

Strategic Thinking

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Products @ Adobe, Scientific Games, TATA Elxsi
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MS Strategy, MBA @ Kelley School of Business
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Elements of strategy

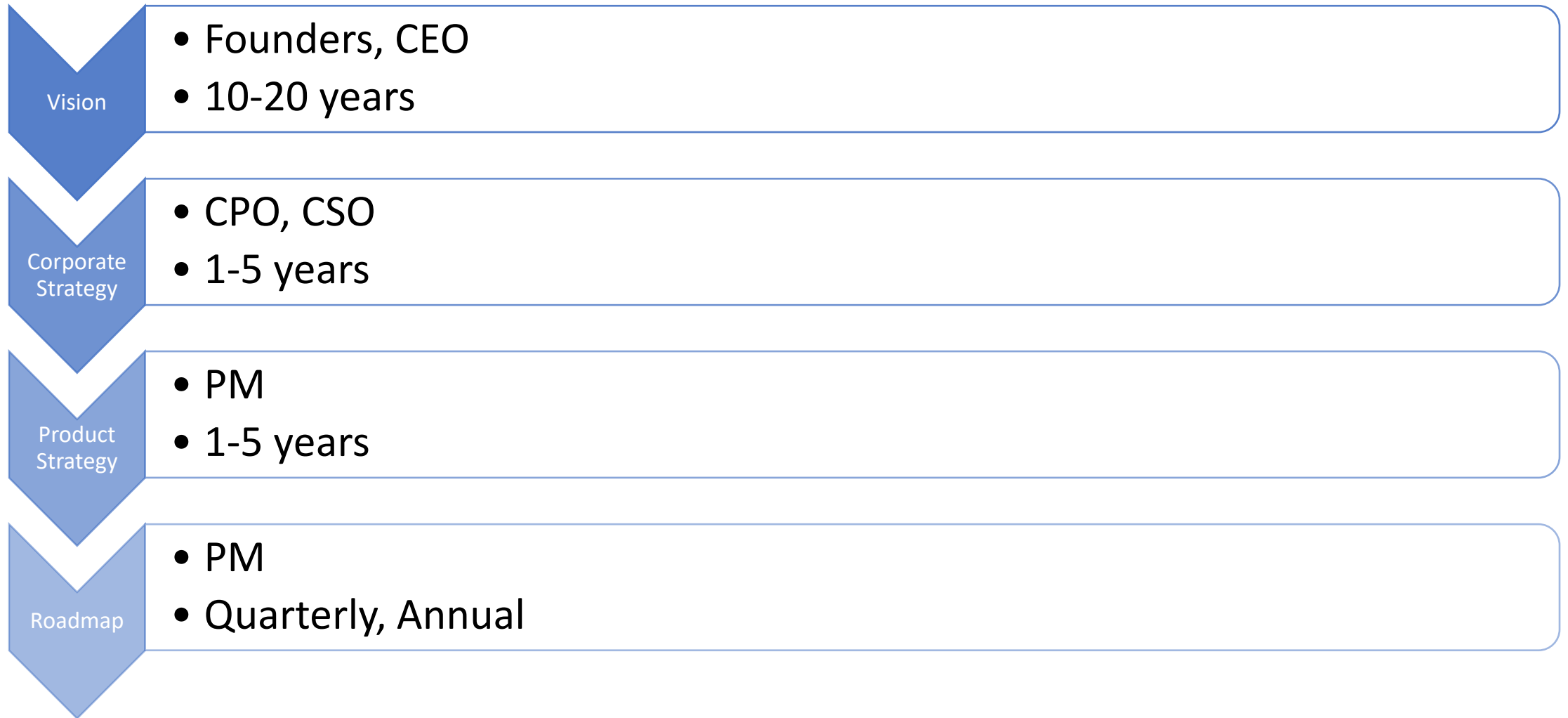
Strategy is both an art and a science.

Art – Experience, case studies

Science - Frameworks

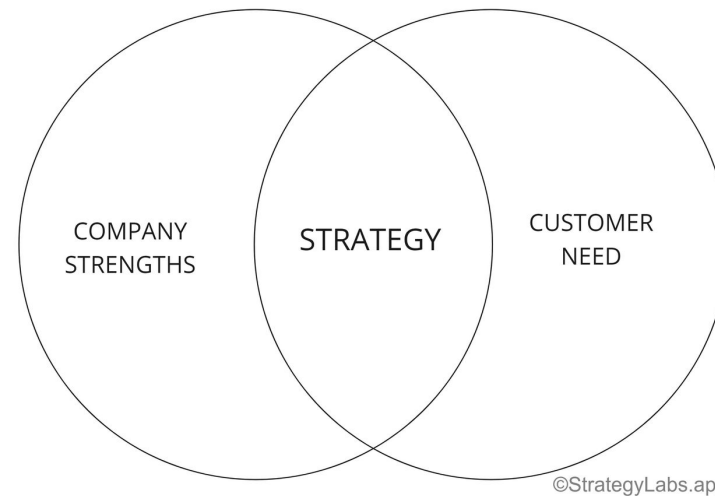


Where strategy fits in



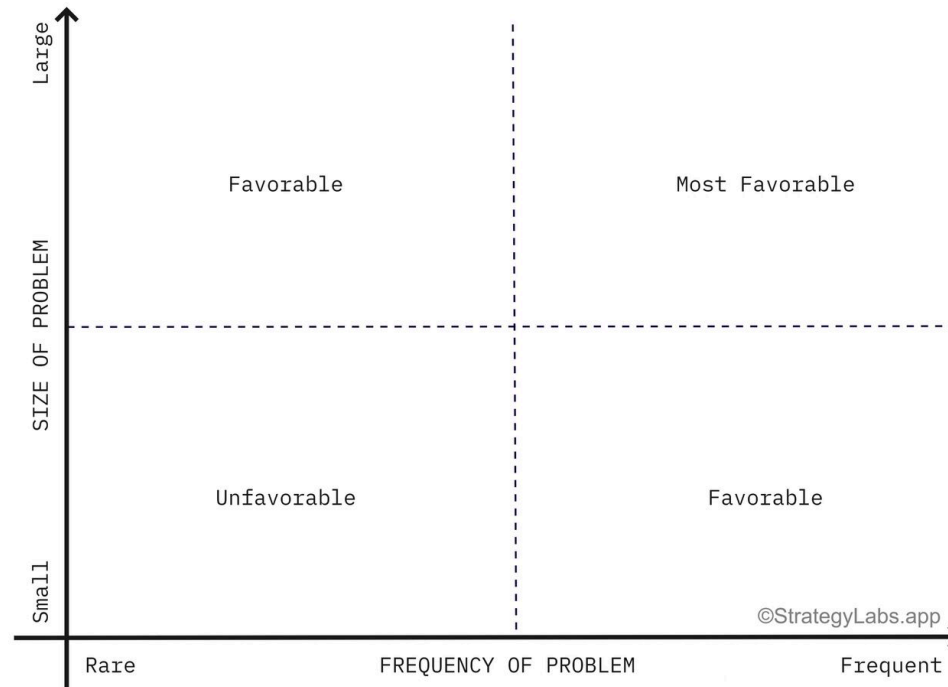
Defining strategy

Strategy is your future plan based on **your strengths** and **market needs**



Customer Needs Assessment

Ideally, solve for a **large** enough problem that is **frequent**



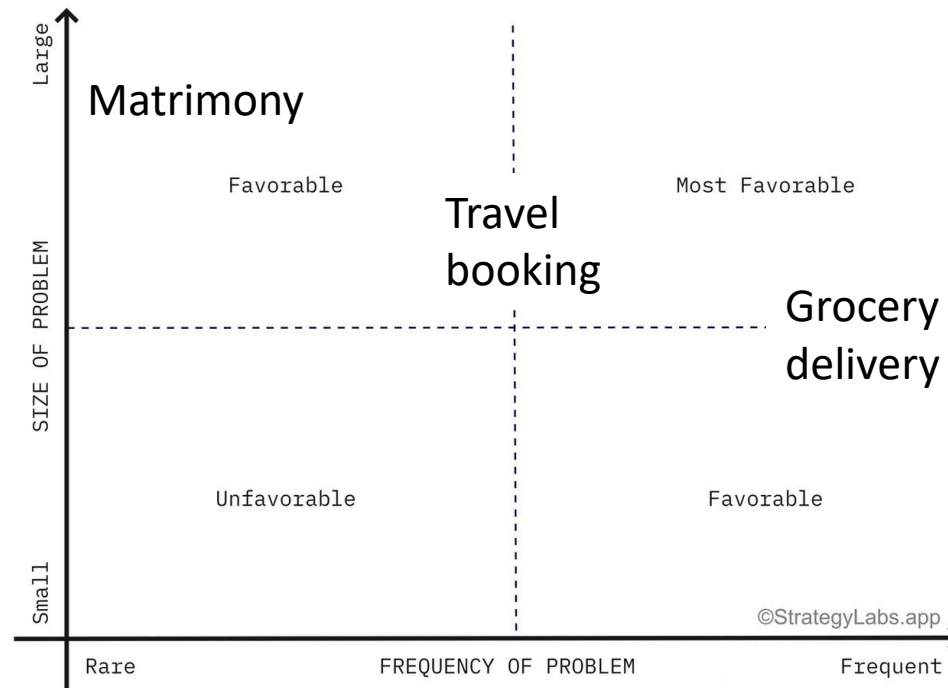
Matrimony

Travel booking

Grocery purchase

Customer Needs Assessment

Ideally, solve for a **large** enough problem that is **frequent**

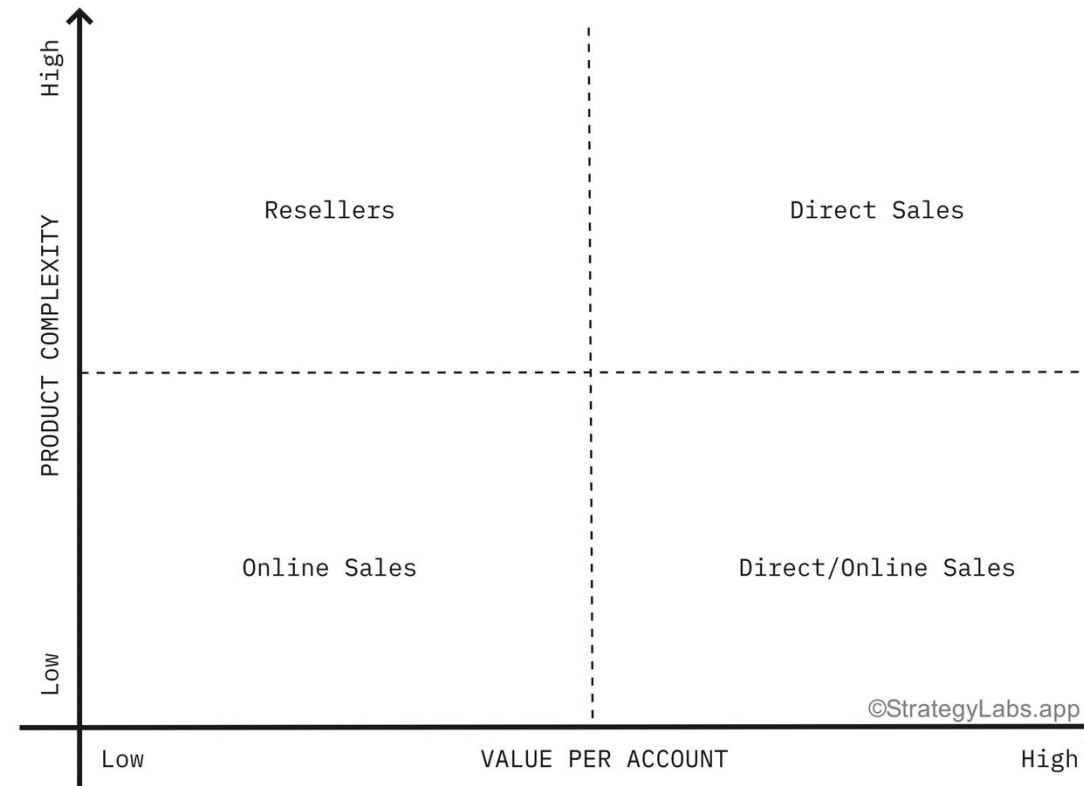


Company Strengths

Core strengths of a company are **GTM** and **Platform**

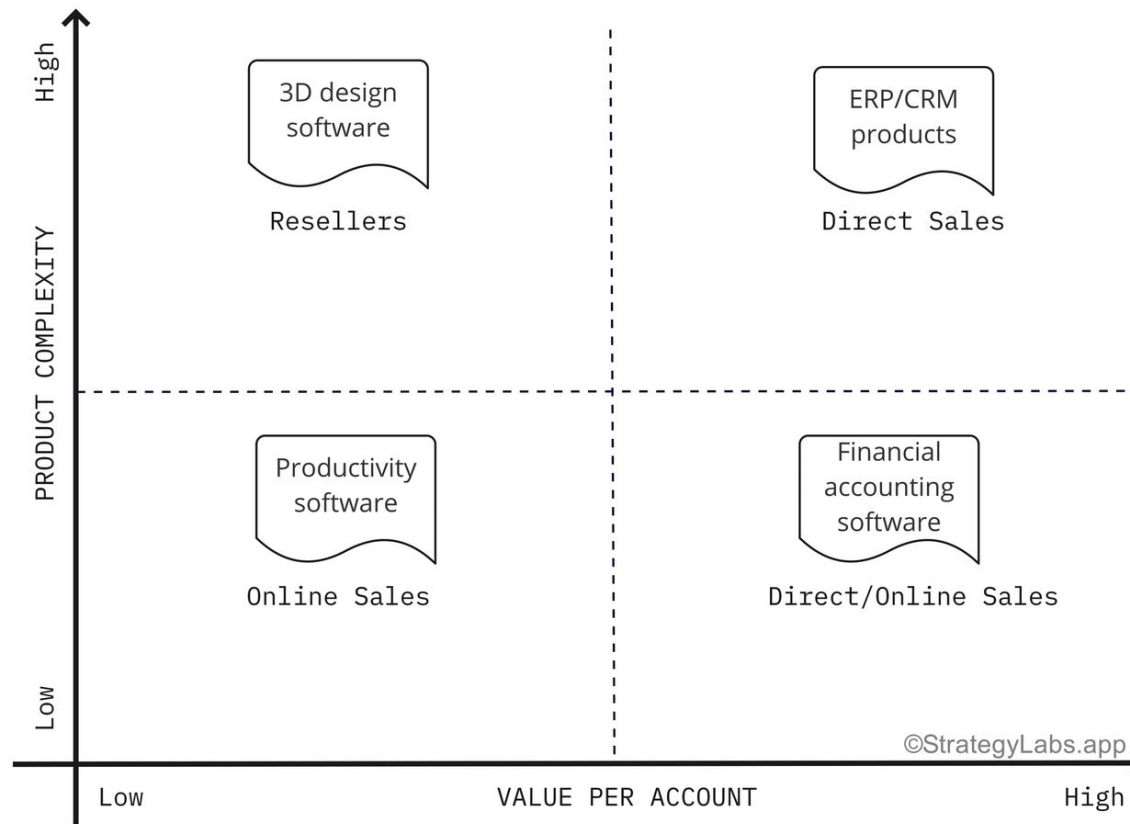
Company Strengths – GTM Evaluation

Channel depends on product onboarding **Complexity** and **Value per account**



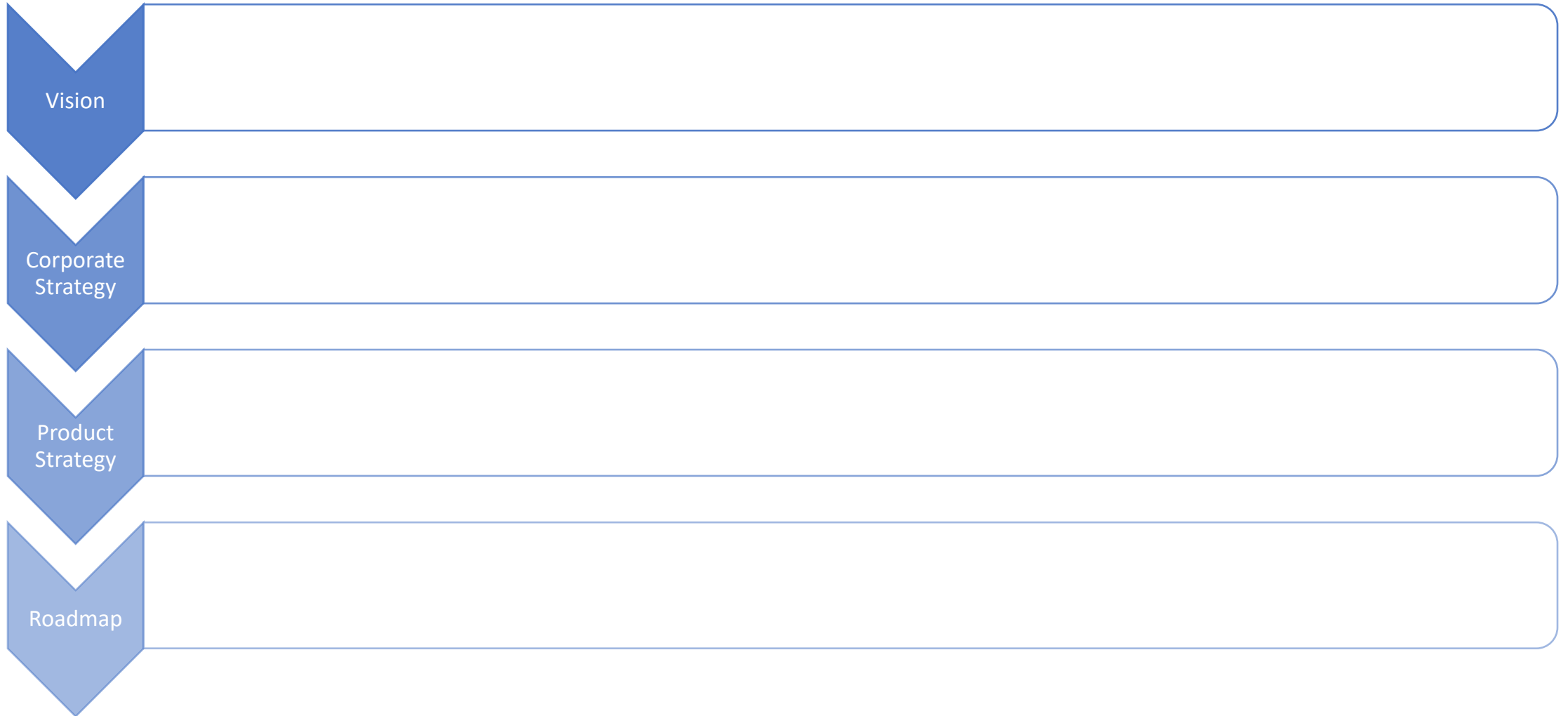
Company Strengths – GTM Evaluation

Channel depends on product onboarding **Complexity** and **Value per account**



Invest in new products that work well within the existing channel

Vision



Vision Framework

- Answers the **What**. What customer need are we solving?
- May answer **Who**. Target customers
- Is **broad based**
- Is **aspirational**

Vision – Example (Microsoft)

- What Improve the productivity of work
- Who For individuals and enterprise
- Broad based
- Aspirational

Empower every person and every organization on the planet to achieve more

1975
Vision

A microcomputer on every desk and in every home running Microsoft software

Vision – Example (HP)

To create **technology** that makes life better for **everyone, everywhere**

Product Roadmap derived from Vision

Vision statement		
Strategic Pillar A	Strategic Pillar B	Strategic Pillar C
Initiative 1	Initiative 1	Initiative 1
Initiative 2	Initiative 2	Initiative 2
Initiative 3	Initiative 3	Initiative 3
...

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Microsoft Vision

“To empower every person and every organization on the planet to achieve more”.

Microsoft Strategic Pillars

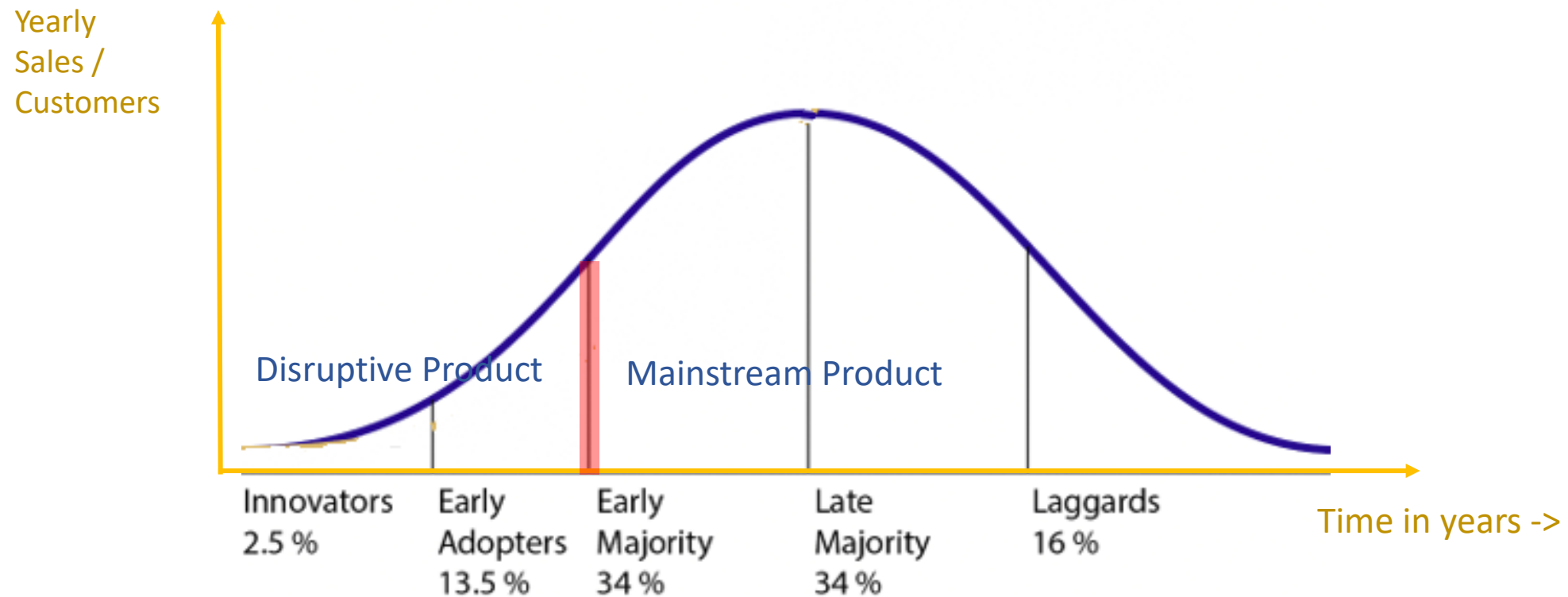
- Reinvent productivity and business processes
- Build the intelligent cloud platform
- Create more personal computing

Blog [Hacking Strategy - Part 2 - Defining the vision \(strategylabs.app\)](https://strategylabs.app/blog/hacking-strategy-part-2-defining-the-vision)

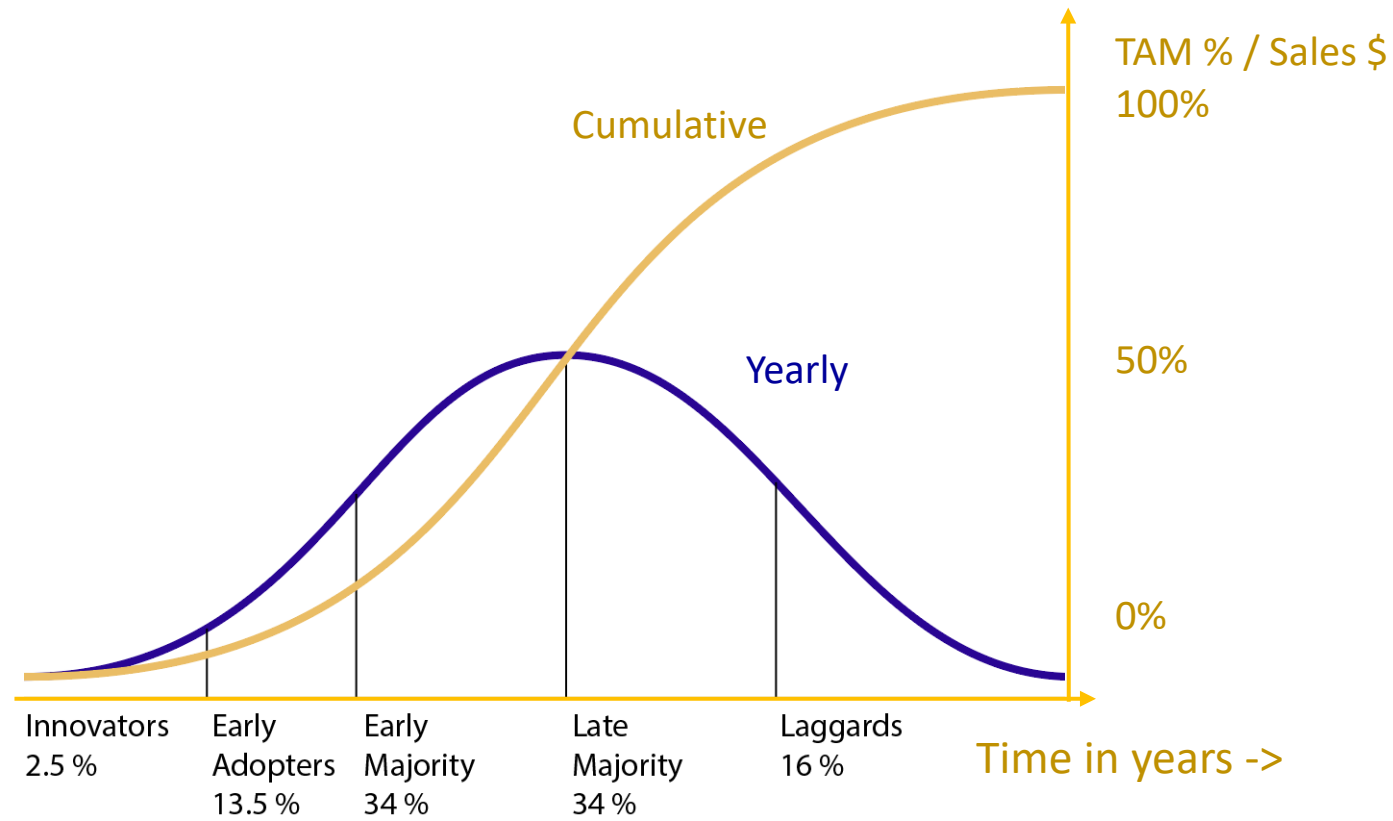
Product Diffusion Curve



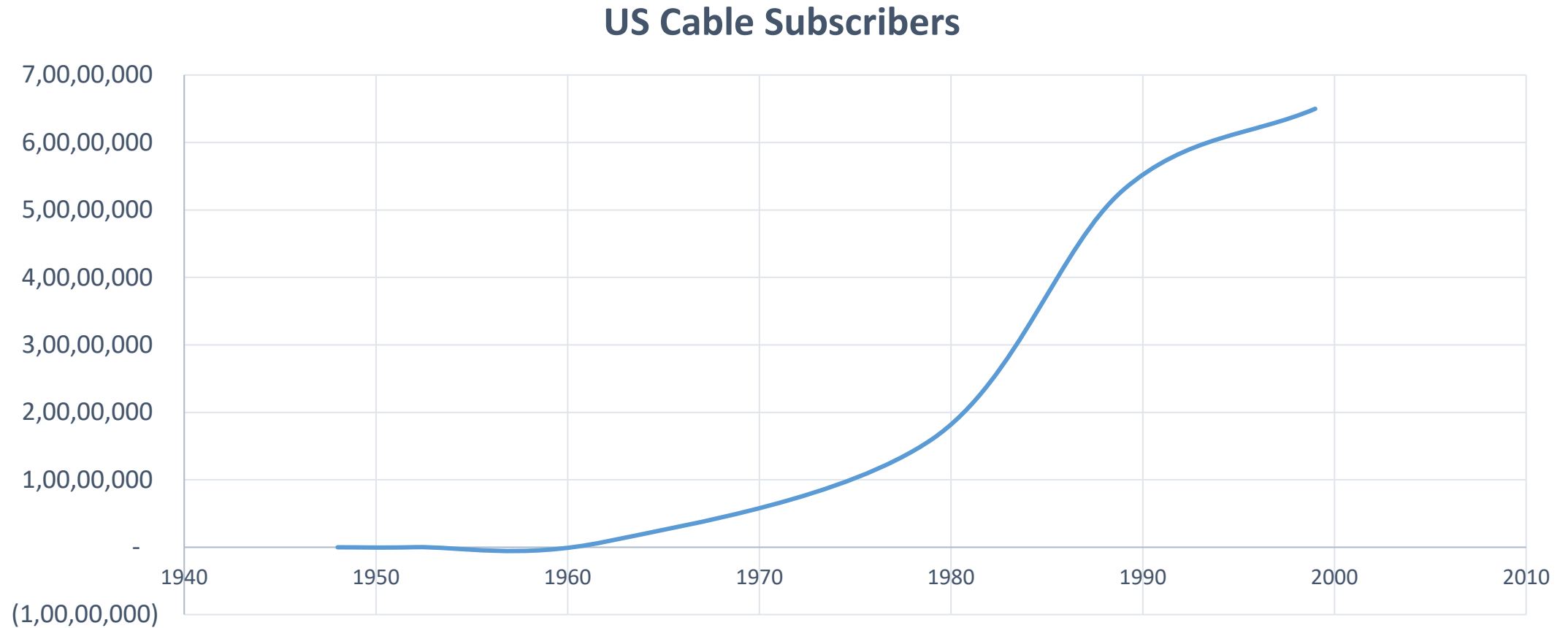
Let's start with the ubiquitous bell-curve



Product diffusion curve is cumulative bell curve



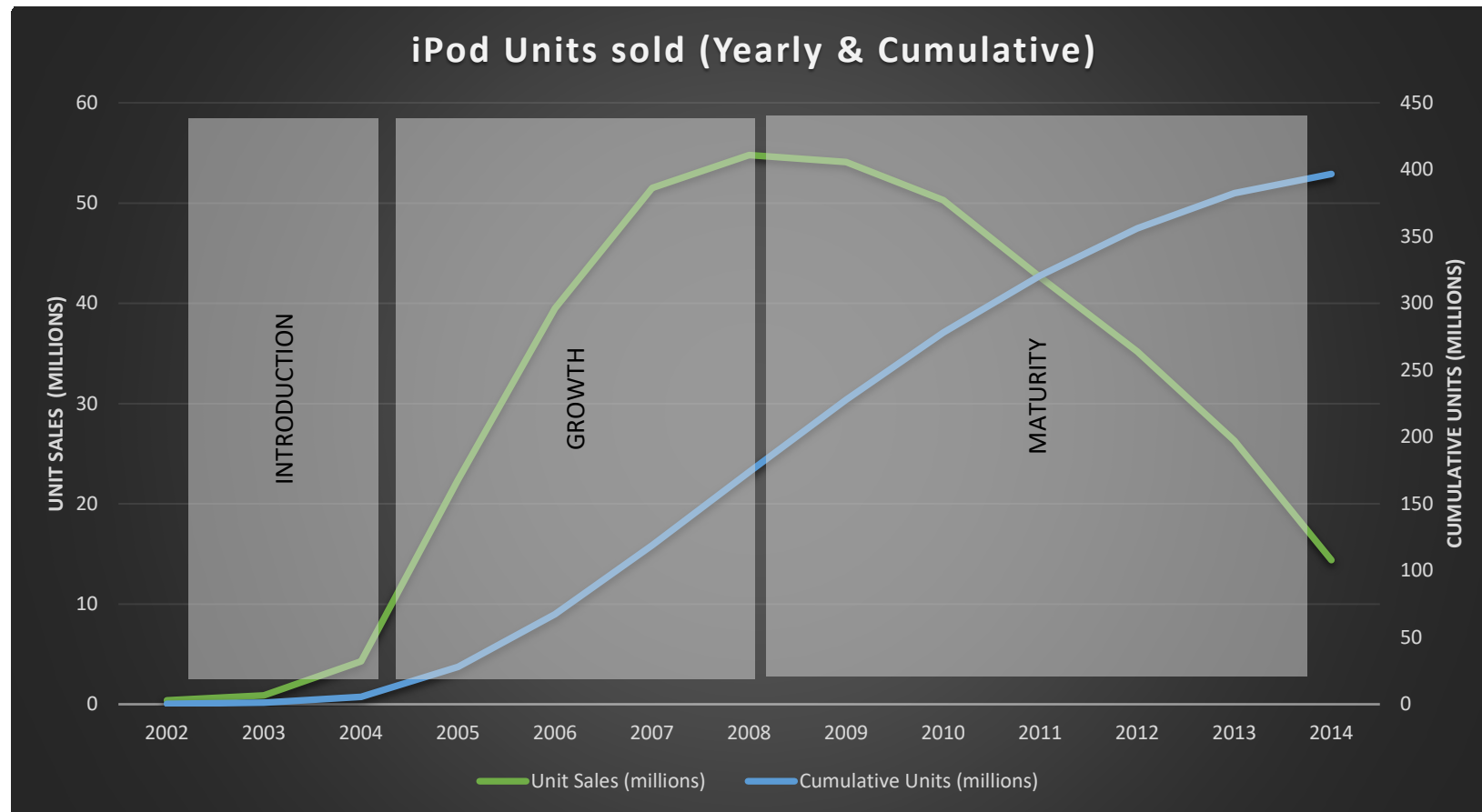
Is the product diffusion curve real?



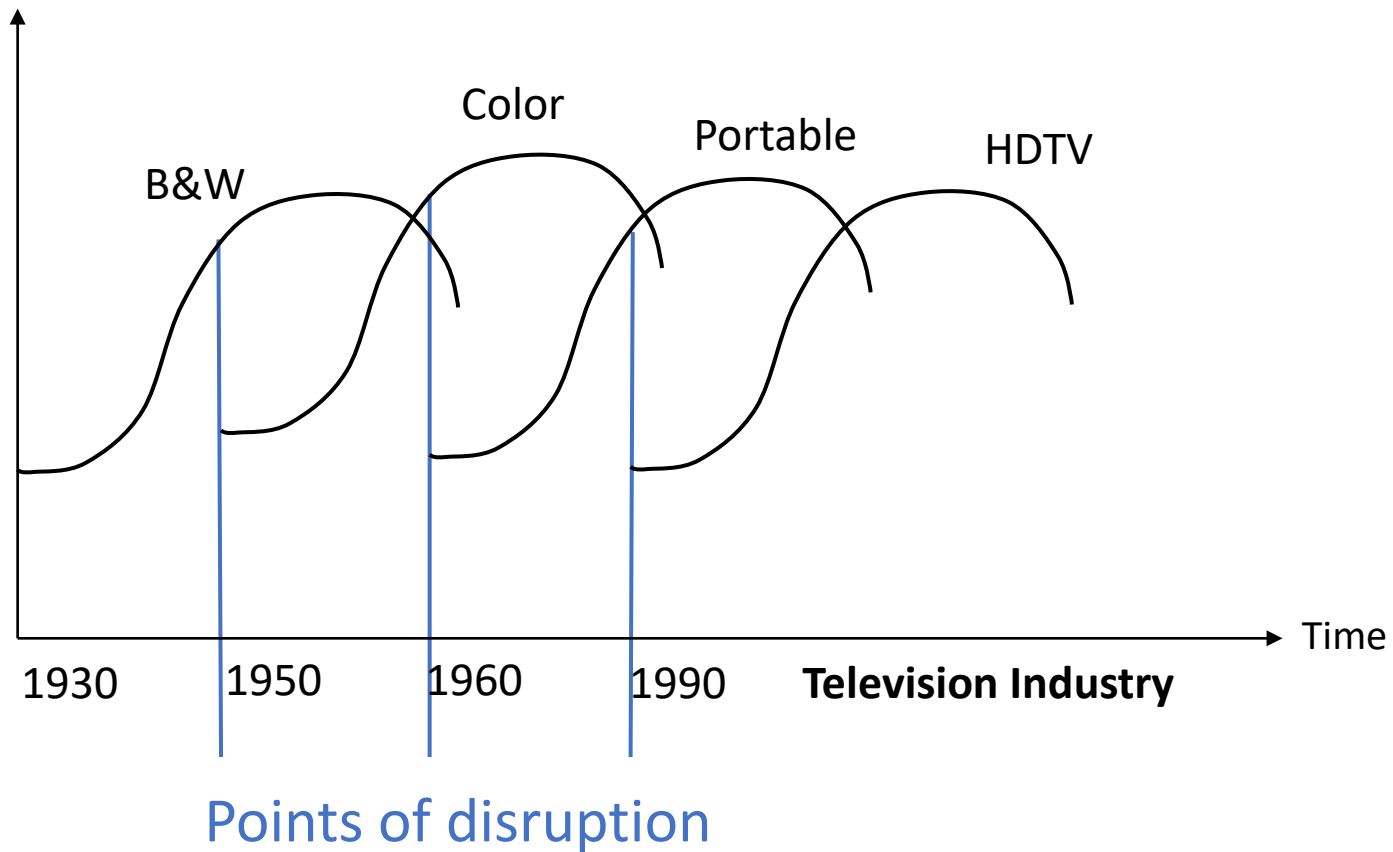
Source: <https://www.calcable.org/learn/history-of-cable/>

Is the product diffusion curve real?

S-curve & Bell curve



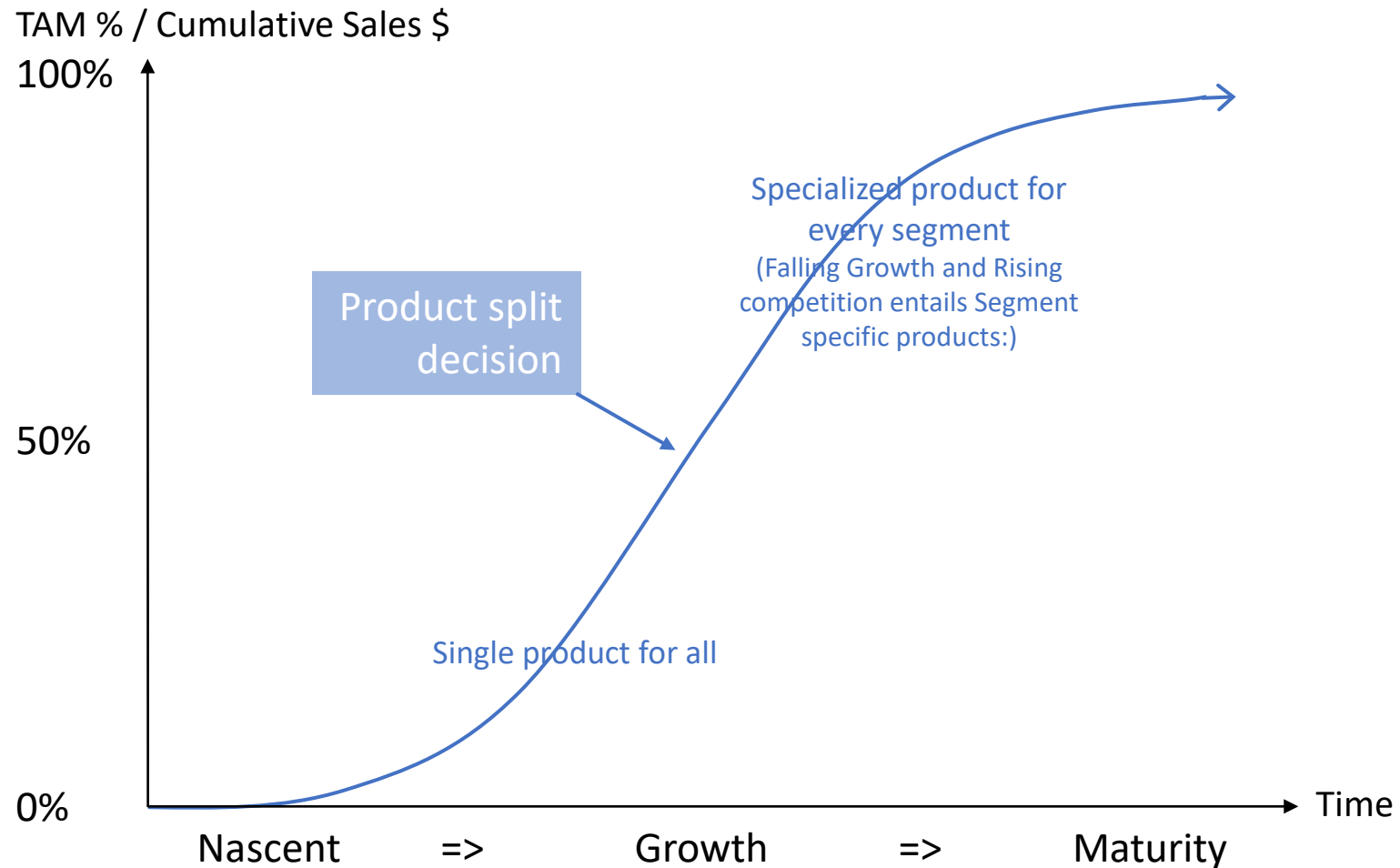
Life-cycle re-generation



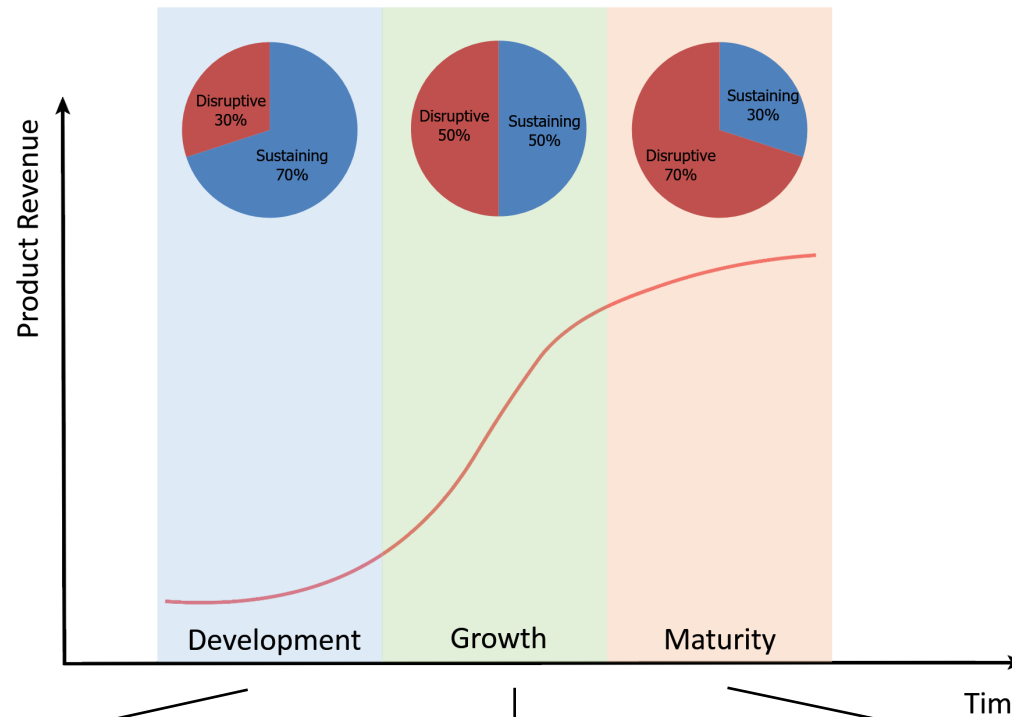
What about 3DTV?

AR, VR?

Products specialize on industry maturity



Product Diffusion Curve (Lifecycle stages)



- Primary goal: MVP to v1.0
- Start turning a profit on the R&D investments
- Own entire stack

- Primary goal: Adoption
- Deliver top requested features

- Primary goal: Retention
- Niche (segment specific) products and features
- Options

Use product diffusion curve to

Recognize whether to change strategy (at the entry of each stage)

When to split products

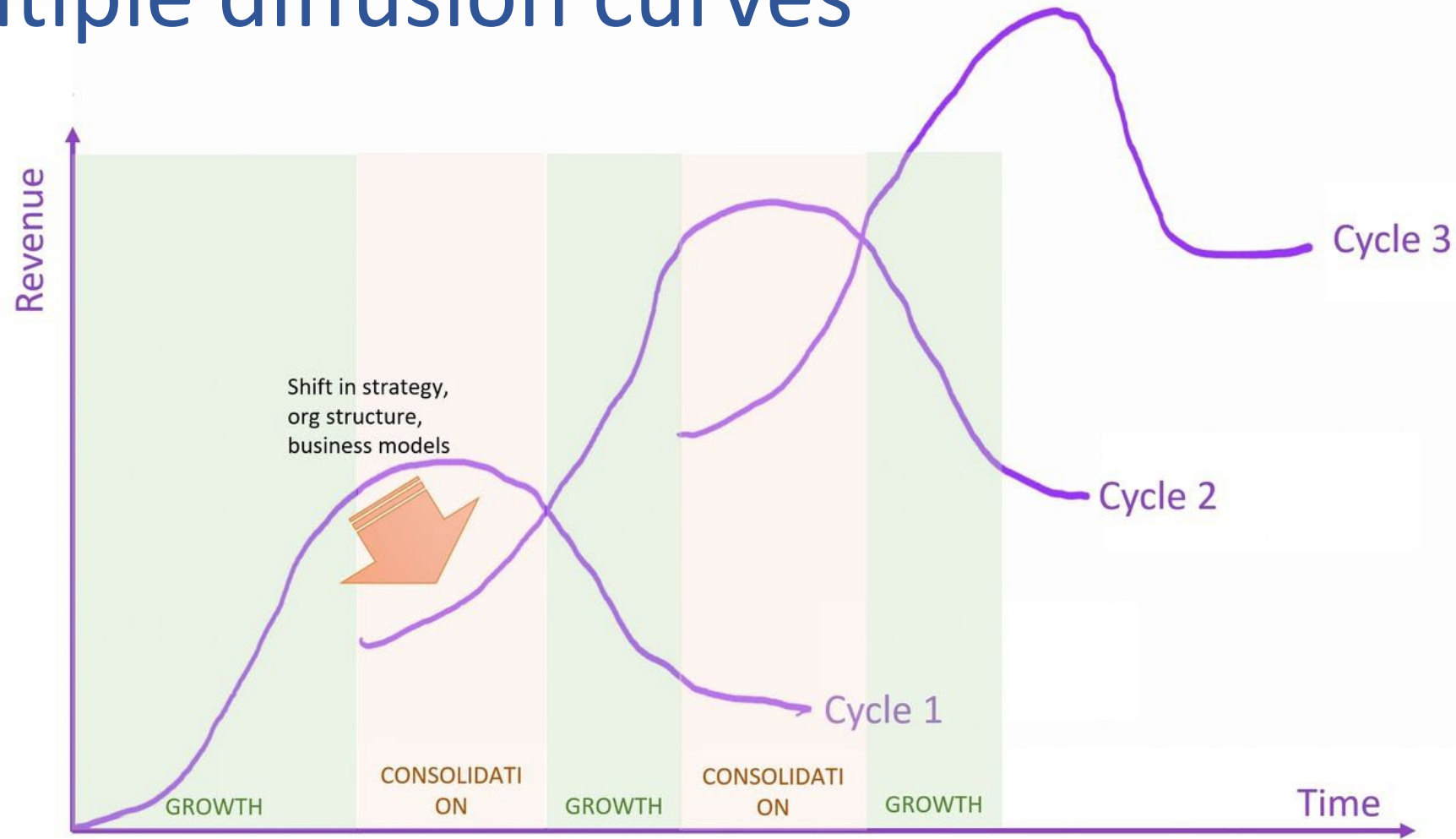
Know when to generalize or specialize

Know how to allocate R&D budgets

Surviving Industry Cycles



Multiple diffusion curves



Blog [Why do companies die? \(strategylabs.app\)](https://strategylabs.app)

Value Chain Analysis



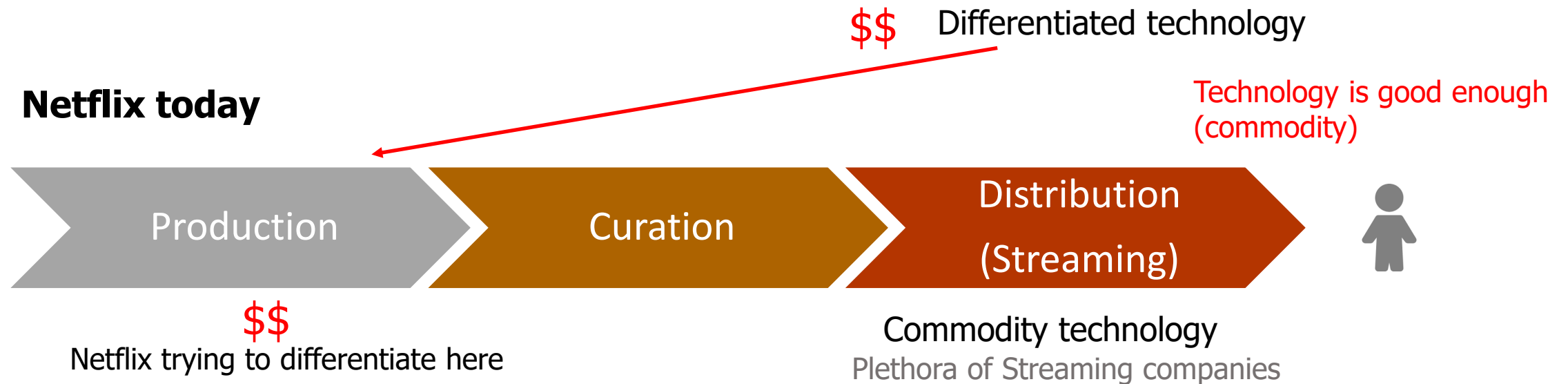
Value Chain Analysis

Netflix example

Netflix 2007



Netflix today



Use Value chain analysis to

Know where to innovate in the value chain (and therefore maximize profits)

Recognize disruptions that shift profitability in the value chain

Make partnerships/acquisition decisions to horizontally move across the value chain

Profitability



Teece Model

- David J. Teece (1986)

MODIFIED TEECE MODEL

Who will profit from Product Innovation?

	Tightly held GTM channels	Freely available GTM channels
Innovation easy to copy	Holder of GTM channel profits	Difficult to make profits
Innovation hard to copy	Partnership or acquisition	Innovator profits

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Blog [The most important factor in selecting Product Ideas to fund \(strategylabs.app\)](http://www.StrategyLabs.app)

Strategy at Work



The 3 Cs of strategy in practice...



- 1) **Create time:** Spend 10% of your time on long term strategy. Delegate ops to your team
- 2) **Contemplate:** Find quiet time and space, with just you and your white board thinking about strategy
- 3) **Cross-pollinate:** Borrow ideas from one place and apply it in another. Use the frameworks learnt to see which ideas may work where

Your Strategy Pitch to Executives

- Test the waters. Reactions to Theory are mixed
- Theory is hard, but powerful, use it to guide your thinking and approach. But don't emphasize theory in your pitch.
- Practical examples and stories is what people remember. Use frameworks but in the context of the practical business example

Strategy for Career



Ikigai Framework

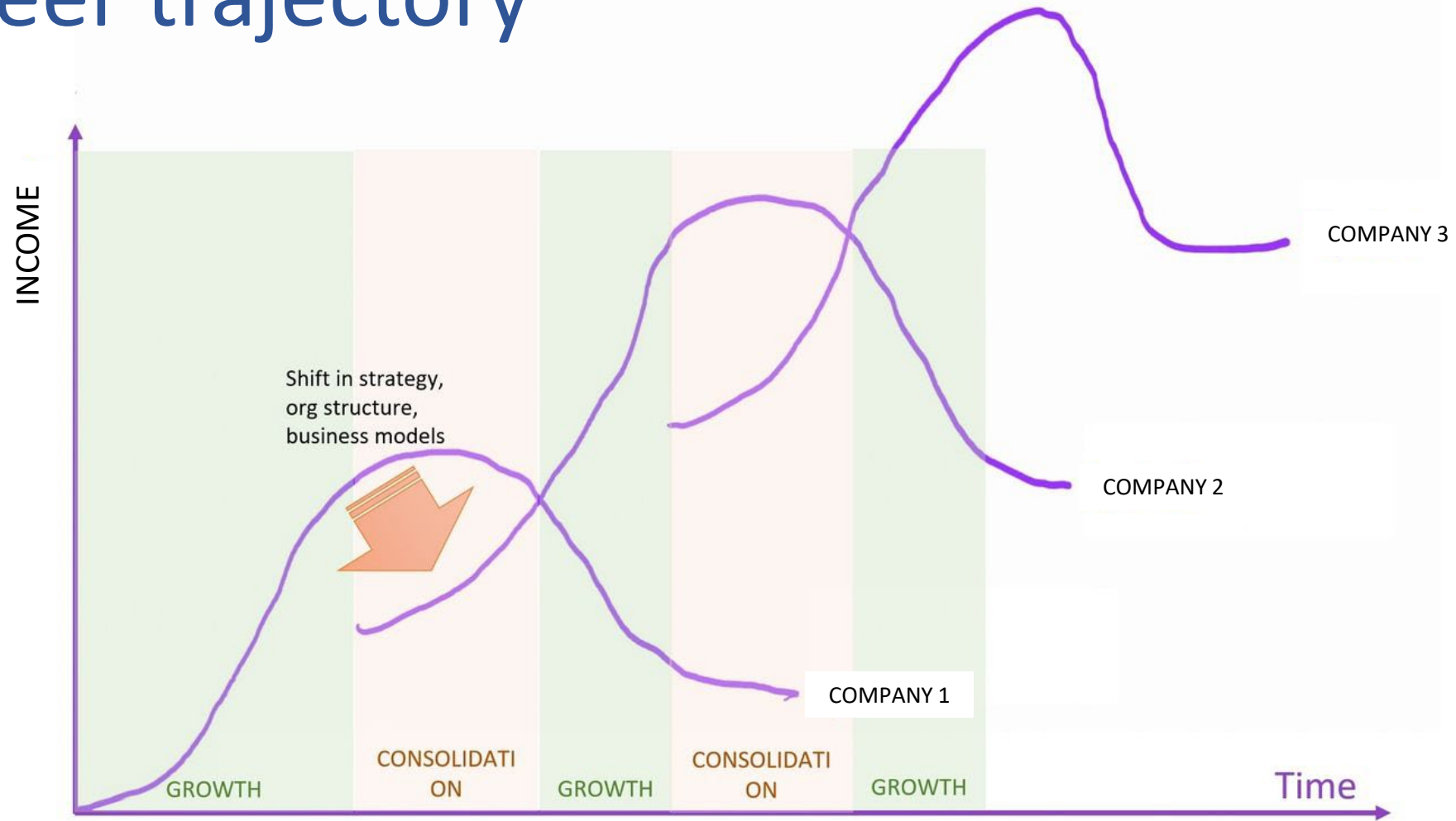


Ikigai

A Japanese concept meaning "A reason for being"



Career trajectory



Blog [Why do companies die? \(strategylabs.app\)](https://strategylabs.app)

Recap of Strategy Frameworks

1. Defining Strategy
2. Customer Needs Assessment
3. GTM Evaluation
4. Vision Framework
5. Product Diffusion Curve
6. Multiple Diffusion Curves
7. Value Chain Analysis
8. Teece Model
9. Ikigai Framework

Questions

