

What is our – Market Canvas?

Your competitive advantage is the most important part of your strategy statement – it describes the logic of why you will succeed, how you differ, or what you are doing better than the competition.

As illustrated in the following diagram, your competitive advantage is the strategic sweet spot for a business. It is where it meets customers' needs in a way that rival businesses can't (David et al. 2008).

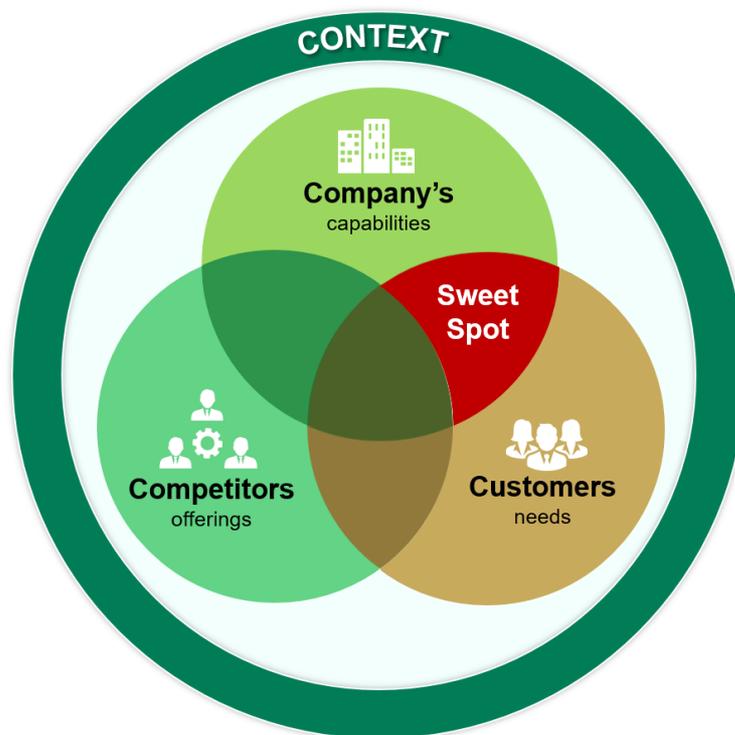


Figure 12 Strategic sweet spot

Creating a market canvas can help you to identify your competitive advantage. To develop a market canvas you list the factors that customers value (think what are the customers key needs) and then compare your ability to provide these factors against competitor offerings.

To do this well you will need to research your competitors in the market and your customers' needs. Therefore, you may need to complete or revisit the following activity after you conduct further research. Today, let's start with a draft.

What is our strategy?

As explained in your reference notes, your **strategy** is not the same as a strategic plan. Your strategy is the making of an integrated set of choices that collectively position your business in its industry so as to create sustainable advantage relative to competition and deliver superior financial returns (Martin 2013).

It is one integrated and logical set of choices. A preferred approach as outlined by author and professor Roger Martin (2010) is to treat strategy making as developing a set of answers to the following five interlinked questions, which cascade logically from the first to the last:

1. What is our winning aspiration?

What are our broad aspirations for our organisation & the concrete goals against which we can measure our progress?

1. Where will we play?

Across the potential field available to us, where will we choose to play and not play?

2. How will we win?

In our chosen place to play, how will we choose to win against the competitors there?

3. What capabilities need to be in place?

What capabilities are necessary to build and maintain to win in our chosen manner?

4. What management systems must be instituted?

What management systems are necessary to operate to build and maintain the key capabilities?

The trick is to have five answers that are consistent with one another and actually reinforce one another. **To create a good strategy you will have to iterate** — think a little bit about Aspirations & Goals, then a little bit about Where to Play and How to Win, then back to Aspirations & Goals to check and modify, then down to Capabilities and Management Systems to check whether it is really doable, then back up again to modify accordingly.

In essence your strategy describes your competitive advantage. The strategic sweet spot for a business is where it meets customers' needs in a way that rival businesses can't, given the context which it competes.



Make the logic explicit

It is critical to write down the answers to these questions as it provides you with clarity and future recall of why you made your strategic decisions the way you did.

Strategy statement

Although you may take several pages to show your decision making, background information and the why you've chosen a specific strategy, it's very useful to summarise your strategy into one simple statement. This allows you to clearly and easily explain your strategy to others.

To create your clear strategy statement use the following template to:

1. State your broad goal (objective).
2. State your target market.
3. State your competitive advantage.

How does your ideal customer view your brand



Figure 21 The consumer-based brand equity pyramid (Keller 2001)



Matrix to prioritise and manage your risks

List and prioritise risks using the Risk Matrix and describe risk management strategies for each (if required).

Be clear in your risk plan, what are your brands values and what are your own?

RISK MATRIX

Likelihood	Very likely	Medium	High	Extreme
	Likely	Low	Medium	High
	Unlikely	Low	Low	Medium
		Minor	Moderate	Major
		Impact		

Figure 22 Risk Matrix





STEP 5: Define SMART goals.

Define your SMART goal and remember to know what you're measuring so you know whether you're succeeding or not. For example:

- For brand exposure, your measurement might be the conversion rate of new customers from Facebook by the first quarter.
- For brand advocacy, you might be measuring the increase in customer stories shared for 2017.
- Use the planning template on the next page to write your goals.

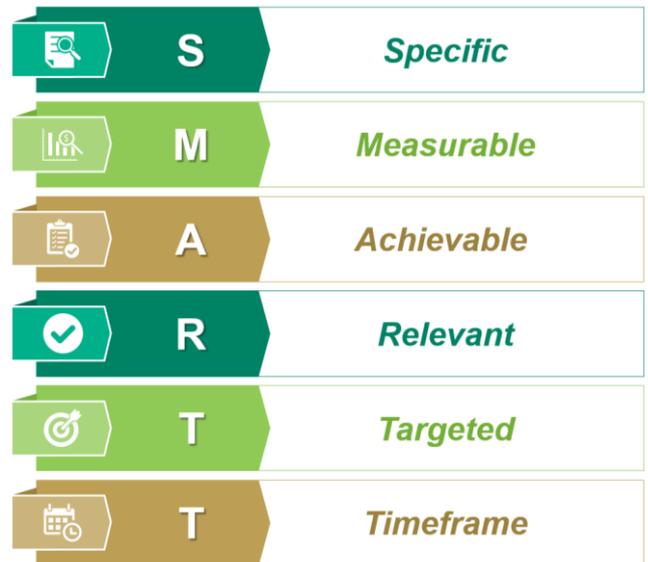


Figure 22 SMARTT Definition

STEP 6: Define your strategies and actions

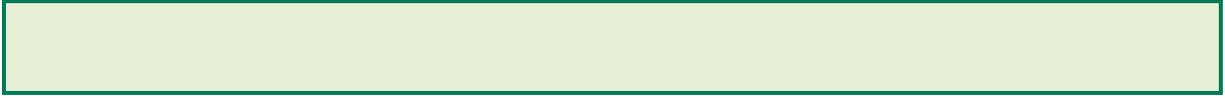
Next, based on your SMART goal/s you will need to identify the critical success factors, barriers and resulting strategies and actions that will make your goal/s happen?

Look at the examples on **page ?** of what actions you might take for two different goals.

On the next page draft your goals, strategies and actions for Sales and Marketing.

It's important to note that, while tools and strategy work together, not to confuse the two. Tools in the digital world change rapidly. If a tool doesn't work, simply try something else to achieve your goal.







What are you thinking?

Note the key points you got out of this session for you and your business.
Is there anything you need to include in your strategic plan?

A large rectangular area with a green border, containing horizontal green and white stripes for writing notes.



