



# Information Technology - Differentiator

*For the 4<sup>th</sup> Regulatory Period*

# Red versus Blue Ocean Strategy\*

| <b>RED Ocean Strategy</b><br>Focus on current Customers  | <b>Blue Ocean Strategy</b><br>Focus on non-customers                                     |
|--|--|
| Competitive in existing markets  | Create uncontested markets to serve  |
| Beat the competition   | Make the competition irrelevant  |
| Exploit existing demand  | Create and capture new demand  |
| Make the value-cost trade off  | Break the value-cost trade-off   |
| Align the whole system of a firm's activities with its strategic choice of differentiation OR low cost | Align the whole system of a firm's activities in pursuit of differentiation AND low cost |

\* Renée Mauborgne and W. Chan Kim, Blue Ocean Strategy, 2005

# The Traditional Target Goals Evolve Into Strategic Aims



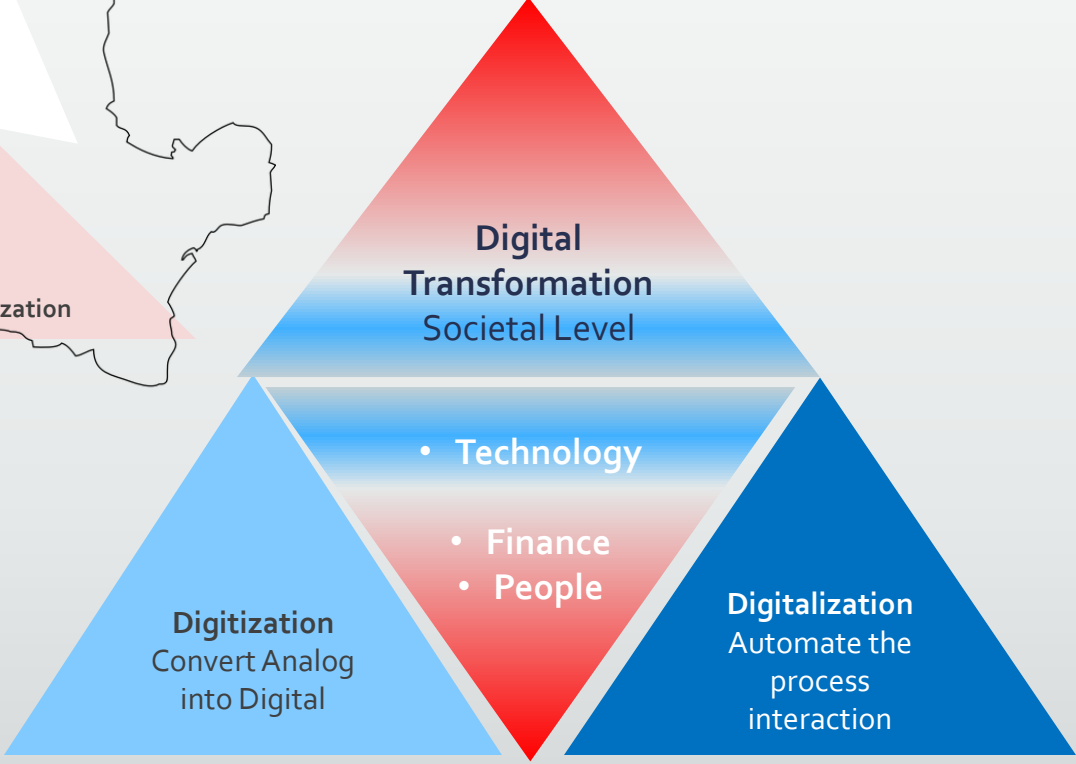
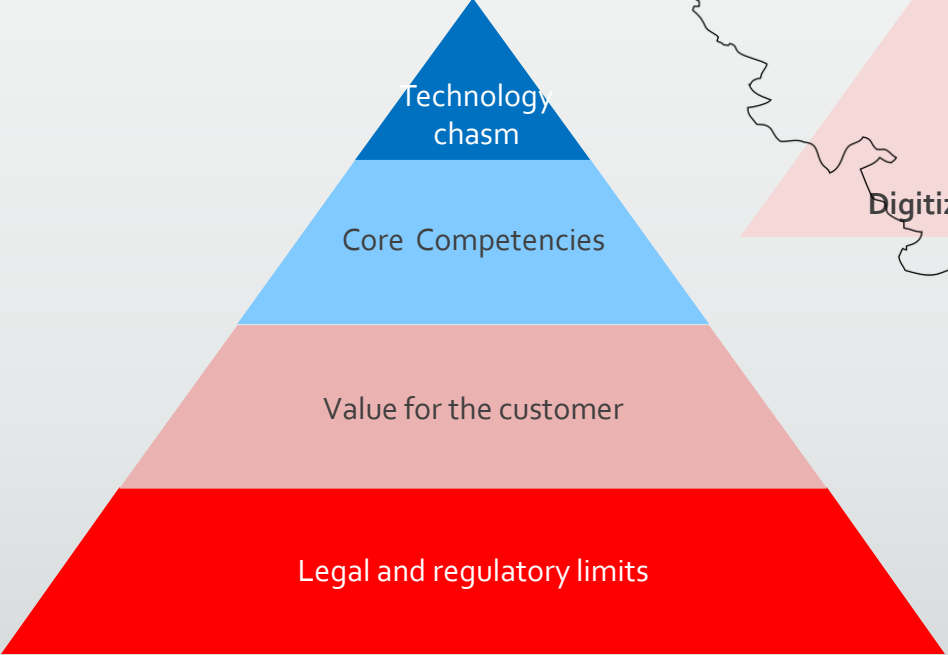
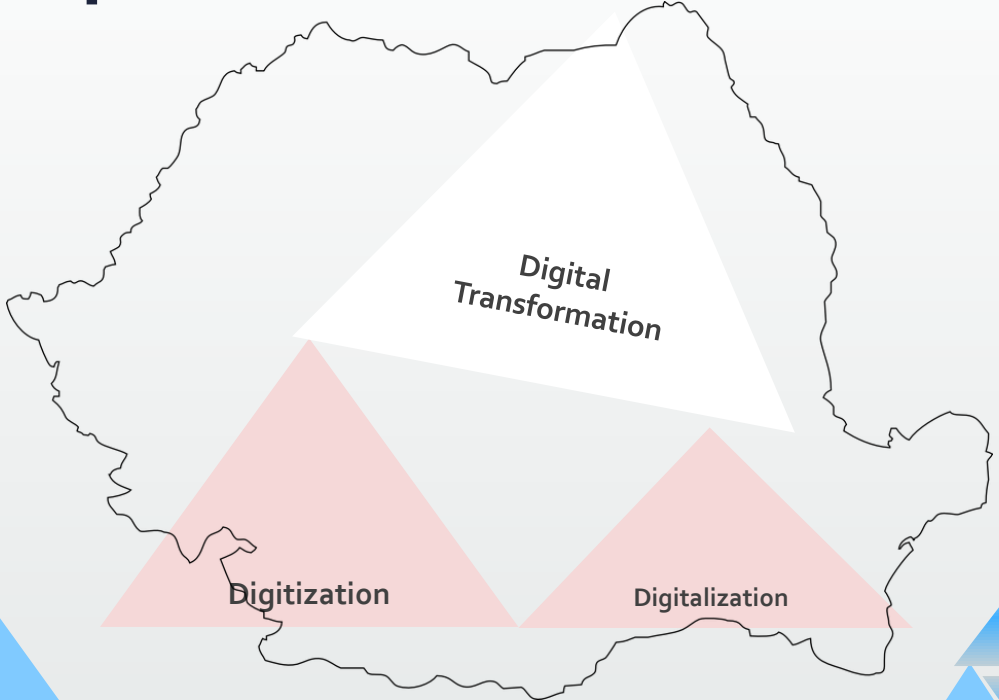
# Traditional Activities & Target Goals



# Strategic Aims & New Operational Areas



# Activities & Impact Areas Limitations



# Questions

Thank you for your attention!

