7 Choosing a Tangible Strategic Focus Rather Than Building Upon an Abstract Vision

The essence of strategy is choosing what not to do
—Michael Porter

A key challenge faced by many strategy development and review initiatives, whether conducted internally or supported by external consultants or experts, is where to start. Traditional strategy research (Collins and Porras 1996) suggests starting by formulating a vision and a mission, describing the core ideology and envisioned future. Others, such as Grant (1991), suggest taking a resource-based approach, focusing on capabilities as the foundation for competitive advantage. More recently, authors such as Zott and Amit (2013), Zott et al. (2011) or Christensen et al. (2016), argue that the design of any strategy should start with questions related to customer needs or jobs-to-be-done. Many practitioners, including major strategy consulting companies, applying deductive approaches, extensively rely on strategy analysis tools (Harris and Lenox 2013), such as Porter's five forces, the SWOT analysis, value chain analyses, firm capability analyses, or strategy maps, to name just a few. A lot of effort is put into unfocused analysis.

The three-layer strategy design process presented in this book starts by defining the field of play through the concept of *strategic focus* of the firm. The strategic focus defines the primary dimension along which the firm wants to compete and differentiate, aligned with its targeted customers, its capabilities, and the industry environment. The possible dimensions along which the firm expects its competitive advantage to play out are defined by the four dimensions of the lightweight business model, that is, customers, offerings, capabilities, and financials. Indeed, according to Porter (1985), a firm can gain competitive advantage either through cost leadership, focusing on the financials dimension, or through differentiation. By introducing the strategic value disciplines model, Treacy and Wiersema (1995), extended the notion of differentiation by arguing that any successful firm is required to excel along one of the three dimensions customer intimacy (related to the customer dimension of the lightweight business model), product innovation (related to

C. Diderich, *Design Thinking for Strategy*, Management for Professionals,
https://doi.org/10.1007/978-3-030-25875-7_7

the offerings dimension), or operational excellence (related to the capabilities dimension) and be good at the other two dimensions.

7.1 Deriving the Strategic Focus Using Design Thinking

Process F determines the strategic focus that the firm targets as its primary dimension along which to compete and differentiate. It is abductive in nature and applies the design thinking methodology.

Process F—Strategic Focus

F.1 *Observing and learning*. Identifying the strategic focuses currently prevailing in the targeted industry and describing their characteristics using the outcome of the environmental analysis

F.2 *Designing*. Designing possible strategic focuses for the firm and defining the characteristics supporting them

F.3 *Validating*. Validating the designed strategic focuses by formulating and testing hypothesis

F.4 Selecting one of the designed and validated strategic focuses as the target strategic focus of the firm

Process F relies on the environmental analysis, especially the perspective on the industry, during the observing and learning steps. As shown in Fig. 7.1, based on the learned insights related to how firms compete in the targeted industry, possible strategic focuses for the firm are identified, and their characteristics summarized.

Prototyping techniques are used to design one or more potential strategic focuses for the firm. These prototypes are characterized by how the strategic focus contributes to defining a competitive advantage.

Once strategic focus prototypes—at this stage they are only prototypes—have been defined, underlying hypothesis are formulated. Hypothesis make the assumptions on which the prototypes are based explicit. They are validated or refuted through well designed, quick and cheap to perform, and easy to understand, experiments. Depending on the outcome, the designed prototypes for the strategic focus are either retained, discarded, or amended. In the latter case, the design thinking process iterates through the designing (F.2) and validating (F.3) steps. During validation (F.3), the strategic focus prototypes are challenged, and subsequently improved upon, until there are no more pending uncertainties that would fundamentally question their design (Cross 2011). The goal of validation is identifying potential flaws early, rather than confirm what is already known to be true.

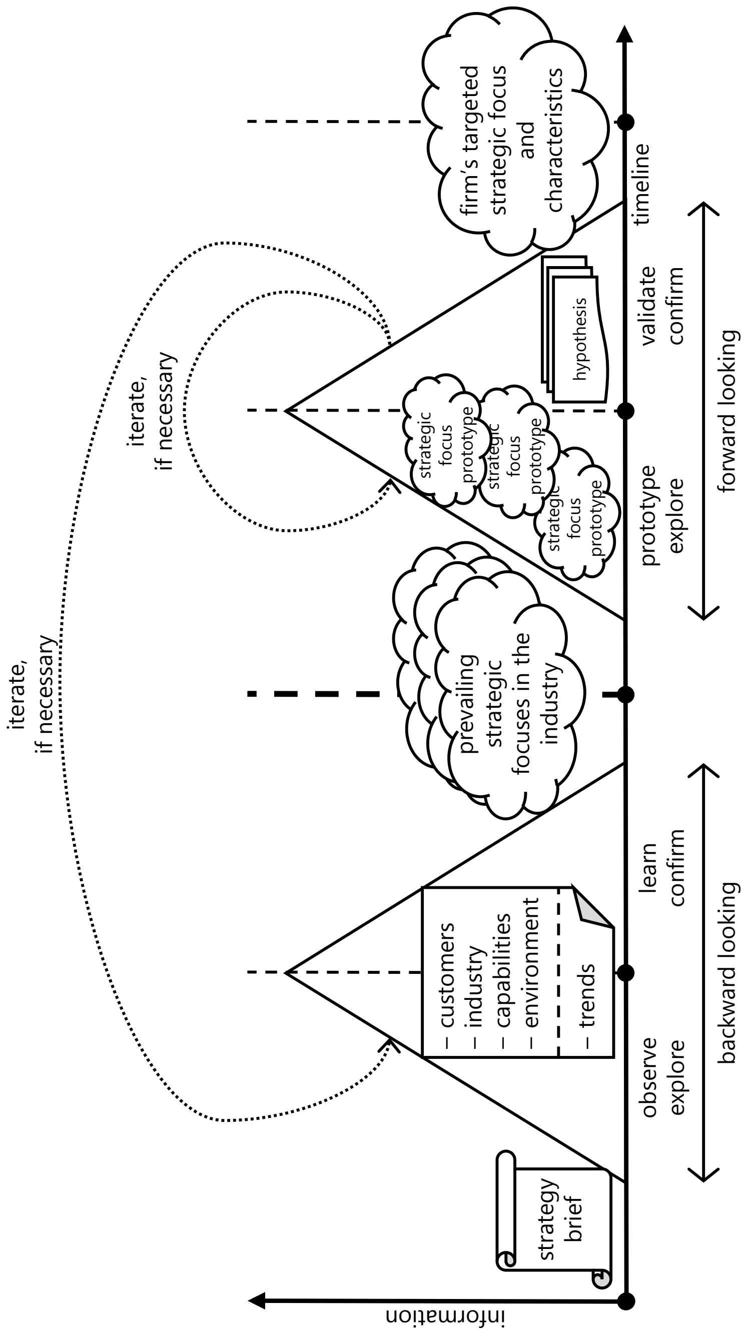

Fig. 7.1 Design thinking process to develop the validated strategic focus and its characteristics targeted by the firm

If, during either the designing or the validating steps, insights from the observing and learning steps are unclear, or missing, the process iterates back to the observing and learning step (F.1) to gather the missing information and insights. This iterative approach, which is at the core of design thinking, ensures that the resources, that is, time and money, are used wisely.

Finally, in the selection step (F.4), the most promising strategic focus is selected out of the retained prototypes, as the firm's target strategic focus. It defines the field of play or foundation on which the new or revised strategy will be built during the business model and competition layers of the strategy design process. Having defined a solid foundation allows significantly reducing the strategy development time and increases the quality and thus the chances of success of its outcome.

7.2 Observing and Learning

The prevailing strategic focuses currently relied upon in the targeted industry defined in the strategy brief, are identified before starting the prototyping of possible firm-specific target strategic focuses. Insights gained during the environmental analysis are studied and the most relevant strategic focuses of competitors described. For each strategic focus detected, the following information is identified:

(1) Does the strategic focus aim at outperforming the industry by being *superior* or by being *different*?
(2) What are the three most important *characteristics* subsuming the traits of the strategic focus?

It is a good idea to label each identified strategic focus by describing the competitors in a persona-like way (see Chap. 8 for insights on personas). Knowing how industry participants compete and try to position themselves is important to ensure that the to be designed strategic focus can be a successful foundation for the strategy.

Example Table 7.1 illustrates three dominant strategic focuses identified in the Swiss private banking industry.

Table 7.1 Three most common strategic focuses found in the Swiss private banking industry

Persona	– Traditional global private bank	– Fund distribution bank	– Entrepreneur's private bank
Strategic focus	– Customers	– Offerings	– Customers
Competition type	– Being superior	−Being superior	– Being different
Key characteristics	– Service quality – Personalized offering – Global presence	– Large product shelf −Best in class approach – Driven by the CIO's market views	– Focus on specific customer segments – Entrepreneurship approach – No own production

7.3 Designing Possible Strategic Focus Prototypes

Designing and prototyping possible strategic focuses is where shaping the firm's future strategy really starts. Although the process to be followed is systematic, its content depends on the creativity of the strategy team members shaping it.

A successful strategy is characterized by exactly one well defined strategic focus. Choosing two or more strategic focuses as the foundation for one strategy[1] leads to the "stuck in the middle trap[2]". During the design step, multiple strategic focus prototypes should be designed, and their validity explored. It is recommended to always develop more than one strategic focus prototype. Nevertheless, quality is more important than quantity. At the end of the foundation layer, exactly one strategic focus must be retained. Before moving on to the business model layer of the strategy design process, the strategic focus selected must be confirmed by the decision takers, that is, the board of directors, the executive committee, the CEO, or any other body or individual responsible for the firm's strategy. In the unlikely event that during the business model layer, or even the competition layer, a fundamental flaw is identified in the chosen strategic focus, its characterization may be refined, iterating through the foundation layer steps of the strategy design process, or even a completely different strategic focus selected.

7.3.1 Identifying Possible Strategic Focuses

Proposing the strategic focus to be targeted by the firm is subjective. There is no a priori right or wrong choice. The proposal is guided by the strategy brief (Chap. 4), the environmental analysis (Chap. 6), and the prevailing strategic focuses in the targeted industry. If the goal is to design a strategy relying on radical change, a disruptive strategy, choosing a strategic focus different from those prevailing in the industry is recommended. If, on the other hand, the goal is to introduce an incremental update to an existing strategy, relying on the current strategic focus or a strategic focus close to the current one is sound.

7.3.1.1 Customers

Selecting customers as the strategic focus, the lightweight business model dimension along which to excel and create a competitive advantage, means putting the customers and their explicit and implicit needs first. Success depends on understanding the customers' jobs-to-be-done, their needs, felt pains, and sought-after

[1]The term strategy as such applies to a single firm, a business unit, or a brand within a business unit.

[2]A firm is said to be "stuck in the middle" if it does not offer a distinct value proposition that attracts customers. Stuck in the middle firms usually offer multiple mediocre value propositions that customers are unable to identify with or distinguish between and as such are not attracted by them.

gains, better than competitors. Customers are put at the forefront of any strategy decision. Reverting to Ford's quote on customers wanting faster horses rather than cars, if asked, companies with a customer strategic focus would aim at delivering faster horses, or offerings based on horses that speed-up travel. Just caring about customers, providing a superior customer experience, or listening to customers, is not enough in a customer based strategic focus. Value for customers needs to be created.

Example Typical companies relying on a customer strategic focus are premium airlines, such as Singapore Airline, coffee shops, such as Starbucks, or family offices, such as the Fremont Group. Hilti, the tool manufacturer from Lichtenstein, most recently followed a customers based strategic focus transforming its strategy from selling tools to selling service contracts that ensure that the craftsmen have the tools they need at hand when they need them.

Many firms fail because they believe they implement a customer based strategic focus, although they focus on an offering or capability based one, putting the customer second, behind the offerings or the capabilities underlying the offerings. Being customer centric, is much harder that it may be perceived at first. Disruptive strategies are rarely customer centric as disrupting means focusing on offerings that customers are not yet aware of.

7.3.1.2 Offerings

At the core of any offerings-based strategic focus are novel products or services including novel features. Predicting what customers may value in the future is critical to success. Inventions and innovations are at the center of the stage. This does not mean that customers can be ignored. It means that the strategy is driven by offerings, putting customers in a supporting role, rather than a leading one. First movers typically chose to follow an offering based strategic focus. Following-up on Ford's quote on customers wanting faster horses rather than cars, if asked, firms adhering to an offering based strategic focus would invent a car, a motorcycle, a helicopter, or any other individual transportation means. Offerings based firms create needs for their products and services that customers have not thought of in the first place. Choosing offerings as the strategic focus is often a high-risk strategy, providing a high reward, if successful.

Example A typical example of an offering focused firm was Apple under the leadership of Steve Jobs.

7.3.1.3 Capabilities

The capabilities based strategic focus is the most common one chosen by firms to design their strategy upon. Capability based firms exhibit superior skills and/or assets and/or are able to exploit them is a superior or distinct way. A capabilities-based strategic focus is typical for companies relying on the resource-based theory of strategy development (see also Chap. 1). They leverage their resources to provide a competitive advantage and deliver superior value to its customers. Capabilities based firms are often fast followers, copying new offerings from competitors, adapting them to their customers' needs, and delivering them through leveraging their superior capabilities. In Ford's quote on customers wanting faster horses rather than cars, if asked, firms implementing a capability based strategic focus would leverage their skills in breeding horses, or, come to up with different animals that can transport people and are faster than horses. Capability based firms often focus on incremental improvements, rather than radical change. Capability based strategies are common is industries that provide non-assembled goods (Utterback 1994).

Example Large asset management firms, such as Blackrock, but also niche players, such as Fisch Asset Management, follow a capabilities-based strategic focus offering a portfolio of distinct products based on the same investment capabilities of the firm. An example of a disruptive capability-based strategy was the entrance of Nucor into the United States steel market, competing on implementing mini-mill processes.

7.3.1.4 Financials

Although the financials strategic focus is often related to discounter strategies, that is, strategies competing on price, this is not the only reason for choosing a financial strategic focus. Firms targeting a financials strategic focus typically excel at managing costs. More often than not, they differentiate themselves through different and novel pricing models. For example, firms following the financial strategic focus may excel at transforming one-off payments into recurring streams. Alternatively, revenues may be related to value delivered rather than costs incurred. For example wealth management product prices could be related to investment performance, rather than the efforts incurred by managing portfolios. If Ford would have applied his quote related to customers wanting faster horses rather than cars, if asked, to the financial strategic focus, he may have sold three horses for the price of two or may have leased the horses rather than sold them, or even charged for the time the horses took to get from A to B as a measure of performance. Financial strategic focus-based firms are typically competing in commodity industries. The more interchangeable the offerings are, the more important the price becomes, and a financials-based strategic focus prevails. Differentiating through capital availability or access to capital at a cost that competitors cannot match, is another financials based strategic focus option for a firm to compete on.

7.3.2 Choosing How to Compete

Once a strategic focus has been determined, the question whether competing though superiority or differentiation needs answering.

(1) *Superiority*. The firm competes by being better than its competitors, for example, by delivering superior products or services, providing better pre- and after-sales support, or excelling at execution through quality or speed.
(2) *Differentiation*. The firm competes by being different when compared to competitors. Differentiation may be through any element of the business model that is related to customers. Differentiation only exists if customers perceive it as such.

Unless the firm competes on commodity offerings or is in a buyer driven industry,[3] attempting to be superior without being different rarely works.

7.3.3 Characteristics Supporting the Strategic Focus

Depending on how to compete, there exist different approaches for identifying the key characteristics supporting the chosen strategic focus. The identified characteristics should be limited to the most important ones. Ideally, the characteristics are described by bullet point lists. Alternatively, graphical illustrations may be used. Supporting prose makes it easier to formulate validation hypothesis later on. There is no need for more in-depth insights at this stage.

If aiming at competing through being superior, the characteristics underlying the chosen strategic focus should be derived from those of competitors or of the targeted industry. Whether or not the firm has a chance to compete successfully through being superior will be determined during the strategic focus validation step.

Example Typical examples of firms competing on superiority, superiority being defined as cheaper, are discounter grocery stores such as Aldi or Lidl.

When a firm chooses to compete by being different in one or more areas around its strategic focus, the unique characteristics supporting differentiation need to be identified. For example, Starbucks, following a customer based strategic focus, differentiates itself by offering an atmosphere where customers can linger without being pushed to consumption. Other characteristics, such as engaging customers through a loyalty program, or offering highly customized beverages, are shared with competitors.

Note that it is possible that different firms show similar characteristics at the strategic focus level, without being identical or competing through being superior. Differentiation may also come from a distinct combination of superiority traits. The details of the differentiating elements will be designed into the strategy at a later stage, during the business model and competition layers of the strategy design process.

---

[3] A buyer driven industry is an industry in which the buyer, rather than the firm, dictates the strategic focus the firm must follow.

Example To illustrate how prototyping allows designing a possible strategic focus, consider a small independent fund management boutique currently implementing a niche strategy around producing actively managed value based mutual funds and distributing them through third-party solution providers, such as private banks.

Figure 7.2 illustrates (top left) the firm's current offerings based strategic focus. Based on the industry analysis, a summary strategic focus, aggregating key competitor insights, is derived and shown in the top right in Fig. 7.2. Both the firm and the targeted industry implement an offerings strategic focus. This is not uncommon with niche players or boutique firms. Indeed, many boutiques exist solely because their founder had an innovative idea. It is only when scaling the business that alternative strategic focuses become an option.

Looking at the customer segments served by the firm and the customer segments identified at the industry level, it becomes obvious that achieving a competitive advantage by focusing on a customers strategic focus, would be sub-optimal, as the firm would have to invest in building direct access to a customer base (rather than distributing through 3rd party solution providers). Another alternative would be to shift the focus onto the institutional investors customer segment. Both options can be discarded without extensive research and analysis, based on the simple observation that retaining a customers strategic focus would be in contradiction with being a small independent boutique.

Although the firm has unique capabilities with its in-house value research and efficient outsourcing operations, building a competitive advantage on a capabilities strategic focus, is discarded because the market values other capabilities higher, like indexing or storytelling. Economies of scope, that is, offering a portfolio of similar funds, all reverting onto in-house value research, are hard to realize under a boutique structure. Abandoning the boutique structure can be discarded due to ownership and associated capital constraints, two guiding principles identified in the strategy brief. All those decisions can be taken based on the limited amount of information derived during the environmental analysis step of the strategy design process.

Comparing the financials component of the firm with the characteristics of the industry does not show much room for differentiation either, as becoming a cost leader is not a viable option due to a lack of economies of scale under a boutique structure.

Finally, the firm should opt for an offerings strategic focus. As it has a unique capability through its innovative value investment concept, competing through differentiation is an obvious choice. The designing step thus leads to focusing on the three products and offerings characteristics shown in Fig. 7.2 (bottom lightweight business model excerpt). The firm should focus on differentiation through investment concepts rather than solely through new asset class exposures to take a leap step ahead of industry trends. In addition, the firm should compete on absolute return strategies, an industry trend, by leveraging its investment concepts. The focus should be on liquid asset classes allowing to define a clear delineation with the hedge-funds industry.

As can be seen from this example, designing possible prototypes for a firm's strategic focus can be done effectively through abductive reasoning.

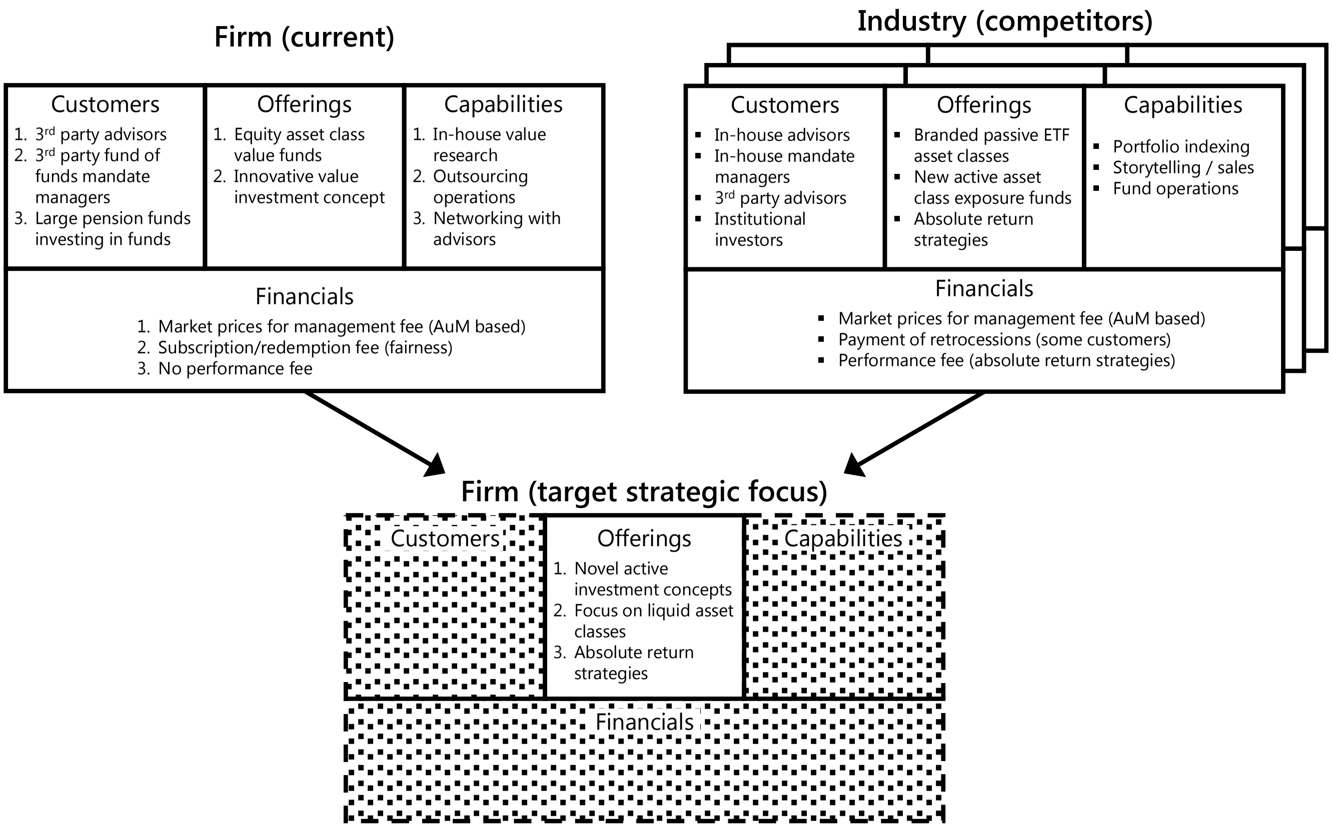

Fig. 7.2 Example of determining the target strategic focus for an independent boutique fund management firm based on the firm's current strategic focus and the mutual funds industry in Europe (competitors are not shown explicitly)

7.4 Validating the Designed Strategic Focuses

Validating the designed strategic focuses is key for success. Validation is based on formulating and testing hypothesis. A *strategy hypothesis* is a testable belief related to future value creation of elements of a strategy (Schrage 2014). A *strategy experiment* is an objective, easily replicable test of a strategy hypothesis that generates measurable insights as to whether the hypothesis is valid or invalid. Neither a strategy hypothesis, nor an associated strategy experiment, validate a strategy in general or the strategic focus in particular, in its entirety.

The goal of validating the prototyped strategic focuses is avoiding failure further down the road of designing the firm's strategy. To those familiar with statistical hypothesis testing (Kuehl 2000), validating strategy hypothesis has some similarities, but many dissimilarities, with hypothesis testing in statistics. Strategy hypothesis testing is not about statistical precision or *t*-values. It is about getting an external first-hand confirmation of internal beliefs on which the strategic focus prototypes are based. Strategy hypothesis testing aims at answering those questions that could potentially change the validity of the prototyped strategic focus.

Example The strategic focus may be defined by the characteristic that customers in the targeted segment of individuals over 65 need mobile phones that have large keys or icons because their visibility is usually poor. Asking a sample of over 65-year-old people to write a 140-character message on an old Blackberry phone with its typical small but ergonomic keyboard in less than one minute, could easily support or invalidate the hypothesis, depending on whether most of the test people were to fail or succeed.

7.4.1 Checking for Consistency

Before starting to formulate assumptions underlying a strategic focus prototype, it should be reviewed relative to the external environmental constrains identified during the current environmental analysis. This means, checking each characteristic of the prototyped strategic focus for whether or not it contradicts any existing environmental characteristic. In the case of a contradiction, the strategy design process must revert to the designing step to introduce amendments that fix the violation.

7.4.2 Formulating Strategy Hypothesis

When confronted with the task for the first time, formulating strategy hypothesis to test strategic focuses is hard. First, key assumptions are identified by comparing the prototyped strategic focuses to the findings from the customers as well as target industry environment analysis. Differences provide a good starting point for identifying made assumptions.

Consider an industry mainly relying on a financials strategic focus, aiming at providing cheap commodity products. If the designed prototype suggests an offering based strategic focus, a possible assumption would be "the firm is capable of designing, producing, and selling products that are sufficiently different from those of competitors such that customers are willing to pay a premium price." To identify additional assumptions made, the five whys[4] method may be applied. Ask and answer five times the question why, regarding a given characteristic of the strategic focus. The last answer received is often a sound formulation of the hypothesis to be validated.

Example Consider a customers strategic focus, aiming at providing mobile phones tailored to people over 65. The five why questions asked and answered could be:

(1) Why does the strategic focus target people over 65? Because they are retired and have more spare time to use their mobile phones.
(2) Why do retired people with significant spare time need tailored mobile phones? Because they are less stressed than people still in active live and as such have different needs.
(3) Why does being less stressed lead to different needs with respect to mobile phones? Because with more spare time available, they have more time to call friends and relatives. In addition, calling friends and relatives makes them less lonely.
(4) Why does calling friends and relatives require different mobile phone features? Because mobile phones aimed at the working population focus their features on all but calling.
(5) Why is using the calling feature on current mobile phones not satisfy the needs of the targeted elderly population? Because elderly people have a hard time learning new technologies and navigating a large set of unnecessary functions.

Out of the five why analysis, one strategy hypothesis to be tested is "elderly people require mobile phones that are easy to use for placing and receiving phone calls."

When formulating strategy hypothesis, the focus should be on those characteristics of the strategic focus that would be invalidated by a failed test. Just because believing that something is valid, does not make it validated. It is common, although not always the case, that strategy designers believe that their formulated hypotheses are true, especially inexperienced strategists. It is important not to fall into the trap to assume that individual beliefs represent the truth and do not require validation.

Any good strategy hypothesis has three characteristics:

(1) The hypothesis *relates to the strategic focus* and its characteristics in such a way that its invalidity would require an adjustment to the strategic focus or make the strategic focus fail altogether.
(2) The hypothesis is *easy to understand* by people knowledgeable with the target industry without having been involved in the strategic focus prototyping activity.

[4]The "five whys" method is an iterative technique used to explore the cause-and-effect relationships underlying a particular statement. The "why" question is repeated five times. Each answer forms the basis of the next why question.

(3) An experiment to validate the hypothesis *can be performed quickly*, usually in less than five weeks, *and cheaply*, usually for less than $5000, and with less than five strategy designers being involved.

The hypothesis to be tested to validate a given strategic focus prototype can be identified as special cases of three generic assumptions:

(1) The lightweight business model dimension underlying the strategic focus is sound in the targeted industry based on the environmental analysis.
(2) Competing through differentiation, respectively superiority, is a sound decision.
(3) The designed characteristics of the strategic focus are valid.

7.4.3 Designing Strategy Experiments

Designing strategy experiments to validate assumptions requires creativity and a good understanding of the target industry. Any strategy experiment must include the following six characteristics:

(1) The hypothesis to be tested is formulated in a *clear and easy to understand* way.
(2) The experiment describes the *activities to be performed* to test the hypothesis.
(3) The experiment includes a *metric used to measure* the success, respectively failure.
(4) The population as well as the minimal and target *sample size* to conduct the experiment on are defined.
(5) Success as well as failure *criteria* are defined in relation to the measured metric and the sample size.
(6) The *time horizon* as well as the expected *costs* for performing the experiment are identified.

It is not uncommon to start with a relatively small target population sample size, only to increase it when the initial results of the experiment are inconclusive, relative to the success and failure criteria defined. Asking how many additional responses would be needed to change a preliminary result, gives a good indicator of the target sample size. Strategy experiment design should follow the described design thinking principles, that is, focus on individuals, avoid non-value-adding analysis, and use iterations to improve the quality of the results over the course of the performed validation experiments. Validations, that is, the outcomes of strategy experiments, are decision support tools. They should be considered as such and not as a method for confirming an unknown ultimate truth.

Example Consider the offerings strategic focus prototype of a small independent fund management boutique as described in Fig. 7.2. A key assumption made is that an offering focusing on a novel value based active investment concept is desirable. This assumption is central to the chosen strategic focus, as well as the decision to compete based on differentiation. To ensure that the assumption fulfills the three characteristics underlying any good strategy hypothesis, it can be reformulated as “given a comparable performance and risk management track record, investors prefer to invest in an innovative value based actively managed mutual fund over more traditional actively managed funds and passive value-based exchange traded funds.”

One way of testing that assumption would be to develop a hypothetical KID[5] for the offering. Then, during a fund fair, the hypothetical KID as well as actual KIDs of competing offerings would be made available to potential investors. The number of investors interested in either offerings, measured by the number of KIDs distributed, could be used as metric. The target size underlying the experiment would be the number of visitors during the fair, requiring at least 100 interested visitors. To measure success versus failure, a more than $^{2}/_{3}$ versus less than $^{1}/_{3}$ ratio could be used, defined as the interests of investors in the novel offering versus the traditional ones. The cost of such an experiment is related to the production of the hypothetical KID as well as the presence at the fund fair.

The goal is not to get a statistically significant result, but to gain enough insight that it would be highly unlikely that additional information could change the validity of the chosen strategic focus. As can be seen from this example, it is possible, with a simple and effective process to identify and test a strategic focus of a firm and jump-start the strategy design process without lengthy and unproductive analyses.

7.5 Selecting the Target Strategic Focus

Once one or more strategic focus prototypes have been designed and successfully validated, it is time to select the one that is the most appropriate to base the firm’s future strategy on. This choice is a key strategic decision and should be made by the decision takers responsible for the firm’s strategy. Decision takers should ideally have been actively involved in the design and especially the validation process.

There exist two complementary approaches for choosing the strategic focus. In the first approach, multiple strategic focus prototypes, based on the same lightweight business model component and approach for competing, are merged into a single broader strategic focus. This is the preferred approach if the resulting characteristics are not contradicting or diluting the strategic focus. Alternatively, one of the multiple strategic focus prototypes is chosen on its merits and the other ones are put on hold, to be ready for use if and when the initial choice made is found to be inappropriate during the business model and/or competition layers of the strategy design process. It is explicitly not recommended to continue the strategy design process with multiple strategic focus instances, as this leads to significant irrelevant analysis, design, and validation activities. Rather than being a decision by a single decision taker, or the outcome of a vote, the choice of a strategic focus should result from consensus building among decision takers. This is

[5]The KID is a standardized Key Information Document required by the MiFID (Markets in Financial Instruments Directive) directive of the European Union to be provided to any investor ahead of their investment decision.

important to ensure that the decision, and as such, the derived strategy, has a broad backing at the highest level of the organization.

References

Christensen, C. M., Hall, T., Dillon, K., & Duncan, D. S. (2016). *Competing against luck: The story of innovation and customer choice*. New York, NY: HarperCollins Publishers.

Collins, J. C., & Porras, J. I. (1996). Building your company's vision. *Harvard Business Review, 74*(5), 65–77.

Cross, N. (2011). *Design thinking*. London, UK: Bloomsbury Academy.

Diderich, C. (2017). Initiating the strategy process using design thinking. *Change Management Strategy eJournal, 9*(8). SSRN: https://ssrn.com/abstract=2927941 or http://dx.doi.org/10.2139/ssrn.2927941.

Grant, R. M. (1991). The resource-based theory of competitive advantage: Implications for strategy. *California Management Review, 33*(3), 114–135.

Harris, J. D., & Lenox, M. J. (2013). *The strategist's toolkit*. Charlottesville, VA: Darden Business Publishing.

Kuehl, R. O. (2000). *Design of experiments: Statistical principles of research design and analysis*. Boston, MA: Duxbury-Thomson Learning.

Porter, M. E. (1985). *Competitive advantage*. New York, NY: The Free Press.

Schrage, M. (2014). *The innovator's hypothesis*. Cambridge, MA: MIT Press.

Treacy, M., & Wiersema, F. (1995). *The discipline of market leaders: Choose your customers, narrow your focus, dominate your market*. New York, NY: Perseus Books.

Utterback, J. M. (1994). *Mastering the dynamics of innovation*. Boston, MA: Harvard Business Review Press.

Zott, C., & Amit, R. (2013). The business model: A theoretically anchored robust construct for strategic analysis. *Strategic Organization, 11*(4), 403–411.

Zott, C., Amit, R., & Massa, L. (2011). The business model: Recent developments and future research. *Journal of Management, 37*(4), 1019–1042.