



Circle mapping your firm's growth strategy

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KEYWORDS

Growth strategy;
Knowledge
visualization;
Value proposition;
Customer segments;
Resources and
capabilities

Abstract This article offers an innovative graphical approach to facilitating an interactive discussion about identifying and assessing potential growth opportunities. Our approach, *circle mapping*, visually conceptualizes growth as occupying space, where market space is defined by a set of concentric circles. The circle presently occupied by the firm is defined by its current set of customers and the value proposition offered to them, while the outer concentric circles represent growth opportunities that are defined by new customers and value propositions. The process of circle mapping prompts leadership teams to formulate a growth strategy by visually mapping the value proposition for future customers in relation to the firm's capacity to access the resources and capabilities needed to successfully occupy those spaces. The model allows leaders to conceptualize growth strategies, such as leveraging success in one circle to target consumers in another. It can also allow leaders to evaluate the rewards and risks associated with different growth opportunities, while the visual aspect of the model assists with overcoming some common challenges of applying strategy frameworks to develop new strategies. By having leaders visually depict and justify where and why they want to grow, circle mapping helps firms conceptualize a profitable future and then confidently move toward that space.

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1. Visualizing growth strategies

Developing effective growth options for a firm is difficult due to the information overload associated with evaluating multiple options in

today's competitive environment. Generating growth strategies involves simultaneously being aware of multiple environmental factors and trends, competitors, customer value propositions, government regulations, etc. The ability to integrate these into profitable strategy is a daunting task for many leaders (Eppler & Platts, 2009). In our experience, leaders struggle to assimilate the information needed to generate growth options that successfully exploit the company's resources and capabilities. This discussion is further complicated

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as leaders are typically given large amounts of data derived from various strategy frameworks. We have witnessed leaders struggling to cope with information overload, watching them satisfice by only focusing on what they understand. This typically results in incremental improvements to the firm's current strategy because it is easier to formulate and explain small changes than to conceptualize and explain how the firm's resources and capabilities may be leveraged to generate growth in tomorrow's markets.

To address the challenges of generating profitable growth options, we turned to the writings by Sun Tzu in *The Art of War* on occupying space. Unlike conventional military strategists, Sun Tzu avoided direct confrontation with enemies because such confrontations are often unpredictable and may result in potentially damaging losses. Instead, Sun Tzu promoted the idea of overtaking enemies by occupying the space around them through a series of small wins (Sun Tzu, 1910/2005). By combining Sun Tzu's ideas with the literature on value propositions, we developed a conceptual growth-mapping tool called *circle mapping*. Growth in circle mapping is not about defeating competitors but rather identifying attractive spaces to occupy, where the space is defined in terms of new value propositions and/or new customers. While Sun Tzu speaks of tactically beating back the enemy to occupy geographical space, in business we speak of beating rivals to occupy the cognitive space of target customers. Circle mapping is a visual tool that simplifies the ideation process for senior management teams when thinking about future spaces so that they can develop effective growth options. Research shows that visual mapping tools lead to generation of higher-quality alternatives by mitigating the cognitive and social challenges faced by teams of senior leaders, as well as enhancing buy-in to the growth strategy that is ultimately selected (Eppler & Platts, 2009).

Currently, leaders and practitioners attempting to generate growth opportunities use several well-known, traditional strategic frameworks to analyze their firm's external environment (e.g., Porter's Five Forces (Porter, 2008), PESTEL (Aguilar, 1967)) and internal environment (e.g., resource-based view (Barney, 1991), value chain analysis (Porter, 1985)). While these existing frameworks are effective for scanning the firm's internal and external landscape, they can be enhanced by using a tool that helps to identify growth opportunities. A key strength of circle mapping is that it is a strategy development tool that builds on and complements tools like PESTEL, Porter's Five Forces, VRIO, and

value chain analysis, which are strategy analysis frameworks.

By breaking down the analysis of the firm's environment into smaller, manageable parts, traditional strategy frameworks help leaders generate lists of relevant factors to consider when developing a strategy. These frameworks provide the data needed to develop effective strategies, but we argue this data needs to be placed in a visual tool to enable an effective discussion of growth options. As we later describe, when leaders use circle mapping to draw concentric circles beyond the one they currently occupy, they are building and testing new growth strategies with their senior leadership team.

In the sections that follow, we briefly discuss the concept of growth through space and the need to link value propositions to the firm's resources and capabilities to create an effective growth strategy. We then describe how circle mapping works and why it works in terms of leveraging key principles of strategy and space, and the benefits of using knowledge visualization to conceptually map the firm's growth possibilities. Last, we offer steps for applying circle mapping and illustrate with a case example from practice. For each step, we also provide guiding questions to facilitate the leadership team's progression through the circle mapping process.

2. Circle mapping origins

2.1. The principle of occupying space

The idea of occupying space can be traced to early Chinese military writings by Sun Tzu (1910/2005) in *The Art of War*. Sun Tzu advocates for winning through a series of small encounters with the overall goal of occupying space, rather than conquering the enemy through one decisive battle. Sun Tzu's idea directly aligns with the Chinese game called Go. The objective of Go is to tactically place stones on the board with the purpose of occupying as much space as possible (Lai, 2004). In contrast, traditional Western thinking tends to view warfare and strategy like a chess game (Lai, 2004) in which the goal is to take out as many opponents as possible while moving forward. The idea of occupying space is a change in mindset for many senior management teams that typically follow a chess-like logic of attacking competitors head-on, rather than following the logic espoused by Sun Tzu and used in the game of Go.

We analogize Sun Tzu's concept of fighting for geographic space that is occupied by enemy troops to businesses fighting for customers' cognitive

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