

KEY CONCEPTS – CHAPTER 2

Chapter 2	
analyzer	a business strategy based on maintaining a stable business while innovating on the periphery.
balanced scorecard	a comprehensive management control system that balances traditional financial measures with operational measures relating to a company's critical success factors.
competitive advantage	what sets the organization apart from others and provides it with a distinctive edge for meeting customer or client needs in the marketplace.
core competence	describes what the organization does especially well in comparison to its competitors.
defender	a business strategy that is concerned with stability or even retrenchment.
differentiation strategy	a business strategy that attempts to distinguish an organization's products or services from others in the industry.
focus strategy	a business strategy that concentrates on a specific regional market or buyer group.
goal approach	an approach to effectiveness that is concerned with an organization's outputs and how well the organization has met its output goals.
internal process approach	an approach that looks at internal activities and assesses effectiveness by indicators of internal health and efficiency.
low-cost leadership strategy	a strategy of increasing market share by keeping costs low compared to competitors.
mission	the organization's reason for existence; describes the organization's shared values and beliefs and its reason for being.
official goals	formally stated definition of business scope and outcomes the organization is trying to achieve.
operative goals	goals stated in terms of outcomes sought through the actual operating procedures of the organization.
organizational goal	a desired state of affairs that the organization attempts to reach.
prospector	a business strategy of innovating, taking risks, seeking out new opportunities, and growing.
reactor	a response to environmental threats and opportunities in an ad hoc rather than strategic fashion.
resource-based approach	an organizational perspective that assesses effectiveness by observing how successfully the organization obtains, integrates, and manages valued resources.
strategic intent	a situation in which all the organization's energies and resources are directed toward a focused, unifying, and compelling overall goal.
strategy	a plan for interacting with the competitive environment to achieve organizational goals.
strategy and structure change	change that pertains to the administrative domain in an organization.
strategy map	a visual representation of the key drivers of an organization's success that shows how specific outcomes in each area are linked.