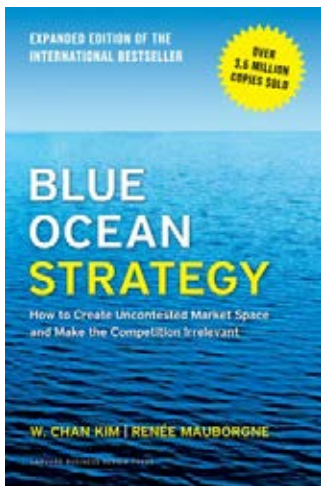


# BLUE OCEAN STRATEGY

Creating new market space  
where competition is  
irrelevant



# BLUE OCEAN STRATEGY

INSEAD

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# Letter from the Deputy Dean of INSEAD



**Peter Zemsky**  
*Deputy Dean,  
Dean for Strategic Initiatives and  
Innovation, INSEAD*

Back in the mid-1990s, when I first joined INSEAD, my colleagues Chan Kim and Renée Mauborgne were already bringing incredible energy and vitality to the strategy area. They demonstrated a striking passion for thinking big, for challenging and reconsidering what strategy is about. Since then, it's been a pleasure to witness their dream of transforming strategic thinking become a reality with far-reaching impact for organisations everywhere.

Over the past 20 years, INSEAD has made significant investments in academic development, recruiting excellent researchers who share the school's mission of advancing global thought leadership. The achievement of Blue Ocean Strategy (BOS) is a testament to our effort's huge, positive payoff. BOS has proven phenomenally successful as thought leadership. It reinforces INSEAD's brand, while also setting a great example for other faculty members about the potential of their own academic endeavours to reshape the world of management and management education.

Chan and Renée's journey of pursuing excellence has enjoyed continued support from the INSEAD community. Many faculty members, including myself, have taught Blue Ocean Strategy since its early days. In recent years, INSEAD has brought to its classrooms several leading-edge BOS programmes, such as the signature open-enrolment offering "INSEAD Blue Ocean Strategy", as well as numerous customised-programmes. The distinctive strengths of these programmes are built upon three main factors: our faculty's depth of experience; our early access to the latest thinking of Chan and Renée; and the innovative pedagogical resources constantly supplied by the INSEAD Blue Ocean Strategy Institute. Together, these elements have enabled us to bring the theory into an educational context and make it relevant to each participant and their position in the market.

Yet the relevance and importance of Blue Ocean Strategy to INSEAD go beyond its thought leadership and educational value. INSEAD itself has been a great "blue ocean" school from its founding as the original international business school in 1957. We pioneered the one-year intensive MBA, the use of simulations to complement case studies, and the idea of customised corporate education. In response to recent increased industry competition, INSEAD has taken new strategic actions to continue elaborating our distinctive value curve. One example is our success in fully integrating our global campuses to provide an unparalleled international MBA education. This classic BOS move has kept us ahead of the competition.

Today, as Dean for Strategic Initiatives and Innovation, I am working closely with my colleagues to roll out our new online offering. We are focusing initially on the corporate market, where there is a huge non-customer opportunity with some 95 percent of the market currently being unserved.

At the 10-year anniversary of Blue Ocean Strategy, we at INSEAD are confident that our dedication to excellence, in tandem with our spirit of innovation, will lead INSEAD to continued success. We see a bright, "blue" future filled with all the rewards that Chan and Renée's pathbreaking model promises for those bold and wise enough to pursue them.



# A Bold New Path to Winning the Future

Ten years ago, INSEAD Professors W. Chan Kim and Renée Mauborgne brought to the world Blue Ocean Strategy (BOS) based on their decade-long research on key strategic moves spanning more than 100 years and 30 industries. In their book Chan and Renée challenged the tenets of competitive strategy, the then dominant school of strategy and called for a shift of focus from competition to creating new market space that would make the competition irrelevant. Coming with proven analytical frameworks and tools for creating and capturing blue oceans, the blue ocean strategic approach introduced a 'bold new path to winning the future' and made a paradigm shift in the field of strategy and practice.

**“*Competition should not occupy the centre of strategic thinking.*”**

This is a central tenet of Blue Ocean Strategy. Chan and Renée’s research shows that too many companies let competition drive their strategies. What Blue Ocean Strategy brings to life, however, is that this focus on the competition all too often keeps companies anchored in the red ocean. It puts the competition, not the customer, at the core of strategy.

As a result, companies’ time and attention get focused on benchmarking rivals and responding to their strategic moves, rather than understanding how to deliver a leap in value to buyers—which is not the same thing.



Blue Ocean Strategy breaks from this competitive stranglehold. Chan and Renée initially made this point in 1997 in “Value Innovation,” the first in a series of their Harvard Business Review articles that form the basis of this book. They observed that companies that break away from the competition pay little heed to matching or beating rivals or carving out a favourable competitive position.

Their aim was not to outperform competitors. It was to offer a quantum leap in value that made the competition irrelevant. The focus on innovating at value, not positioning against competitors, drives companies to challenge all the factors an industry competes on and to not assume that just because the competition is doing something means it is connected to buyer value.

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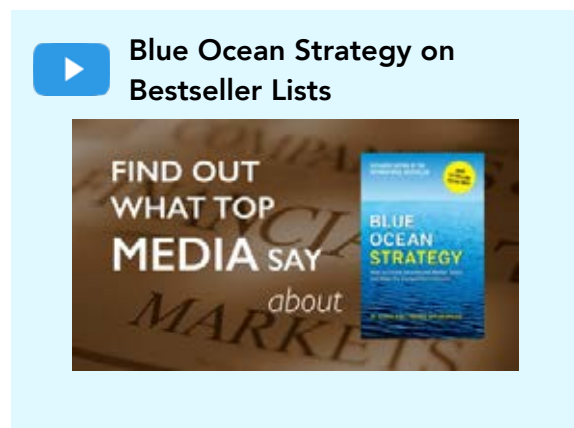
*Blue Ocean Strategy makes sense of the strategic paradox that many organisations face: the more they focus on coping with the competition, striving to match and beat their rivals' advantages, the more they ironically tend to look like the competition. To which Blue Ocean Strategy would respond, stop looking to the competition. Value-innovate and let the competition worry about you.*

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BOS struck a chord with executives around the world. In the last 10 years, the book sold more than 3.5 million copies and was translated into a record-breaking 43 languages. It has become a bestseller across five continents and the term 'blue ocean' has entered the business vernacular. Scholars and practitioners alike have written thousands of articles and blog posts about BOS, with new features continuing to appear on a daily basis, highlighting INSEAD's global thought leadership in the field of strategy.

Importantly, from INSEAD's perspective and its drive for global thought leadership, the book has continued to garner awards across the globe. Beyond becoming a *Businessweek* and *Wall Street Journal* bestseller, by 2011 *Blue Ocean Strategy* was declared the best strategy book of the decade by Thinkers50 with the

two authors receiving the Thinkers50 Strategy Award and Kim and Mauborgne ranked No. 2 in The Thinkers50 listing of the World's Top Management Gurus. That same year, *FastCompany* inducted *Blue Ocean Strategy* into its Leadership Hall of Fame. Since then, 800-CEO-READ named it the bestselling book of the last decade, Taiwan named it one of the 30 most-influential books in the last 30 years, Belgium and Russia named it among the 10 most important business books for the last decade, Poland named it one of the top 20 books that have influenced Polish leaders, and China named it one of the 40 most-influential economic books in the History of the People's Republic of China (1949-2009), along with Adam Smith's "The Wealth of Nations" under the category of "Economics and Finance." In 2014, *Blue Ocean Strategy* won the Carl S. Sloane Award for Excellence in Management Consulting due to the impact it has had on the industry.



*Blue Ocean Strategy* is both a call-to-action and a guide-to-action. Its call to action has been taken up by businesses, by governments, and by individuals all over the world. The frameworks, tools and process of Blue Ocean Strategy have provided a roadmap on how to systematically escape a red ocean of bloody competition and discover a blue ocean of uncontested market space characterised by new demand and strong profitable growth.

The expanded edition of the book adds two new chapters, expands another, and updates all of the original case studies as well as adds new examples. Together, the new material addresses three of the most pressing questions people have faced as they put Blue Ocean Strategy into action. How do you align

all of your activities including your people proposition around your Blue Ocean Strategy? What do you do when your blue ocean becomes red? How do you avoid the strong gravitational pull of competitive thinking that keeps you trapped in red oceans even as you pursue a blue ocean strategy?

Answering these questions is key to moving the dial from zero-sum to the non-zero-sum game the world needs.

 **Official Book Trailer:  
Expanded Edition**



The image shows a promotional graphic for the book 'Blue Ocean Strategy'. It features a blue play button icon on the left. To its right, the text 'Official Book Trailer: Expanded Edition' is displayed in a bold, black font. Below this text is a rectangular image of the book cover. The book cover itself has a blue and white wave pattern and includes the title 'BLUE OCEAN STRATEGY' in large, bold letters. A yellow starburst graphic on the cover indicates it is an 'Expanded Edition'. The words 'OFFICIAL BOOK TRAILER' are overlaid in white text on the bottom left of the book cover image.



# Interview with W.Chan Kim & Renée Mauborgne

INSEAD Professors and Co-Authors of *Blue Ocean Strategy*,  
Expanded Edition, 2015



**Q What motivated you to write an expanded edition of *Blue Ocean Strategy* and what's new in the new edition?**

A *Blue Ocean Strategy* struck a chord with managers and executives around the world when it was published in 2005. Our book has sold millions of copies and been translated into dozens of languages, making it a worldwide bestseller. "Blue Ocean" as a term has become integrated into the business vernacular, thanks to thousands of articles written about BOS. These articles explore the ways in which the concept, tools and frameworks of Blue Ocean Strategy have been applied

by individuals, businesses, and government organisations.

Through both our discussions and research studies with executives and managers implementing blue ocean strategy over the years, we have been asked similar questions: How do we align all of our activities around our blue ocean strategy? What do we do when our blue ocean has become red? How can we avoid the strong gravitational pulls of "red ocean thinking" – we call them "red ocean traps" – even as we are pursuing a blue ocean strategy? These questions motivated the expanded edition.

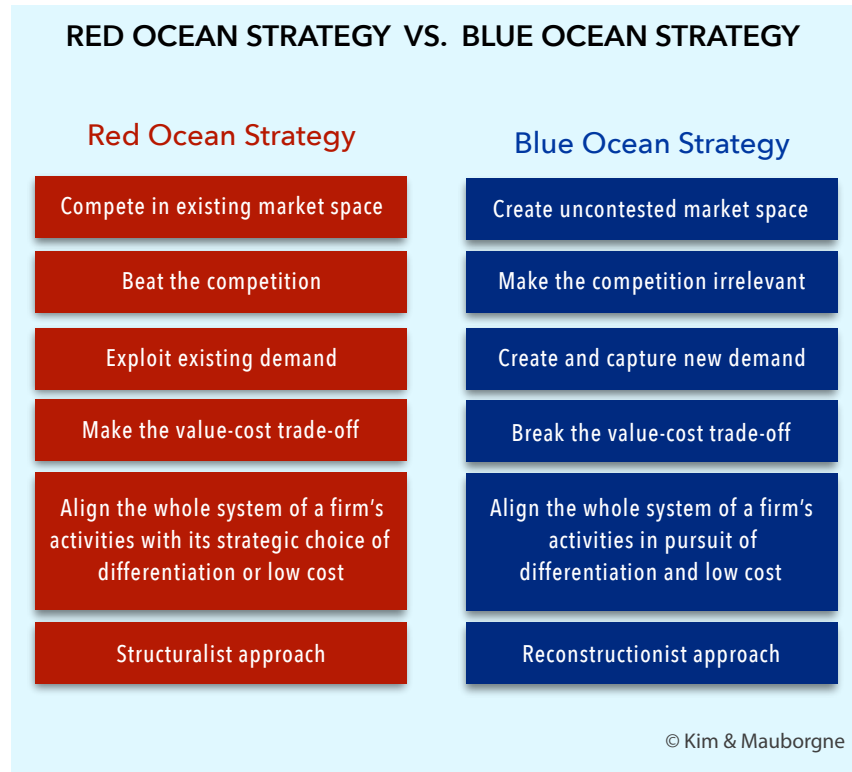
In the expanded edition, to aid organisations that have struggled

to align their activities — not to mention their relationship with external partners — we lay out a simple method to get key components of an organisation, from value to profit to people, working together to support the strategic shift that Blue Ocean Strategy requires. In the book, we also articulate a dynamic renewal process, one that helps companies make the creation of blue oceans a repeatable process and helps multi-business organisations balance both red and blue ocean initiatives.

Another key update outlines the most-common "red ocean traps" we see companies fall into as they apply Blue Ocean Strategy. Those

traps—often created when companies embrace Blue Ocean Strategy but interpret and try to apply its tools using more conventional conceptual models — keep companies anchored in the “red” even as they attempt to set sail for the “blue.” With proper grasp of the concept, one can avoid the traps and successfully apply our model’s tools and methodologies.

The expanded edition also brings all of the original case studies and examples up to date and includes new case material. Overall, it adds two new chapters and expands another, addressing managers’ key challenges and trouble spots in putting Blue Ocean Strategy into practice. These points haven’t been addressed in the original edition.



**Q How is Blue Ocean Strategy fundamentally different from conventional competitive strategy in terms of analytical perspectives and practical implications?**

**A** In a nutshell, Blue Ocean Strategy proposes that strategy can shape industry structure, whereas competitive strategy sees strategy as choosing the right position under given structural constraints.

The field of strategy has been long dominated by a structuralist view; in other words, the idea that the industry’s structure is fixed. Strategy, as commonly practiced, tees off with industry analysis and is conventionally about matching a company’s strengths and weaknesses to the opportunities and threats present in the existing industry. Here, strategy becomes a zero-sum game where one company’s gain is another company’s loss, as firms are bound by existing market space.

Blue Ocean Strategy, by contrast, shows how strategy can create *new* market space. This model is based on a reconstructionist view of strategy. As industry history shows, new market spaces are created every day and are fluid with imagination. Buyers prove this point as they trade across alternative industries, refusing to see or be constrained by the cognitive boundaries that industries impose upon themselves. And firms prove that as they invent and reinvent industries, collapsing, altering, and going beyond existing market boundaries to create all new demand. In this

way, strategy moves from a zero-sum to a non-zero-sum game. Even an unattractive industry can be made attractive by companies’ conscious efforts.





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**Q Is Blue Ocean Strategy more or less relevant today than when Blue Ocean Strategy was first published ?**

A Blue Ocean Strategy is more imperative than ever. 10 years ago there were many forces driving the importance of creating blue oceans. At the top of the list was the fact that competition in existing industries was growing fiercer, and pressure on costs and profits was increasing. These forces have only intensified. The market today is much more crowded than it was a decade ago, thanks to the increased participation of global players from emerging economies and the emergence of tools for global communications, transactions and advertising that generally make it faster and easier to become a global player. Among other notable trends is the rising call for creative new solutions in a broad swath of industries that matter fundamentally to who we are. These include health care, education, and the government,

where demands are high yet money and budgets are low. Moreover, the rising influence and use of social media have shifted the power and credibility of voice from organisations to individuals, making it increasingly impossible for organisations to over-market their me-too offerings. The rise of emerging economies such as China, India, and Brazil and the huge market demand they represent also call on organisations to come up with offerings that are both high-value and affordable to these markets characterised by relatively low per-capita income on the one hand, and increasingly sophisticated consumer tastes on the other. All these developments and trends have made the methodologies and tools of Blue Ocean Strategy more relevant and in greater demand than ever.

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**Q How does the rise in social media impact Blue Ocean Strategy?**

A It's hard to believe that just a decade ago organisations still controlled the majority of information disseminated to the public about their products and services. Today that's history. The surge in social media—including networking sites, blogs, micro-blogs, video-sharing services, and user-driven content and ratings that are seen as more credible than corporate marketing messages—has shifted power from organisations to individuals. Companies can no longer hide or over-market their me-too offering when virtually everyone has a global megaphone. This has forced companies to rely more on creating blue oceans than on leveraging marketing and sales techniques. To thrive in this marketplace, your offering needs to stand out as never before. That's what gets people tweeting your praises, not your faults, and giving five-star ratings; clicking the thumbs-up, not the thumbs-down; listing your offering as favorites on social media sites; and even being inspired to blog positively about your offering.



**“I’m loving this blue ocean strategy.”**

By Cartoonist Ken Krimstein



## W. Chan Kim and

## Renée Mauborgne are

Professors of Strategy at INSEAD and Co-Directors of the INSEAD Blue Ocean Strategy Institute. They are the authors of *Blue Ocean Strategy*, which has sold over 3.5 million copies, is being published in a record-breaking 43 languages, and is a bestseller across five continents. They are ranked No. 2 in *The Thinkers50* listing of the World's Top Management Gurus and are the recipients of numerous academic and management awards including the Nobels Colloquia Prize for Leadership on Business and Economic Thinking, the Carl S. Sloane Award by the Association of Management Consulting Firms, the Leadership Hall of Fame by *Fast Company*, and the Eldridge Haynes Prize by the Academy of International Business among others. Kim is an advisor to the governments of several nations and Mauborgne is a member of President Barack Obama's Board of Advisors in the field of education.

That's not to say that marketing and sales techniques aren't still important. They are. But a compelling product or service needs to be the core. Without it, the impact marketing and sales techniques can have is substantially thwarted by the transparency of the rate-it economy.

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### Q Should companies always abandon red ocean businesses and products or services in order to pursue blue oceans?

A If a company's sole business is flailing in a red ocean and has no promise for profit and growth, it is time to look for the blue ocean. But companies with a diverse portfolio of businesses, such as General Electric, Johnson & Johnson, or Procter & Gamble, will always need to navigate both red and blue oceans.

The key is to maintain a healthy balance between the profit of today and the growth of tomorrow. Consider Apple, which has maintained strong profitable growth over decades by successfully balancing its pioneers, migrators, and settlers. As Macintosh products sank into the red ocean, Apple launched the value-innovative iMac, the colorful, Internet-friendly desktop computer that transformed the company's Macintosh division into a high migrator. Apple quickly followed with the iPod, which created an uncontested blue ocean within the digital music market. And when the iPod inevitably sank toward migrator status, Apple launched its next blue ocean, the iPhone.

Yet Apple also illustrates how blue ocean companies sometimes need to follow the more competition-based principles of red ocean strategy: once the iPod began to be imitated, Apple rapidly launched a range of variants at

different price points: iPod mini, shuffle, nano, touch and so on. This not only served to keep encroaching competitors at arm's length, but also expanded the size of the ocean it had created, allowing Apple, rather than its imitators, to capture the lion's share of the market's profit and growth. As Apple proves, red and blue ocean strategies are complementary in managing a company's profit today while building strong growth and brand value for tomorrow.



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### Q What makes Blue Ocean Strategy distinctive as a guide for practice?

A You can act on it. The field of strategy has produced a wealth of knowledge on the content of strategy. However, what it has remained almost silent on is the key question of how to *create* a strategy. Of course, we know how to produce plans. But, as we all know, the planning process doesn't produce strategy. In short, we don't have a theory of strategy creation.

While there are many theories that explain why companies fail and succeed, these are mostly descriptive, not prescriptive. There is no step-by-step model that prescribes in specific terms how companies can formulate and execute their strategies to obtain high performance. We seek to introduce such a model in the context of blue oceans to show how companies can avoid *market-competing* traps and, instead, achieve *market-creating*

innovations. The strategy-making framework we advance is built on our strategy practices in the field with many companies over the last two decades and our model comes with analytic tools and frameworks. It helps managers in action as they formulate strategies that are innovative and wealth creating.

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**Q What makes Blue Ocean Strategy imperative for global companies today?**

**A** The number of global players has increased significantly over the decades. Historically, major global companies came predominantly from the United States, Europe, and Japan. Yet over the last 15 years, the Fortune Global 500 has seen a 20-fold increase in companies from China, eight-fold increase in companies from India, and a doubling of Latin American companies. This suggests that emerging economies do not only represent potential oceans of new demand. They also represent oceans of potential competitors with global ambitions no different than Toyota's, General Electric's, or Unilever's.

But it's not just the number of global companies from emerging markets that is on the rise. In the last decade, there has been a fundamental shift in the cost and ease of becoming a global player. No organisation can afford to downplay this trend. Consider the following: For the low cost of setting up a website, any business can have a global storefront; would-be entrepreneurs from anywhere can raise money via crowd-funding; services like Gmail and Skype have dramatically cut communication costs; trust in transactions now can be rapidly and economically achieved by using services like PayPal, while companies like Alibaba.com make searching for and vetting suppliers across the world relatively quick and easy. Search engines—the equivalent of global business directories—cost nothing. As for global advertising, any company can market its offerings on Twitter and YouTube for free. New players from all corners of the world increasingly can offer their wares or services to global markets. While these trends don't mitigate all barriers to becoming a global player, they certainly intensify global competition.

To stand apart in these overcrowded markets, companies (multinational corporations and new global players alike) need to be creative through value innovation. Blue Ocean Strategy provides the tools and frameworks any organisation can apply to create uncontested market space.





# The INSEAD Blue Ocean Strategy Institute: Holding True to its Promise

In view of the rising global interest in Blue Ocean Strategy and the corresponding demand for guidance on BOS in both educational and practical contexts, in 2007 INSEAD, under the leadership of former Dean Frank Brown, established the INSEAD Blue Ocean Strategy Institute (IBOSI). Co-directed by INSEAD Professors W. Chan Kim and Rénee Mauborgne, co-creators of Blue Ocean Strategy, the Institute was charged with supporting INSEAD's drive for global thought leadership and its objective to be the business school for the world. Deans Ilian Mihov and Peter Zemsky have continued to lend their support to the Institute, which through research output, pedagogical development, and MBA and executive course creation has made an impact on how people think about strategy around the world. Winning should no longer be seen as having to beat someone else – an idea distinctively developed at INSEAD.

Beyond the red oceans of known market space that most companies fight intensely over, there is the possibility and the reality to create blue oceans of new market space.

The Institute has held true to its promise. The figures tell the tale. Since IBOSI was established, thousands of articles and blogposts on Blue Ocean Strategy have been published in over 50 different countries, highlighting INSEAD's global thought leadership in the field of strategy. Teaching materials developed by IBOSI are in use in over 1,700 universities in over 100 countries and INSEAD's open enrolment programme on Blue Ocean Strategy - initially developed and supported by IBOSI – is a flagship executive offering taught multiple times a year. Today it is taught by Professors Fares Boulos, Neil Jones, Michael Shiel, and Andrew Shipilov, the Programme Director.

Located in the historic Le Cercle building across from the INSEAD main campus, the Institute is thriving as an intellectual hub. IBOSI is composed of a small but highly committed team of fellows from the best schools across the globe, who work on academic research and pedagogical development on the reconstructionist theory of Blue Ocean Strategy and its application in the corporate, public and social sectors around the world.

Since its inception, the Institute has developed a portfolio of complementary programmes and courses at the executive and MBA levels that cover both the theory and practice of Blue Ocean Strategy. An example here is the recent launch of the Blue Ocean Strategy MBA Elective which was developed by IBOSI, and is being taught by Professors Guoli Chen, Jens Meyer, and Mi Ji. The course utilises theory-based videos and all new cases developed by IBOSI to bring an innovative approach to the classroom.

 **Quick Glance**  
Theory-based video case





Mr. Ratan Tata  
Chairman Emeritus  
Tata Group

The Institute has continuously supported and updated these programmes and courses with new strategic cases, tools and materials. Andrew Shipilov, Director of INSEAD's OEP on BOS, observes that the work of the IBOSI constitutes one of the key advantages for INSEAD in offering the BOS executive programmes. "The Institute has provided us with the needed pedagogical tools. So we always try to bring in (new) videos and concepts. The most recent addition was a case on B2B. We have many participants from the B2B environment who are always curious as to how BOS works in the B2B context. And the Institute has provided us with a case in point."

The institute has well-earned a reputation for pedagogical excellence through creation of next generation teaching materials such as theory-based videos, simulations, interactive games and mobile apps. These materials are helping to set a new standard of excellence in business school teaching around the world.

Oh Young Koo, a BOS Institute Executive Fellow, explains, "Here at the IBOSI we go beyond the traditional approach of developing paper cases. We aim to make a step change in the classroom experience by providing multimedia materials and other interactive tools which save busy participants' preparation time while making a high visual and conceptual impact on their learning."

 **Strategy Canvas App**



To keep up with the new ways people access information these days and the corresponding expectations of executive and MBA participants, IBOSI is developing a suite of mobile apps for BOS frameworks and tools. Among other research projects Michael Olenick also an Institute Executive Fellow and Oh Young Koo have been working on these projects. "What we are trying to do here," explains Michael, "is to provide clean, simple apps for mobile devices for people to learn about the key frameworks and tools of Blue Ocean Strategy, which will support MBAs and executives in the actual blue ocean creation process. Think about managers using the apps to do noncustomer analysis in the field and coming back to draw and revise the As-Is and To-Be Strategy Canvases – all on their tablets."

The first app released by IBOSI, The Blue Ocean Strategy: Strategy Canvas App is the most downloaded app at INSEAD iTunes with a new version released in January 2015.

Through the work of the INSEAD Blue Ocean Strategy Institute, the impact of BOS is being felt as individuals, organisations and local and national governments across the world apply the model. Across industries, sectors, and continents, people have started changing the way they think about strategy. This change reinforces INSEAD's mission to be the Business School for the World.

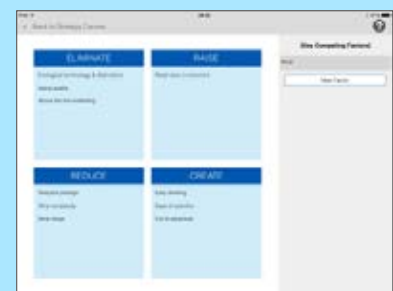
**Buyer Utility Map App**



**Quick Glance**  
Blue Ocean Strategy Apps



Download the Blue Ocean Strategy Apps here



# Alumni on Blue Ocean Strategy



**Mi Ji, MBA'01J**

*Ph.D., Cornell University; former professor at Peking University; currently Institute Senior Executive Fellow at the IBOSI*

**Q: How did you come to the IBOSI and choose a career in Blue Ocean Strategy?**

A: I had an unconventional motivation for an INSEAD MBA. I came here in the middle of doing a Ph.D. programme in Government at Cornell, hoping to gain a micro-level perspective on business activities. Here I met Professors Kim and Mauborgne who became my mentors on Blue Ocean Strategy. Later on I became a professor of International Political Economy at Peking University with my two fields of interest continuing to run in parallel for some time. In late 2008, I finally decided to “reconstruct” across the two fields by joining the IBOSI, where I combine key skills from both areas and apply them to high-impact activities in BOS.

**Q: What are the core activities of your work at the IBOSI?**

A: We do academic and managerial research on Blue Ocean Strategy, aiming to make theoretical and scientific contributions to the fields of strategy and management. We also do practice-oriented research to help organisations in private and public sectors improve their practice and performance. Thirdly, we design and develop BOS programmes and courses as well as innovative pedagogical materials to be taught by academic institutions worldwide. I also participate in both executive and MBA teachings with an objective to let classroom experience inform research and pedagogical development.

**Q: While in China you translated the book Blue Ocean Strategy into Chinese. How was Blue Ocean Strategy received in China? What's the relevance of the approach for Chinese companies?**

A: Blue Ocean Strategy has been extremely well received in China. When the Chinese version of the book came out in 2005, it topped almost all bestseller lists in the management category and won numerous awards from the Chinese government and prominent private institutions. Managers of Chinese organisations were very receptive to the idea of Blue Ocean Strategy. The term “blue ocean” immediately became part of the business vernacular. Over the years, Chinese companies have shown an unabated interest in learning and applying the BOS approach. In my opinion, Blue Ocean Strategy caters to the fundamental need of Chinese companies for going beyond a low-cost approach and building lasting brands. The Chinese economy has grown enormously in the past 25 years largely based on Chinese companies' cost advantage. Yet companies are finding it increasingly difficult to sustain their position in the market as competitive pressure intensifies both at home and abroad. Blue Ocean Strategy has provided them with timely methods, frameworks, and tools to break away from the competition and stand out in the marketplace.



## **Lauren MATHYS, MBA'94D**

*Former Vice-President of Strategic Marketing of Serono International SA (now Merck Serono International SA) in Switzerland; currently independent consultant and founder of Bluecrest Consulting.*

### **Q: Could you tell us about your post-MBA experience?**

A: After graduation, I got my first position in strategy at Serono International SA in the pharmaceutical industry. Over the years, I kept developing my expertise and ended up being Vice-President of Strategic Marketing. It was in 2003 that I first started using the tools of Blue Ocean Strategy, then called value innovation, after many years of using red ocean tools. In 2007 I founded my own business, Bluecrest Consulting, and I am specialised in the application of Blue Ocean Strategy.

### **Q: Could you tell us more about how you applied Blue Ocean Strategy in the pharmaceutical company?**

A: In 2003, my boss, the Deputy CEO at Serono, asked me specifically whether I could look at what sorts of frameworks and processes we could follow to get ourselves to think differently. We were a successful company then but we thought we could do better and we were lacking a framework to go about thinking differently. Secondly, he asked for something that was more visual. That was why I went back to look for help from Professor Kim, who had been my business policy professor during the MBA programme and was a mentor to me after I left INSEAD. So we started talking about the strategy canvas. I started using the strategy canvas in the cross-functional therapy area plans in our company. We used this tool to challenge the status quo and to get ourselves to look at our business from a different perspective. Then in 2006, it was the first time we did blue ocean projects where we got 40 people from across the organisation together to apply the Blue Ocean Strategy process. What is really great about the BOS process is that it involves a lot of people who usually would not necessarily be involved in strategy formulation. This really enriches the process because you get a lot of fresh thinking. You get your high performers together to think about the strategic offering that you have, and you get a lot of diversity and richness to the discussion. That was when I fell in love with Blue Ocean Strategy. Applying BOS to our strategy making process allowed us to make a shift from a product-focused strategy to a much more product- and service-focused one, which was critical for us at that time to take the next step in the therapy areas. It opened our eyes to the possibility of creating value for patients and doctors in ways other than through R&D based product innovation. So later on when my company was being acquired, I thought the time was ripe for me to start my own business and help other organisations implement Blue Ocean Strategy.

### **Q: Now you are also involved in the coaching and teaching of Blue Ocean Strategy, do you have any interesting experiences to share with us?**

A: Yes I am a Blue Ocean Strategy coach or Blue Ocean Strategy practitioner. I have paired up with professors of strategy at INSEAD to deliver courses where I give practical field experience, provide real-life application experience to the process and to help people understand how they can apply it in the field. I've done INSEAD programmes in the United States, Nigeria, as well as Abu Dhabi, Singapore and Fontainebleau. I also do my own coaching projects with companies all over the world.

### **Q: How does it influence your way of thinking?**

A: Blue Ocean Strategy really changes the way I look at business. More and more companies are realising that they not only have to be able to defend their position in the marketplace, but they also have to know how to go about identifying and building new market space. That's where Blue Ocean Strategy plays a big role. In the past there might be a lot of benchmarking done to try to understand what the best practice was. With Blue Ocean Strategy, we can see that with that you can only be trying to play catchup. Blue Ocean Strategy instead allows you to leapfrog over your competitors."





### **Kinga PETRO, MBA'93D**

*Doctorate, Budapest University of Economics; Former Institute Executive Fellow at the IBOSI; Managing Director of Excellence Kft.*

**Q: What did you do after graduating from the MBA programme? How did you come to learn about Blue Ocean Strategy?**

A: To be honest, I have always been “blue minded” and I started doing business the blue ocean way by following my intuition even before I learned about the method rigorously. After graduation from INSEAD in 1993, I worked in the corporate training industry in Hungary. Whereas all the competitors were focusing on providing training services to corporate clients, I made a shift for my company to provide the “hardware”, i.e., the training center building itself. In a way I reconstructed across the traditional training industry and the hotel industry. And because I knew so well what those training companies needed in providing their services, many of my competitors eventually became my customers. Later on, when the book *Blue Ocean Strategy* came out in 2005, I wanted to learn more about this approach. So from 2007 to 2008 I came to work at the IBOSI under the direction of the founders of Blue Ocean Strategy, Professors Kim and Mauborgne.

**Q: What was most exciting about working at the IBOSI? What’s the impact of your experience there on your professional life?**

A: I would say it was the combination of theory and practice. Every time I discussed Blue Ocean Strategy with the professors, I learned something more and deeper about the approach. And to me, the implementation frameworks of Blue Ocean Strategy, i.e., tipping point leadership and fair process, are as important and fascinating as the market creating tools. I’ve since applied these frameworks to my work in mediation and negotiation in both the private sector and civil services. I call my approach “blue mediation.” I have also taught the BOS approach to MBAs and EMBA in Hungarian universities.

**Q: What new projects are you onto?**

I am now in the stage of conceiving a blue ocean project to value innovate regional development. In this project, I will apply my “blue mediation” expertise to bring promising young professionals worldwide to a beautiful but economically “handicapped” region near Budapest to help them achieve their startup dreams while bringing economic benefits and vitality to the region.



**Olivier HENRY, MBA'07J**

*Former Institute Executive Fellow at the IBOSI; currently Managing Director of CREATON Ukraine*

**Q: Could you briefly tell us about your experience after graduation from INSEAD?**

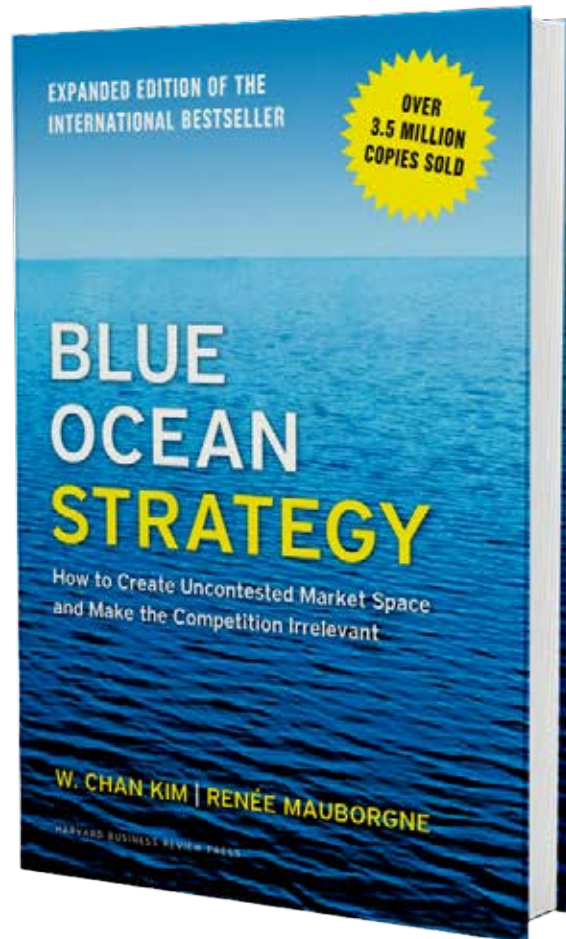
A: I first worked as an Institute Executive Fellow at the IBOSI for one year, where I conducted analyses of failed blue ocean strategic moves and made recommendations on how to successfully implement a BOS strategy. I also developed pedagogical materials on Blue Ocean Strategy, including designing simulation games. I then moved to Ukraine to work for six years at Lafarge, later renamed as Siniat, where I served as Director of Strategy and Business Development. Now I am Managing Director of CREATON Ukraine, a company from the same group, specialised in exterior construction materials.

**Q: What drew you to the Institute?**

A: Around the time of graduation, I had an opportunity to meet with Professor Kim. Before the meeting I read *Blue Ocean Strategy*. Within one week I read it three times. Every time I read the book, I learned something new. I was deeply attracted by the concept of Blue Ocean Strategy. And when I finally met Professor Kim in his office, I was truly attracted by his charisma, i.e., the way he speaks, the way he explains things. These two factors prompted me to make the decision to work at the IBOSI. It was not about money, but about developing something that was a lot of fun.

**Q: How does your BOS experience influence your thinking? How does BOS thinking influence your business practice?**

A: The biggest impact of my BOS experience is that now I think only in terms of value curve. It is about the way I see business and the world. It is about mindset. We did apply Blue Ocean Strategy to a few new product development projects. But beyond that, you can also apply BOS to your personal life. My move to Ukraine was very close to a blue ocean strategic move. If I do a value curve and compare myself with most Ukrainians or Russians there, I am very different. In fact, I *eliminated* or *reduced* factors like local cultural understanding and language skills so that I could have the time to focus on more substantive issues, *raised* honesty, transparency, non-corruption, and *created* local application of Western mentality and work experience. Other than blue ocean strategic thinking, I also learnt directly from the two professors some important qualities: always aiming for high standards and perfection and getting to the essence to understand what's inside. When working with customers and developing new products, these attitudes and qualities are essential.



[blueoceanstrategy.com](http://blueoceanstrategy.com)

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# The MBA Courses on Blue Ocean Strategy: Contributing to the Unique INSEAD Experience

The INSEAD MBA programme has always strived to offer participants a stimulating intellectual journey and solid preparation for their future professional pursuit. Learning about Blue Ocean Strategy has been part of this unique and cutting-edge experience.

During the MBA programme, Blue Ocean Strategy is introduced in the core strategy course and is then taught in a sequence of three elective courses from P3 through P5. “Blue Ocean Strategy is among the few concepts that we systematically allow students to concentrate on,” says Urs Peyer, Associate Professor of Finance and Dean of Degree Programmes at INSEAD, “The three elective courses are Blue Ocean Strategy Elective (BOSE) in P3, Blue Ocean Strategy Simulation (BOSS) in P4, and the Blue Ocean Strategy Study Group (BOSSG) in P5. The BOSS and the BOSSG are offered twice a year on both the Fontainebleau and Singapore campuses. The BOSE is a new elective that is being offered for the first time on both campuses from January of this year. Together, these courses

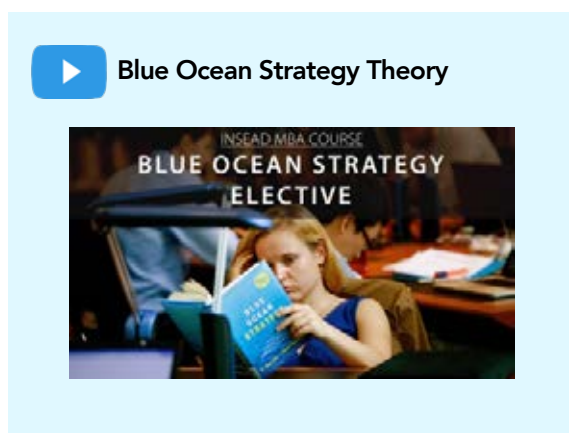
provide three ways for participants to deepen their knowledge in Blue Ocean Strategy. They also complement each other – a study of the foundations of Blue Ocean Strategy, followed by its practical application and then individual projects,” Urs explains.

 **Blue Ocean Strategy in MBA Education**





The Blue Ocean Strategy Elective offered in P3 provides the key conceptual blocks for understanding and applying Blue Ocean Strategy through examining real-world strategic moves in a variety of industries and geographical areas ranging from Apple to Tata Nano. "The cases are global cases that span nations and cultures, which fit really well with what INSEAD stands for," comments Urs. And as a pedagogical innovation, the course uses theory-based video cases instead of lengthy paper cases for most of the sessions, which both saves participants' time and exerts a stronger visual and conceptual impact on their learning.



The Blue Ocean Strategy Simulation offers participants an application platform to test their Blue Ocean Strategy logic through an interactive simulation exercise and allows them to experience the power of Blue Ocean Strategy in action. Guoli Chen, Associate Professor of Strategy at INSEAD, has been teaching this course on INSEAD's Fontainebleau and Singapore campuses. "This course puts participants in a concrete industry situation where they face lots of structural constraints," says Guoli. "Then they are asked to go through a number of rounds of exercises where they apply BOS thinking to value innovate their product offering and break away from the competition. It provides participants with an opportunity to apply the frameworks and tools they've learned in previous periods to real business situations where they make strategic decisions on products, price and other key factors."

The Blue Ocean Strategy Study Group, the third BOS elective, gives participants the opportunity to meet and interact with Professors Chan Kim and Renée

Mauborgne, founders of Blue Ocean Strategy. The course builds on the concepts of value innovation, tipping point leadership and fair process by applying these concepts in independent research projects of the participants' own choosing under the professors' personal guidance.



Taken together these courses are complementary, preparing MBA participants with the needed knowledge, tools and experience for breaking away from the competition and creating new market space in the real business world after graduation. Participants who successfully complete all the three courses are granted a Blue Ocean Strategy Certificate issued by the INSEAD Blue Ocean Strategy Institute. As of December 2014, nearly 400 MBA participants have received the certificate.

To Urs, the significance of the Blue Ocean Strategy courses goes beyond the course content. "Blue Ocean Strategy is indeed taught in a huge number of universities around the world," he says. "But INSEAD is the cradle of the theory itself. What is important is for our students to realise that our school has professors who have developed ideas that are changing the world and have tremendous impact in both practice and the academia. Being exposed to those professors' teachings is important in addition to just the content. This makes them proud of being associated with the school."



Along with the professor's guidance, learning comes from the shared opinions of the group members.

**Rashmi AGARWAL**  
MBA '14D

For me the BOS and BOSSG electives have been an amazing studying experience.

**Nikola Najdovski**  
MBA '14D





# INSEAD Brings Blue Ocean Strategy to Executives around the World

INSEAD is the intellectual home of Blue Ocean Strategy (BOS). Over the years, organisations and executives, with many if not most facing intense competition, shrinking profit margins, and declining brand power, have shown a sustained interest in learning about the concepts and tools of Blue Ocean Strategy and putting them into action. As competitive pressure has only heightened in the last 10 years, especially with the rise of social media and user ratings that reduce the living space of “me-too” offerings, managers have come to attend INSEAD’s open enrolment programmes and customised programmes with an appetite for understanding the systematic approach behind value innovation and creating blue oceans.

As Mark Roberts, Associate Dean of Executive Education Programmes at INSEAD, explains, “As of today, INSEAD offers a total of 12 dedicated BOS programmes in executive education. These include the INSEAD Blue Ocean Strategy open enrolment

programme, offered three times a year, and 11 dedicated BOS customised programmes.”

12 INSEAD faculty members have been teaching these programmes on the school’s three campuses as well as around the world on company sites or even in the field in certain BOS customised programmes. From France to Germany, Denmark, Norway, Russia, Serbia, Greece, the US, Canada, Australia, China, Korea, Brazil, Dubai, Saudi Arabia, Turkey, Egypt, Tanzania, Kenya and Nigeria INSEAD has held BOS corporate executive programmes.

- 12 BOS dedicated programs
- Taught by 12 INSEAD faculty members
- On 3 campuses

In addition to the dedicated programmes, many INSEAD programmes contain modules or sessions on Blue Ocean Strategy. Between 2012 and 2014, for example, BOS was taught in 191 sessions in over 57 INSEAD executive education programmes. BOS has also been integrated into the core curriculum of the executive MBA programme and taught as one of the key concepts in the module “Key Management Challenges.”

Mark Roberts sees the popularity of the BOS programmes as founded upon the distinctive strength of the BOS approach, “A key value of Blue Ocean Strategy is that it makes innovative thinking accessible to everyone. So it is not just people who are labelled as being super creative and original thinkers. The tools, and the logic and the way of structuring a thought process and a discussion enable everyone to be innovative. That’s what really gets people excited – it changes the thinking about what you need and what kind of people can be innovative.”



The INSEAD BOS open enrolment programme is a great example of such well-grounded popularity. The programme was first launched in 2008 on the Fontainebleau campus. “For many years we had been teaching Blue Ocean Strategy or the concept of value innovation in customised programmes. At the same time, there were many companies that were interested in Blue Ocean Strategy but were not yet able to send whole groups for a whole programme.” Peter Zemsky, Professor of Strategy and the first director of the BOS open enrolment programme, now Deputy Dean of INSEAD, recalls: “We wanted to develop an offering that would allow anywhere from one to several executives from one company to come; an open enrolment programme that both covers the concepts and tools of BOS and allows them to immediately put them into action.”

In a few short years, the programme has blossomed into one of INSEAD’s flagship programmes and is regularly oversubscribed. To keep up with the demand, the course is now offered three times a year including twice in Fontainebleau and once on the Abu Dhabi campus. Participants of the programme have come from 59 nations across all major continents with their professional backgrounds in a broad spectrum of over 40 industries ranging from financial services to industrial manufacturing, to consumer goods, to health care, and to public administration. In 2009 French economic and management magazine *L’Expansion* selected the programme as one of the top 10 executive programmes offered by business schools.

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*A key value of Blue Ocean Strategy is that **it makes innovative thinking accessible to everyone.** So it is not just people who are labelled as being super creative and original thinkers. **The tools, and the logic and the way of structuring a thought process and a discussion enable everyone to be innovative.** That’s what really gets people excited – it changes the thinking about what you need and what kind of people can be innovative.”*

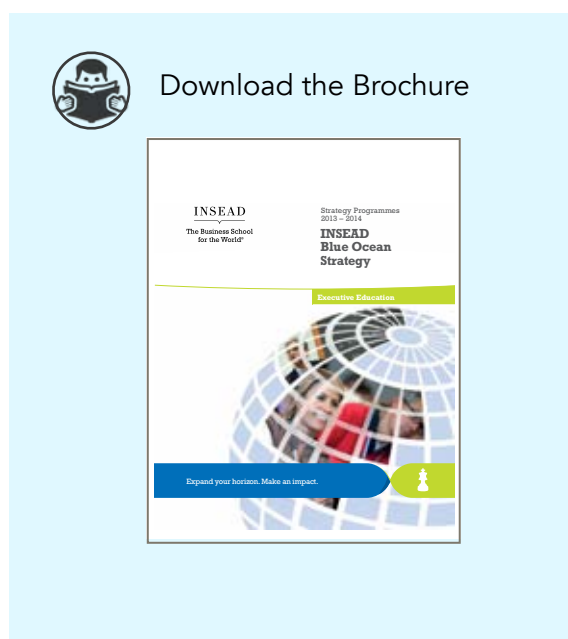
Mark Roberts, Associate Dean of Executive Education Programmes at INSEAD

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According to Andrew Shipilov, Associate Professor of Strategy at INSEAD and the current director of the programme, the practical relevance and impact of the learning constitute its key appeal. "This programme not only gives the conceptual frameworks but also provides cutting-edge examples of applying Blue Ocean Strategy in a variety of settings," he explains, "At the end of programme we have always had more than 85% and lately more than 90% of people confirming that they have come up with new ideas. And many of them have told us that they can feel the return on investment in this programme. In fact, they saw the great market opportunities these ideas would provide them so they were going to do something with these ideas."

The power of the BOS approach and the programme's design have made learning and practice in the programme highly effective and rewarding. Fares Boulos, Affiliated Professor of Practice in Strategy at INSEAD has partnered with Andrew to teach BOS. As he observes, "First of all, the approach is highly visual, making it easy to communicate lots of ideas and thoughts with one picture. Secondly, it provides an actionable and a step-by-step guide. People feel they can produce results by following the systematic approach. Thirdly, it comes with interesting cases that participants are familiar with and easy to relate to their practice."



The unmatched intellectual resources at INSEAD constitute another key advantage of the programme. As Andrew Shipilov notes, "The mere fact that we have been teaching Blue Ocean Strategy for more than 10 years puts us among the most experienced people in the world in this regard. And INSEAD is where Blue Ocean Strategy has been developed. When people come here, they want to hear from the experts who have a lot of experience in applying this concept. And they also want to hear from Chan and Renée. All these factors combined lead to regular oversubscription of the programme."

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*"INSEAD Blue Ocean Strategy offers a set of comprehensive concepts and tools that will allow you to 'open your mind' in order to help your company expand into new Blue Oceans."*

*- Country Manager, Kimberly-Clark, Venezuela*

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The key strengths of the BOS open enrolment programme also apply to other BOS programmes in executive education. Ben M. Bensaou, Professor of Technology Management and Asian Business and Comparative Management at INSEAD, has been teaching value innovation and Blue Ocean Strategy for more than a decade. In addition to dedicated BOS customised programmes, he has also taught BOS sessions in a variety of open enrolment programmes as well as in the EMBA programme. "The most powerful aspect of Blue Ocean Strategy as I see it is that it provides the participants with a language and the specific tools to help them structure their mind around something they could be already doing yet without knowing." He observes, "In the past they always tried to do something new but did not have a language that could help them talk to each other about it and frame it for them. Blue Ocean Strategy provides that."

Loïc Sadoulet, Affiliate Professor of Economics at INSEAD, has also been teaching a great number of BOS customised programmes, working with industry leaders like Johnson & Johnson, Danone, L’Oreal and BAE Systems to help them apply BOS thinking to their respective businesses. “To me Blue Ocean Strategy is a powerful way of thinking that can be applied to all subject areas such as HR, finance, people management and of course strategy. And even though BOS is taught everywhere these days, at INSEAD we teach it in an experiential way by going to tackle real problems in the field, such as tuberculosis diagnosis in Tanzania, access to pré-maternal care for women in Turkey, or diabetes prevention in Abu Dhabi and Egypt. And this teaching is evolving thanks to a constant and dynamic feedback mechanism,” Loïc notes.

“All these programmes were really well received” comments Mark Roberts, “and there is an appetite for more, for taking Blue Ocean Strategy deeper into organisations.” He continues, “This has prompted us to think about what we can do as follow-on activities or sessions for the people who’ve gone through the core programmes.”

Talking about the importance of Blue Ocean Strategy and BOS programmes to the school, Mark observes, “It is something kind of iconic. The brand of Blue Ocean Strategy has become so strong that people spontaneously ask for it, we have BOS clients from all over the world. In fact, Blue Ocean Strategy is known way beyond INSEAD but people know that BOS was born at INSEAD, there is a really exciting correlation and we haven’t lost that intellectual link. The BOS proposition is at the heart of what INSEAD is about - it’s about innovation and strategic thinking and it’s about breaking down boundaries and breaking down traditional barriers. Much of what we discuss in executive education and what INSEAD can offer is consolidated within a Blue Ocean Strategy discussion. BOS is often a lead discussion for us - clients start talking about Blue Ocean Strategy and then we find that we also broaden the discussion to many of the other things INSEAD can do. Blue Ocean Strategy is hugely important for INSEAD.”



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*The BOS proposition is at the heart of what INSEAD is about - it’s about innovation and strategic thinking and it’s about breaking down boundaries and breaking down traditional barriers. Much of what we discuss in executive education and what INSEAD can offer is consolidated within a Blue Ocean Strategy discussion.*

- Mark Roberts, Associate Dean of Executive Education Programmes at INSEAD

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# Faculty on Blue Ocean Strategy



## **Andrew Shipilov**

Associate Professor of Strategy

Blue Ocean Strategy Faculty, Director of INSEAD Blue Ocean Strategy Open Enrolment Programme

"I think the mission of INSEAD is to be the business school for the world. And we are bringing people from all over the world to the BOS Open enrolment programmes. And one sub-mission of INSEAD is to promote value creation and prosperity around the world. And the ideas we have developed in this programme actually help people do that. This is one of the reasons why blue ocean strategy has become a flagship programme for INSEAD."

## **Ben M. Bensaou**

Professor of Technology Management, Asian Business & Comparative Management

Blue Ocean Strategy faculty, BOS Customised Programmes

"BOS has had a strong effect on INSEAD's branding. Its impact on INSEAD has been tremendous."

"The tools of Blue Ocean Strategy are simple (and actionable), and make participants feel that this is something they can do. So the programme is inspirational and gives them a sense of hope. They now have a language and can actually talk about things that have always hidden at the back of their mind with a sense that they can do it. That's actually a very powerful aspect of the programme. It creates some sort of change of what is possible inside of participants and the organisations."





**Loïc Sadoulet**

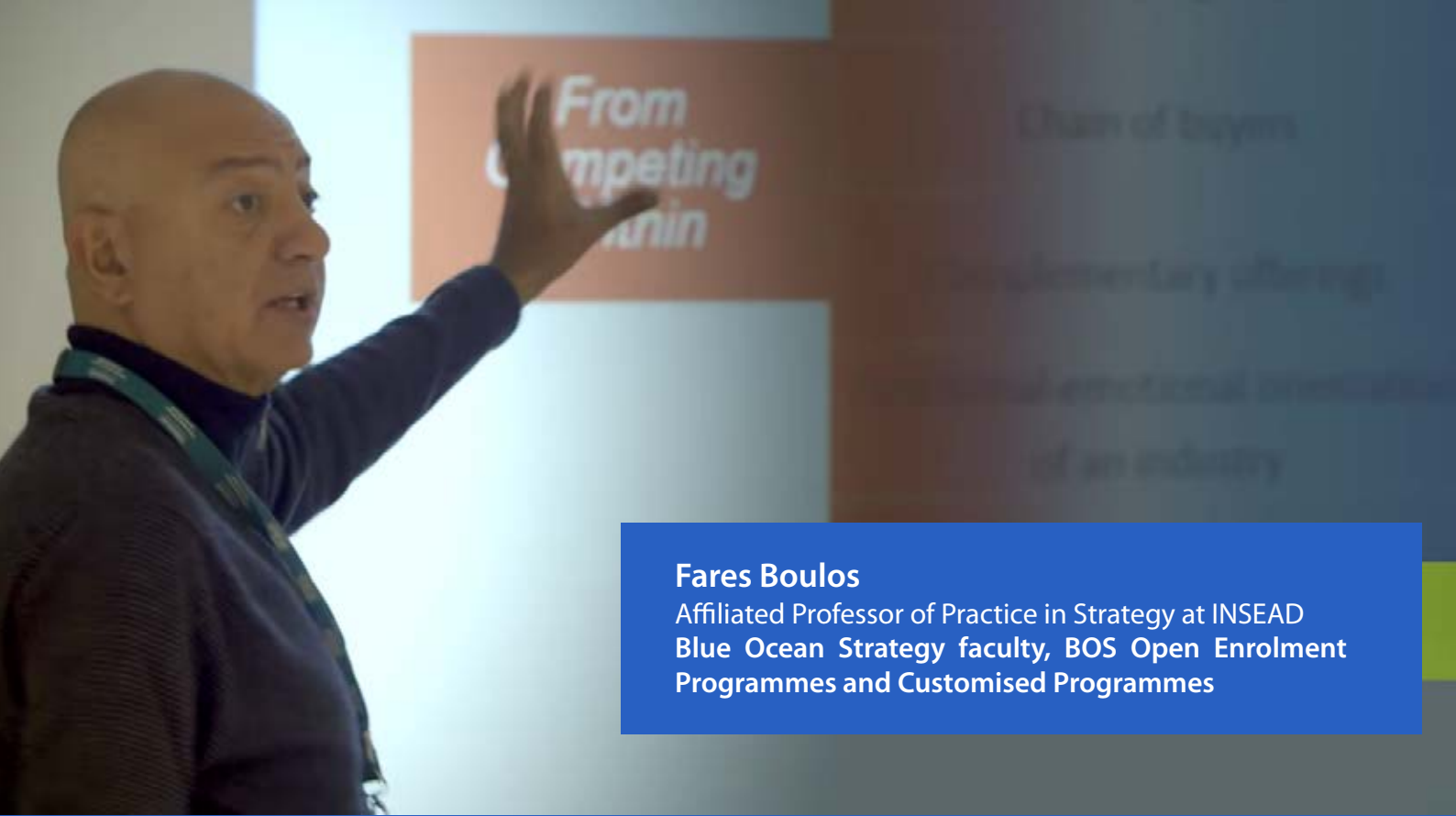
Affiliated Professor of Economics at INSEAD  
Blue Ocean Strategy faculty, BOS Customised  
Programmes

**Q: You have been teaching a number of BOS CSPs for INSEAD. Could you describe an example of such programmes, for example, the one with Johnson & Johnson?**

A: Sure. J&J needed a cultural transformation to get back to its early-day principle of building value for the society, which is the foundation of its business model. Our programme applies BOS concepts and tools to get people thinking again what value is and how we look at value creation in the society and the role of an enterprise in this course. The subject of investigation here is tuberculosis— why is the disease on the rise in certain countries like Tanzania when vaccines, diagnosis and drugs are all free and available? What is it that the industry is missing? People would first do a desk study and talk to experts and get exactly the wrong solutions. After all, the vaccines, diagnosis and drugs are available and free. We try to get them out of the industry logic by making them go through the Blue Ocean Strategy approach to uncover the pain points and confusion among buyers that prevent them from availing themselves of all that the industry offers and think about how to relieve the pain points. It's an eye-opening experience that INSEAD delivers on the ground in Africa."

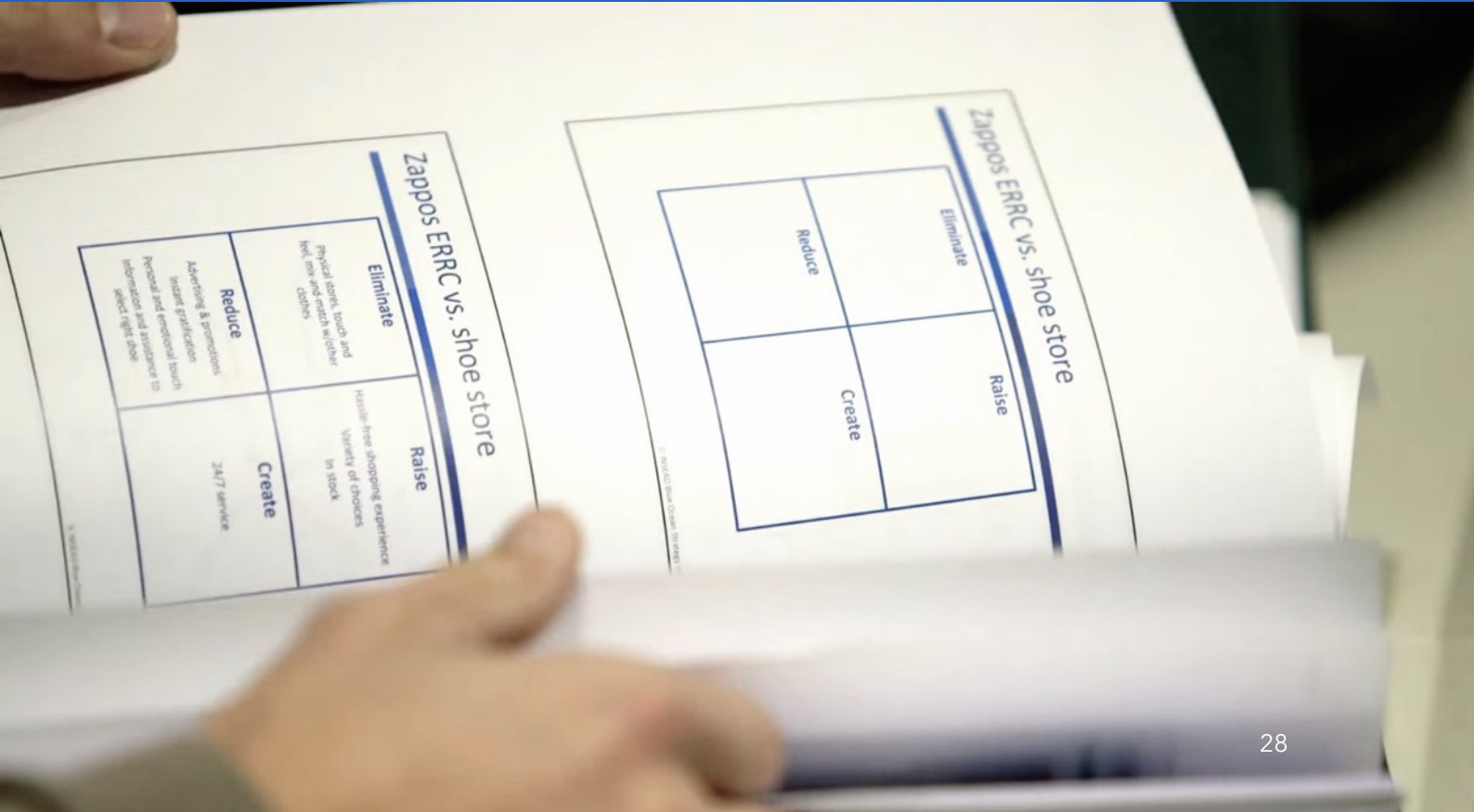
**Q: You have also involved MBAs in this project?**

A: Yes. To each J&J executive participant, two INSEAD MBA participants with no prior industry experience are attached. The MBAs will actually go to the field with the executives. The idea is to get another outsider view for the exploration phase of Blue Ocean Strategy. The MBAs must have some expertise in BOS or some good familiarity with the process – they have to take the BOS Simulation course beforehand, so they have worked through it once. And they get course credit for this independent research project. So it's a win-win where both sides are bound to learn a lot and walk away with new insights.



**Fares Boulos**  
 Affiliated Professor of Practice in Strategy at INSEAD  
 Blue Ocean Strategy faculty, BOS Open Enrolment  
 Programmes and Customised Programmes

"Over the past decades, every CEO and senior manager has had the same motivation to pursue new avenues of growth. They realise that their existing business units or product lines can only take them so far in terms of achieving their growth targets. Maybe the competition is getting redder or maybe they reach the limits of their imagination. In some ways this is the normal business cycle at work. That's why CEOs and senior managers are looking for ideas and that's why they understand that Blue Ocean Strategy gives them an effective tool that can lead to profitable growth. What excites them most is when they find out that they can start doing something tangible with the Blue Ocean approach, methodology and tool box. They find out that strategic innovation is more attainable and closer to them than they once thought."



**1** It's grounded in data.

Blue ocean strategy, developed by W. Chan Kim and Renée Mauborgne, is based on a decade-long study of more than 150 strategic moves spanning more than 30 industries over 100 years.

**2** It pursues differentiation and low cost.

Blue ocean strategy is based on the simultaneous pursuit of differentiation and low cost. It is an 'and-and,' not an 'either-or' strategy.

**3** It creates uncontested market space.

Blue ocean strategy doesn't aim to out-perform the competition. It aims to make the competition irrelevant by reconstructing industry boundaries.

**4** It empowers you through tools and frameworks.

Blue ocean strategy offers systematic tools and frameworks to break away from the competition and create a blue ocean of uncontested market space.

**EIGHT**  
key points of  
**BLUE OCEAN**  
**STRATEGY**

**5** It provides a step-by-step process.

From assessing the current state of play in an industry, to exploring the six paths to new market space, to understanding how to convert noncustomers into customers. Blue ocean strategy provides a clear four-step process to create your to-be blue ocean strategy.

**6** It maximises opportunity while minimising risk.

The blue ocean idea index allows you to test the commercial viability of your ideas and shows you how to refine your ideas to maximise your upside while minimising downside risk.

**7** It builds execution into strategy.

The process and tools are inclusive, easy to understand and communicate, and visual – all of which makes the process non-intimidating and an effective path to building execution into strategy and the collective wisdom of a company

**8** It shows you how to create a win-win outcome.

As an integrated approach to strategy, blue ocean strategy shows how to align the three strategy propositions – value, profit, and people – to ensure your organization is aligned around your new strategy and that it creates a win for buyers, the company, and for employees and stakeholders.



# How Blue Ocean Strategy is Shaping National Strategy

Today Blue Ocean Strategy is being applied beyond business. Governments and the public sector are turning to Blue Ocean Strategy and its tools and frameworks to address some of their toughest challenges.

There is reason. Just look to a broad swath of public sectors that matter fundamentally to who we are: healthcare, K-12 education, universities, financial services, energy, the environment and government, where demands are high yet money and budgets are low. In the last 10 years, every one of these sectors has been seriously called to task. To remain relevant, the players in these domains are increasingly being called on to reimagine their strategies to achieve innovative value at lower costs, which is at the heart of Blue Ocean Strategy.

Consider Malaysia, which is striving to become a high-income, advanced nation by 2020. As Malaysia pursues this goal, the government has adopted Blue Ocean Strategy to deliver public programmes and services that are high-impact, low cost, and rapidly executed.

To circumvent the middle-income trap of being sandwiched between developed nations competing on differentiation and developing nations competing on low cost and to achieve the 2020 vision, in 2009 Prime Minister Najib Razak unveiled a new platform for national strategy development – the National Blue Ocean Strategy (NBOS) summit. Here ministries, civil servants, private sector leaders, and relevant stakeholders take part to address important economic and social issues.

Through the National Blue Ocean Strategy initiative, today, five years on, over 80 ministries and agencies – from the police and military, to women, youth, rural development, and higher education organisations – have collaborated to formulate and execute Blue Ocean Strategy initiatives that are transforming the country.

From the first National Blue Ocean Strategy initiative, which created a blue ocean across the nation's police force, military and civil service, effectively boosting police patrol across the nation by 40,000 police at little additional cost to the nation, to creating rural and urban transformation centers that allow small,

mid-size and family businesses to access at one convenient location everything from processing plants for their fruits and vegetables, to education, insurance, micro finance, and logistic transport, all have been based on deploying existing unused resources that were trapped within the silos of ministries and agencies. Today more and more ministries in Malaysia have joined the effort to create blue oceans in national development.

In the last five years, 60 major NBOS initiatives have been successfully formulated and executed. These cover everything from support to entrepreneurs to building basic rural infrastructure, from empowering women to engaging youth, from rehabilitating petty criminals to closing the urban-rural divide, and much, much more. What all the initiatives have in common is that they are both high value and low cost. The government is thus able to offer better services to people while making the best use of its precious resources.



Browse the Book



Governments, like businesses, face intensifying competitive pressures. More and more is expected of governments but often with fewer resources available to meet those expectations. The experience of the Malaysian government highlights how those challenges can be tackled using Blue Ocean Strategy.





# The Next Generation Business Leaders

In the past 10 years the impact of Blue Ocean Strategy has been felt in the corporate, non-profit and public sectors. Now the waves of Blue Ocean Strategy have reached American high schools, opening new horizons for leaders of tomorrow, with a statewide Blue Ocean Competition in Maryland that is now reaching out to other areas of America including California.

The competition is led by high school students typically with the support of their local chapter of Future Business Leaders of America (FBLA), the largest and oldest business career student organisation in the world. Founded in 1937, the FBLA now has a quarter million students preparing for business and business-related careers, with local chapters spread across America. Most of the Blue Ocean Competition committee members have been associated with FBLA. In the case of Maryland, FBLA is highlighting the event on its website and spreading the word through its network. The competition's tagline: Blue ocean, because who would swim in a red ocean?

The idea for a Blue Ocean competition at the high school level was born in the 2013-14 academic year when Maryland high school students kicked off an annual Blue Ocean Competition, with a desire to

apply Blue Ocean Strategy to their entrepreneurial minds, gain real world experience and prepare to create the future. Challenging teams of participants with the task of generating an idea for a market-creating product or service, the competition was first initiated at the county level with an impressive turnout of 29 teams. The competition captured the spotlight of mainstream media such as the *Baltimore Sun*, which wrote a detailed profile about the importance of the blue ocean competition for young business-minded students and how it could nurture future business leaders.



The founder of the annual Blue Ocean Competition is Nicholas Benavides, now a freshman at Stanford University. In his junior year in high school in Maryland he read *Blue Ocean Strategy* at the recommendation of his father. "I read a lot of business books, which I guess is not the norm for someone my age but my dad introduced me to a lot of business books and *Blue Ocean Strategy* was one of them. He thought I would enjoy the stories about the various companies and how they became successful." says Nicholas.

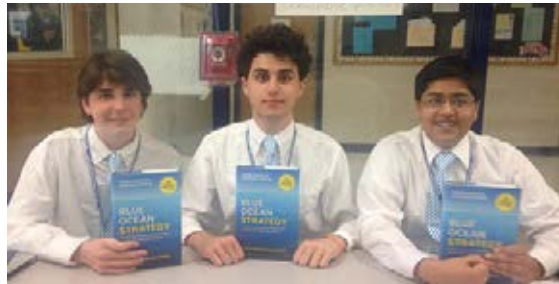
After finishing reading the book Nicholas knew he wanted to share what he had learned with other people his age. The idea of creating an annual entrepreneurial competition on *Blue Ocean Strategy* came to his mind. And he found strong support from his peers on the board of his school's chapter of the FBLA, where Nicholas now serves as President. The young leaders immediately gathered a community of students and teacher advisors to create the competition. Within five months these students went from reading *Blue Ocean Strategy* to challenging the conventional wisdoms of the global marketplace. The exposure that *Blue Ocean Strategy* and the event received in the public domain and the media world added excitement to this new adventure. The actual number of registered teams was double the committee's initial projections. The success of the first event inspired the young leaders of the competition to take the event statewide in 2015 with the aim to

make it the largest Blue Ocean event of its kind in America. On March 21st, 2015, sixty-eight high school students from all around the state came prepared to pitch their blue ocean business ideas to an impressive panel of judges that included leading entrepreneurs, business people and community leaders.

Stewart Gold, Director of Maryland Centre for Entrepreneurship, who was judging, believes that the whole event exemplified blue ocean strategy, "Creating this whole competition is, in itself, a model of entrepreneurship." He continues, "How the students got trained, recruited, funded and how they got sponsors: it is a remarkable job to put it all together." Another judge and the father of Nicholas Benavides, Nestor, speaks about the bad reputation business has among high school students who see it as boring and mundane. "You'd find very few students in high school talking about how fun, exciting and interesting business can be", says Benavides. Nestor continues, "It is not just about creating businesses, one more pizza store or one more of something, but really to embrace the idea of blue oceans so that as you start thinking about business, you don't do what everybody else is doing; you don't solve the same problems that have been solved in the same way. Because then business is brutal, it's painful and often leads to failure. But if you can start solving new problems in new ways then the opportunity is immense."



The first place team in the 2015 Blue Ocean Competition developed a blue ocean product called LyfeCord. LyfeCord is a protective and personalisable cord for Apple products (such as the iPhone, iPad and MacBooks) that is fortified with a special nylon polyester material to prevent the fraying of Apple charge cords that so often occurs after frequent use. Coming in a variety of fashionable colors and sizes, the cord is MFi-certified for safe use with Apple products. The passionate high school team amazed the judges by having already launched a successful Indigogo campaign to raise funds to support their initial financing, providing samples of the packaged product, and showcasing the already functional online platform for managing its sale and distribution. The young students' blue ocean business has already started generating revenues.



Second place was awarded to a student for her GelGear blue ocean idea. This idea presented a bold

fusion of style and safety utilising Tyco's alphaGEL technology in a sleek, slim, personalisable headband to significantly reduce the risk of athletes incurring concussions. In contrast to the usual concussion protection products in the market such as helmets that compromise on appealing design and ease of use, GelGear combined the style and simplicity of Nike's Dri-Fit, with the concussion protection of the helmets.

Third place winners created ProtoCast blue ocean idea. ProtoCast addresses the limitations of 3-D printing and traditional fabrication techniques for metal parts, and combines their functionality to offer users the ability to accurately fabricate small metal parts at a low cost. Cheaper than machining and investment casting, and more accurate than other types of metal casting, this blue ocean service uses 3D printing to eliminate geometric constraints together with wax melting techniques to prepare custom molds for metal parts at a low cost. One of the judges handed the ProtoCast team a business card to get in touch later for help in getting their process patented.




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*If the student can embrace the simple concept, that there are red oceans and there are blue oceans and just to be aware of that as a starting point to look for opportunities where there is no competition. This could potentially and likely change the entire trajectory of the businesses they create.*

*-Nestor Benavides, Judge & President of EMG*

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The journey these ambitious and enthusiastic young students have started does not end here. They have even more ambitious plans for the future. Katherine Erdman, a Marriotts Ridge High School student member on the blue ocean committee sees the competition going nationwide next year, "I think what we want to do is work on an exponential growth level. We started out at the county level, now we're at the state level and our next biggest step is the nation because a country of entrepreneurs is what built America and hopefully it will be our future as well."

Nicholas hopes that, "In the years to come, we will be able to bring this same experience to even more students from around the state and the country." His teacher advisor, Mrs. Taylor tells us, "We've already been contacted by people in Florida and people in Arkansas asking us to see if the competition will go nationwide."

 **The Maryland Blue Ocean Strategy Competition in 2015**



## BLUE OCEAN COMPETITION GOES NATION-WIDE!

[BLUEOCEANCOMPETITION.ORG](http://BLUEOCEANCOMPETITION.ORG)



# Blue Ocean Strategy Faculty and Team

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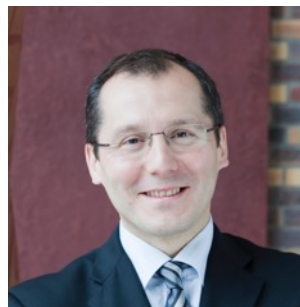
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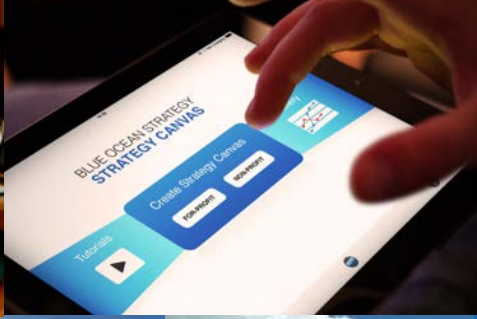


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