

***Entrepreneurship***

***PRESENTED***

***TO***

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***Section (A)***

###  SUPERIOR UNIVERSIT

**Blue Ocean Strategy**

**By W.Chan Kim & Renee Mauborgne**

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**Review:**

Blue Ocean Strategy is a strategy whose authors are W.Chan Kim & Renee Mauborgne and write article of blue ocean strategy. In this article there is a example quoted and that is Cirque du Soleil, actually this is a company of entertainment which we can pronounced and that we called circus with full of joy, and fully entertained the audience. This company in a declining business of circuses they have managed to create a successful business.

Business world consist of two strategies and that is

**Red Ocean** means or it represents that existing firms, companies or industries, the known markets and their boundaries were defined. There are numbers of competitors who were try their best to grab whole market and for that purpose they just fight in the scene of grabbing the market with others. The prediction or forecast for profits and growth are reduced, and products turn into commodities.

**Blue Ocean** is an opportunity which identify or to think different from red ocean where there is a tough competition exist so for making or to introduce or to do something new by an entrepreneur they migrate from red ocean to blue ocean actually blue ocean is a such type of strategy in which there is no competition exist its totally clean and clear. The demand is created and to avail fully benefits regarding opportunities. In formulation and execution of blue ocean strategy it has been minimize risk and maximizing opportunities.

Red Ocean strategy is therefore all about competition. Blue Ocean is about creating doing business where there are no competitors, and creating new land. This focus on winning against rivals is evolved.

In blue ocean there are six principles of blue ocean strategy firstly there is formulation of principles and risks in which there were four points discussed firstly to reconstruct market boundaries then focus on big picture after that it reach beyond existing demand and then to get strategic sequence right whereas in formulation risk it seems at first it search risk, then planning risk after that scale risk and then business model risk. After formulation there is execution principal and risks in which two points mention and that is to overcome organizational hurdles that it has been faced and to build execution strategy whereas in execution risk we organized risk then that organized risk can be managed.

There are four actions that performed in a framework and that make a new value chain. Those four actions are creating, raise, eliminate, and reduce. There are six path in blue ocean to form competing with in industry, strategic group, buyers group, there is scope of products or services the offers, orientation of an industry regarding emotional functions and a major part that is time and to accumulate all these points that is to creating across.

To visualize case study there are four steps to visualize the strategy and that are awakening means compare your business with your competitors and design strategy and also see how much strategy needs to change, exploration means to go into field to explore six paths and that create blue ocean, strategy fair and communication and that paths use in different case studies in this article.

There are three tiers of non customers First Tier is noncustomers who are on the edge of market, waiting to jump, Second Tier is to Refusing noncustomers who consciously choose against your market Third Tier is unexplored noncustomers who are in markets distant from yours. The sequence of Blue Ocean is buyer utilities, price, cost, adoption and they all were interlinked with each other. There are different hurdles that may faced for execution of strategy four are mentioned in this article and that are Political hurdles, Motivational hurdles, Resource hurdles and cognitive hurdles.

**Conclusion:**

The purpose of this article is to make formulation and execution of blue ocean strategy as a systematic and actionable as competing in red water of known space. Author’s study how innovative companies break free from the pack by creating fundamentally new market places, that is, by creating new products or services for which there are no direct competitors. A different competitive mindset is needed by managers. Instead of searching within the boundaries of industry competition, managers should look across those boundaries and find unoccupied territory.