

# 5 Ps of Strategy with Examples

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# Description

- ▶ This is short course on how to understand strategy as a plan, ploy, as a position, as a pattern, and as a perspective.
- ▶ Each of these five ways of thinking is necessary to understand what strategy is, according to Henry Mintzberg.

# Five P's of Strategy

- ▶ Five Ps of Strategy according to Henry Mintzberg:
  - ▶ Plan
  - ▶ Ploy
  - ▶ Pattern
  - ▶ Position
  - ▶ Perspective

# Strategy as a Plan

- ▶ A plan is a carefully created steps that an organization intends to follow.
- ▶ It is a plan that is deliberately created and is implemented and followed.
  
- ▶ IT Service Industry Example:  
SAPs plans to converge everyone of its products, from its core business suite to its SaaS applications. SAPs plans to move to a cloud heavy business model.
  
- ▶ Airline industry example:  
Indigos plans to fly on short routes with ATR aircraft to tap the unexplored market routes to tier 3 cities.

# Strategy as a Ploy

- ▶ A ploy is specific move by an organization to outwit the competition. It can be temporary move also. Ploys are sometimes very creative.
- ▶ IT Service Industry/Service Industry Example:
  - Spicejet's promotion ploy to increase sales resulted in the airline increase its market share.
  - Jio's ploy to increase free offer beyond December 2017 to outwit competition (took competition by surprise)
  - Amazon's "no questions asked" policy is a ploy to woo Indian customers.

# Strategy as a Pattern

- ▶ A pattern is the way a firm is consistent with its decisions and action over time.

- ▶ IT Service Industry/Service Industry Example:

Subhiksha supermarket chain never had a consistent decision making and strategy to deliver. Expanded very rapidly to 1000 stores in 6 years.

Kingfisher airlines also had some inconsistent decision making, first operating as low cost airline and later exiting the low cost carrier business.

# Strategy as a Position

- ▶ A position refers to the organizations place in the industry relative to its competition.

- ▶ IT Service Industry/Service Industry Example:

Indigo's positioning as a low cost no frills airline (Competition: Spicejet, Jet Airways, Vistara)

Arvind Eye care is the world leading low cost eye care service provider (competition: Maxivision, Vasan Eye Care)

Dmart India is India's leading low cost retailer having more than 500 stores in India.

To gain competitive advantage (and success/profits) companies change positions. Example is Kingfisher which changed its position as low cost airline to full service airline.

# Strategy as a Perspective

- ▶ A Perspective refers to how the executives of the organization look at the competition around them. Executives who adopt unique perspective can lead firms to success.
- ▶ IT Service Industry/Service Industry Example:

Vishal Sikka's perspective of looking at Infosys when he took over as CEO.

Jeff Bezos: He looked at internet as potential sales channel and launched Amazon which sold books, today it is the world largest e-tailer.



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Thank you.

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