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E-Content BCH-601 : Business Policy


Lecture 40

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FIGURE 6-5
Porter's Generic
Competitive
Strategies

		Competitive Advantage	
		Lower Cost	Differentiation
Competitive Scope	Broad Target	Cost Leadership	Differentiation
	Narrow Target	Cost Focus	Differentiation Focus

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Portfolio Analysis

This section deals with how individual product lines and business units can gain competitive advantage

in the marketplace by using competitive and cooperative strategies. Companies with multiple product lines or business units must also ask themselves how these various products and business units should be managed to boost overall corporate performance:

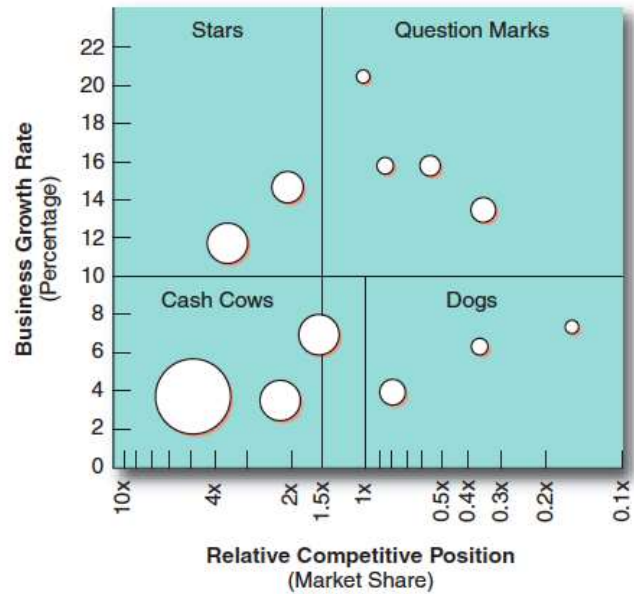
_ How much of our time and money should we spend on our best products and business units to ensure that they continue to be successful?

_ How much of our time and money should we spend developing new costly products, most of which will never be successful?



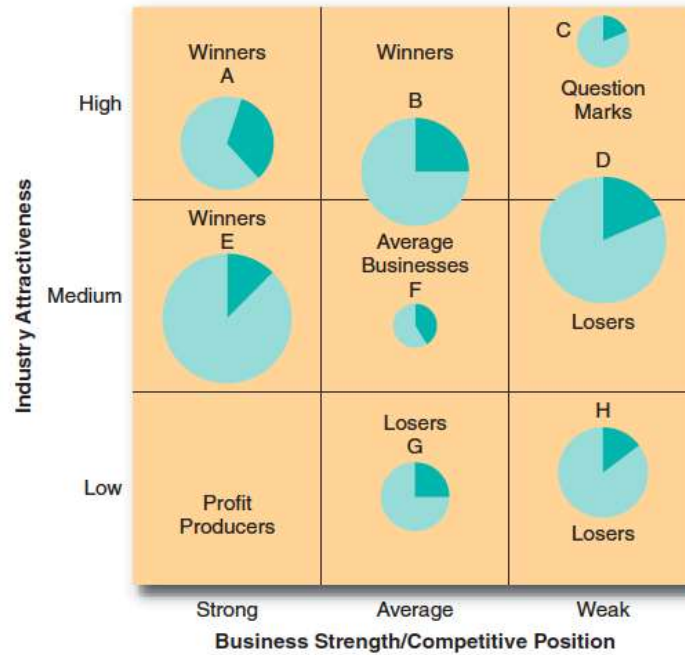
Two of the most popular portfolio techniques are the BCG Growth-Share Matrix and GE Business Screen.

FIGURE 7-3
BCG Growth-Share Matrix



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FIGURE 7-4
General Electric's
Business Screen



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