

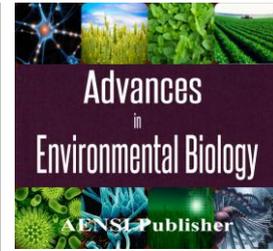


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How we Think Blue Ocean Strategy

¹Dr. Mohamad Reza Zabihi and ²Elaheh Zolfi

¹Department of Management, Nishapur Branch, Islamic Azad University, Nishapur, Iran.

²Graduate student Department of Management, Nishapur Branch, Islamic Azad University, Nishapur, Iran.

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ABSTRACT

The purpose of this paper is to examine new thinking strategy that is one of the most controversial issues in business world today, and it is the result of strategic thinking creatively. A new approach to strategic management, strategy and originality of the science indicates that can create a market without competition field, which allows it to operate and profit gained. And since management approaches and business strategies, the competitive environment of the twentieth century is increasingly disappearing, and Red oceans have not been heavily blood stained, Blue Ocean Strategy has challenged many assumptions of the mainstream of thinking in the business world. It may be new horizons and study leaders, managers, and strategists of the organization.

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INTRODUCTION

Now Eiji Omi (k.OHMAE) in his famous book entitled "Thinking of a strategist," states that if the fundamental issues are not identified, however, have physical and mental pressure on yourself and your employee, as a result you are confused and would cause the failure of strategic. Strategic thinking is not to "predict" the future. Strategic Thinking is the detection of properties of the contest and sees the opportunities that your competitors are unaware of it. [6]

In previous years, the main focus of strategic thinking is on the strategic competitive considering the competition in ingrained strategy patterns. With such an attitude, it is not surprising that organizations learned how to compete skillfully through the analysis of the underlying economic structure that is currently in progress take a strategic location such as differentiation, cost reduction or focus for themselves. But it should really be like this? Professor John Kim's research shows that the answer to this question is no. Although competition is a major problem, but too much focus on competitive strategy allows companies and researchers to overlook a very important aspect of the strategy. The important aspect is as follows:

Creation of a new market (or a new space in the current market) where there is no competition and thus no sense of competition and this is the Blue Ocean Strategy.

Mintzberg: Strategic thinking is the basis for creating strategies "Rule Breaker":

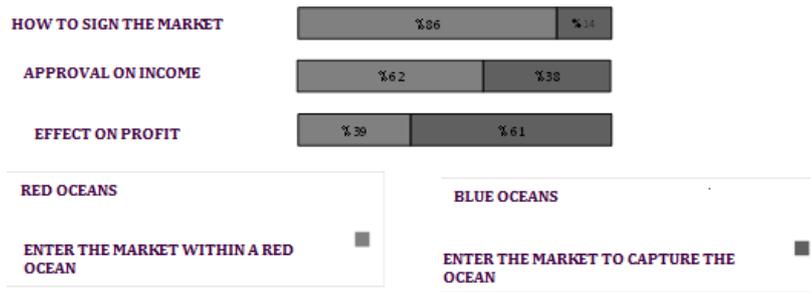
Understanding the logic of Blue Ocean Strategy:

Blue Ocean Strategy is the result of two decades of research and self-help on over 150 strategic movement around the world in over 30 different industries in the last 100 years that analysis on 30 industries that have implemented Blue Ocean Strategy shows, The Blue Ocean Strategy is created and captured by companies large and small, young followers managers, public and private organizations, manufacturing companies and service companies in the tech industry (Frofan), low-tech (Frofan), attractive and unattractive work. [3]

Many analysts believe that the success of Korean companies such as Hyundai, Kia, and Samsung etc. thanks to the widespread use of the Blue Ocean Strategy.

Profitability and revenue growth of companies that have succeeded in creating blue oceans is as follows:

Corresponding Author: Elaheh Zolfi, Graduate student Department of Management, Nishapur Branch, Islamic Azad University, Nishapur, Iran.
E-mail: Elahehzolfi@yahoo.com



In today's world, which is called the knowledge-based economy, organizations need to think about issues beyond the competition. Organizations are now attempting to seize new profit and growth opportunities to create blue oceans. [8]

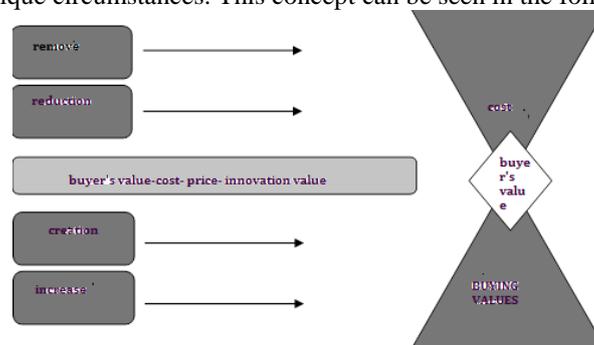
Rapid technological advances in the fundamental way improve the industrial productivity and have made it possible for the suppliers to produce an unprecedented collection of goods and services. The result is that we are faced with an increasing number of industries and supply outstrips demand. The process of globalization has exacerbated the situation. With the removal of trade barriers between countries and regions, global and inclusive and by creating instant access to product information and prices, specific markets and monopoly, are increasingly disappeared, while with the intensification of global competition, supply is increasing, no clear evidence exists for increased global demand and even statistics show that in many developed markets, the population is declining. Result of the rapid commoditization of their product and services, increasing price wars and declining have been the profit margins, recent studies on commercial signs in the industry, confirms this trend.

These studies show that for most major products and services of trademarks generally become more similar and as the similarities are more. People choose increasingly based on the prices of goods and services. People no longer insist that they must Tide should be their washing powder and for example, do not insist on Colgate or crest. In the industries where competitions are high and are too busy, brands distinguish between periods of prosperity and recession becomes harder. All this leads us to conclude that business environment in which most 20th-century approaches and attitudes about management strategies have been formed, we are increasingly fading the harder the conflicts of "Red Ocean" management needs to be more focus on the blue oceans, not rather than being a follower of the world is most common among managers.

Value Innovation: The Blue and the underlying strategy of creating value for customers and firms:

Blue Ocean Strategy is to introduce a set of methodologies of management and new tools to create an open space that is new and unrivaled that the goal is sustainable growth and performance of the company and to move in this pristine and untouched oceans and take advantage of it requires creative thinking on issues surrounding the industry and follows a different strategic logic and It's called Value innovation that is a new way of thinking about development and implementation of strategies that to create a blue ocean and withdrawing from the competition, and in fact is the cornerstone of a blue ocean strategy.

For this reason it is called the value innovation company that focuses on fighting skills rather than competitive, by creating value for customers and open up new spaces and no competition in the market, competing for their own unique circumstances. This concept can be seen in the following figure:



- Companies provide their customers with the blue ocean strategy to offer 'value innovation'. This value innovation is the innovative tech products with economic savings for the customer. The life jacket is for the companies. Six steps to implement the Blue Ocean Strategy, which is enumerated below, are risky.

Step One: The first step is to reconstruct market boundaries, this step must be within the scope of their business and to challenge assumptions and re-define.

Step two: the step must focus on the big picture. This means that should not be too busy with facts and figures that to be unaware of the general issues of the huge market situation.

Step Three: The third step is to go beyond current demand. It needs rather than focus on just meeting the current needs of the customer; and should consider the future and the future needs of their potential customers and analyze it.

Step Four: The fourth step is to observe the strategic sequence. This is a necessary step on what their plans are, to questions such as "Why one should buy this product?" Is the price right? "Is there a hindrance to the success of the product in the market? Reply.

Step Five: The fifth step is to overcoming the organizational barriers and these barriers are mainly due to the fear and conservatism managers to enter new areas of business that is run with a different language.

Step Six: Final step is implementing the strategy. For this purpose, it is better off implementing strategies in the context of the processes of your company. It is also essential given the precarious nature of entering the atmosphere of trust within the organization and to strengthen it.

For each of the above-mentioned principles of the methodology, tools and frameworks are presented for developing and implementing the strategy, that with a systematic and repeatable approach reach the designated goals. It can be noted that a number of them:

1. Strategic tableau, 2. Four steps framework. 3. Matrix of delete, cut, enhance, and create 4 Sequence of Blue Ocean Strategy, 5. Buyer utility map, 6. Three-layer framework for non-customer, 7. Led approach leading 8. Institutional precludes framework, 9. Triple principles of fairness.

The economic situation in the world shows the growth and reform of blue oceans, but general opinion is that the likelihood of success of companies that offer step beyond existing industries is lower than other companies. How can companies systematically maximize their opportunities while the risks are reduced to a minimum to create blue oceans? Of course, such a strategy is not without risk. [5]

Comparison of Red and Blue Ocean Strategy:

History teaches us that the organizations have the potential to greatly underestimated, a great capacity for creating new industries and reinvented the industry. [1]

After World War II, and after the period when the demand exceeds the supply, we reached the period of low market demand and much more supply. The reverse process, leading to fierce competition between the companies to grow and survive deadly, and it was bloody red competitive environment and corporate strategy was based on increasing market share and made the competitors outside the scope of stuck that is the same game of zero-sum game where one is winner and one will be loser. [2]

The current scope of the market in the red ocean strategy is like that the competitors are fighting with each other for acquisition of land. This management approach, derived from the military sphere in terms of business is common. While in the blue ocean strategy, business is done in a place where there is no competing jurisdiction and the scope is not limited and must be created in the new land, not the land owned or shared. [1] As well as the creator of its oceans may determine the rules and boundaries of the industry.

Based on what was mentioned, global market is likened to the two oceans: red oceans and turbulent, and the blue Pacific Ocean and unrivaled...

Red ocean symbolizes all types of industries that exist today and the competition rules of the game are clear. Companies try to achieve a better performance than competitors so that own a greater share of the market. Since the red ocean is crowded, profitability and growth potential is limited. Instead of blue oceans, there is no competitor, so there's tremendous potential for growth and profitability and a high potential demand for products and services associated with the ocean and the rules have not yet been developed. [4]

Blue Ocean Strategy	Red Ocean Strategy
Create new markets	Competition in existing markets
Create a space without competing	Elimination of competition
Create and seize new needs and demands	Meet the needs of the current market demand
(Make more profits and lower costs (remix	Balance between costs and benefits (Amendment)
Coordination of all activities in order to use the advantages of both differentiation and low cost strategies	Coordinate all activities with a low cost or differentiation strategies

Conclusion:

In today's turbulent world, what is more important is having a strategic thinking at the organizational level. Perhaps due to the rapidly changing environment, lost its effectiveness, strategic planning, and need to replace is felt. A systematic and practical approach in the short term can be restricted to strategic mutations. In such an atmosphere, enjoying the blue ocean strategic thinking to help organizations by creating new markets paddle and avoid fighting over market share. This paper proposed a model on a small scale, big repercussions for organizations looking that hope is a prelude to the development of other organizations.

The material in this article was from the much valuable book "Blue Ocean Strategy" which is used by two professors of Management and strategy, Harvard University and the institution of Management Development of Aynsyd France, by Professor de Blioojan Kim and Ms. Renee Mayournia, written in 2005.

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