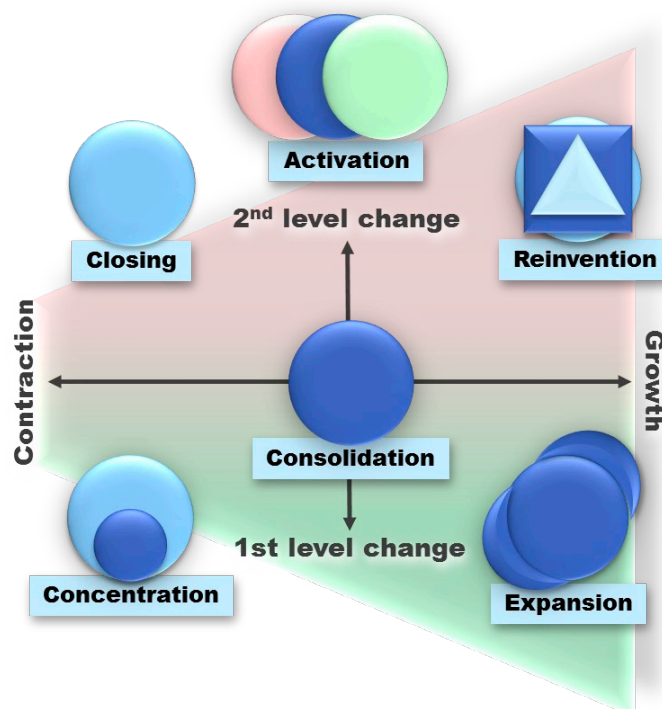


Basic strategies

Basic strategies are fundamental, strategic alternatives that cover potential directions. They are distributed across two axes: Change degree and Dynamic. Change degree includes first order changes (evolution) and second order changes (revolution). Dynamic goes from contraction to growth. Basic strategies are distributed on the resulting surface (s. illustration) and describe the general purpose of the direction (e.g. Reinvention means growth and 2nd level change). Basic strategies include defined strategies that will be implemented by respective strategic initiatives. The model reduces the variety of possible strategies to the defined basic strategies with their directions.

These basic strategies are reinvention, expansion, activation, consolidation, concentration and closing.



- **Reinvention**
 Reinvention is looking for radically new ways that enable growth, e.g. use of new technologies, development of new products and services as well as new business segments. This can lead to replacing old business models with new, productive ones. Potential strategies are business model reengineering, diversification (e.g. new product segments), radical repositioning (concerning Product, Service, Market, Customer).
- **Expansion**
 Expansion expands the existing approach step-by-step, e.g. new functions, styles, neighboring market segments. Established Business models are continuously extended. Possible strategies are kaizen (i.e. a continuous process improvement), Co-operation (e.g. joint ventures, merger), business process optimization (e.g. reengineering).
- **Activation**
 Activation is a consolidation of the existing approach. However, the identity of business models and communication are improved, e.g. new corporate identity, values, appearance, communication measures. The existing business model is retained, but represented in a new way. Possible strategies are CI-development (i.e. image development), cultural development (e.g. introduction of value orientation), and organizational development (i.e. development and communication of the value system).
- **Consolidation**
 Consolidation stabilizes the existing business model with all its elements, e.g. revision



Geführt ist nicht erkannt; erkannt ist nicht thematisiert; thematisiert ist nicht konzipiert; konzipiert ist nicht formuliert; formuliert ist nicht wahrgenommen; wahrgenommen ist nicht verstanden; verstanden ist nicht einverstanden; einverstanden ist nicht getan; getan ist nicht gekonnt.

of products, services, governance and business processes. The existing business model becomes stronger and prepared for future tasks. Possible strategies are market strategies (e.g. concerning product, placement, and promotion), value strategies (e.g. focusing on value disciplines) or standardization strategies (e.g. certification, support of standardization committees).

- **Concentration**

Concentration liberates the existing business model from elements that do not belong to the defined core business, e.g. process optimization, loss of tasks that are not core business (e.g. outsourcing of logistics). Possible strategies are lean management (e.g. focusing on core business), competition strategies (e.g. economies of scale) and resource strategies (e.g. focus on core competencies).

- **Closing**

Closing focuses on controlled dissolution of business models, e.g. shutdown of Enterprises or termination of cooperation. The respective business model disappears completely. Possible strategy is disinvestment strategy (e.g. sale or dissolution).