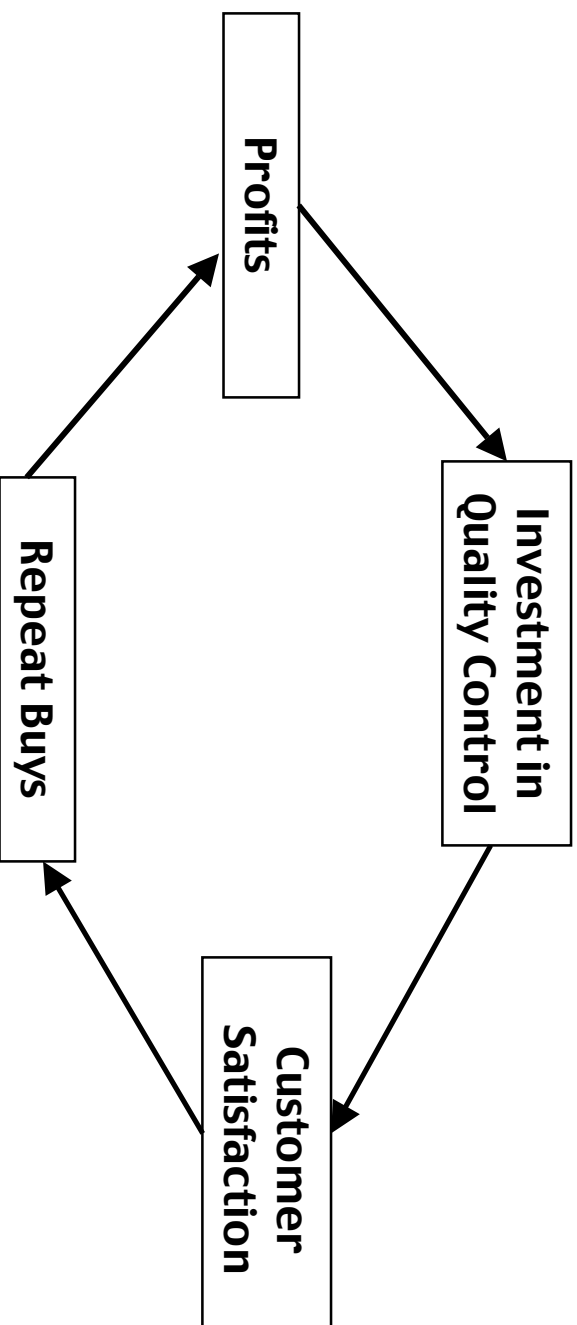

THE BUSINESS IDEA

**A Graphical Approach to
Expressing Why & How We're
Successful**

Key Pieces

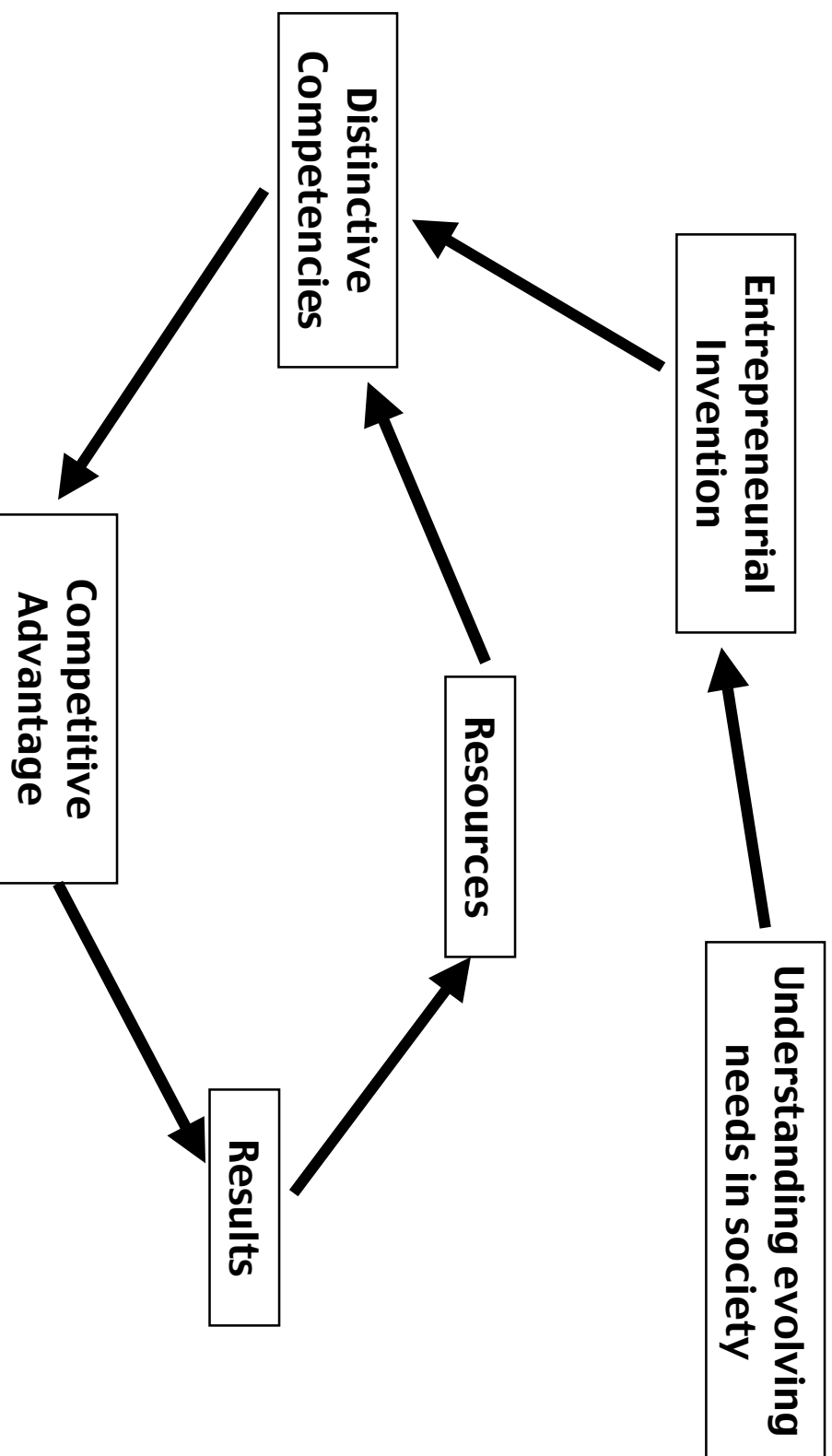
- **Customer Value Created**
- **Nature of Competitive Advantage**
 - i.e. differentiation or cost leadership
- **Distinctive Competencies**
 - And how they reinforce each other to create competitive advantage
- **Positive Feedback Loop**
 - Resources generated drive growth

Simple Example - Influence Diagram

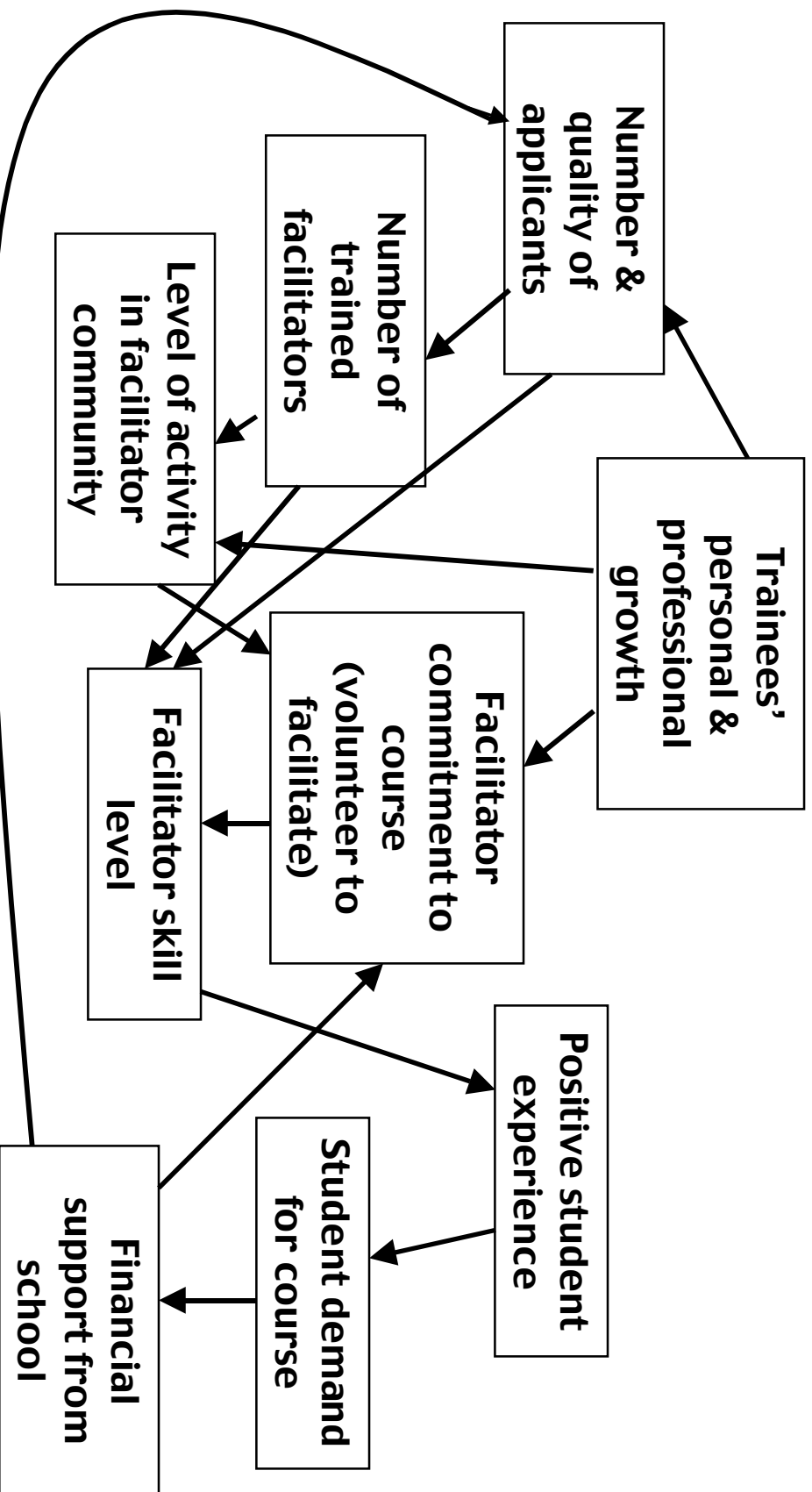


* Arrows indicate a causal effect with an increase in the source box leading to an increase in the destination box.

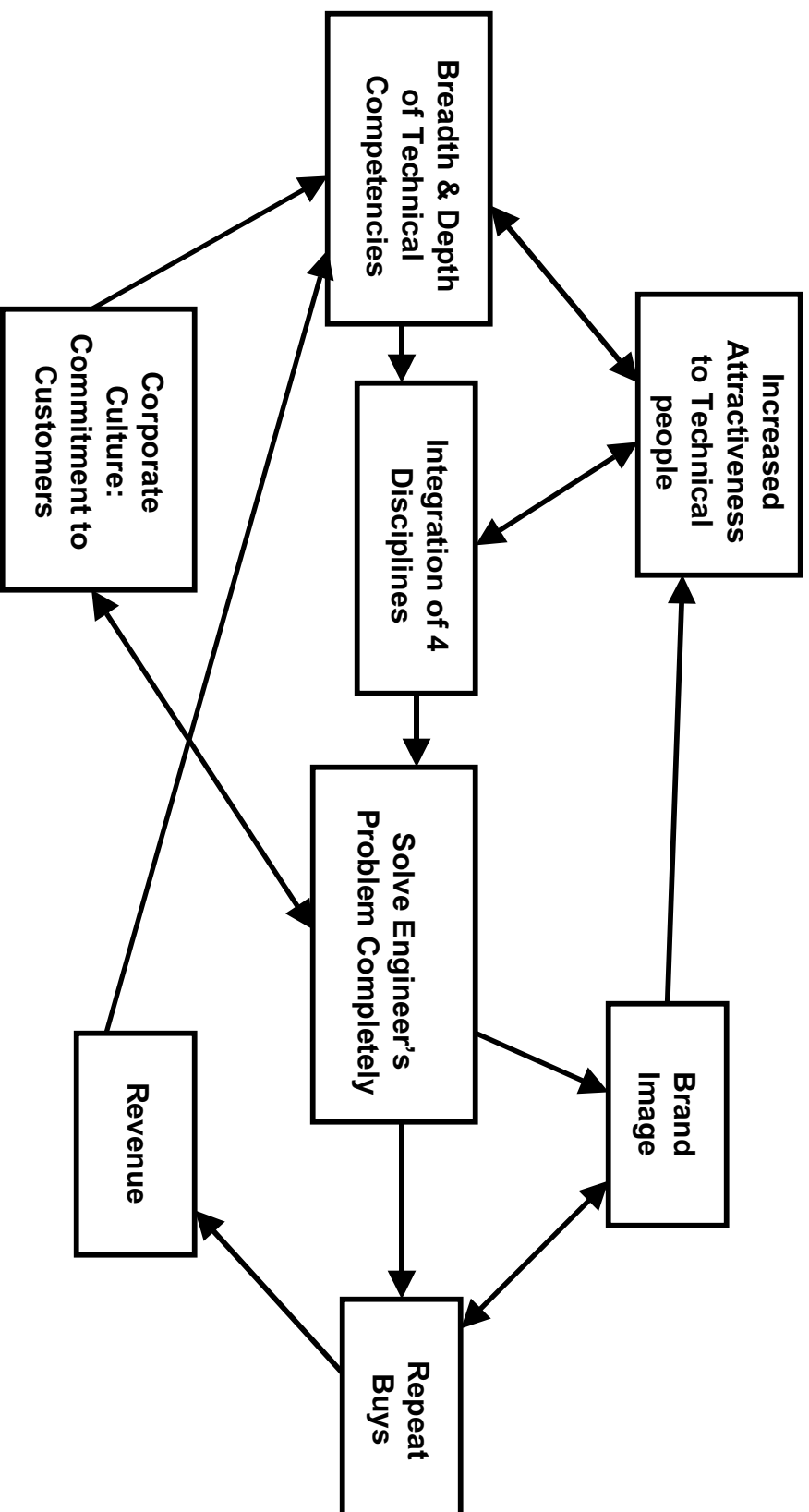
Basic Format



Classic Example - Stanford Course



High Tech Example - FastGro



STEPS

■ **Competitive Advantage**

- **Who are the customers and why do they prefer us?**
- **What do we have to do well to deliver on this promise?**

■ **Devil's Advocate Question**

- **What are the unique factors that enable us to exploit this advantage?**
- **Why can't others emulate it?**

STEPS: cont'd

- **Cause and Effect Picture**
- **Finish the diagram**
 - All elements can be traced back to a source
- **Identify Distinctive Competencies**
 - Sunk Costs: Activity specific assets; Legal protection; Reputation
 - Uncondifed Knowledge: Embedded processes; Networked team knowledge

Source Material

Van Der Heijden, Kees, SCENARIOS: The Art of Strategic Conversation, John Wiley & Sons, ©1997
ISBN 0471 966398

Available on Amazon at the link below:

<http://www.amazon.com/exec/obidos/ASIN/0471966398/acornconsulti-20>

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