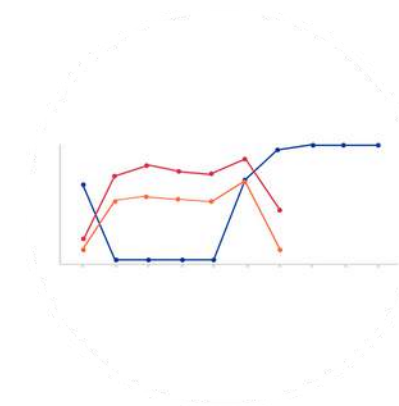
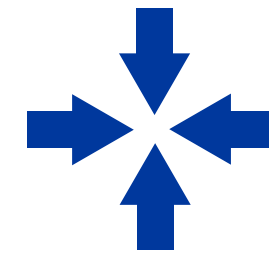
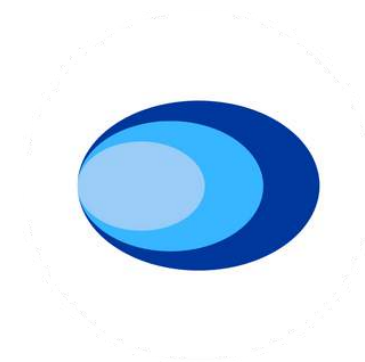
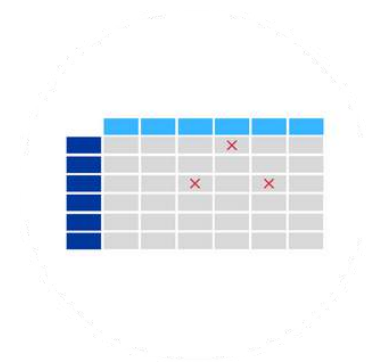
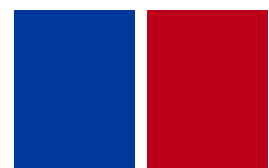
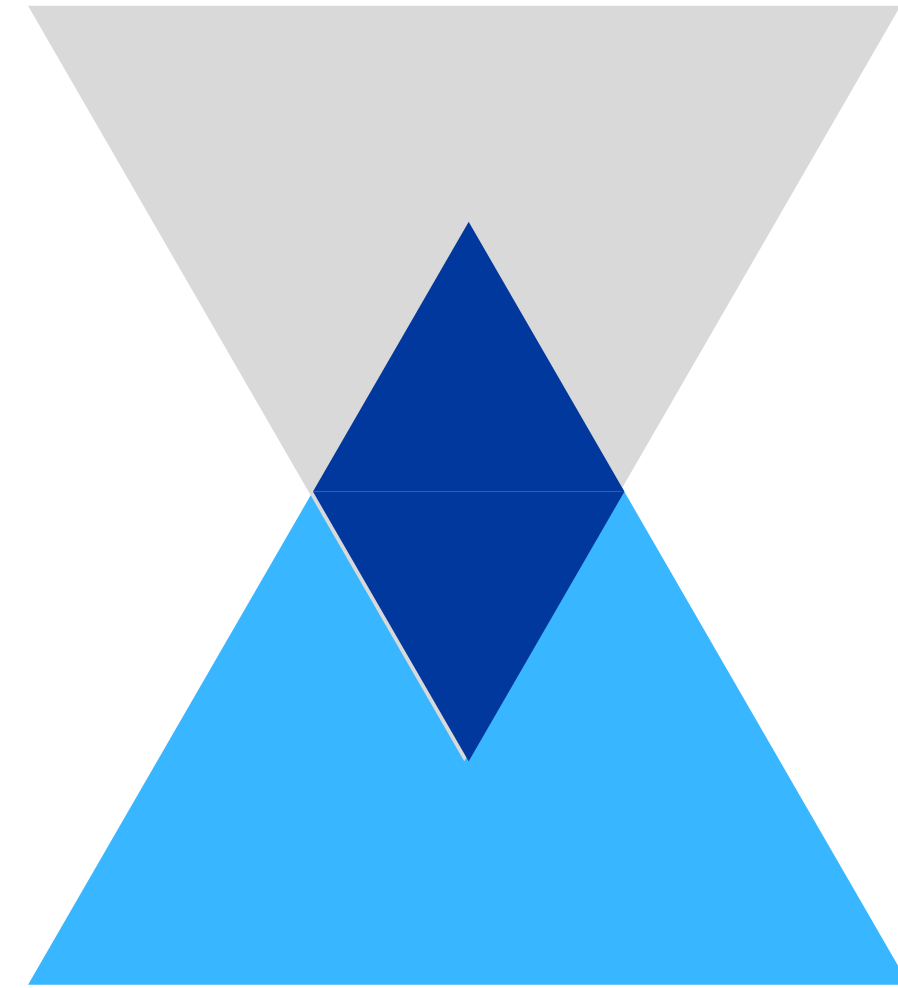


Blue Ocean

Tools and Frameworks

Discover powerful tools for new market creation by Chan Kim & Renée Mauborgne, the #1 Management Thinkers in the World



About Chan Kim and Renée Mauborgne



Chan Kim and Renée Mauborgne are Professors of Strategy at INSEAD, one of the world's top business schools. They are ranked #1 Management Thinkers in the World by Thinkers50.

They are the authors of the 4-million-copy international bestseller, [Blue Ocean Strategy](#), which is recognized as one of the most iconic and impactful strategy books ever written.

And they are authors of New York Times, #1 Wall Street Journal, USA Today, and Los Angeles Times bestseller, [Blue Ocean Shift: Beyond Competing – Proven Steps to Inspire Confidence and Seize New Growth](#).

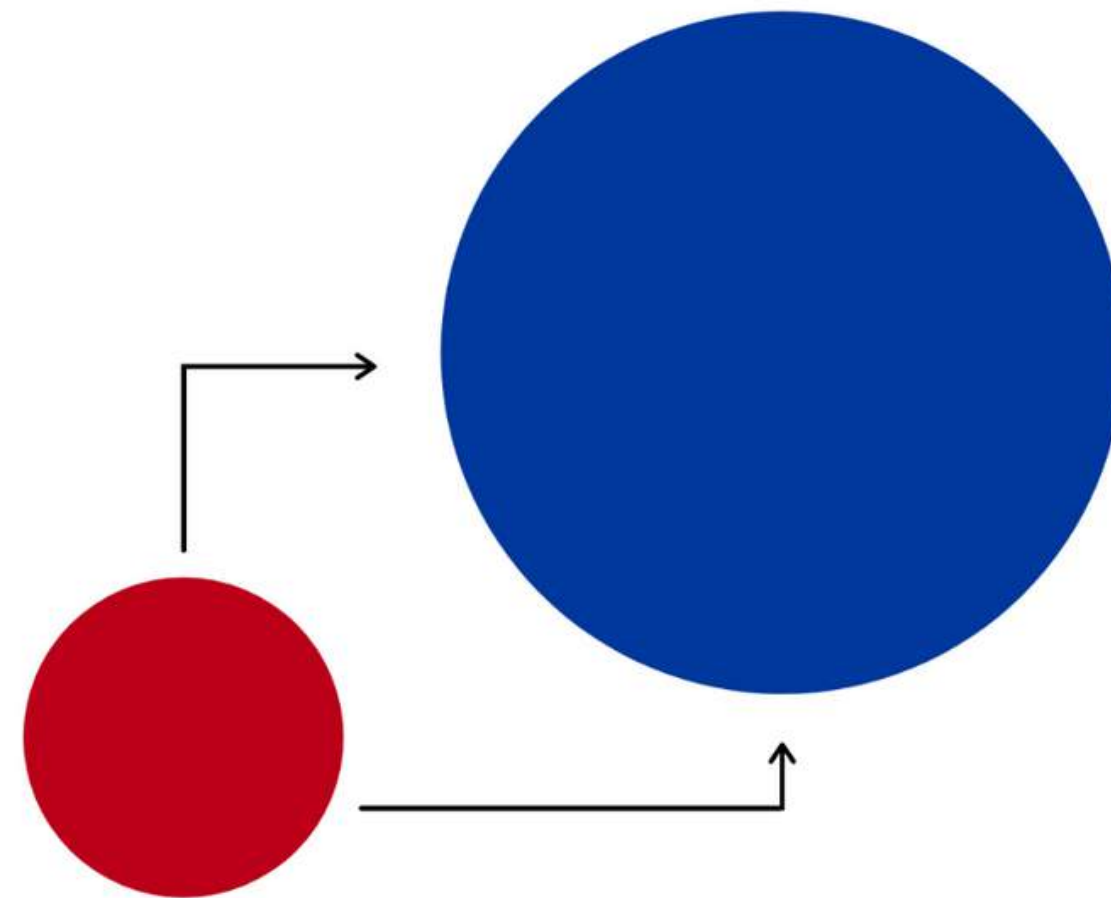
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What is Blue Ocean Strategy?

Blue ocean strategy is the simultaneous pursuit of differentiation and low cost to open up a new market space and create new demand. It is about creating and capturing uncontested market space, thereby making the competition irrelevant. It is based on the view that market boundaries and industry structure are not a given and can be reconstructed by the actions and beliefs of industry players.



RED OCEAN STRATEGY VS BLUE OCEAN STRATEGY

Compete in existing market space	Create uncontested market space
Beat the competition	Make the competition irrelevant
Exploit existing demand	Create and capture new demand
Make the value-cost trade-off	Break the value-cost trade-off
Align the whole system of a firm's activities with its strategic choice of differentiation <u>or</u> low cost	Align the whole system of a firm's activities in pursuit of differentiation <u>and</u> low cost

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Value Innovation

Value innovation, the cornerstone of blue ocean strategy, is the simultaneous pursuit of differentiation and low cost, creating a leap in value for both buyers and the company.

Because value to buyers comes from the offering's utility minus its price, and because value to the company is generated from the offering's price minus its cost, value innovation is achieved only when the whole system of utility, price, and cost is aligned.

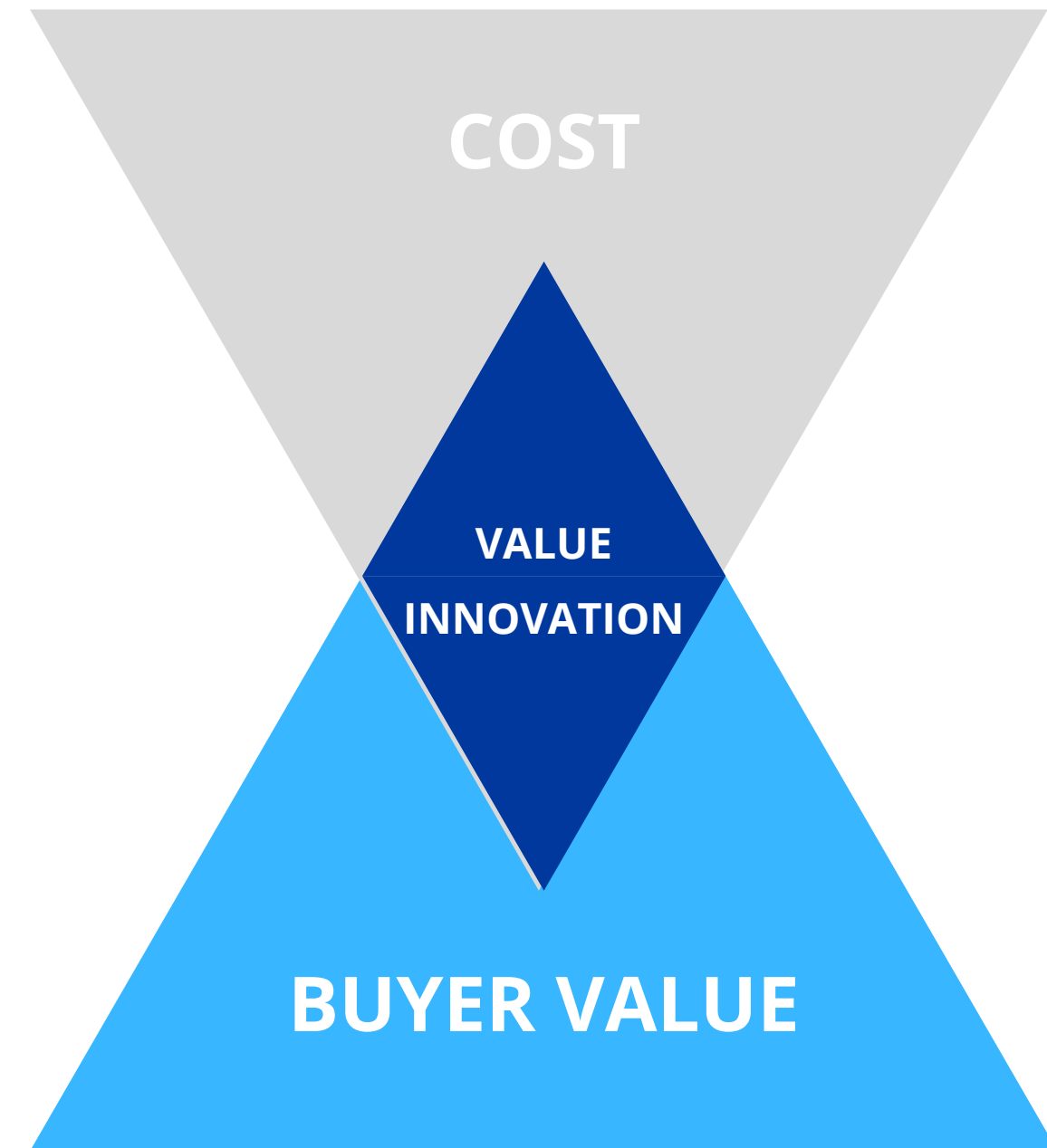
Break the value-cost trade-off by answering the following questions:

- 1 Which of the factors that the industry takes for granted should be **eliminated**?
- 2 Which factors should be **reduced** well below the industry's standard?
- 3 Which factors should be **raised** well above the industry's standard?
- 4 Which factors should be **created** that the industry has never offered?

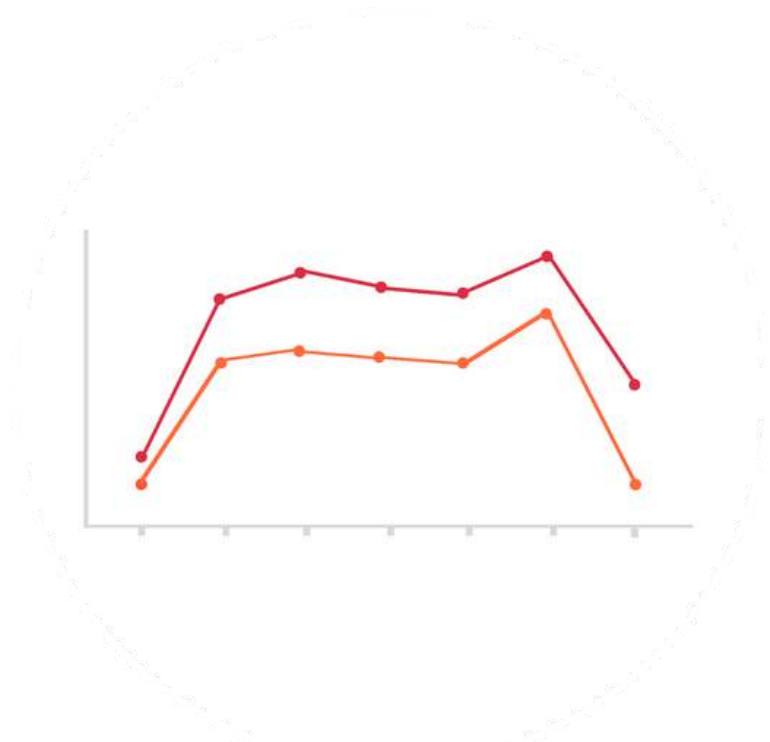
Value Innovation

Cost savings are made by eliminating and reducing the factors an industry competes on.

Buyer value is lifted by raising and creating factors the industry has never offered.



Strategy Canvas



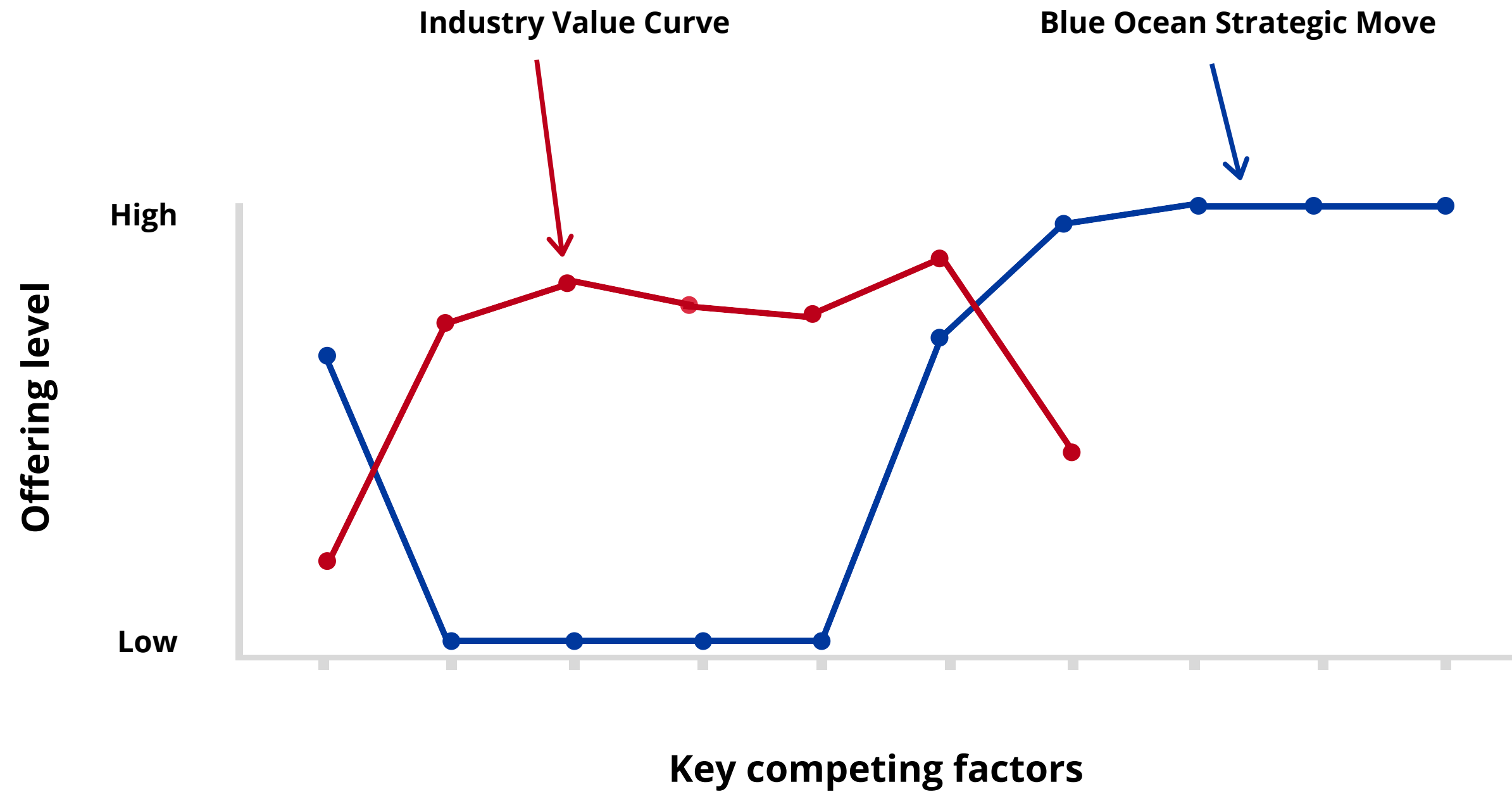
The strategy canvas is both a diagnostic and an action framework for building a compelling blue ocean strategy. The horizontal axis captures the range of factors that the industry competes on and invests in, while the vertical axis captures the offering level that buyers receive across all of these key competing factors.

The strategy canvas serves two purposes:

- To capture the current state of play in the known market space, which allows users to clearly see the factors that the industry competes on and where the competition currently invests and
- To propel users to action by reorienting focus from competitors to alternatives and from customers to noncustomers of the industry

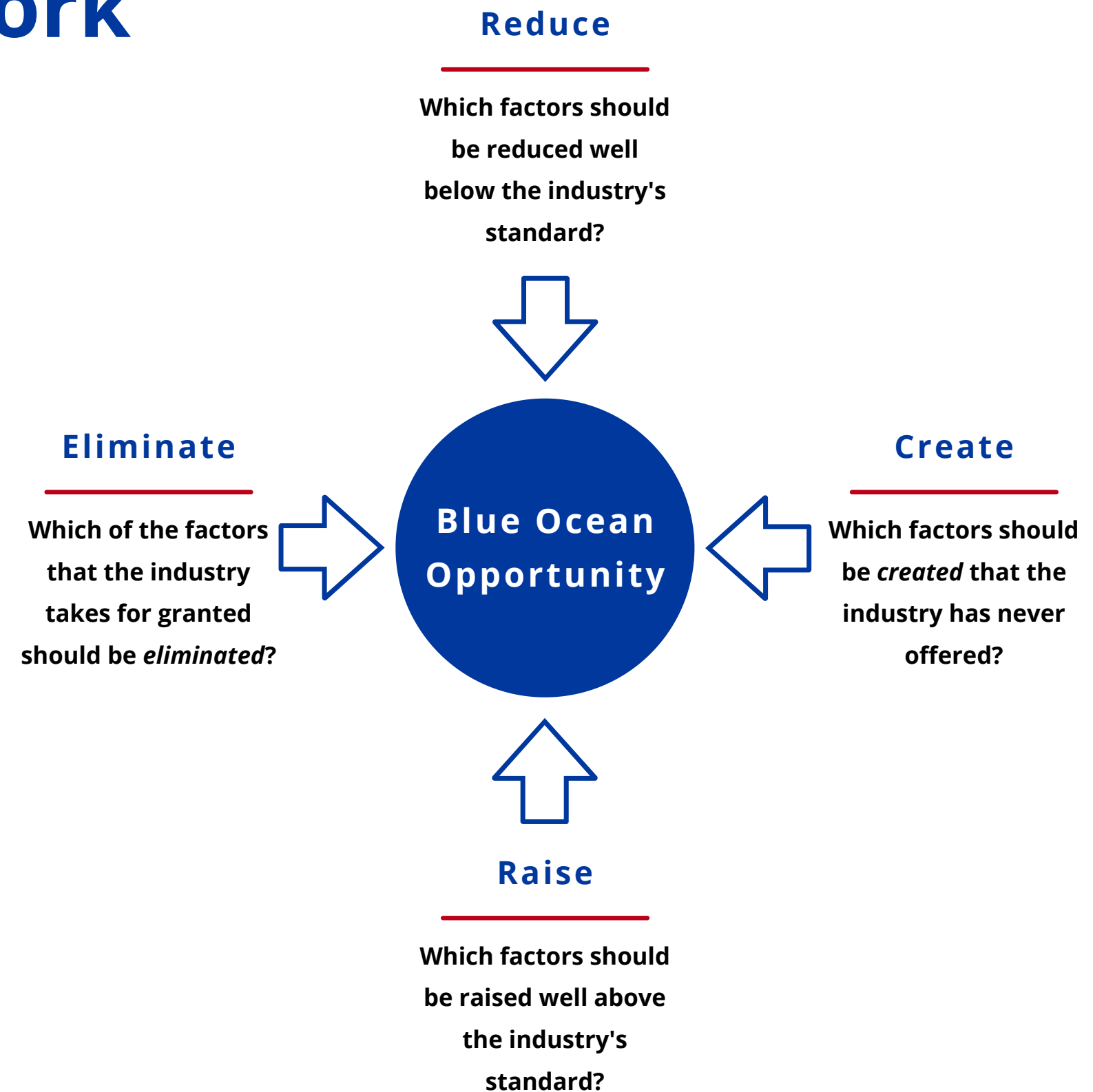
The value curve is the basic component of the strategy canvas. It is a graphic depiction of a company's relative performance across its industry's factors of competition. A strong value curve has focus, divergence as well as a compelling tagline.

Strategy Canvas



Four Actions Framework

The Four Actions Framework is used to reconstruct buyer value elements in crafting a new value curve. To break the trade-off between differentiation and low cost and to create a new value curve, the framework poses four key questions, shown in the diagram, to challenge an industry's strategic logic.



Six Paths Framework

The Six Paths Framework allows managers to address the search risk many companies struggle with. It enables them to successfully identify out of the haystack of possibilities that exist, commercially compelling blue oceans by reconstructing market boundaries.

There are six basic approaches to reconstructing market boundaries. These paths challenge the six fundamental assumptions underlying many companies' strategies that keep companies trapped competing in red oceans.

The table outlines these six basic assumptions and the pathway managers can take to break away from head-to-head competition towards blue ocean creation.

The six paths have general applicability across industry sectors. None of the paths requires special vision or foresight about the future. All are based on looking at familiar data from a new perspective.

Instead of looking within the accepted boundaries of competition, the Six Paths Framework allows managers to look systematically across them to create blue oceans.

Six Paths Framework

From Head-to-Head Competition to Blue Ocean Creation

	Head-to-head Competition	Blue Ocean Creation
Industry	Focuses on rivals within its industry	Looks across alternative industries
Strategy Group	Focuses on competitive position within strategic group	Looks across strategic groups within industry
Buyer Group	Focuses on better serving the buyer group	Redefines the industry buyer group
Scope of Product or Service Offering	Focuses on maximizing the value of product and service offerings within the bounds of its industry	Looks across to complementary product and service offerings
Functional-emotional orientation	Focuses on improving the price-performance within the functional-emotional orientation of its industry	Rethinks the functional-emotional orientation of its industry
Time	Focuses on adapting to external trends as they occur	Participates in shaping external trends over time

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3 Tiers of Noncustomers





Typically, to grow their share of a market, companies strive to retain and expand their existing customer base. This often leads to finer segmentation and greater tailoring of offerings to better meet customer preferences. The more intense the competition is, the greater, on average, is the resulting customization of offerings. As companies compete to embrace customer preferences through finer segmentation, they often risk creating too-small target markets.

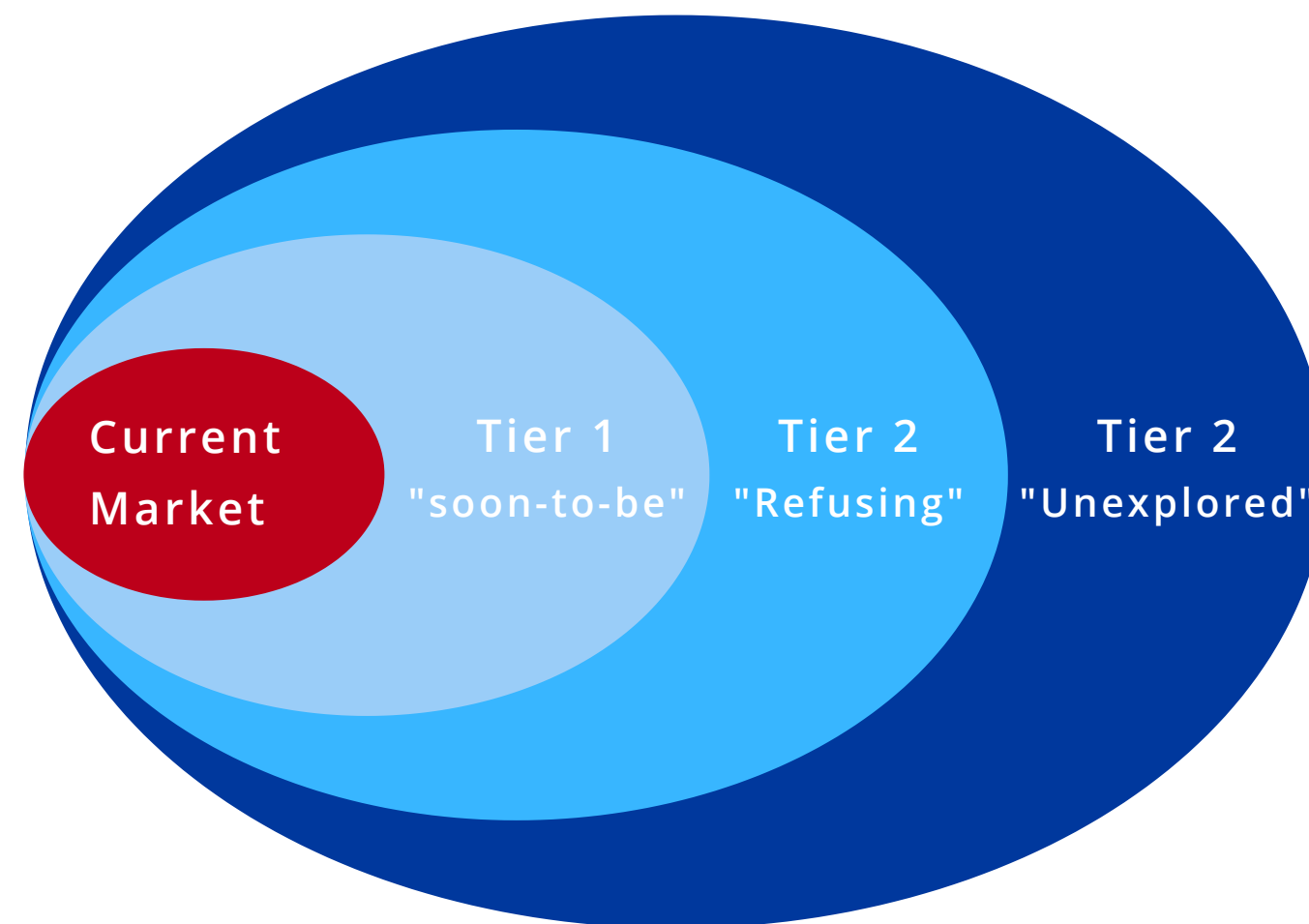
To maximize the size of their blue oceans, companies need to take a reverse course. Instead of concentrating on customers, they need to look to noncustomers.

And instead of focusing on customer differences, they need to build on powerful commonalities in what buyers value. This reorientation allows companies to reach beyond existing demand to unlock a new mass of customers that did not exist before.

There are three tiers of noncustomers that can be transformed into customers. They differ in their relative distance from the current market.

3 Tiers of Noncustomers

-  Customers of your industry
-  "Soon-to-be" noncustomers who are on the edge of your market waiting to jump ship.
-  "Refusing" noncustomers who consciously choose against your market.
-  "Unexplored" noncustomers who are in markets distant from yours.



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3 Tiers of Noncustomers

The **first tier** of noncustomers is closest to the current market, sitting just on the edge. They are buyers who minimally purchase an industry's offering out of necessity but are mentally noncustomers of the industry.

They are waiting to jump ship and leave the industry as soon as the opportunity presents itself. However, if offered a leap in value, not only would they stay, but also their frequency of purchases would multiply, unlocking enormous latent demand.

The **second tier** of noncustomers is people who refuse to use your industry's offerings. These are buyers who have seen your industry's offerings as an option to fulfill their needs but have voted against them.

The **third tier** of noncustomers is farthest from your market. They are noncustomers who have never thought of your market's offerings as an option.

By focusing on key commonalities across these noncustomers and existing customers, companies can understand how to pull them into their new market.

Buyer Utility Map

The Buyer Utility Map helps to get managers thinking from a demand-side perspective. It outlines all the levers companies can pull to deliver exceptional utility to buyers as well as the various experiences buyers can have with a product or service. This mindset helps managers identify the full range of utility spaces that a product or service can potentially fill.

The Buyer Experience Cycle (BEC): A buyer's experience can usually be broken into a cycle of six stages, running more or less sequentially from purchase to disposal.

Each stage encompasses a wide variety of specific experiences. Purchasing, for example, might include the experience of browsing Amazon.com as well as the experience of pushing a shopping cart through Wal-Mart's aisles.

Utility levers: Cutting across the stages of the buyer's experience are what we call utility levers – the ways in which companies unlock utility for buyers. Most of the levers are obvious. Simplicity, fun and image, and environmental friendliness need little explanation.

Buyer Utility Map

 Current Industry Focus

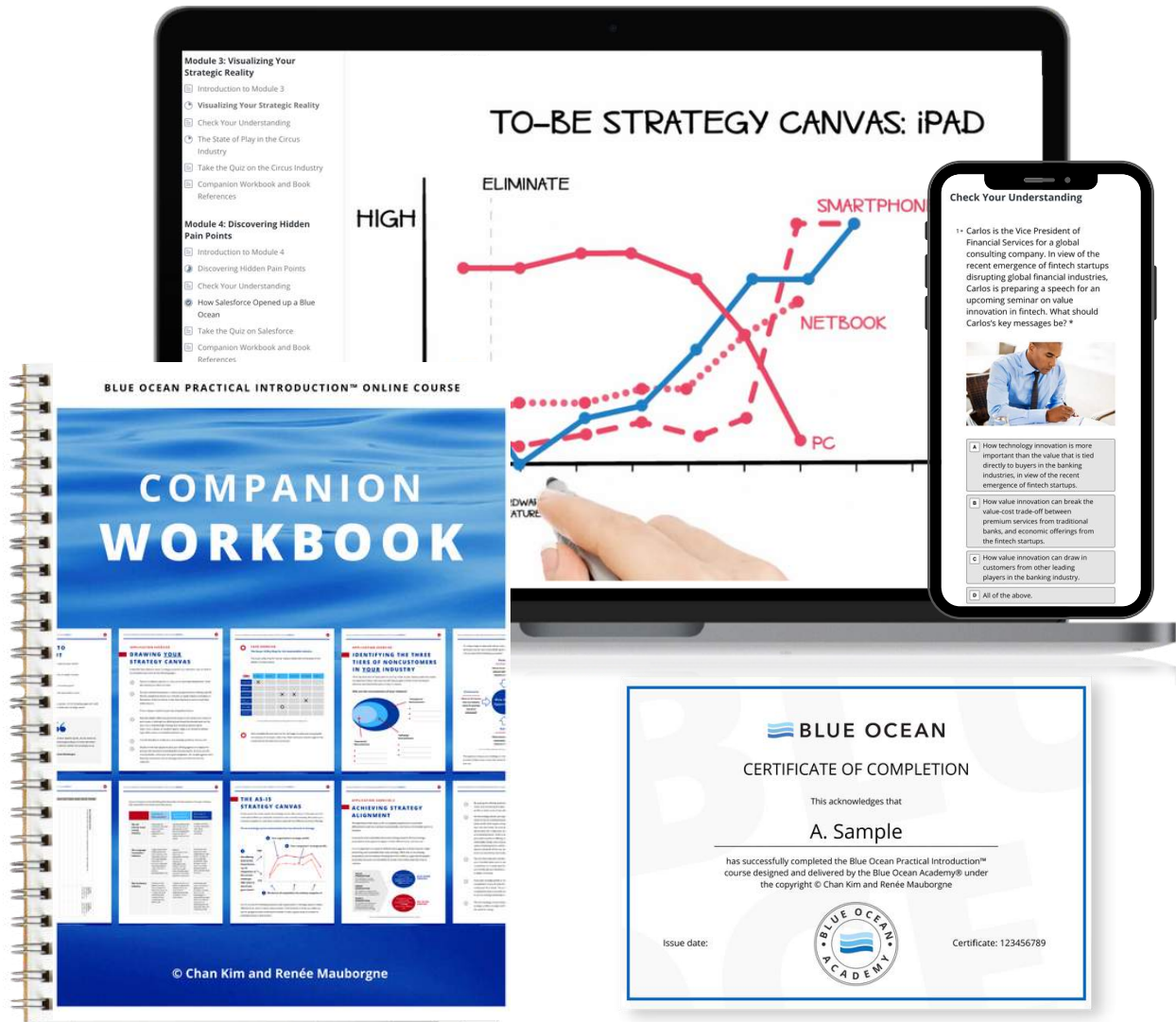
 Blue Ocean Offering

The Six Stages of the Buyer Experience Cycle

	Purchase	Delivery	Use	Supplements	Maintenance	Disposal
Productivity						
Simplicity						
Convenience						
Risk reduction						
Fun & Image						
Environmental Friendliness						

The Six Utility Levers

Blue Ocean Practical Introduction™ Online Course



Are you ready to put blue ocean tools into action and set your business on the path to profitable growth?

Do you want to strengthen your strategic thinking, learn how to innovate systematically, and set your business apart?

Learn how with the Blue Ocean Practical Introduction™ online course.

The Official Blue Ocean Online Certificated Course

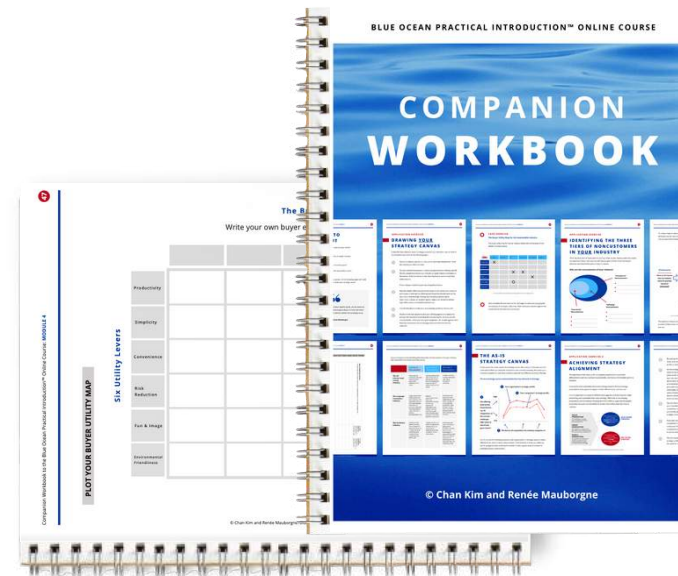
Blue Ocean Online Course



100% online

An interactive, self-paced online course that you can easily fit around your busy schedule

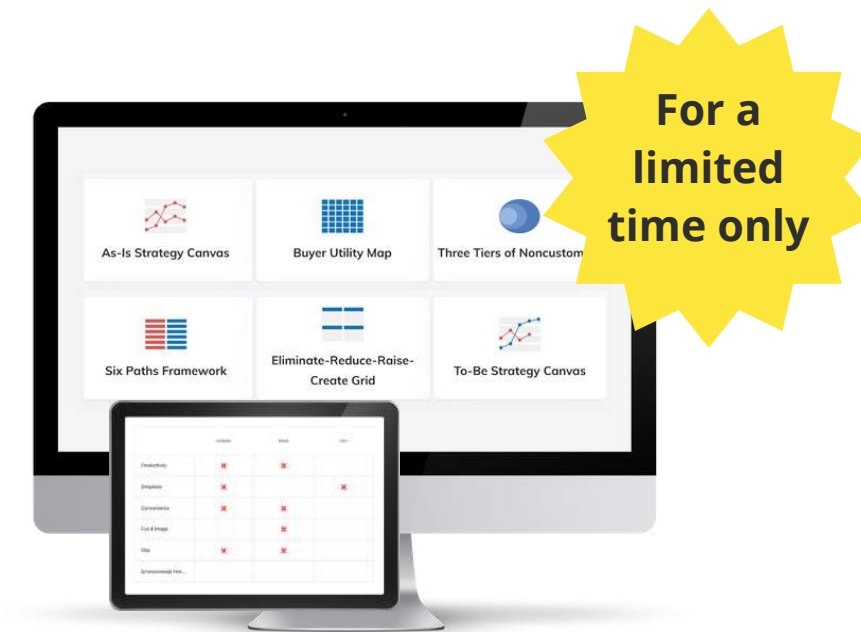
Companion Workbook



Practical

Apply new learning to your business or organization by working through the companion workbook

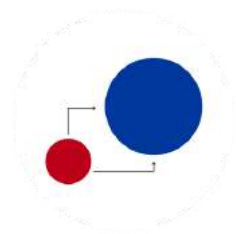
Blue Ocean Studio™



Collaborative

Create your next strategic move with your team in Blue Ocean Studio, an interactive workspace, now complimentary with the online course

Blue Ocean Online Course Curriculum



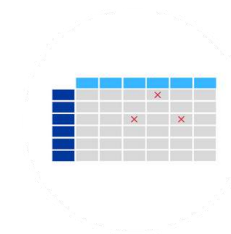
Module 1
Blue Ocean Creativity



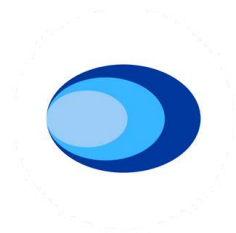
Module 2
Shifting to a Blue Ocean Perspective



Module 3
Visualizing Your Strategic Reality



Module 4
Discovering Hidden Pain Points



Module 5
Looking Beyond Existing Demand



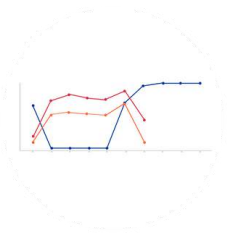
Module 6
Reconstructing Market Boundaries - Part I



Module 7
Reconstructing Market Boundaries - Part II



Module 8
Developing Alternative Blue Ocean Moves



Module 9
Communicating Your Blue Ocean Move



Module 10
Make Your Blue Ocean Move

Start Here!

- Finding Your Way Around the Course: Navigation and Settings
- Tips for Successfully Completing the Course
- Let's Get to Know Each Other!

Welcome to Blue Ocean Practical Introduction™ Online Course

- About Blue Ocean Practical Introduction™
- About the #1 Management Thinkers, Chan Kim & Renée Mauborgne
- About the Books: Blue Ocean Strategy & Blue Ocean Shift

Module 1: Blue Ocean Creativity

- Introduction to Module 1
- Blue Ocean Creativity
- How Blue is Your Ocean?
- Three Key Components of a Successful Blue Ocean Shift
- Companion Workbook and Book References

Module 2: Shifting to a Blue Ocean Perspective

- Introduction to Module 2
- Shifting to a Blue Ocean Perspective
- Check Your Understanding
- How Comic Relief Revolutionized the Charity Industry

Module 1: Blue Ocean Creativity
Learn the difference between creativity and blue ocean creativity.

Module 2: Shifting to a Blue Ocean Perspective
Learn the fundamental differences between red ocean and blue ocean strategy.

Module 3: Visualizing Your Strategic Reality
Learn the concept behind, and the power of, the as-is strategy canvas.

Module 4: Discovering Hidden Pain Points
Learn the concept behind the buyer utility map and how it can unlock hidden value to create new demand.

Module 5: Looking Beyond Existing Demand
Explore the concept behind the three tiers of noncustomers.

The image features a central laptop screen displaying a 'TO-BE STRATEGY CANVAS: iPad'. The graph plots 'PRICE' on the vertical axis (from LOW to HIGH) and 'HARDWARE FEATURE' on the horizontal axis. A vertical dashed line labeled 'ELIMINATE' is positioned on the left. Three lines represent different products: a solid blue line for 'SMARTPHONE', a dashed red line for 'NETBOOK', and a solid red line for 'PC'. The smartphone line starts at a low price and high feature level, while the netbook and PC lines start at higher prices and lower feature levels. A hand is shown pointing at the graph.

To the right of the laptop, a smartphone displays a 'Check Your Understanding' quiz. The text on the phone reads: 'Carlos is the Vice President of Financial Services for a global consulting company. In view of the recent emergence of fintech startups disrupting global financial industries, Carlos is preparing a speech for an upcoming seminar on value innovation in fintech. What should Carlos's key messages be? *'. Below the text are four multiple-choice options:

- A How technology innovation is more important than the value that is tied directly to buyers in the banking industries, in view of the recent emergence of fintech startups.
- B How value innovation can break the value-cost trade-off between premium services from traditional banks, and economic offerings from the fintech startups.
- C How value innovation can draw in customers from other leading players in the banking industry.
- D All of the above.

On the left, a spiral-bound notebook titled 'COMPANION WORKBOOK' is open to a page with a 'Six Utility Levers' table. The table has columns for 'Productivity', 'Simplicity', 'Convenience', 'Risk Reduction', and 'Cost & Weight'. The notebook also shows various strategy canvas diagrams and text, including 'The Buyer Experience' and 'DRAWING YOUR STRATEGY CANVAS'. The authors' names, 'Chan Kim and Renée Mauborgne', are visible at the bottom of the notebook page.

Apply blue ocean thinking to your business and set yourself on the path to profitable growth.

ENROLL TODAY

You're in great company

People from these organizations (and many more) took the course and set sail towards a blue ocean.



Testimonials

"Overall, I found this course extremely powerful, yet simple. It will help shift my thinking from Red Ocean to Blue Ocean and I look forward to applying it to my daily life."

"Absolutely valuable, informative and extremely insightful"

"Clear strategy, concise cases, helpful quizzes, great graphics."

"The short case vignettes and follow up quiz were an easy way to drive home the basics of each concept quickly. The corresponding book references were helpful as well."

"The video illustrations helped keep interest and the content was seamlessly delivered."

"I loved the structure and simplicity."

Average customer satisfaction rating



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