

Tale of Two Cities:

Porter (1979) and Barney (1991)



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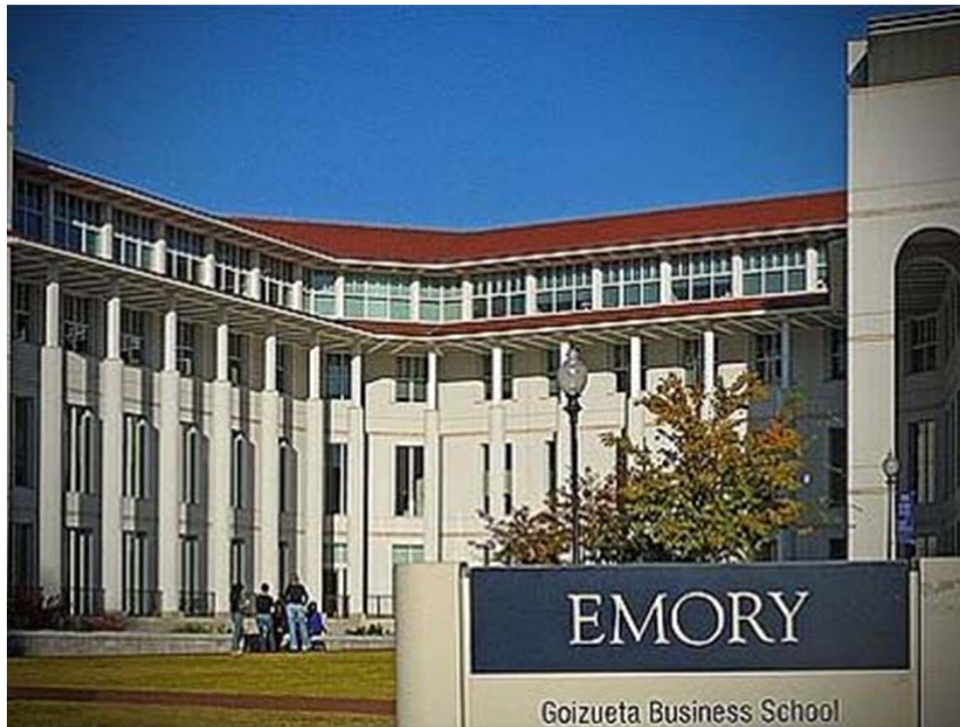


The University of Hong Kong



Information & Operations Management (Business Sci-Fi)





Ph.D., Information Systems, Emory University
3rd in the world for IS Research (2010)



MBA, Indian Institute of Management, Indore

Diverse prior international work-experience

Different roles, firms, verticals, geographies

Start-ups

Executive MBA, MBA, BBA
Teaching Experience











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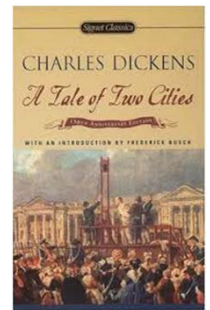
BLOG



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Tale of Two Cities:

Porter (1979) and Barney (1991)



Competitive Strategy

actions of firms

associated performance outcomes

recognizing direct competitors and other firms

Competitive Advantage

the degree to which a firm
creates more economic value than rival firms in a
given product market

Temporary vs. Sustainable

Three views on how it is created

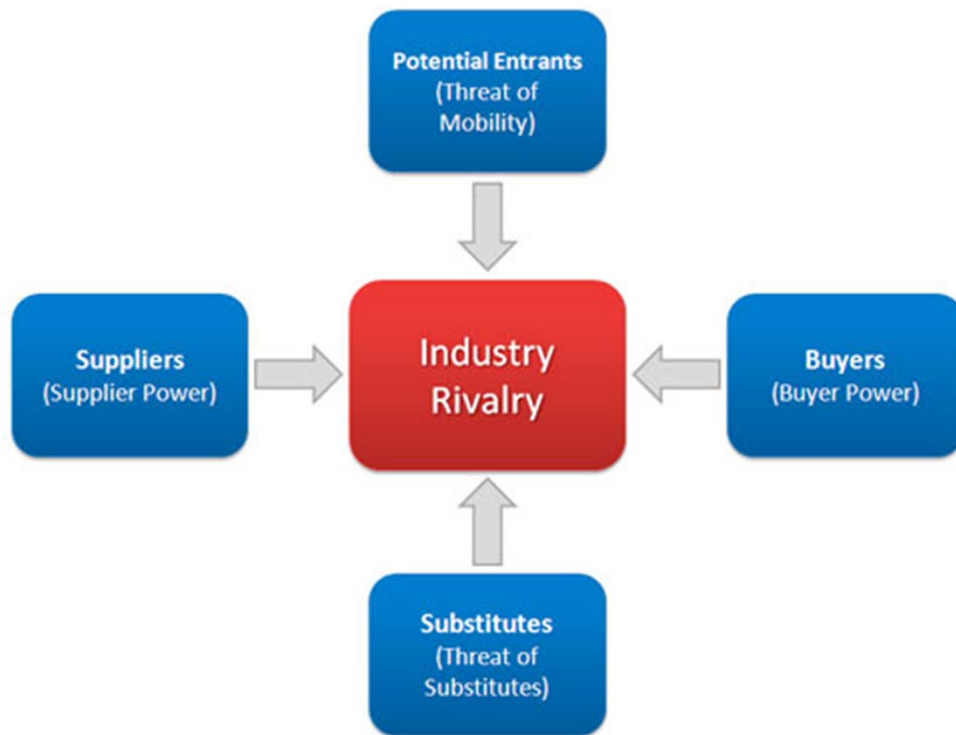
Bargaining Perspective

Positioning View

Resource Based View

Positioning View





The Revenge of the Sixth

*Any Generic Strategy provides a route to
Competitive Advantage*

Uniqueness Perceived
by the Customer

Low Cost Position

Industrywide

DIFFERENTIATION

OVERALL
COST LEADERSHIP

Particular
Segment Only

FOCUS

It depends on how well a firm performs along its
value chain

Resource Based View



Resources and Capabilities are the source of
Competitive Advantage

Video by David Kryscynski

on the RBV

<http://youtu.be/BoYbxXGAdC4>

To summarize

Tangible & Intangible Resources

Tangible resources often appear on balance sheet

Include real estate, production facilities, and raw materials

Rarely are a source of competitive advantage

Intangible Resources include company reputations, brand names, cultures, technological knowledge, patents and trademarks, and accumulated learning and experience.

Organizational capabilities not factor inputs

Complex combinations of assets, people, and
processes used to leverage resources

Includes a set of abilities describing efficiency and effectiveness: low cost structure, “lean” manufacturing, high quality production, fast product development.

Valuable

When resources are able to bring value to the firm they can be a source of competitive advantage.

Rare

Resources have to deliver a unique strategy to provide a competitive advantage to the firm as compared to the competing firms.

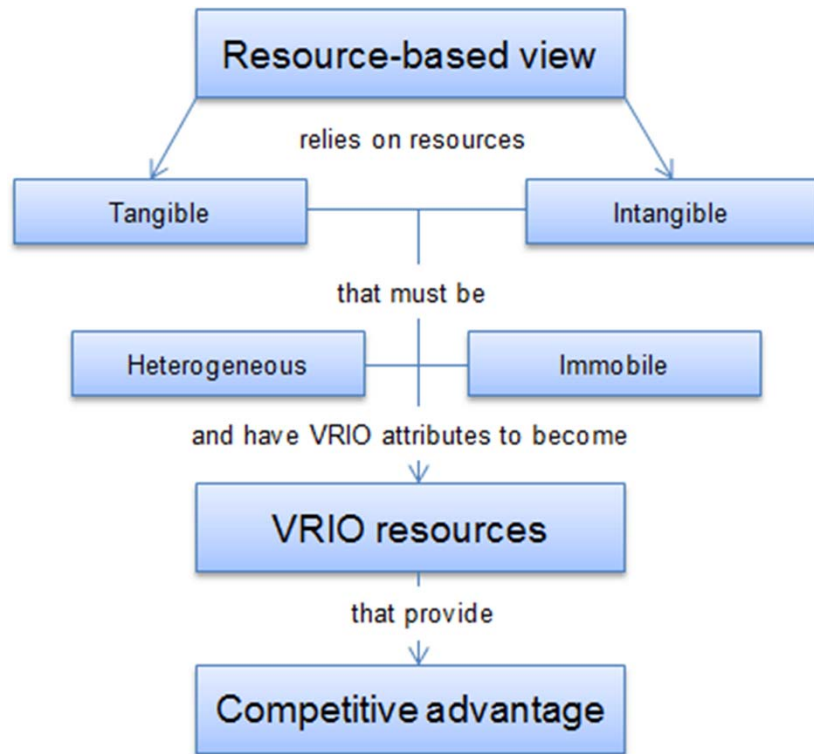
Inimitable

Resources can be sources of sustained competitive advantage if competing firms cannot obtain them.

Non-substitutable

Resources should not be able to be replaced by any other strategically equivalent valuable resources.

VRIO (?)





Or the ability to generate Resources and
Capabilities (Dynamic Capabilities)
are the source of Competitive Advantage

Dynamic capabilities enable the firm to
integrate, build and reconfigure
internal and external resources
to address and shape
rapidly changing business environments.

Sensing
Seizing
(learning, coordinating, reconfiguration)
& Responding



RBV ~ capabilities internal to the firm

Five Forces ~ industry structure external to firm

Competitiveness stems from
developing and deploying
valuable firm resources
while deterring competitors

Competencies?



Core competency is a firm's learned ability to coordinate technologies & production processes

creates value in core products,
is applicable across a wide range of markets
and is not easily imitated



Organization's have several competencies

Not all are core.

Competencies are capabilities

that the firm performs especially well

