

# Section A

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## Power of Competitive Advantage

- Competitive Advantage
  - Means possessing an advantage over your competition. It requires forecasting trends and industry changes and what the company needs to do to stay ahead of the game.
  - With competitive advantage comes: (FAR)
    - Agility → The ability to respond quickly
    - Responsiveness → IT capacity can be easily scaled up or down as needed
    - Flexibility → The ability to quickly integrate new business functions or to easily reconfigure software or applications
- Two components of profitability
  - Industry structure
    - Determines the range of profitability of the average competitor and can be very difficult to change
  - Competitive advantage
    - Allows company to outperform its average competitor
    - Can only be sustained by continuously perusing new ways to compete
    - IT competitive advantage is generally short-lived
- Strategic Planning
  - A series of processes in which an organisation selects and arranges its businesses or services to keep the organisation healthy or able to function even when unexpected events disrupt one or more of its businesses, markets, products, or services.
    - Tool for this is SWOT Analysis
- Strategy
  - The plan for how a business will achieve its mission, goals, and objectives
- Porter's competitive forces model
  - Threat of new entrants
  - Supplier power
  - Buyer power
  - Threat of substitute
  - Competitors
- What is market niche?
  - Small but profitable segment of a market suitable for focused attention by a marketer
  - Created by addressing needs or wants that are not being addressed by competitors
  - Focused on a particular type of product within a specific market segment
- How smart, connected products are transforming competition (PSC)
  - They have 3 core elements: physical components, smart components and connectivity components
- Primary activities
  - Business activities directly involved in the production of goods involving the purchase of materials, the processing of materials into products, and the delivery of products to customers
  - Inbound logistics, operations, outbound logistics, marketing and sales, service
- Support activities
  - Applied to any or all of the primary activities which may also support each other
    - Infrastructure, accounting, finance, and management
    - HR
    - Technology development, and R&D