

Consultancy project:

Strategy Setting

By Jakub Čech & Andrej Šišolák

Our Agenda

Consultancy Project | Strategy Setting

10 min	01	Basic principles
10 min	02	Mission statement
20 min	03	Long term vision
20 min	04	Business strategy
20 min	05	Strategy elements

Strategy Setting

Basic Principles

By Jakub Čech & Andrej Šišolák

Three Pillars

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Mission

It formulates why do we exist. What is the main purpose of our company.

- Same during the entire operation of the company
- Specific, company can be recognized by its mission
- Public, part of the company PR
- Attracts the future employees
- Should define a higher purpose of meaning of company's activities

Vision

It explains the goal for specific period of time. What we want to achieve in the near future. Where do we want to go as a company.

- Time framed, new vision is created when the previous where achieved
- Shows the direction to the people
- Aligns the people's work to one direction
- Adjustable based on new circumstances
- Evaluable

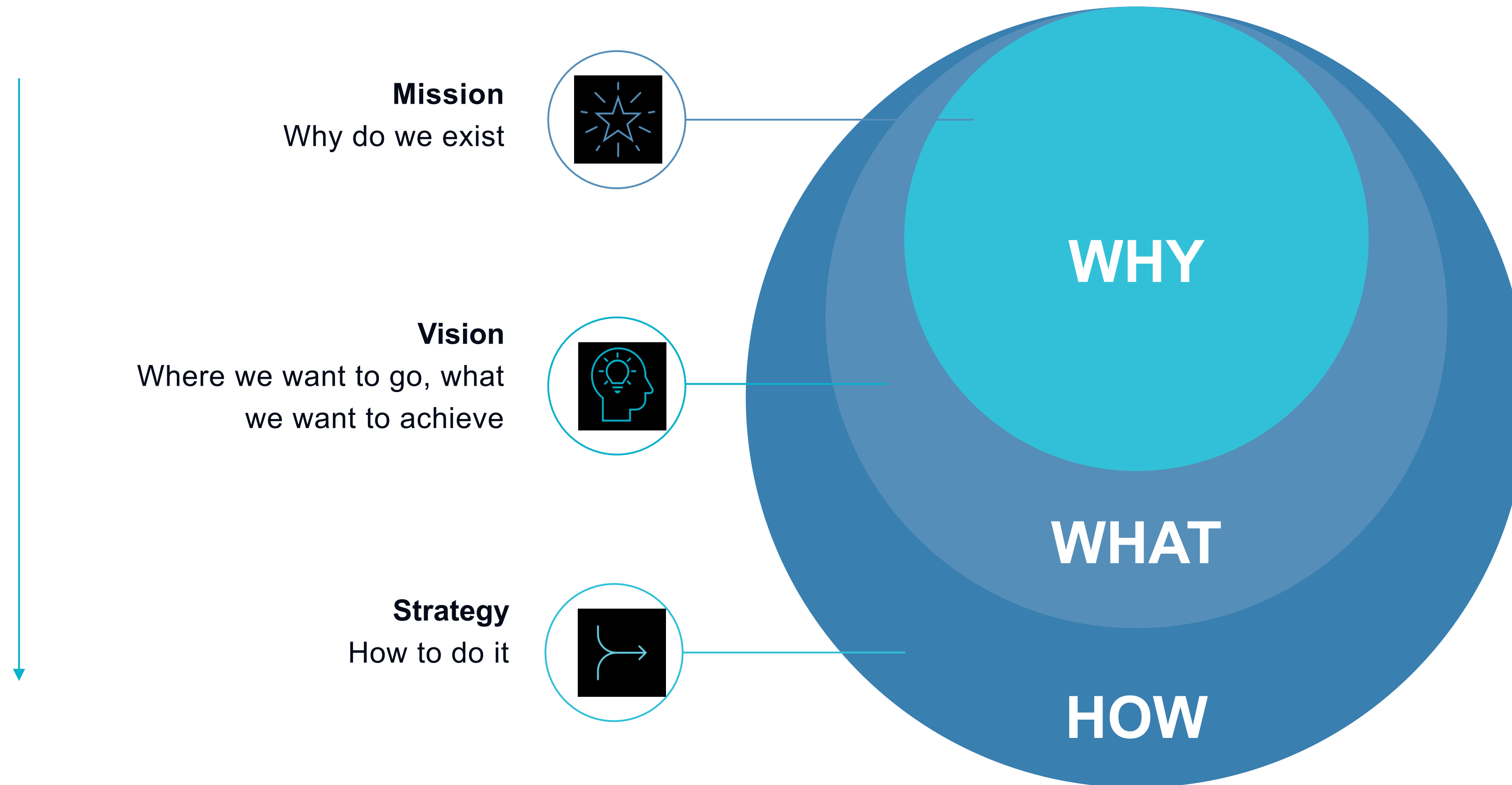
Strategy

Particular goals which contribute to the vision achievement in the future. It includes the organizationa and resources alocation. Tells how to achieve the vision

- Time framed
- Measurable
- It contains particular steps towards the vision

Company Thinking

Consultancy Project | Strategy Setting | Basic Principles



Strategy Setting

Mission Statement

By Jakub Čech & Andrej Šišolák

Definition of Mission Statement

Consultancy Project | Strategy Setting | Mission Statement

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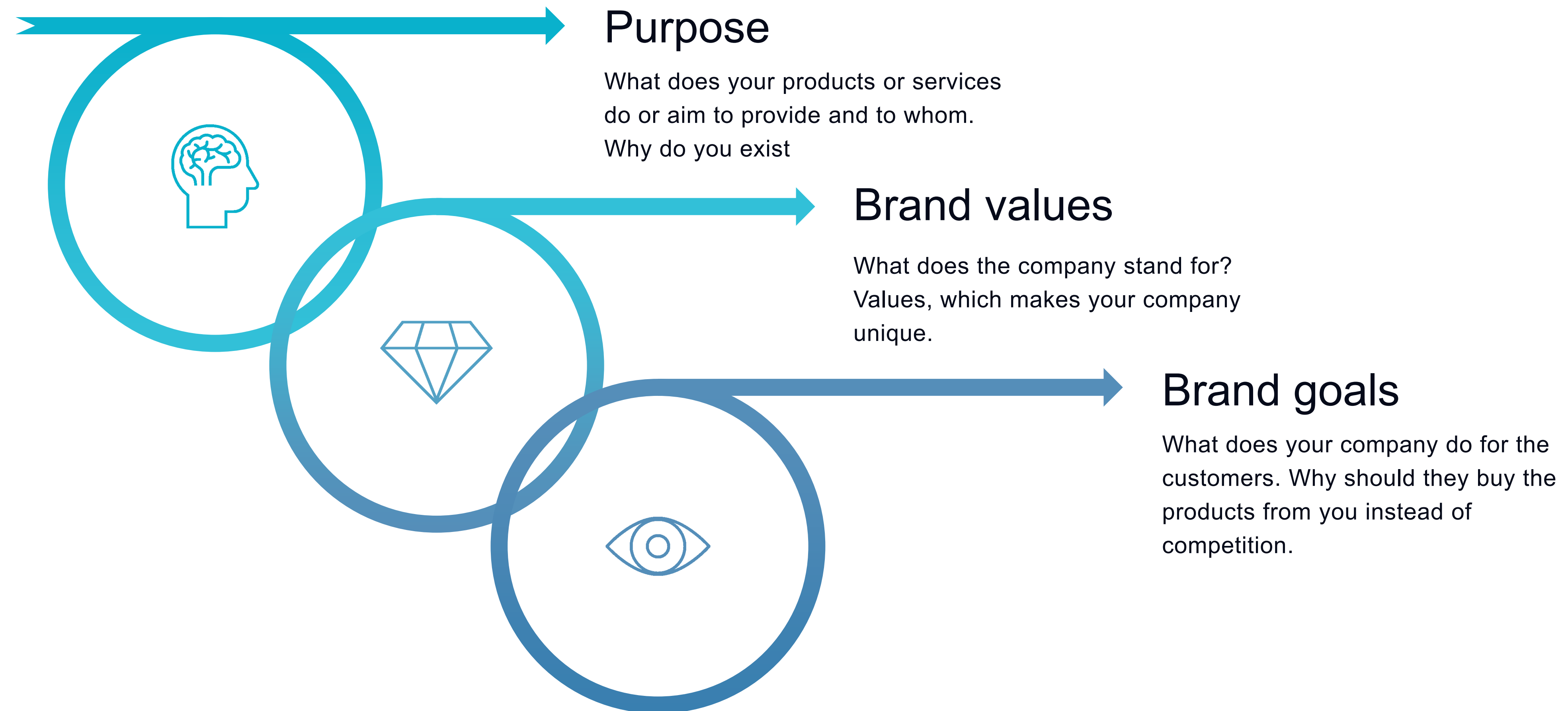
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Elements of the Mission

Consultancy Project| Strategy Setting | Mission Statement



Examples of the Mission

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LG Electronics focused on developing new innovations across the globe. We are committed **to providing electronic products that help customers live better.** To support this, we wish to continue bringing added value to the lives of a consumers. LG's Mission is to be #1 by creating a better life with our customers.



We're building a world powered by solar energy, running on batteries and transported by electric vehicles. Explore the most recent impact of our products, people and supply chain. We design sustainable systems that are massively scalable—resulting in the greatest environmental benefit possible.



To bring the best user experience to customers through innovative hardware, software, and services.

Examples of the Mission

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To make delicious feel-good moments easy for everyone. This is how we uniquely feed and foster communities. We serve delicious food people feel good about eating, with convenient locations and hours and affordable prices, and by working hard to offer the speed, choice and personalization our customers expect. At our best, we don't just serve food, we serve moments of feel-good, all with the lighthearted, unpretentious, welcoming, dependable personality consumers know and love.



Commitment to **being at the forefront of technology innovation.** The company aims to solve complex problems through the development and deployment of advanced computing platforms, thereby **enhancing the quality of life for people around the world.**



We aim to build a better world - **helping people live better and renew the planet while building thriving, resilient communities.** For us, this means working to create opportunity, build a more sustainable future, advance diversity, equity and inclusion and bring communities closer together. And at the end of the day, **helping our customers save more of their hard earned money for the things they care about most.** Because at Walmart, Live Better is what we do every day.



We will provide **products and services of superior quality which improves and protects the health of the feet of our customers.** We are the innovator and driving the industry. We are the preferred business partner for our customers.

Strategy Setting

Long Term Vision

By Jakub Čech & Andrej Šišolák

Definition of Vision

Consultancy Project | Strategy Setting | Long Term Vision

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Strategy

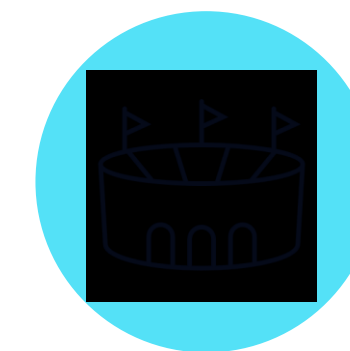
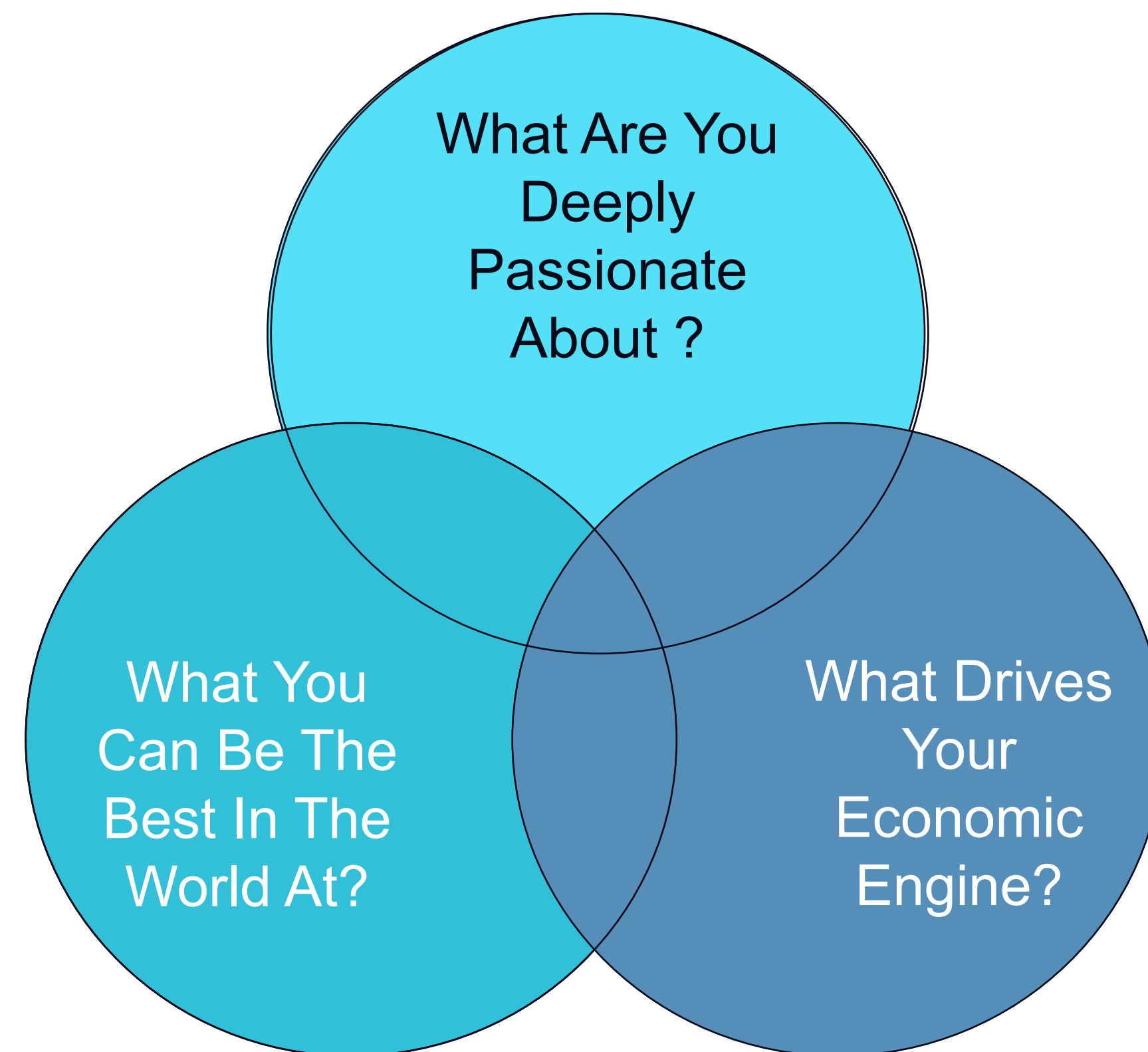
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Jim Collins The Hedgehog Concept

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The Hedgehog Concept is not a goal to be best, a strategy to be the best, an intention to be the best, a plan to be best. It is an understanding of what you can be the best at.



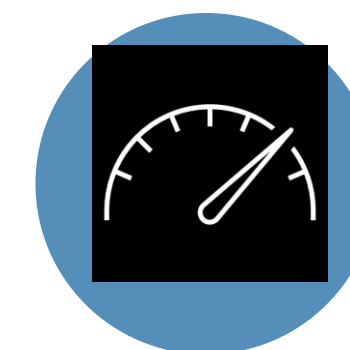
Passion about?

Try to identify areas of business for which are you passionate about. Try to find a higher meaning of your activity. Do not try make people passionate about the vision or strategy.



Be the best in the world?

And what you can not be the best in the world. Does not have to be your current core competencies. It can be something in which you are not even in yet.

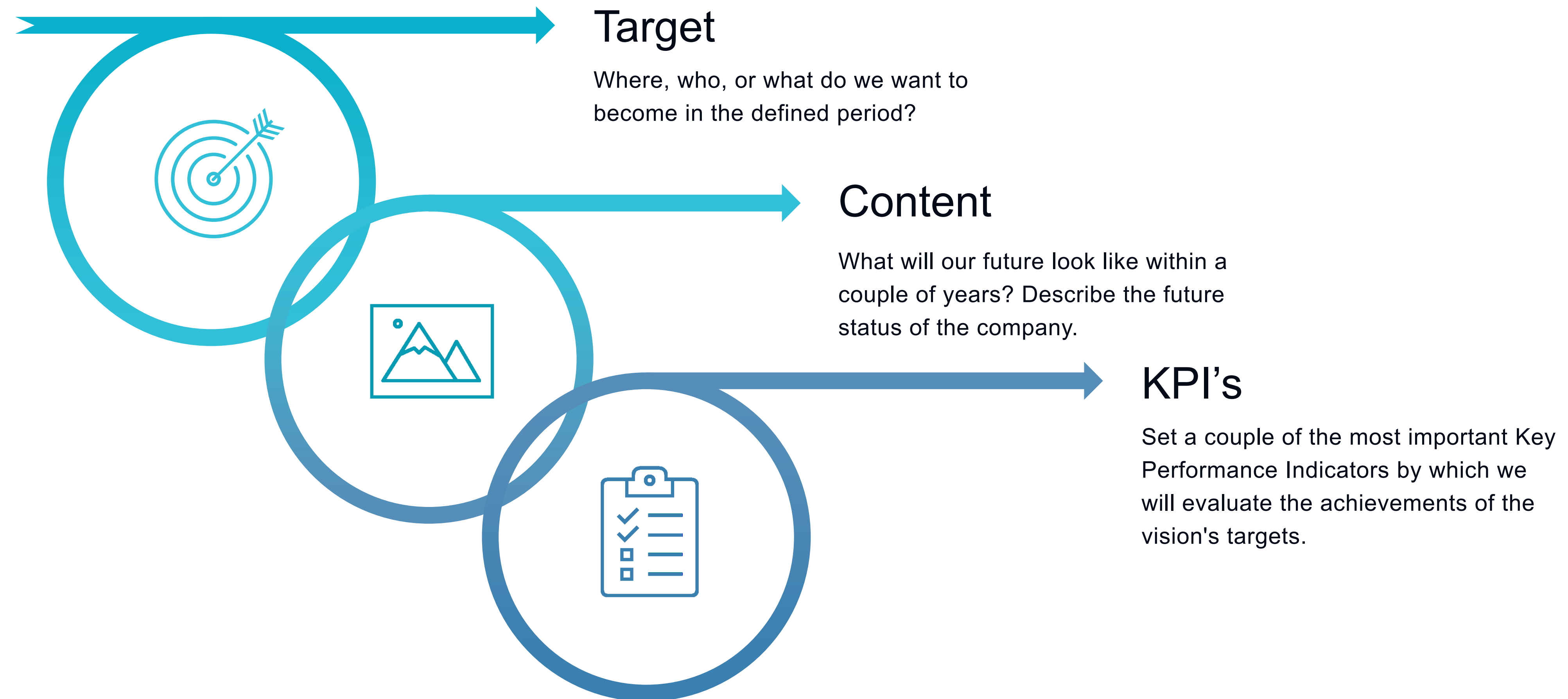


Drivers of economic engine?

Define the most important profit denominator. Profit per customer, product, employee, customer visit, shop, sales region etc.

Elements of the Vision

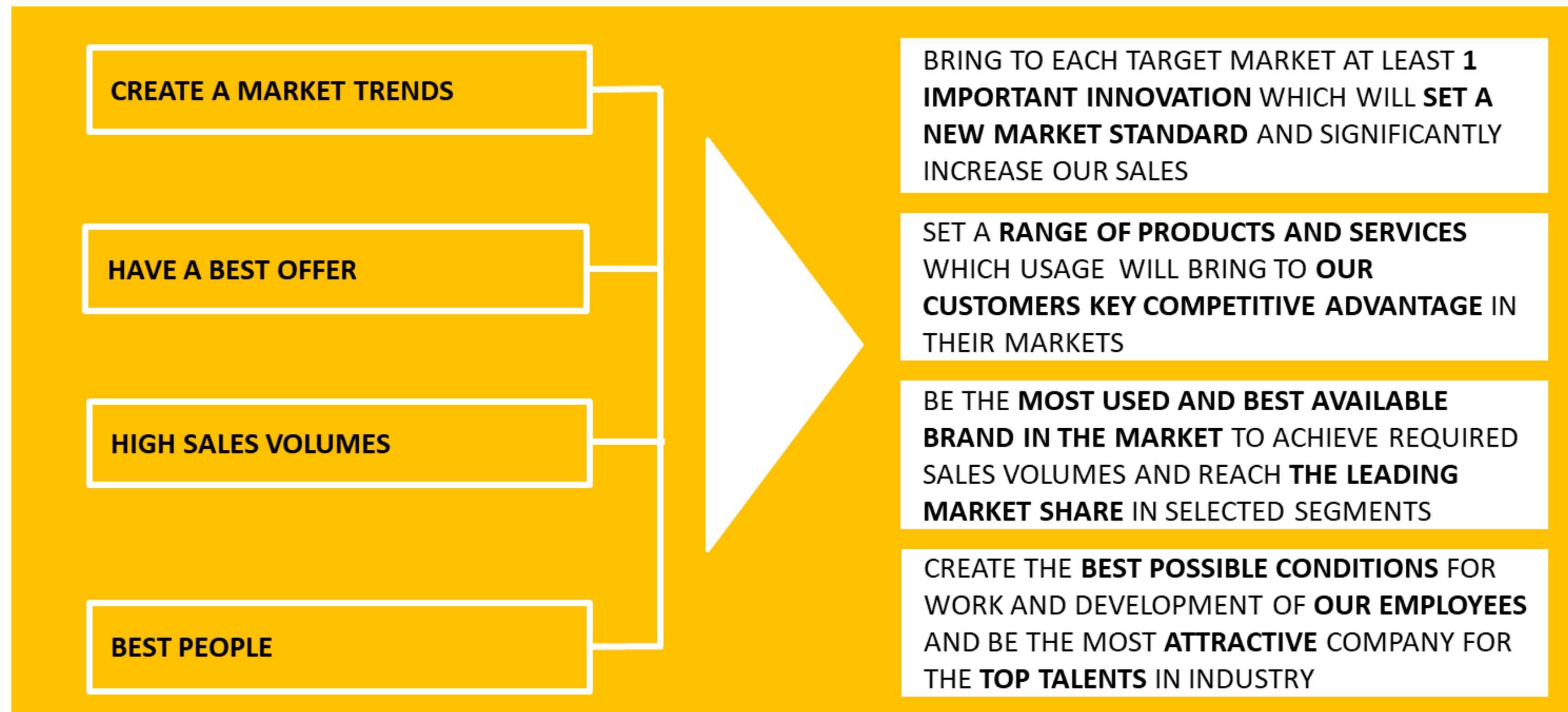
Consultancy Project| Strategy Setting | Long Term Vision



Sika CZ Vision 2023

Consultancy Project| Strategy Setting | Long Term Vision

Sika CZ wants to become a leading supplier of the building materials and industrial adhesives in the Czech Republic



Strategy Setting

Business Strategy

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Definition of Strategy

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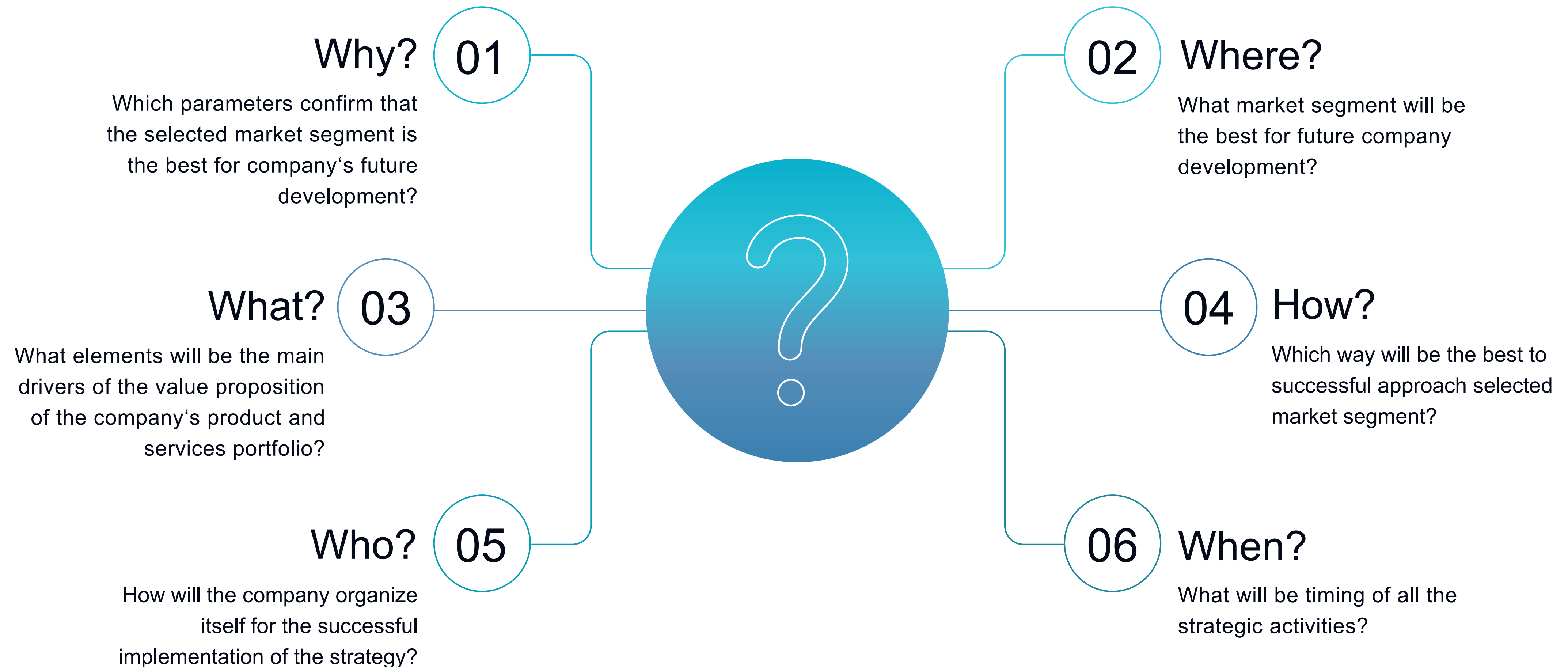
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Strategy Content

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Why? Where?

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KPI's	Weight	Segment 1	Segment 2	Segment 3	Segment 4
Market Segment Evaluation					
Market Potential	35%	★ ★ ★	★ ★ ★	★ ★	★
Market Profitability	35%	★ ★	★ ★ ★	★	★ ★
Market Growth	30%	★	★ ★	★ ★ ★	★
Total	100%	★ ★	★ ★ ★	★ ★	★

Company's Market Position Evaluation					
Sales	20%	★ ★	★	★ ★	★ ★ ★
Profitability	30%	★	★ ★	★	★ ★ ★
Product Portfolio	20%	★ ★	★ ★ ★	★	★ ★ ★
Market Reach	30%	★ ★ ★	★	★	★ ★
Total	100%	★ ★	★ ★	★	★ ★ ★

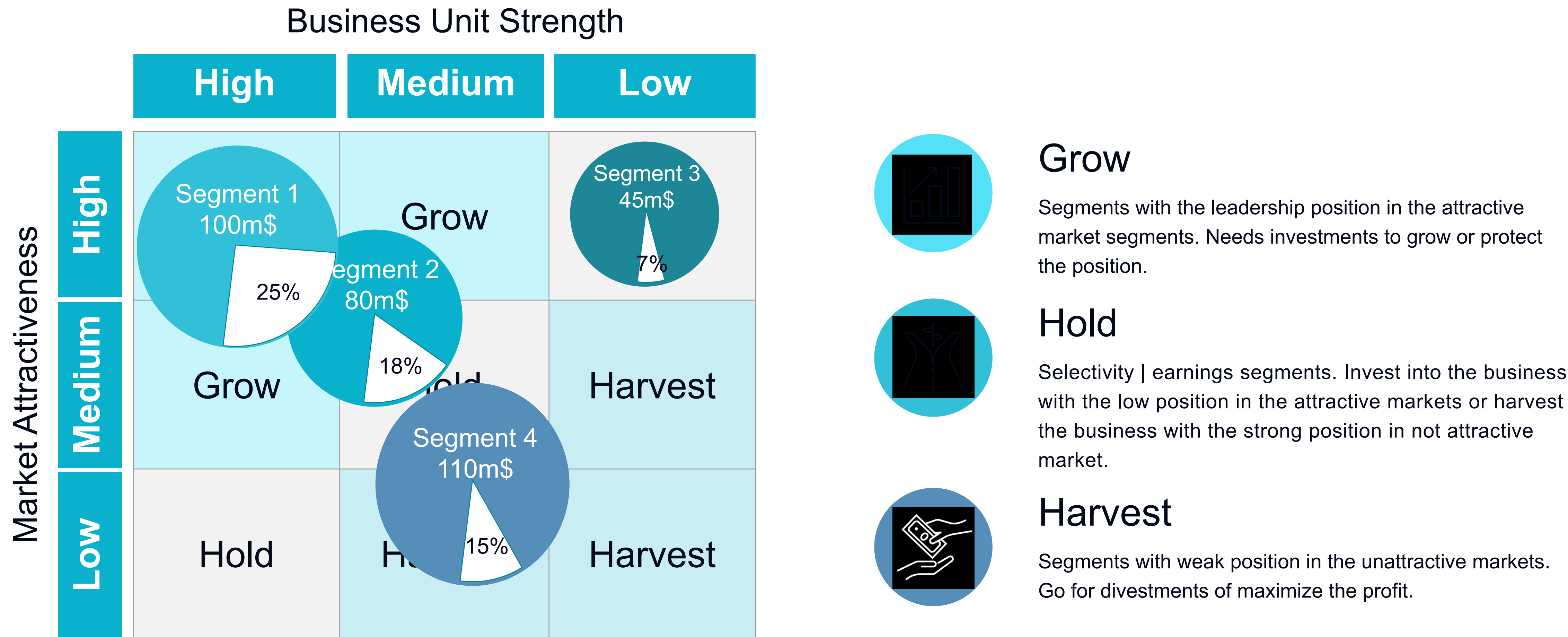
★ ★ ★ High

★ ★ Mid

★ Low

Why? Where?

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What? Value Proposition

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Value proposition is the value a company promises to deliver to customers should they choose to buy their products.



Needs

Value proposition should contain an easy-to-understand reason why a customer should buy product or service from that particular business



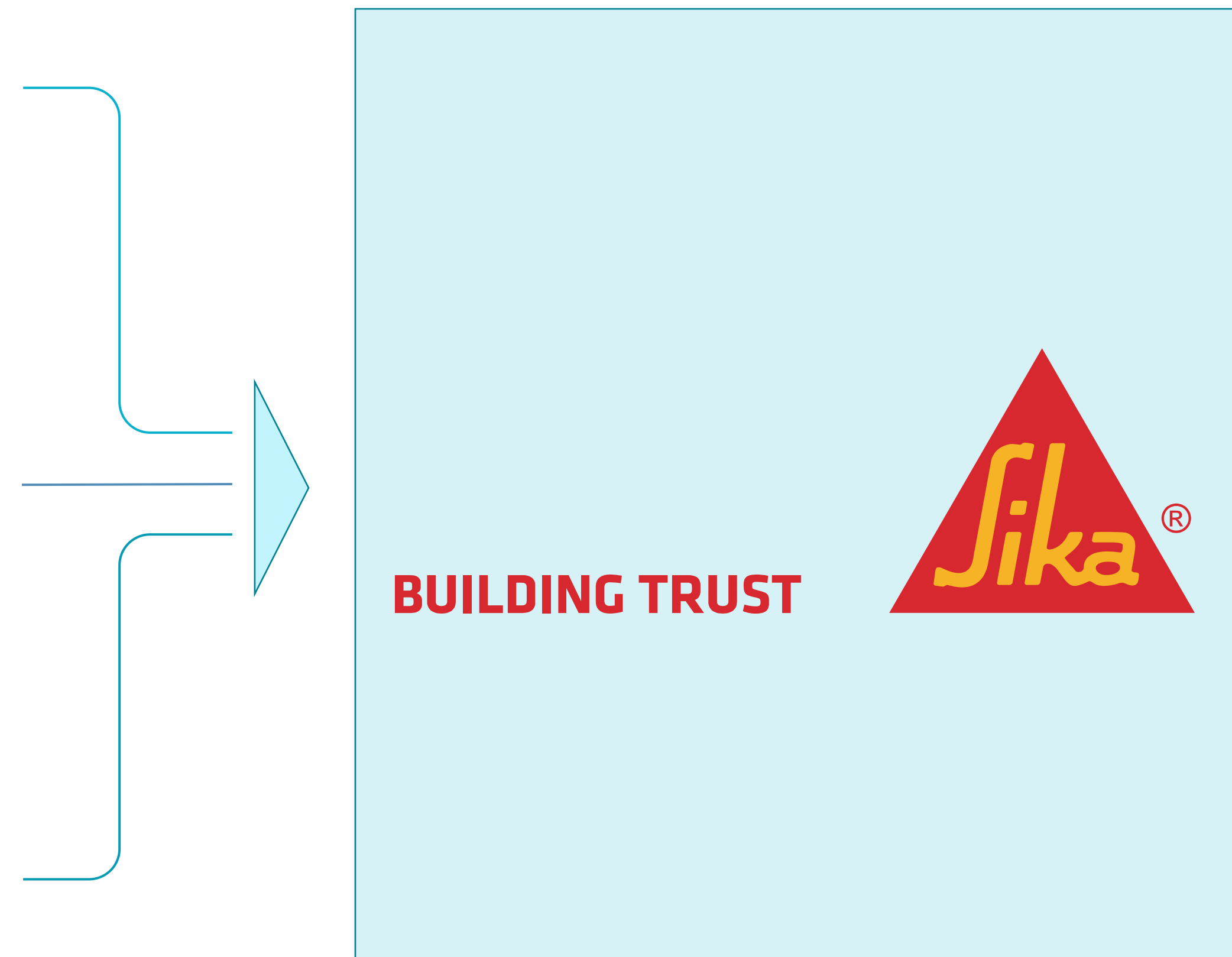
Benefits

Value proposition should clearly explain how products fill a needs, communicate the specifics of its added benefits, and state the reason why it is better than similar products on the market



Importance

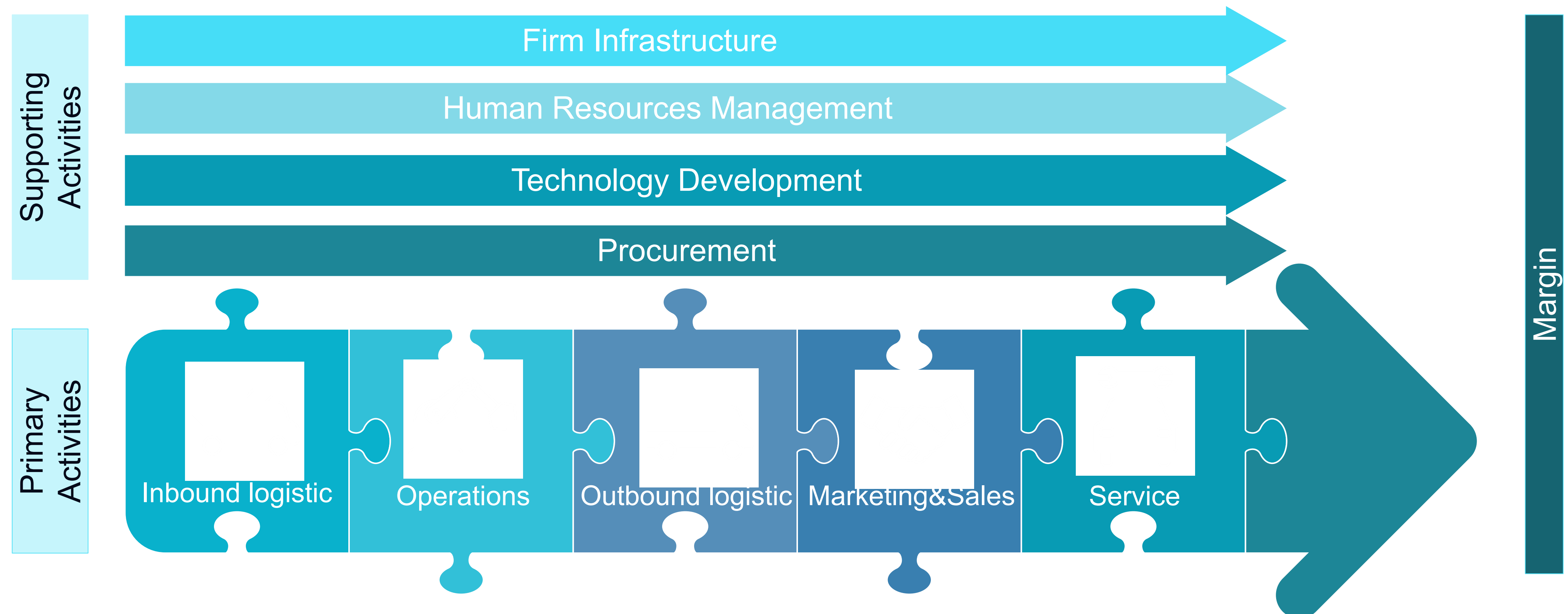
The ideal value proposition is to-the-point and appeals to a customer's strongest decision-making drivers



How? Value Chain (M. Porter)

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A business model that describes the full range of activities needed to create and deliver product or service with promised value proposition.



How? Value Chain (M. Porter)

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Example | Primary Activities

Inbound logistics

Apple has a **massive supply chain**, and it has **several alternatives to getting raw materials**. Its top 200 suppliers include component suppliers and others who accounted for at least 97 percent of its materials, manufacturing, and assembly procurement spending in 2016. China and Japan are home to a substantial number of the company's leading suppliers. 3M and Foxconn are two of its key raw material suppliers. Apple has a lot of negotiating leverage with its suppliers because of its financial heft. It has **set quality requirements for its suppliers** to ensure that its **goods and services meet the highest possible standards**. Apart from that, Apple has used more sophisticated ways to decrease storage needs and expedite the purchase process.

Operations

Apple goods are manufactured in several different countries. However, most of its items are assembled in China, which is why some of them have the Made in China label. Apple is also in negotiations with the Indian government, and production might begin there shortly. A significant portion of the assembly is done in China, although a minor part is done in other countries. Because **labor expenses** are lower in Asian countries, **Apple's production costs are cheaper**. Aside from that, Apple has **decreased the usage of hazardous chemicals** in its product production and assembly. Apple is **increasingly using recyclable materials**. By outsourcing its production, on the other hand, the company has been able to control its production costs to an acceptable level.

How? Value Chain (M. Porter)

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Example | Primary Activities

Outbound logistics

Apple has a **massive distribution network** that includes both **direct and indirect** channels. Apple has an **extensive channel for distributing its products to clients, ranging from retail shops to internet shopping and its own branded stores**. It has improved its distribution route and **increased the number of brand outlets** over time. Apart from these considerations, the **focus** has remained **on green packaging and waste reduction**.

Marketing and Sales

Apple is a well-known brand whose goods are recognized for their **high quality, innovative design, and technical advancements**. Any new Apple product is news, and it is covered not only by the media but also by a variety of other sources, including small and large websites. That does not, however, imply that Apple does not invest in brand marketing. While Apple's goods are extensively promoted in the media, it also creates distinctive advertisements that **engage its fans**. It has a **high level of brand loyalty due to its advertising strategy's originality and imagination**. Apart from television and internet commercials, the company also uses print advertisements to market and promote its products.

Apple sells its products through the following channels:

Value-added resellers, Retailers, Wholesalers, Third-party cellular network carriers, Direct salesforce, Apple online store, Apple retail stores.

The IT behemoth is steadily expanding the proportion of sales made through direct channels instead of indirect ones. Net sales through the company's direct and indirect distribution channels will account for 34 percent and 66 percent of total net sales in 2020, respectively. Apple has been **focusing more on corporate sales in recent years**, and CEO Tim Cook recently indicated that the company would rely heavily on channel partners to boost enterprise sales even more.

How? Value Chain (M. Porter)

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Example | Primary Activities

Products and Services

Apple provides its customers with **complete after-sales assistance**. The majority of Apple goods come with **90 days of free service and a one-year limited warranty**. Aside from that, Apple users may get **support via the online shop**. They may **monitor the status of their order online**. Customers may talk to **professionals online or call** Apple for assistance. Customers may fix their phones or other Apple goods at an Apple-approved service provider or an Apple shop with a genius bar.

Apple provides outstanding customer support at all three phases of the buying process: pre-purchase, purchase, and post-purchase. Apple has experience **centers in key cities worldwide** where anybody may try out its goods and get persuaded of their excellence. Apple **salespeople are often well-trained, courteous young men and women tech-savvy and eager to show product features and capabilities**.

With unique iPhone trade-in schemes that allow iPhone customers to **switch to newer models with additional cost**, post-purchase customer care is also outstanding. Only products purchased directly from Apple, either online or at an Apple Retail Store, can be returned to Apple. Within 14 calendar days of purchase, products can be returned.

Customers can go to Apple Stores if they are unsure about anything or if something goes wrong. Customers have had their broken iPhone screens fixed for free at an Apple Store in the past.

How? Value Chain (M. Porter)

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Example | Support Activities

Technolody and R&D

Apple invests a lot of money in R&D. Its brand is recognized for **technical innovation as well as high quality and distinctive product designs**. The brand must invest heavily in R&D in order to **preserve its competitive advantage**.

The company spent more than ten billion dollars on research and development in 2016 and 11.6 billion dollars in 2017. Apple has raised its R&D investment by more than 5 billion dollars since 2014. Three significant causes fuel this drive. Its expanded product variety, increasing the scope of Apple's services, and increased concentration on in-house technological development are among them.

HR Management

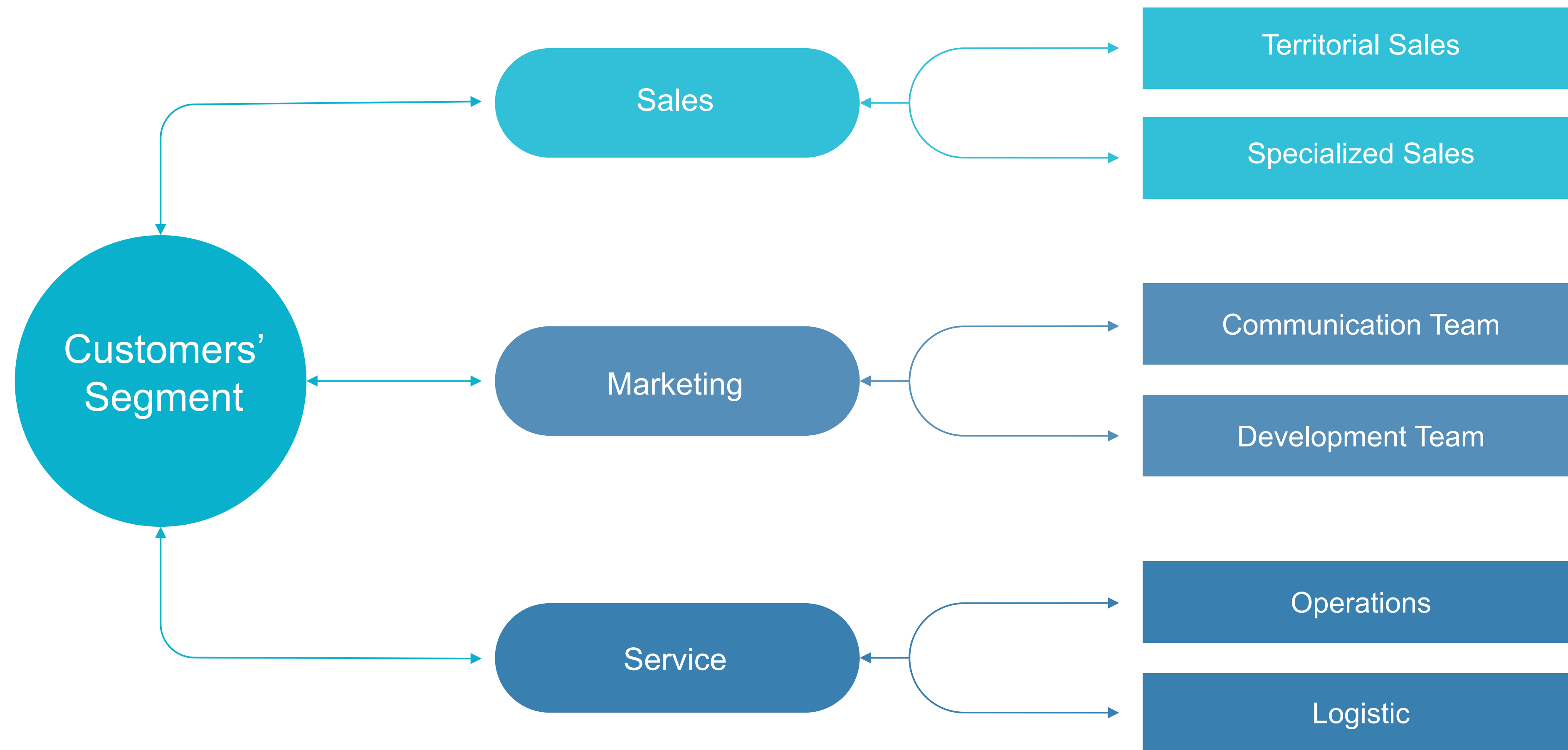
Human resource management is also an essential element of a company's value chain. Apple prioritizes both **hiring and remuneration**. Since the days of Apple founder Steve Jobs, this has been the standard. Apple **has always sought the most acceptable candidates**. However, during Tim Cook's tenure, the HRM style has shifted slightly. Apart from inclusion and diversity, the new CEO has implemented many measures to improve Apple's HR reputation.

Procurement

At Apple, procurement is also a significant priority. It has maintained **positive ties with its vendors**. **Suppliers must provide safe working conditions for employees** as well as goods and **services that meet industry standards**. All of these variables have an impact on supplier relationships. Apple, on the other hand, is a big buyer for most of its suppliers. Thus the two have a mutually beneficial partnership.

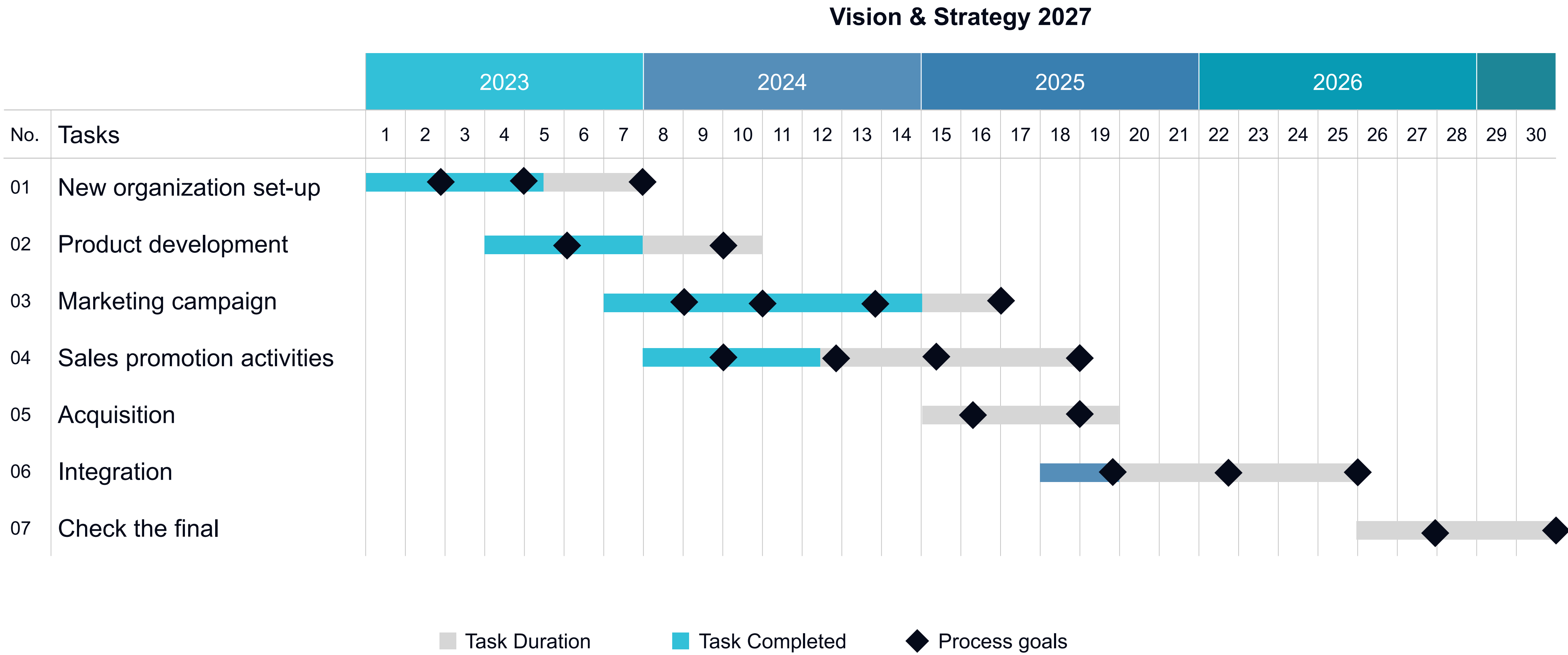
Who? Organization Set-up

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When? Process Goals & Milestones

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Thank You
For Your Watching



Jakub & Andrej