

Assessment of Strategic Bet

Strategy is a choice that is made after careful reflection of environmental conditions, internal capabilities, and expected return. To some extent, the company is betting available resources on the success of a chosen strategy over alternate strategies. The following assessment builds on concepts presented in Smith and Hansen (2002).

Customer Perspective of your product/service mix

- High differentiation from competitor's product/service mix sufficient to produce a unique set of benefits. This may involve service or product components that are secondary to other product/service elements, but nonetheless sufficient to set yourself off from others.
- High desirability where the customer is willing to pay a premium for your product/service compared to that offered by competitors.

Core Capabilities – expertise, resources, technology, business processes, etc.

- Unique excellence in being best in class in delivering against that core capability when compared against competitors.
- High potential for continued excellence in that there is a high learning curve that others must climb to reach parity with you and your learning in this competency continues to grow.

Touch points along the value chain – initial awareness of you and your product/service, investigation, trial decision, contracting and purchase process, delivery, installation, back office settlement, after-purchase service, etc.

- Critical component in the value proposition in that customer value would be diminished without this touch point being executed well. Benefit for doing this well is recognized as being essential by the customer.
- Efficiency with which this part of the value chain is executed. – low cost, quick cycle time, high quality, low error rate, etc.

Smith, M., & Hansen, F. (2002). Place your bets. *Journal of Business Strategy [Online]*, 23(1), 9-13. Available: ABI/INFORM. [2006, May 12].