

BRETT Chulu caught up with Renee Mauborgne, the co-author of the international bestseller *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant* (Harvard Business Press). Mauborgne is the co-director of the INSEAD Blue Ocean Strategy Institute and the INSEAD Distinguished Fellow of Strategy. *Blue Ocean Strategy* has sold more than two million copies, and has been published in a record-breaking 42 languages.

This is the second and last part of an exclusive interview we published last week. Last week Professor Renee Mauborgne explained that a sustainable strategy is made up of three propositions, namely the value, profit and people propositions.

Of red and blue oceans, she explained that "we use the terms red and blue oceans to describe the market universe. Red oceans are all the industries in existence today—the known market space. In the red oceans, industry boundaries are defined and accepted, and the competitive rules of the game are known. Here companies try to outperform their rivals to grab a greater share of existing demand. As the market space gets crowded, prospects for profits and growth are reduced. Products become commodities, and cut throat competition turns the red ocean bloody. Hence, the term "red" oceans.

Blue oceans, in contrast, denote all the industries not in existence today—the unknown market space, untainted by competition. In blue oceans, demand is created rather than fought over. There is ample opportunity for growth that is both profitable and rapid. In blue oceans, competition is irrelevant because the rules of the game are waiting to be set. Blue ocean is an analogy to describe the wider, deeper potential of market space that is not yet explored. Like the "blue" ocean, it is vast, deep, powerful, in terms of profitable growth, and infinite"

The interview continues.

Brett: My country, Zimbabwe, is endowed with numerous natural resources. For instance, we have the world's second largest known reserves of platinum, a highly educated population, and a legendary work ethic. Ironically, we have a very low per capita GDP. What, in your opinion, limits Africa from developing Blue Oceans given such vast human and natural resources?

Renee: The only limit to creating blue oceans is a lack of will and the desire to do so. With the principles, tools and frameworks of blue ocean strategy, I have every faith that entrepreneurs in Zimbabwe can create blue oceans that help to lift the revenues of their companies, the income of their employees, and better their communities. While Zimbabwe today faces many political and economic challenges including low per capita GDP, the key is not (to) focus on what you cannot change, but what you can change that is right in front of you in your organisation. I believe blue ocean strategy provides entrepreneurs in Zimbabwe with the theory, tools and frameworks to take their organisations to a whole new level of strong profitable growth.

Brett: Can non-business sectors apply the Blue Ocean principles? Any examples?

Renee: Yes. Blue ocean strategy has applicability in non-business sectors as well. Today the government of Malaysia is applying blue ocean strategy at the national level to help fight crime and is achieving strong results. We have had schools apply blue ocean strategy like Pierce College in the (United) States to achieve great results as well as religious groups, sporting clubs, and non-profits. If any of your readers are curious to learn more, they should go to our website, www.blueoceanstrategy.com, and sign up for the free blue ocean strategy newsletter that comes out periodically that documents these types of cases.

Brett: What are you currently working on in terms of research or ideas? Any interesting

findings?

Renee: We have lots of interesting findings. But as these will be part of our forthcoming book, at this point we are not able to share them with you. Stay tuned. I think they will be particularly relevant and inspiring to the people of Zimbabwe and I look forward to sharing them with you once our next book comes out.

Brett: How does Blue Ocean thinking resonate with the principles of leadership and entrepreneurship?

Renee: In order to successfully drive a strategic move that creates a blue ocean, leadership has to understand the pattern by which blue oceans are created and captured by studying the principles we have described in our book. Leaders must be willing to go beyond the existing universe of known customers to explore shared needs among noncustomers that are unmet and not be tied down by the company's current set of assets or investments. Management must learn to ask a different set of questions that will help them to look across alternative industries, strategic groups within the industry, redefine the industry buyer group, explore complementary product and service offerings, rethink the functional-emotional orientation of the industry and learn to shape external trends over time instead of reacting to them. We call this the Six Paths framework that will assist leadership to transform from head-to-head competition to blue ocean creation. To overcome key organisational hurdles to execute on a blue ocean strategy, leaders must learn to make unforgettable and unarguable calls for change, concentrate their resources on what really matters, mobilise the commitment of the organisation's key players, and succeed in silencing the most vocal naysayers. In this way, leaders drive their organisations towards creating blue oceans. Likewise, entrepreneurs who apply blue ocean strategy will have a set of principles, tools and frameworks to guide their efforts in an opportunity-maximising, risk-minimising way to unlock new markets.

Brett: Do Blue Ocean strategists necessarily have to be mavericks?

Renee: No. Blue ocean strategy is a systematic process with tools and frameworks any executive can apply to break out of the red ocean of bloody competition. If you visit our website, www.blueoceanstrategy.com, on the front page are articles that have come out from around the world that discuss how companies have applied these ideas. The aim of blue ocean strategy is to provide a process that would guide any executive who feels the need to break out of the red ocean of bloody competition with the means to create their own blue ocean.

Brett: Can Blue Ocean be made into an organisational culture or capability? If so, how?

Renee: Blue ocean strategy is fundamentally more than a strategy. It's a mindset, a way of thinking about and looking at the world. As companies put blue ocean strategy into practice and work with its tools and frameworks, people start to internalise the process and perspective and apply this to their overall way of working. In this way, the culture of an organisation and the belief of what is possible and how to actualise that become transformed.

About the Author

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