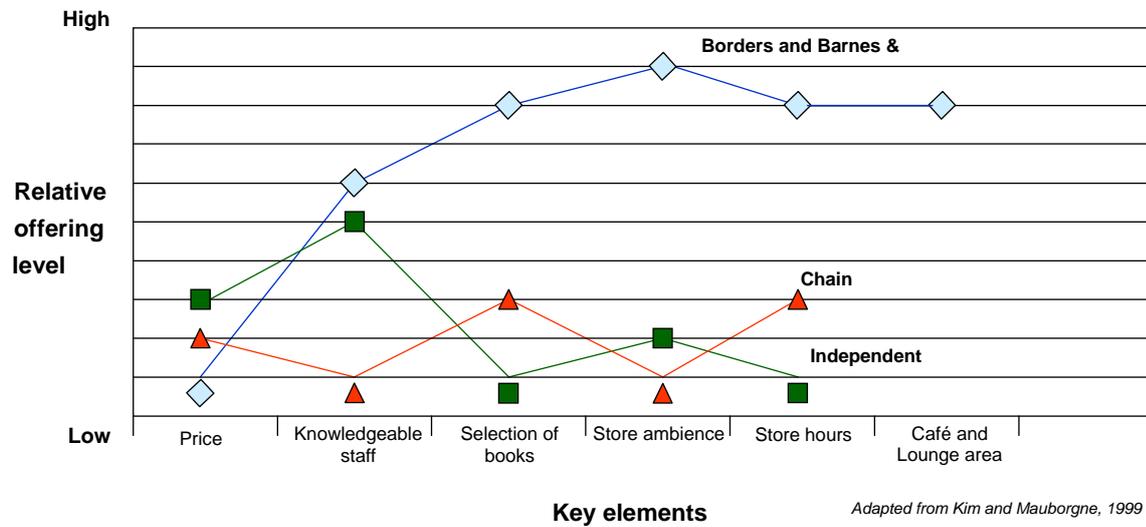


Are you meeting your customers needs? – the Blue Ocean Strategy Value Curve



The “value curve” comes from the strategy book, *Blue Ocean Strategy*, although it has been in use for much longer. The idea is to put the key elements that customers are concerned about on the x axis (make sure these are from the customer perspective and not your perspective as a provider to the customer e.g., “on time delivery” rather than “effective logistics decision”).

Then, plot your product on each dimension (note – low price is good but, in general, it is better to be high on all the other dimensions).

Next, plot competitors. Now, consider the gaps. What can you do to close or widen gaps? Which are the elements that most customers want (and does this vary by customer segment). I find that this is a simple way to trigger a rich discussion about current market position and what the priorities might be.

You can also use this framework to innovate new options. To do this, consider how you might come up with a new product. The authors of *Blue Ocean Strategy* claim that competitors who have redefined or created whole new businesses do so by changing the value gained by customers:

- Reducing or eliminating the unvalued elements
- Increasing or adding valued elements

To do so they employ a different business model than traditional competitors. For a while at least this allows them to enjoy an advantaged position in attractive markets.

In my experience this is a useful approach – but tends to produce incremental changes. After all, by drawing the current value curve you have anchored yourself. Still useful – but you need to consider ways to create more creative and radical options.