

STRATEGY SIGN ON



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Article File 5

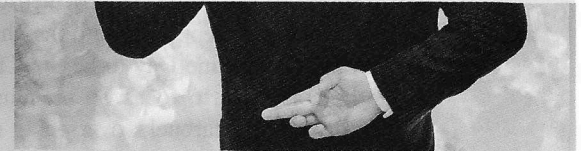
Find examples of companies that are pursuing each of the generic business-level strategies identified in Figure 5.4. How successful has each of these companies been at pursuing its chosen strategy?

Strategic Management Project: Developing Your Portfolio 5

This module deals with the business-level strategy pursued by your company:

1. Which market segments is your company serving?
2. What business-level strategy is your company pursuing?
3. How is your company executing its business-level strategy through actions at the functional level, and through organizational arrangements? How well is it doing? Are there things it could do differently?
4. Take a blue ocean approach to the business of your company, and ask if it could and/or should change its business-level strategy by eliminating, reducing, raising, or creating factors related to its product offering.

ETHICAL DILEMMA



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Costco is pursuing a low-cost strategy. As result of its pressures on suppliers to reduce prices, many of them have outsourced manufacturing to low-wage

countries such as China. This may have contributed to the “hollowing out” of the manufacturing base in the United States. Are Costco’s actions ethical?

CLOSING CASE

Lululemon

Back in 1998, self-described snowboarder and surfer dude Chip Wilson took his first commercial yoga class. The Vancouver native loved the exercises, but he hated doing them in the cotton clothing that was standard yoga wear at the time. For Wilson, who had

worked in the sportswear business and had a passion for technical athletic fabrics, wearing cotton clothes to do sweaty, stretchy power yoga exercises seemed totally inappropriate. And so the idea for Lululemon was born.