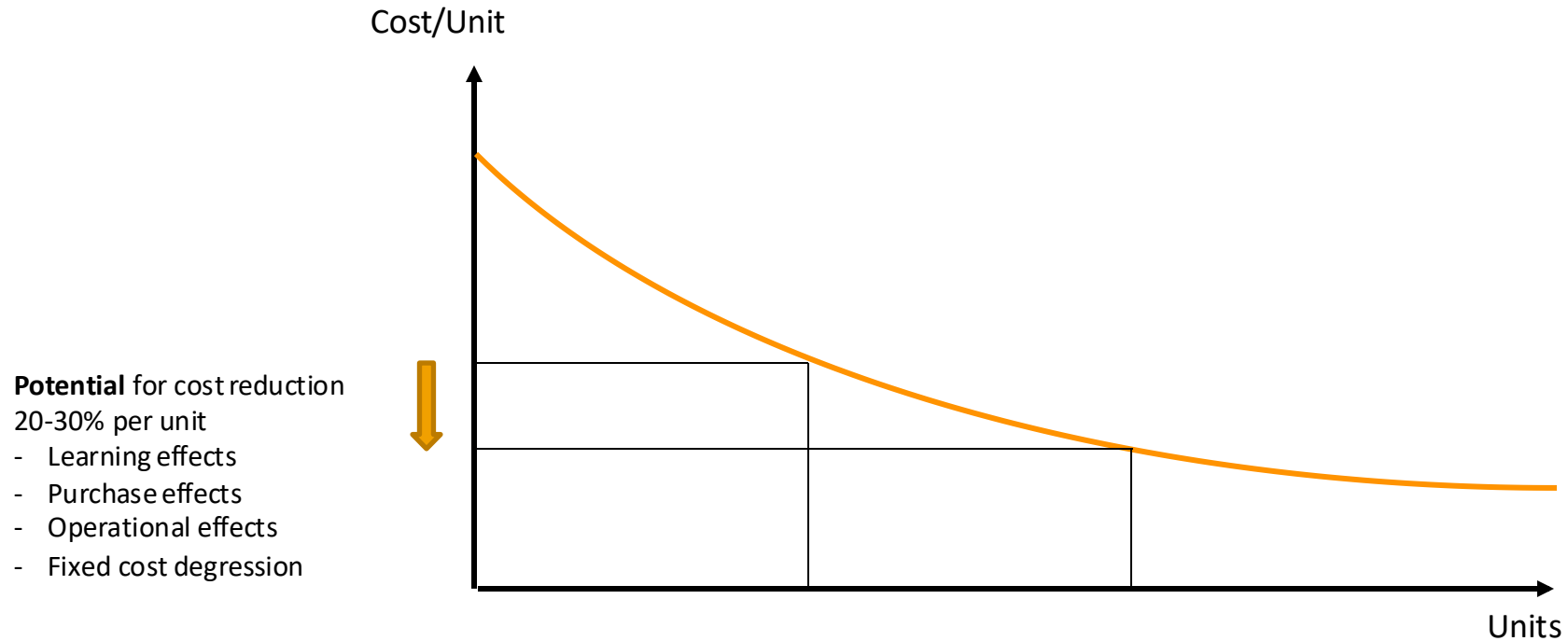
Analysis – Inside-out: Organisation - Greiner's Curve

The evolution of a company (organisation/system)

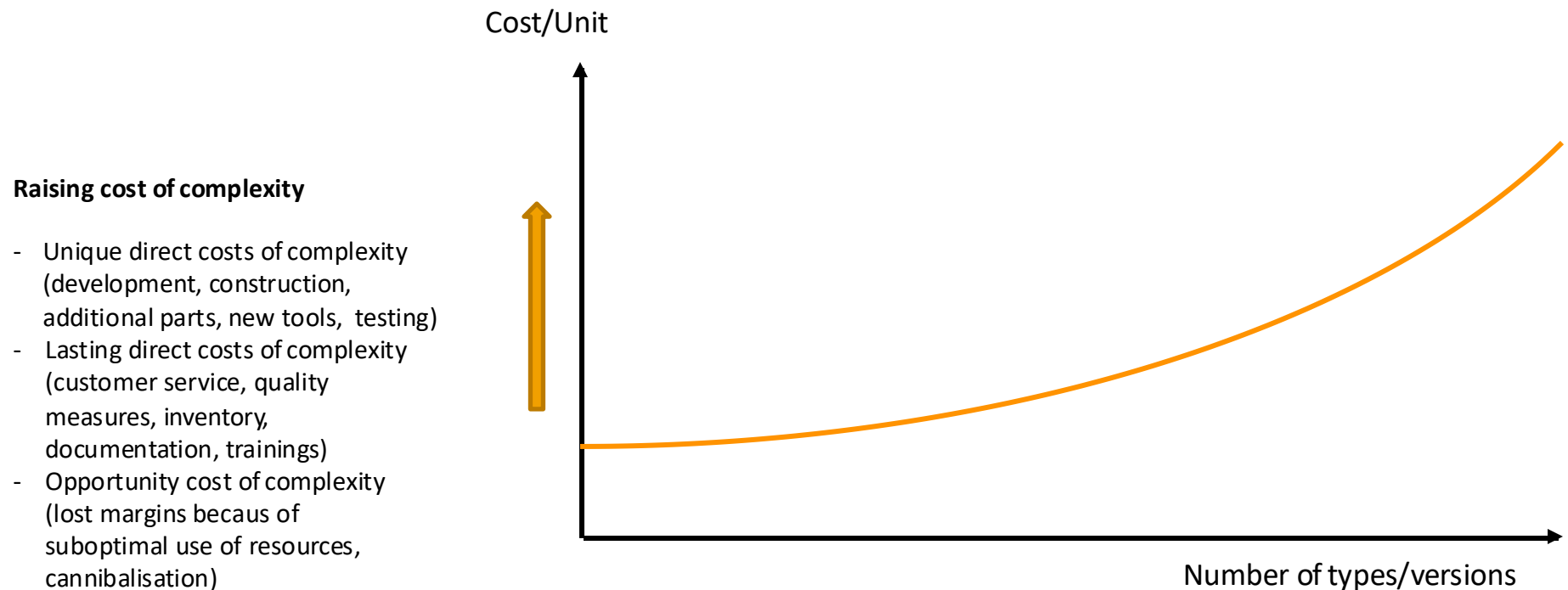


by L. Greiner

Analysis – Inside-out: Experience Curve



Analyse – Inside-out: Complexity Curve



Road Map - Framework

Screening:
What is going on?
Iceberg ahead?

Regular review process:

explore vs. exploit
renew vs. optimize

1

Adaption/Development & Implementation of a Strategy

2

Detailed Analysis

Normative Framework/Owner/Ethics

Inside-out:

- Performance/offerings
- Processes
- Organisation/structures
- Capabilities/employees
- Cost position
- Experience curve
- Complexity curve

Outside-in:

- Market definition
- Market data
- Competition analysis
- 5 Forces
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- Trends/potentials
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- Customer needs
- Substitution

How to build options:

- Portfolio management
- Ansoff matrix
- Morphological box
- Business model frameworks
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Iteration

4

Evaluation
- SWOT analysis

3

Options

Option 1

Option 2

Option ...

6

Implementation

Implementation controlling

External

Marketing mix (market positioning, market entry)

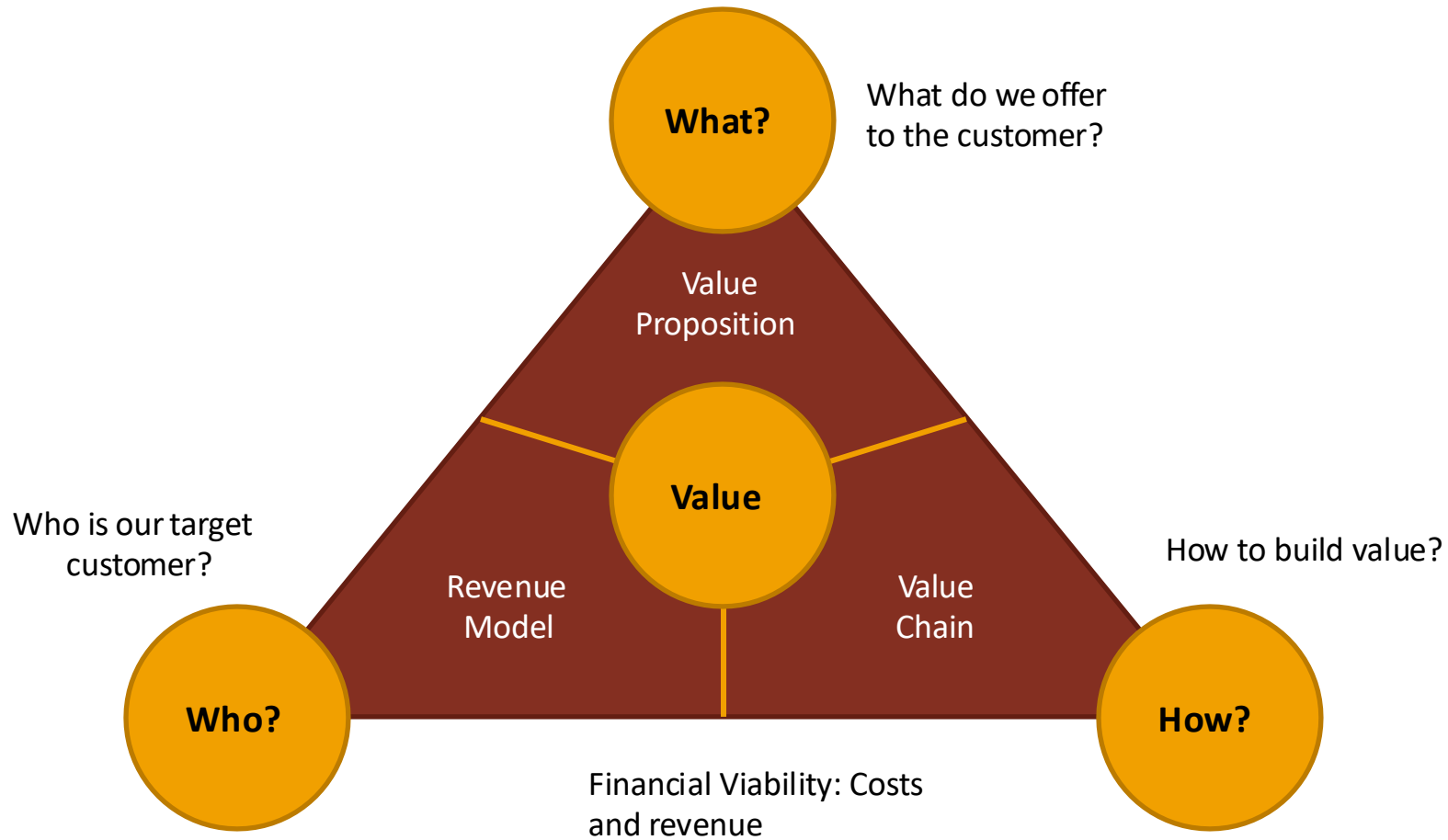
Internal

Planning/measures for processes, structures, systems, human & financial resources

5

Decision

St. Gallen Business Model

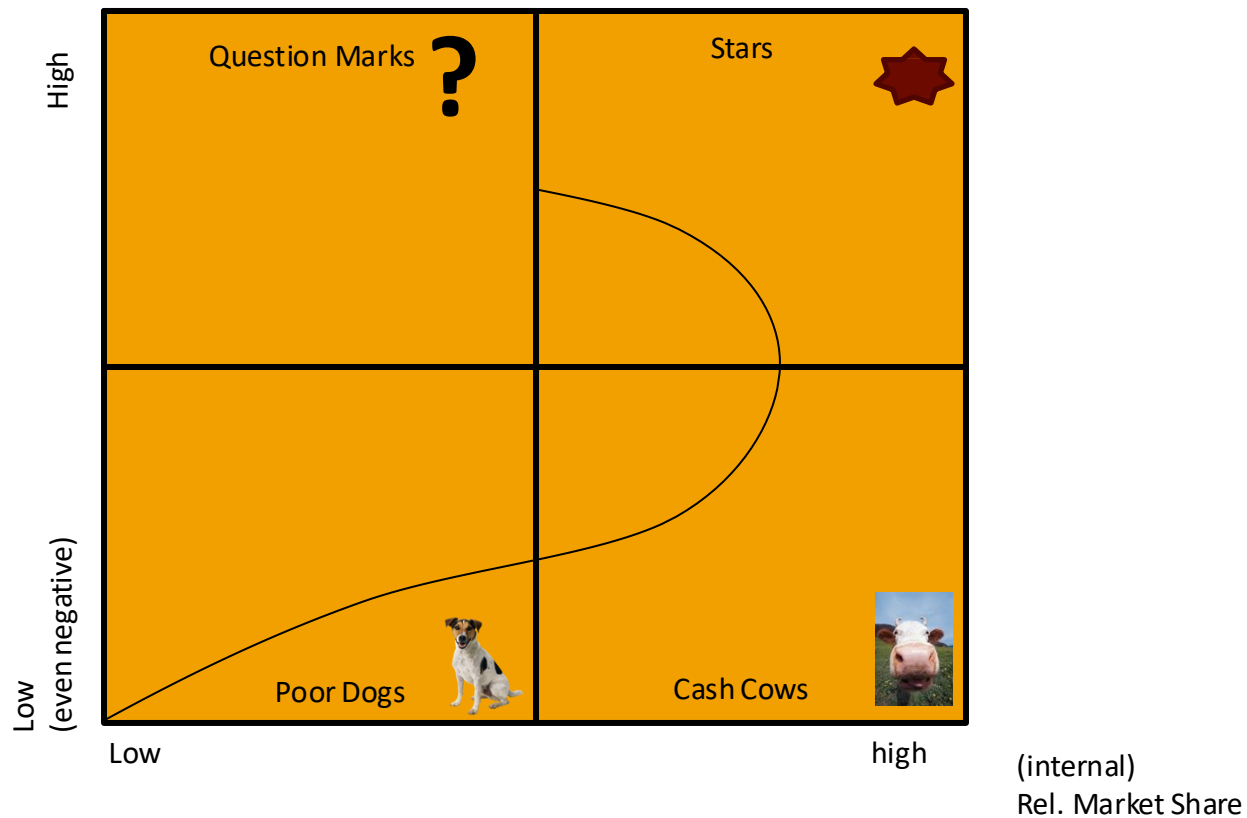


Source: O. Gassmann

How to build options – Portfolio Management

4 Field Portfolio/BCG-Matrix

(external)
Market Growth

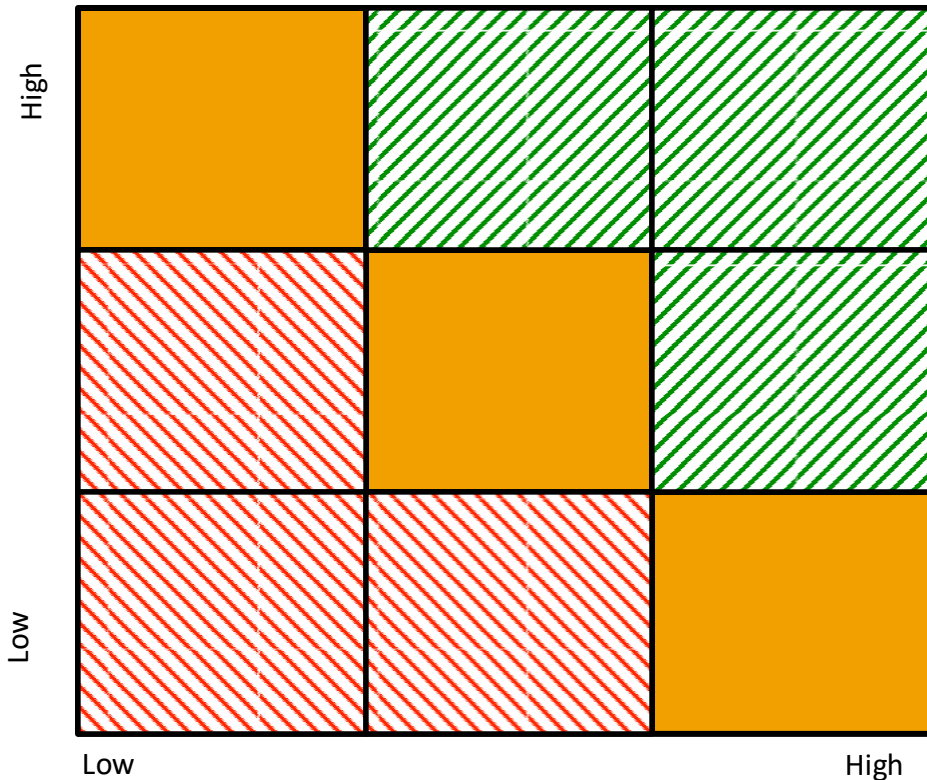


by B. Henderson

How to build options – Portfolio Management

9 Field Portfolio/McKinsey-Matrix

(external)
Market
Attractiveness



(internal)
Rel. Competitive Advantage/Strength

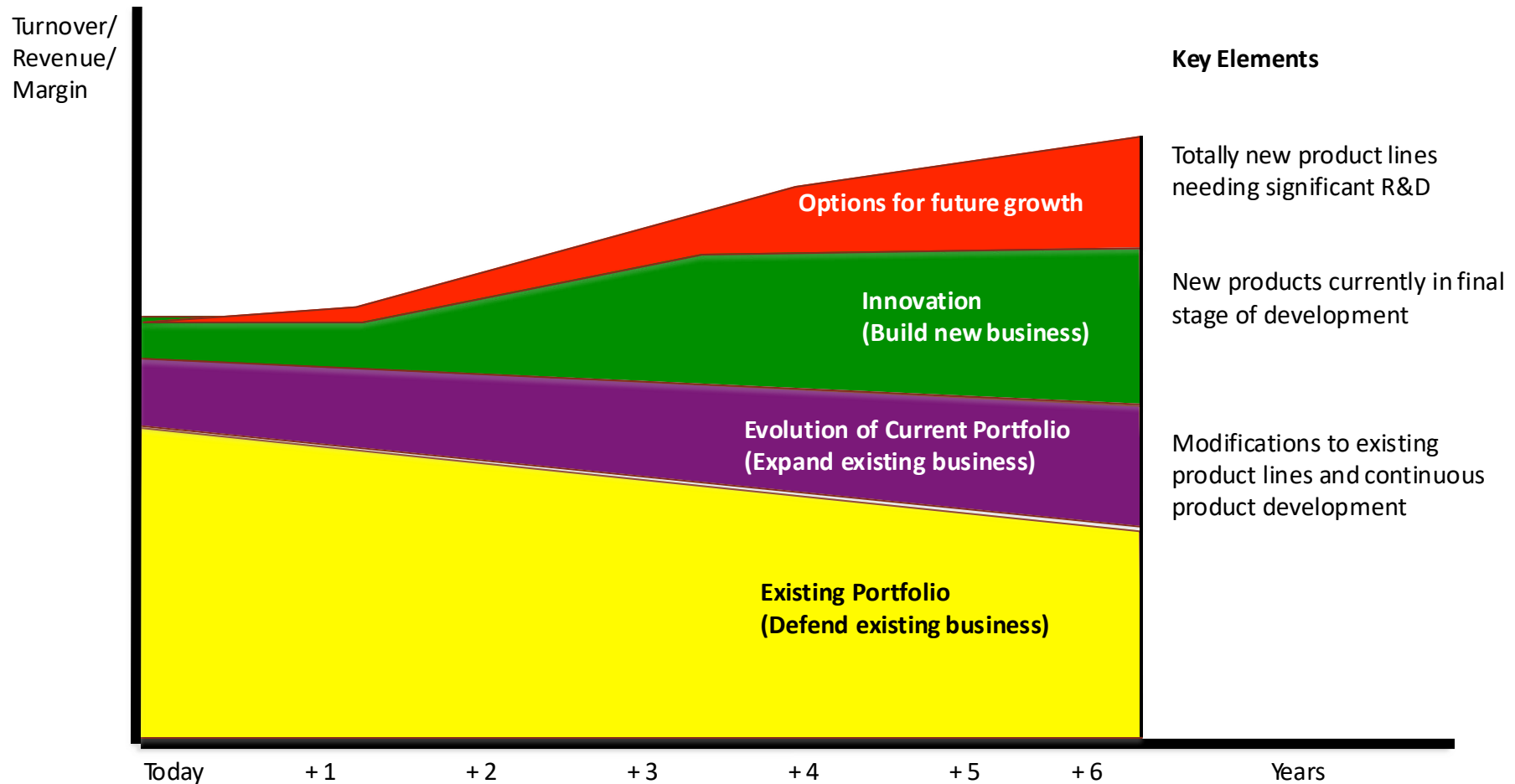
How to build options – Portfolio Management: Market Attractiveness

Criteria	Evaluation Scale (e.g. 1-9)	Weighting	Evaluation	Sum
Rivalry	e.g: High intensity of competition: 1 Medium intensity of competition: 5 Low intensity of competition: 9	0.2	6	1.2
Supplier power				
Customer power				
Threat by new rivals				
Threat by substitution				
...				
...				
...				
...				
Total		1.0		

How to build options – Portfolio Management: Rel. Competitive Advantage

Criteria	Evaluation Scale (e.g. 1-9)	Weighting	Evaluation	Sum
Financial perspective	e.g: High cash flow: 9 Medium cash flow: 5 Low cash flow: 1	0.2	6	1.2
Customer perspective				
Process perspective				
Employee perspective				
...				
...				
...				
...				
...				
Total		1.0		

How to build options – Portfolio Management: Options for Growth



How to build options – Ansoff-Matrix: Options for Growth

<div>Product \ Market</div>	Old		New	
	Old		New	
Old	1) Market Penetration		2) Market Development	
	Probability of success in%: 50	Ratio of resources: 1	Probability of success in%: 30-40	Ratio of resources: 4-6
New	3) Product Development		4) Diversification	
	Probability of success in%: 20-30	Ratio of resources: 6-8	Probability of success in%: 2-5	Ratio of resources: 12-16

How to build options – Morphological Box

Market:				
Customers	Customer Needs	Products/Offerings	Channels	Capabilities, Success Factors (internal)

How to build options – Business Model Canvas

Key Partners <ul style="list-style-type: none">- Suppliers- Key resources from partners- Key activities performed by partners	Key Activities <ul style="list-style-type: none">- For our value propositions- Distribution- Customer relationship- Revenue streams	Value Propositions <ul style="list-style-type: none">- Offerings/bundles- Customer problems- Value/price	Customer Relationships <ul style="list-style-type: none">- Relationship models- Cost of customer relation- Basis of customer relationship- Alternatives	Customer Segments <ul style="list-style-type: none">- Target group- Customer valuation (importance, ABC analysis)- Role of a customer (innovator, early adopter etc.)
	Key Resources <ul style="list-style-type: none">- Critical resources- Supply chain management- Critical competences		Channels <ul style="list-style-type: none">- Distribution- Communication- Logistics- Cost efficiency of channels- Customer integration	
Cost Structure <ul style="list-style-type: none">- Fixed/direct cost- Main cost drivers?- Main costly resources?- Main costly activities?- Origins and structure of assets			Revenue Streams <ul style="list-style-type: none">- Pricing models- Payment models- What does a customer pay today?- What would a customer be willing to pay (value based pricing)?	

Road Map - Framework

Screening:
What is going on?
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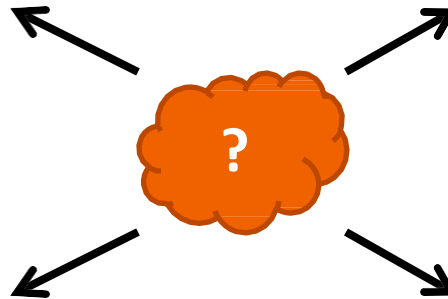
5

Decision

Evaluation – Discussing Options

Strategy as before:

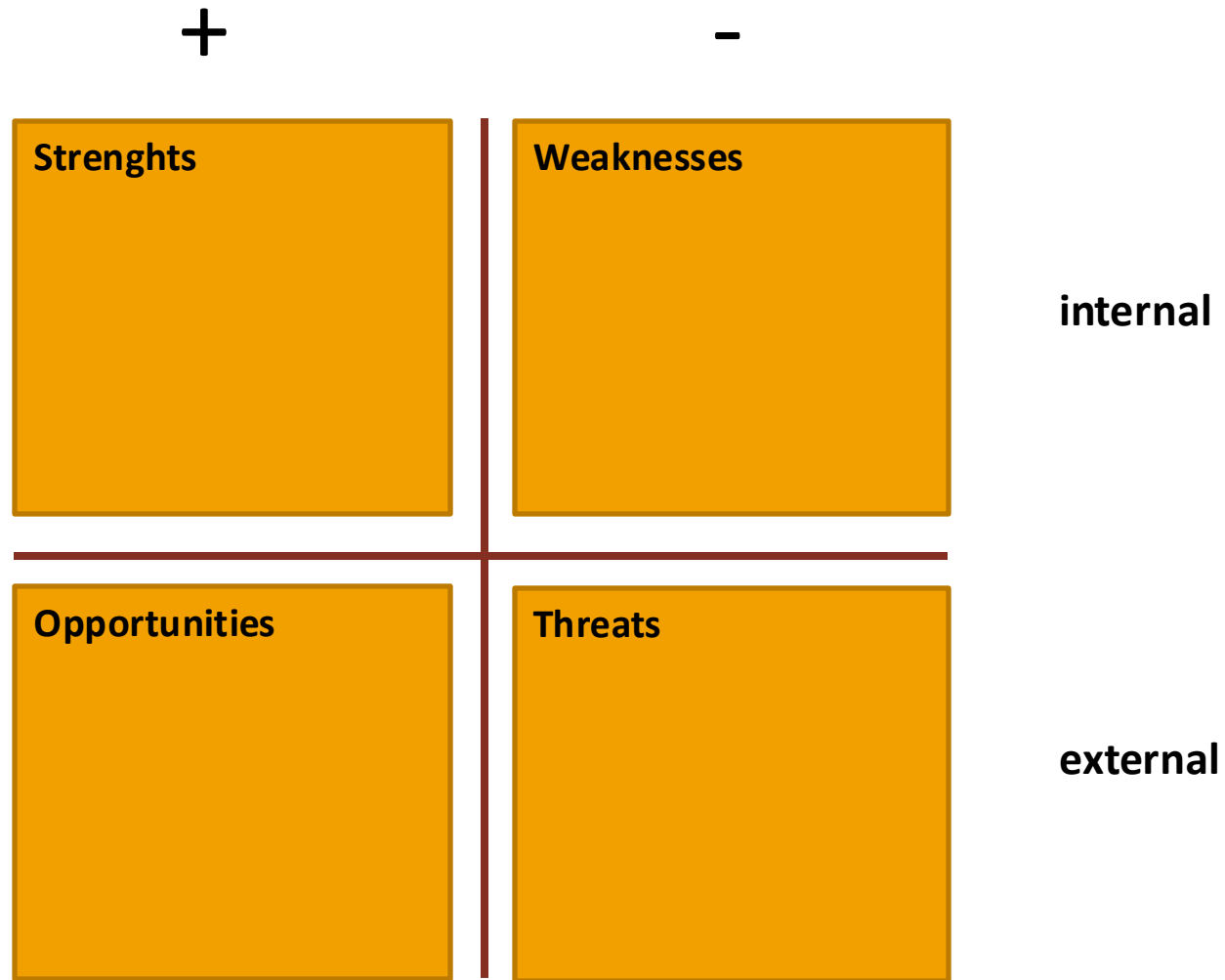
Alternative 3:



Alternative 1:

Alternative 2:

Evaluation – SWOT-Analysis



Decision – Strategy Cockpit

Assumptions/Trends:		Optional Business Idea/Strategy:		First Approaches for Implementation			
				Goals, Results	Resources, Measures	T	R
Strenghts:	Weaknesses:						
Opportunities:	Threats:						
				T = Time R = Responsibility			

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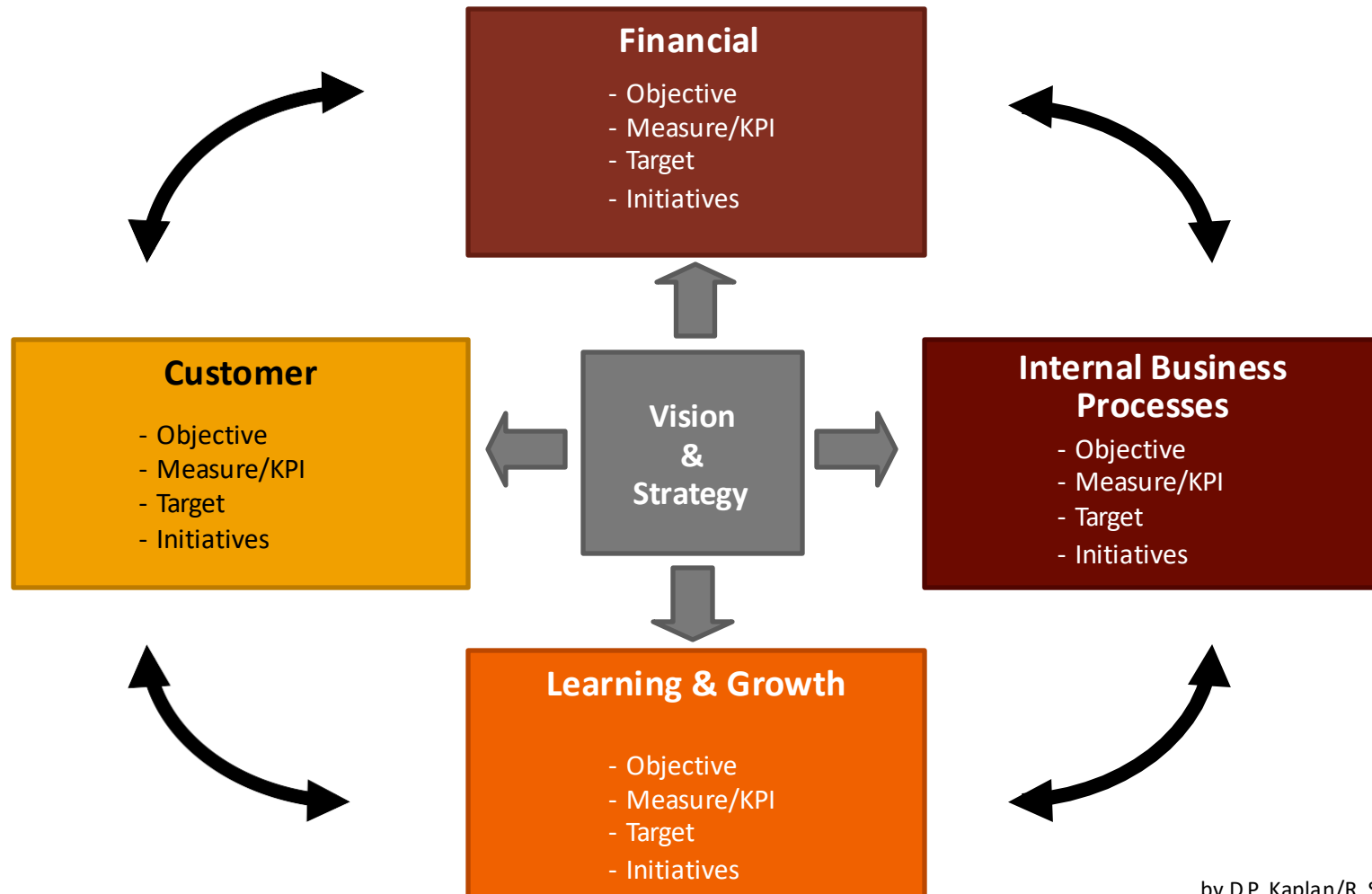
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Decision

Strategy Controlling – Balanced Scorecard



External Implementation – Marketing Mix/Marketing Portfolio

		Price/Performance Position			
Price Position	cheaper				
	same				
	more				
		worse	same	better	unique
		Performance Position			

Option:

...

■ ■ ■

...

...

		Marketing Power/Intensity of Needs		
Marketing Power	high			
	medium			
	low			
		low	medium	high
		Intensity of Needs		

Internal Implementation – Measures/Action Plan (Example)

Implementation Actions				
Goals, Results:	Resources, Measures:	Time:	Responsible:	Obstacles: