Blue Ocean Strategy Summary
by Jay Robinson

Source: Blue Ocean Strategy
by W. Chan Kim & Renée Mauborgne
Red Ocean: Companies compete for customers
Blue Ocean: Company creates new market

Chapter 1
Chapter 2

Value Innovation

Decrease costs

Increase value to consumer

GOAL
Analytical Tools and Frameworks

• Strategy Canvas
• Four Actions Framework
• Eliminate-Reduce-Raise-Create Grid

3 Characteristics of Blue Ocean Strategy

1. Focus
2. Divergence
3. Compelling Tag line
Four Actions Framework

- **Reduce** factors below the standard
- **Eliminate** factors taken for granted
- **Create** factors never before offered
- **Raise** factors well below the standard

Chapter 2
# Eliminate-Reduce-Raise-Create

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Reconstruct Market Boundaries

- Look Across Alternative Industries
- Look Across Strategic Groups Within Industries
- Look Across the Chain of Buyers
- Look Across Complementary Product and Service Offerings
- Look Across Functional or Emotional Appeal to Buyers
- Look Across Time

Chapter 3
Visualize Strategy

Visual Awakening; See where you are

Visual Exploration; See how others see you

Visual Strategy Fair; See where you could be

Visual Communication; Draw a Map for everyone (Pioneer-Migrator-Settler Map)
3 Tiers of Noncustomers

1st Tier

2nd Tier

3rd Tier

Your Market

Chapter 5
3 Tiers of Noncustomers

1st Tier - “Soon-to-be” noncustomers

2nd Tier - Those who consciously refuse your market

3rd Tier - “Unexplored” noncustomers in distant markets
Sequence of Blue Ocean Strategy

Chapter 6

**Buyer utility**
Is there exceptional buyer utility in your business idea?
- No -- Rethink
- Yes

**Price**
Is your price easily accessible to the mass of buyers?
- No -- Rethink
- Yes

**Cost**
Can you attain your cost target to profit at your strategic price?
- No -- Rethink
- Yes

**Adoption**
What are the adoption hurdles in actualizing your business idea? Are you addressing them up front?
- No -- Rethink
- Yes

A Commercially Viable Blue Ocean Idea
The Buyer Utility Map

The Six Stages of the Buyer Experience Cycle

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