

Instant Practice Builder

Rainmaker Protégé Course

Instructor Guide – Session 105
Introduction To Tactics

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Introduction To Tactics

Notes:

Tactics are activities and the tactics you choose to implement in your Business Model are reflected in your choices of Distribution and Marketing Channels.

Take the example of Harvard and Stanford graduate business schools. Harvard has set a policy of standardized lectures where some classes have as many as 900 students, broken into sections or groups of more than 90 students each. They have chosen a strategy of delivering a standardized product or service.

In order to meet the demands of this strategy Harvard's had to implement a tactic that required developing a strong core of set educational materials and structuring their faculty with instructors co-teaching, all so they could meet the requirements of their strategy of delivering a mass produced and standardized product.

In order to compete with Harvard, Stanford developed a Business Model that allowed them to offer a "Tailored" MBA, with no core curriculum. Their tactic was to offer each student a personalized MBA curriculum, tailored to his or her background and professional goals.

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Given the model and tactic that Stanford has elected to use, Harvard has been unable to compete. Harvard's Business Model does not have resources in its structure that allow it to offer a “Tailored” MBA.

Harvard could modify their Business Model, but given it's current structure, it is not possible for Harvard to compete in this area.

Tactical interactions occur when your firm competes directly with another firm. This happens when each you have a business model that targets the same market.

When you have a tactical interaction, there is a response that returns information to the Business Model components based on choices both you and your competitor make.

To illustrate this point, consider a chain tax preparation service that competes with a local independent practitioner, both firms engage in mass-market direct mail in a competition to win customers.

The chain firm has immense resources in the form of marketing collateral and pricing, while the local practitioner is able to offer customized services and possibly technical superiority. These two

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competitors have segmented the marketplace even though they have implemented similar tactics.