#### **The Five Pillars of Strategy following The Great Recession** By Scott Romeo

#### **The Great Recession and Beyond**

#### **December 2007 – June 2009**

Year	US GDP	Global GDP	
2008	-0.3	1.8	
2009	-2.8	-1.7	
2010	2.5	4.3	
2011	1.6	3.11	
2012	2.2	2.4	
2013	1.7	2.5	
2014	2.4	2.7	
2015	2.6	2.7	

World Bank, 2015

#### **The Five Pillars**

**Corporate Business Model** 

Mergers and Acquisitions Strategic Alliances	Disruptive Innovation	Blue Ocean	Customer Intimacy
---	-----------------------	------------	-------------------

Strategy drives the foundation of an organization.

### **Mergers and Acquisitions**

- Definition: The purchasing or joining of two or more organizations
- Transaction oriented
- Institute for Mergers, Acquisitions and Alliances 2016: 14,812 M&A deals in N.A.
- Fortune: \$104.2M

# **Strategic Alliances**

- Definition: A mutual-value relationship between two or more companies
- Strategic Alliances vs. Joint Ventures
- Recession Impact Global
- 40% Success rate (Wharton, 2009)
- P&G: \$10B / 400 Products (Wharton, 2009)
- Tesla, Apple and Google

### **Disruptive Innovation**

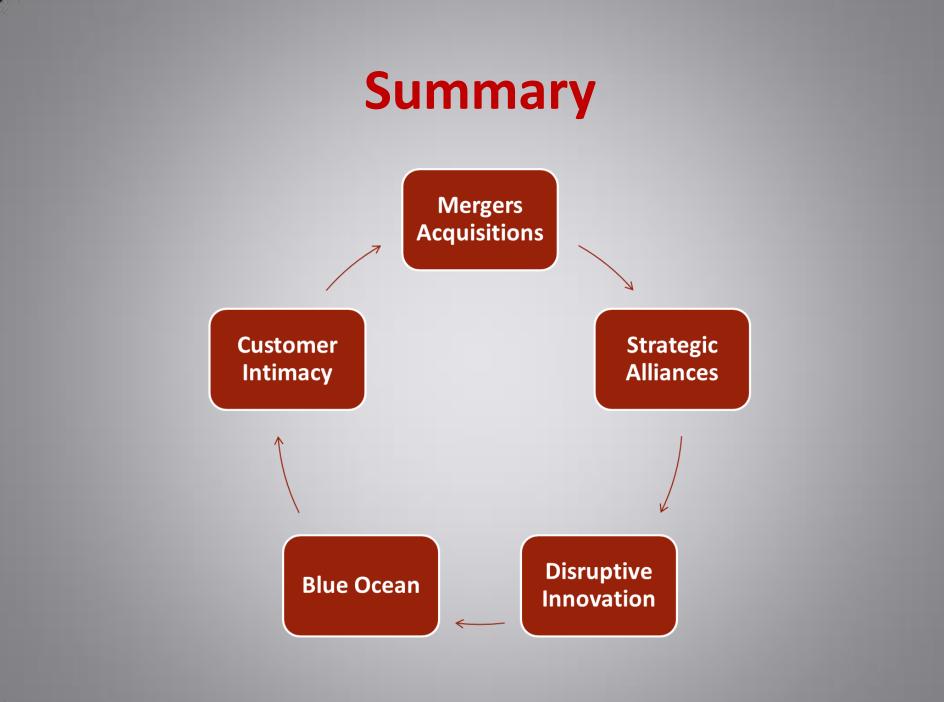
- Definition: Entering a low-end market with a new model or approach
- Examples
  - 3D printing
  - IoT
  - IBM Watson
  - Autonomous Cars

### **Blue Ocean Strategy**

- Definition: Finding new customers where little or no competition exists
- Blockchain in healthcare
- Domino's
- Kinesis
- Drinking water

#### **Customer Intimacy**

- Definition: Using VOC to intimately know your customer
  - Uber
  - Autonomous Cars
  - Fry's Foods
  - Amazon



#### What Strategy in the Future will Likely be of Importance

### **Operational Excellence**

# References

- *Gdp Growth Rate (annual %)*. (2015). Retrieved from http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG
- Knowledge @ Wharton. (2009). Can we innovate our way out of recession?. Retrieved from https://www.forbes.com/2009/07/01/strategic-alliancesinnovation-entrepreneurs-technology-wharton.html
- *M&A Statistics*. (2016). Retrieved from https://imaainstitute.org/mergers-and-acquisitions-statistics/
- Shen, L. (2016). Here Are the 5 Biggest M&A Deals of 2016. Retrieved from http://fortune.com/2016/12/28/mergers-and-acquisitionsdonald-trump/

#### **Continue the Discussion**

# Scott Romeo THE STRATEGY EXPERT® romeo@thestrategyexpert.com