Blue ocean strategy vs. michael porters five forces strategy

[Your full full May 11, Blue Ocean Strategy vs. Michael Porter’s Five Forces Strategy Before going to compare blue ocean strategy and Porter’s five forces strategy, let us get a better understanding of what these strategies actually are. Blue ocean strategy is that form of business strategy, which focuses on bringing substitutes in the market instead of falling into competition with such products, which already exist in the market. On the other hand, Porter’s five forces strategy, often known as one of the red ocean strategies, determines the competitiveness and attractiveness of the market in order to know the opportunities and threats that exist for a company’s products in the market. Blue ocean strategy differs from the Porter’s five forces strategy in a sense that blue ocean focuses on the bigger picture of the market by bringing substitutes whereas Porter’s strategy focuses on completion in the market. Competitive rivalry, threat of substitutes, and threat of new entrants are such forces of Porter’s five forces model, which represent the focus of a company towards competition with other companies. According to the blue ocean strategy, redefining the terms of competition by reconstructing the market boundaries is a much better strategy than falling into the competition. The main purpose of implementing blue ocean strategy is to make the competition irrelevant instead of beating the competition. Another difference between the two strategies is that Porter’s five forces strategy focuses more on the present customers of a company, whereas blue ocean strategies make the companies focus more on potential customers. Corporate Strategy and Corporate Social Responsibility Corporate strategy and corporate social responsibility play a vital role not only in improving organizational performance but also in ensuring long-term success of a company. Corporate strategy focuses on stakeholders’ expectations and includes such functions, which help a company achieve and maintain improved performance and productivity. In any company, if managers take their decisions based on the guidelines of the corporate strategy, it definitely results in improving the company's performance in the market. It is because a well-structured and measured corporate strategy assists managers and senior executives in dealing with the business challenges effectively and efficiently by guiding them in different strategic decision-making processes. Corporate social responsibility is also a very important business concept, which needs to be aligned with all business functions in order to achieve excellence. Corporate social responsibility means to create a positive image of a company by integrating social norms and ethics in all business practices. " Corporate social responsibility is the manner in which a company incorporates ways of mitigating the effects of its activities into its overall business philosophy" (Francis). The goal of implementing the practices of corporate social responsibility is to create a positive image of the company in the minds of the company's customers, employees, and stakeholders. The business practices of a company, which are based on corporate social responsibility, increase public's interest in the company that results in improving the company's performance and productivity. Having discussed corporate strategy and corporate social responsibility in the business context, we can say that both of these concepts play a critical role in ensuring improvement and long-term success of a company. Works Cited Francis, Jamie. " What Role Does Corporate Social Responsibility Play?." Ezinearticles. com, 29 Nov. 2010. Web. 11 May 2011. .