Strategy in Fragmented Industries

1. Overcoming Fragmentation

2. Coping with Fragmentation
Overcoming Fragmentation
*(Competitive Strategy, Chap 9)*

Change Industry Structure
- Change Economies of Scale
- Change Channel Relationships
- Change Supplier Relationships
- Add Barriers to Entry
- Make Fundamental Change to Cost Structure
Coping With Fragmentation
(Competitive Strategy, Chap 9)

• Create Competitive Advantage
  – Lower Cost
  – Add Differentiation
  – Increase Barriers to Entry
• Tightly Managed Decentralization
• Increased Value Added
• Negate Aspects of Fragmentation
• Add Economies of Scale
• Compress Space & Time