

Innovation as a Grand Strategy

Grand strategies, often called master or business strategies provides a comprehensive general approach that guides a firm's major actions. Business managers can use tools and techniques such as Grand Strategy Selection Matrix or Grand Strategy Cluster or Matched-pair Analysis to design means that will be used to achieve long-term objectives.



- A** Strategy of the firm that directs its resources to the profitable growth of a single product, in a single market, with a single dominant technology.
- B** Marketing present products, often with only cosmetic modifications, to customers in related market areas by adding channels of distribution or by changing the content of advertising or promotion.
- C** Substantial modification of existing products or the creation of new but related products that can be marketed to current customers through established channels.
- D** Acquisition of one or more similar firms operating at the same stage of the production-marketing chain.
- E** Sale of a firm or a major component of a firm.
- F** The firm typically is sold in parts, only occasionally as a whole—but for its tangible asset value and not as a going concern.
- G** Acquire firms that supply it with inputs (such as raw materials) or are customers for its outputs (such as warehouse for finished products).
- H** Acquisition of businesses that are related to the acquiring firm in terms of technology, markets, or products.
- I** Reap the initially high profits associated with customer acceptance of a new or greatly improved product.
- J** Occasionally two or more capable firms lack a necessary component for success in a particular competitive environment and may lead to Joint Ventures to create complementary synergies
- K** Occasionally a firm, particularly a very large one, plans to acquire a business because it represents the most promising investment opportunity available.
- L** Involves cost reduction and asset reduction. Managers reduce costs by reducing staff, leasing rather than buying equipment, reducing marketing expenditures or R&D. Assets are also often sold to free up cash for new initiatives.