

The National Hockey League (NHL)

Case prepared by Eric Brunelle, François Normandin, Jérémie Scaire-Laframboise



- Are you a hockey fan? A fan of the NHL? If so, what do you like about the sport and about the league?
- When you read the case, what stood out for you? What caught your attention?



Definition of a business strategy

“Strategy is the direction and **scope** of an organisation over the **long term**, which achieves **advantage** in a changing environment through its **configuration of resources and competences**, with the aim of fulfilling **stakeholder expectations**.”

Johnson et al. (2008)



“How a company, business unit or organisation creates value for its users which is both greater than the costs of supplying them and superior to that of rivals.”

Johnson et al. (2017: 210)



Resources are “the assets that organisations have or can call upon.”

Capabilities are “the ways those assets are used or deployed.”

Johnson et al. (2017: 98)



Competitive advantage components (VRIO model)

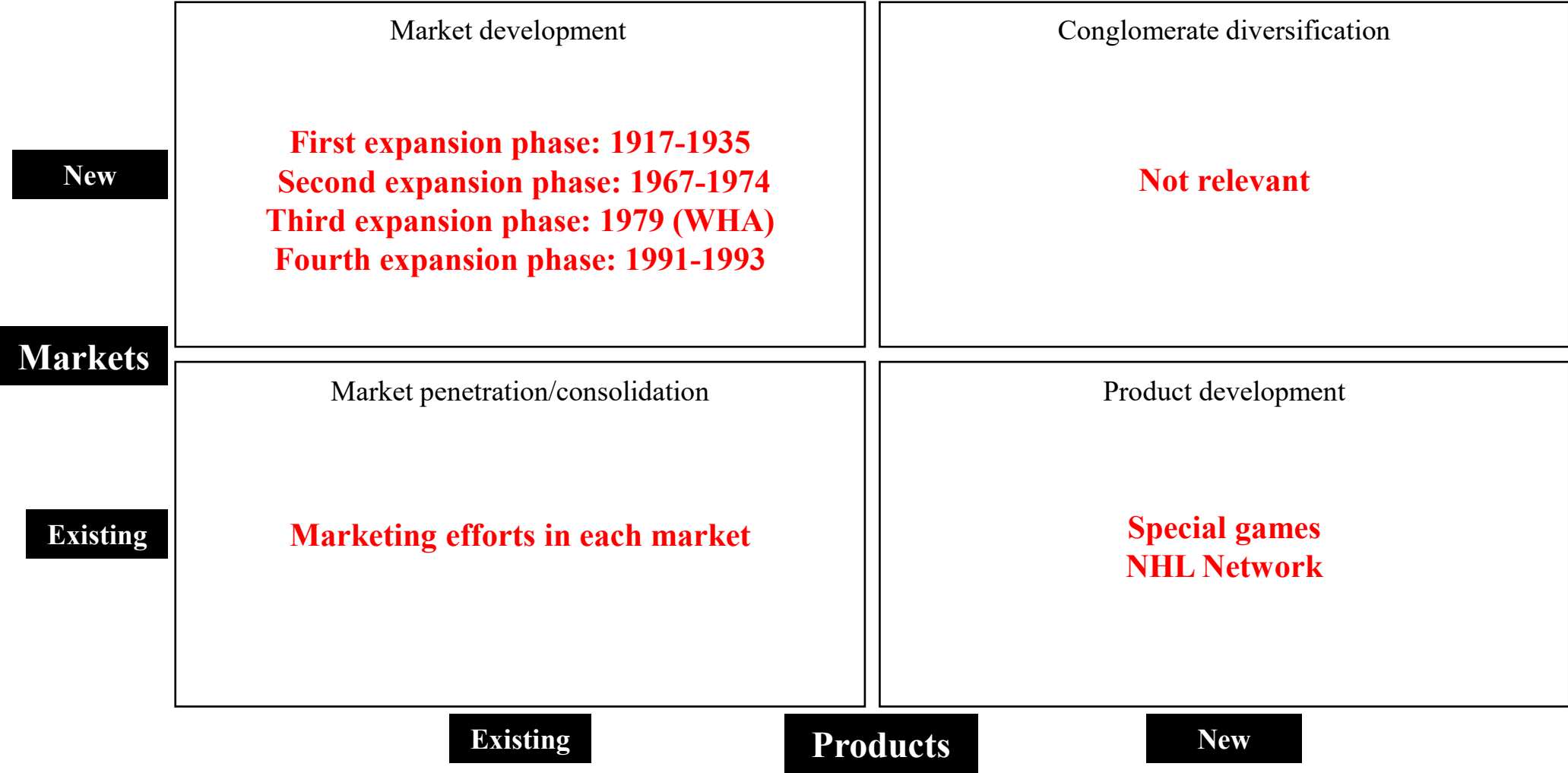
The organization has a competitive advantage when its resources and capabilities lead to the development of a product or service that is:

- **Valued** by the customer
- **Rare**
- **Inimitable**
- Well supported by the **organization**

Johnson et al. (2017: 107)



Growth paths: the Ansoff matrix



Growth means



The NHL's Competitors



Creation: 2008
Teams: 24



Creation: 1975
Teams: 14



Creation: 1975
Teams: 15



Extraliga
(Czech Republic)

Creation: 1993
Teams: 14



Deutsche Eishockey Liga

Creation: 1994
Teams: 14



Creation: 1938
Teams: 12

Europe

North America



Creation: 1936
Teams: 31



Creation: 1969
Teams: 18



Creation: 1980
Teams: 20



Creation: 1966
Teams: 22

University hockey



North American
professional sports



Creation: 1920
Teams: 32



Creation: 1903
Teams: 30



Creation: 1946
Teams: 30



Creation: 1993
Teams: 24



The NHL's Value Proposition

“The Value Proposition is the reason why customers turn to one company over another. It solves a customer problem or satisfies a customer need. Each Value Proposition consists of a selected bundle of products and/or services that caters to the requirements of a specific customer segment. In this sense, the Value Proposition is an aggregation, or bundle, of benefits that a company offers customers.”

Osterwalder & Pigneur (2010: 22)



Value Propositions



What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

CHARACTERISTICS

Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability



Revenue Streams

For what value are our customers really willing to pay?

For what do they currently pay?

How are they currently paying?

How would they prefer to pay?

How much does each Revenue Stream contribute to overall revenues?

TYPES

Asset sale

Usage fee

Subscription Fees

Lending/Renting/Leasing

Licensing

Brokerage fees

Advertising

FIXED PRICING

List Price

Product feature dependent

Customer segment

dependent

Volume dependent

DYNAMIC PRICING

Negotiation (bargaining)

Yield Management

Real-time-Market



Customer Segments



For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform



Channels



Through which Channels do our Customer Segments want to be reached?

How are we reaching them now?

How are our Channels integrated?

Which ones work best?

Which ones are most cost-efficient?

How are we integrating them with customer routines?

CHANNEL PHASES

1. Awareness

How do we raise awareness about our company's products and services?

2. Evaluation

How do we help customers evaluate our organization's Value Proposition?

3. Purchase

How do we allow customers to purchase specific products and services?

4. Delivery

How do we deliver a Value Proposition to customers?

5. After sales

How do we provide post-purchase customer support?



Customer Relationships



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?

Which ones have we established?

How are they integrated with the rest of our business model?

How costly are they?

EXAMPLES

Personal assistance

Dedicated Personal Assistance

Self-Service

Automated Services

Communities

Co-creation



Cost Structure

What are the most important costs inherent in our business model?

Which Key Resources are most expensive?

Which Key Activities are most expensive?

IS YOUR BUSINESS MORE

Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)

Value Driven (focused on value creation, premium value proposition)

SAMPLE CHARACTERISTICS

Fixed Costs (salaries, rents, utilities)

Variable costs

Economies of scale

Economies of scope



Key Partners



Who are our Key Partners?

Who are our key suppliers?

Which Key Resources are we acquiring from partners?

Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS

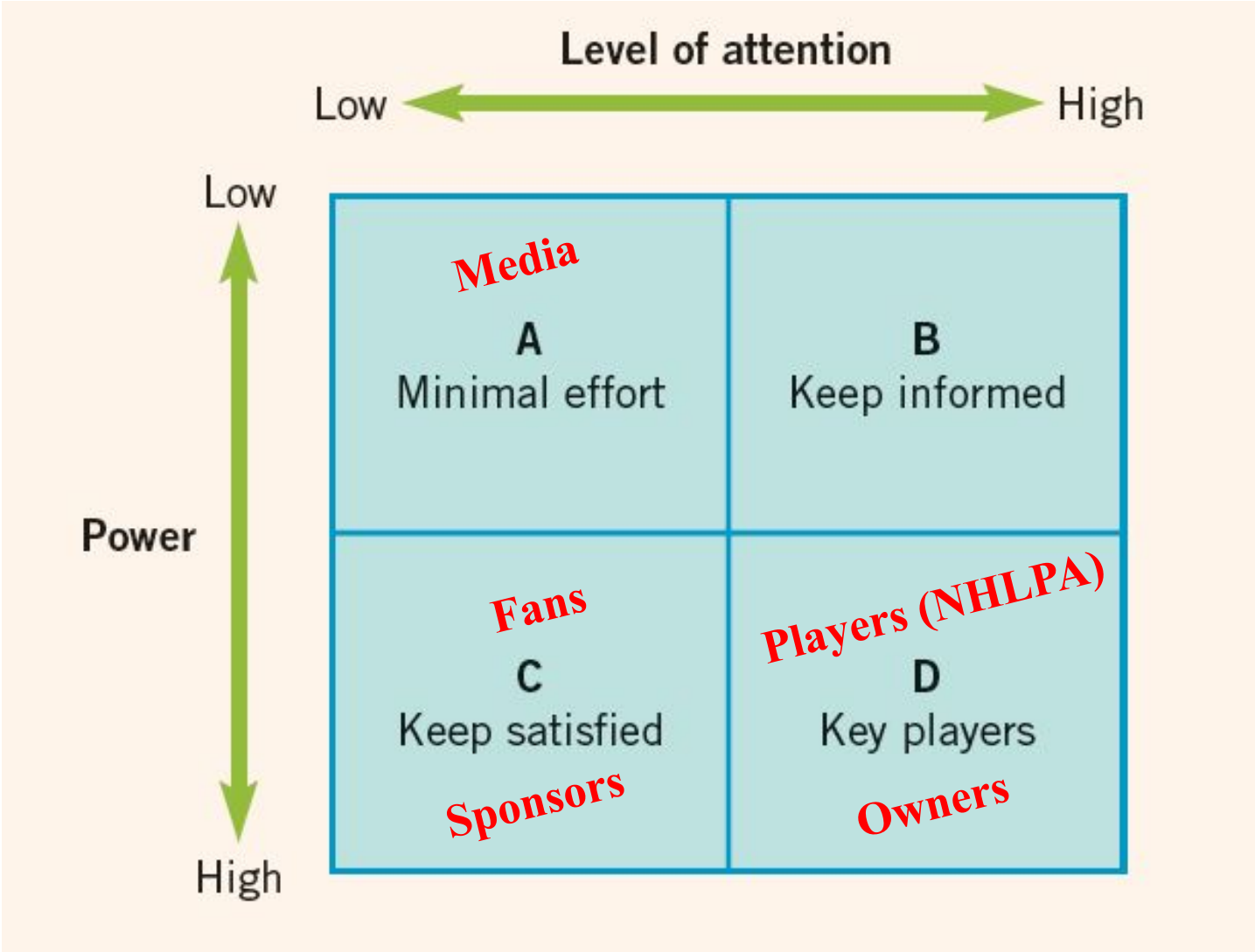
Optimization and economy

Reduction of risk and uncertainty

Acquisition of particular resources and activities



Stakeholder matrix



Key Resources



What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

TYPES OF RESOURCES

Physical

Intellectual (brand patents, copyrights, data)

Human

Financial



Key Activities



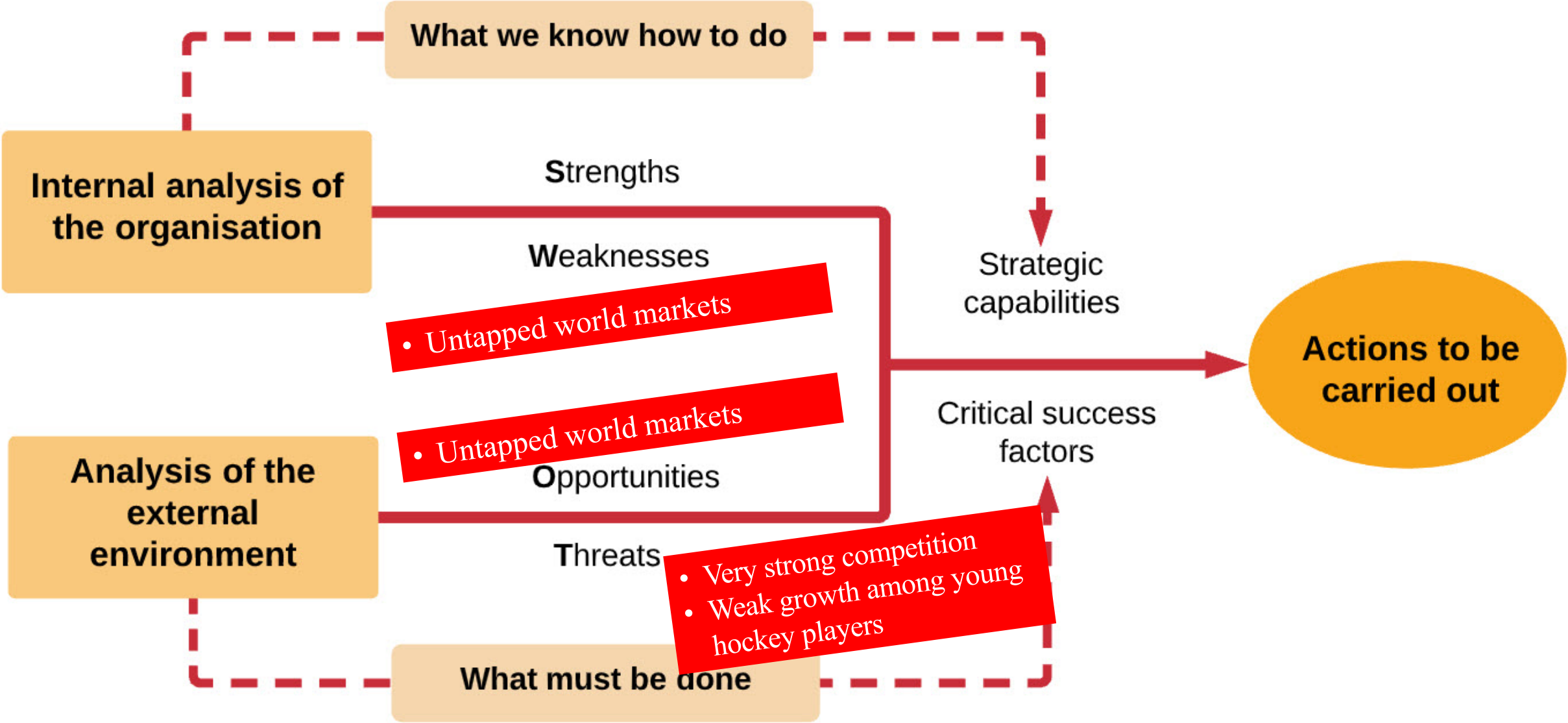
What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATERGORIES

Production
Problem Solving
Platform/Network

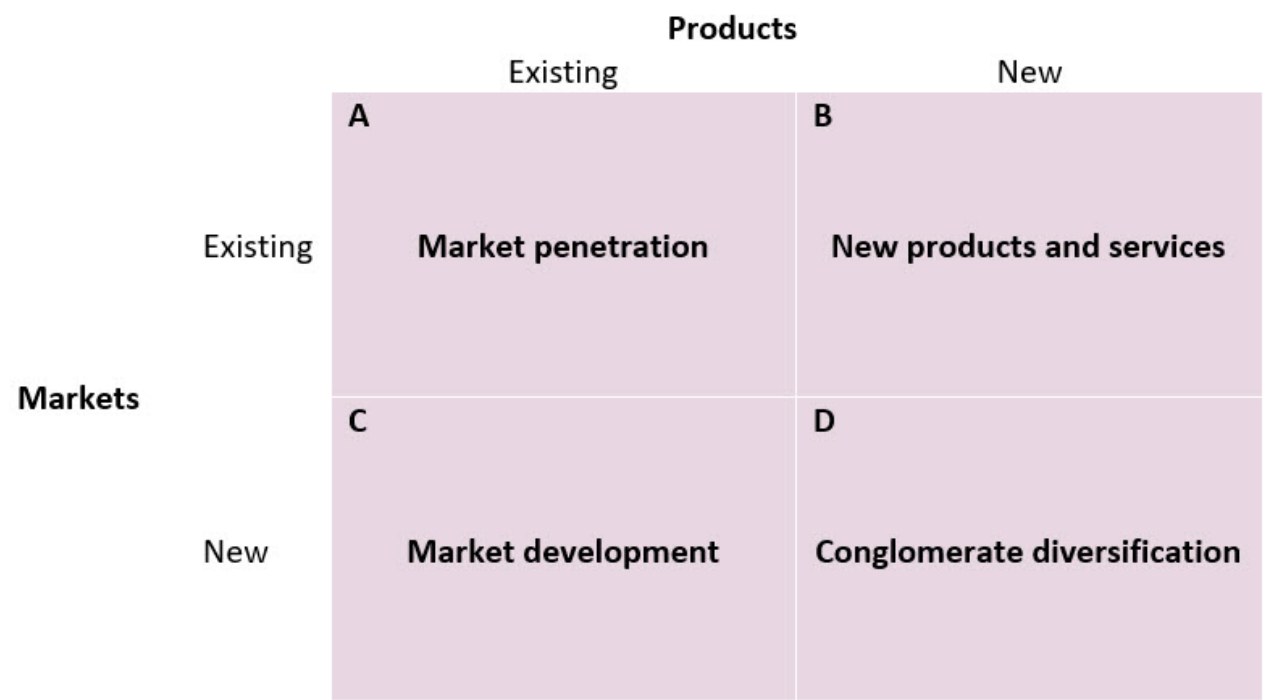


Synthesis



Growth

1. What are the potential paths for growth?



2. What are the potential means for growth?

