

## **Boar's Five Categories of Competitive Advantage and Seven Attributes of a Sustainable Competitive Advantage**

The eternal struggle of business is the struggle for advantage. Business strategy focuses on: 1) Building new advantages that increase customer satisfaction and create distance from competitors, 2) Extending existing advantages, and 3) Reducing and eliminating the advantages of competitors.

The purpose of business strategy is to nurture advantages. The business with more advantages wins; the one with fewer advantages loses. It really is that simple. Advantage can be realized through infinite combinations of strategic moves. Among the many ways to build advantage, typical ways of building advantages are:

- Alignment
- Benchmarking
- Bottleneck analysis
- Process capability
- Critical success factors
- Learning system
- Human Resource architecture
- Organization structure
- Strategic intent
- Competencies

While there are many ways to build advantage, all advantages can be classified into five categories

- 1) Cost advantage
- 2) Value-added advantage
- 3) Focus advantage
- 4) Speed advantage
- 5) Maneuverability advantage

The culmination of building advantages is a set of sustainable competitive advantages (SCAs) for the business. An SCA is a resource, asset, or process that provides the enterprise with a distinct attraction to its customers and a unique advantage over its competitors. Without a well designed set of SCAs, a business engages in a continual life-and –death struggle for survival, since there is no compelling reason to choose that company's products or services.

Sustainable Competitive Advantages (SCAs) of a firm defines the basis of winning over an extended period. SCAs have seven attributes:

- 1) Customer Perception:** The customer perceives a consistent difference in one or more critical buying factors
- 2) SCA linkage:** The difference in customer perception is directly attributable to the SCA
- 3) Durability:** Both the customer's perception and the SCA linkage are durable over an extended time period
- 4) Transparency:** The mechanics/details of the SCA are difficult for competitors to understand
- 5) Accessibility:** The competitor has unequal access to the required resources to mimic the SCA
- 6) Replication:** The competitor would have extreme difficulty reproducing the SCA
- 7) Coordination:** The SCA requires difficult and subtle coordination of multiple resources