



Blue Ocean Strategy

JOHN BESSANT
Managing Innovation

Blue Ocean Strategy

This is the name given to a technique for exploring innovation space originally developed by two professors at the business school INSEAD. It takes its name from the metaphor of a sea in which many sharks are circling, competing with each other and occasionally thrashing around fighting over food – creating a swirling ‘red ocean’. Not a good place to go hunting for your next meal! By contrast the ideal would be to find somewhere placid and undisturbed – ‘blue ocean’ – where it is possible to operate without competition.

Using a variety of examples they explore how organizations can re-examine their operating environments and identify blue ocean zones to which they could move, or create their own blue ocean space by changing what they do. For example, Nintendo changed the game with its WII interface which moved the focus of competition away from the battle over power and speed in computer games and opened up blue ocean space around engaging a wider audience in interacting in a different way with computer games. Their interface gave them several years of blue ocean before Microsoft and Sony produced their versions and now the space is again a somewhat red ocean!

There are a variety of tools which can help with the process of finding or creating blue oceans – in particular the ‘value curve’. This compares valued features in the offerings of different competitors – the idea being to find features which customers would value but which are not yet offered by the competition. In similar ways the technique of competitiveness profiling can identify blue ocean space associated with process innovation.

The website associated with the book has a rich set of examples, additional tools and media.

<http://www.blueoceanstrategy.com/>