Chapter 1
Strategic coherence of an organization in the context of achieving ambidexterity

A key issue that differentiates results obtained by individual players of the market game is the way of defining and answering questions relating to basic issues, such as: assessment of the impact of the environment, diagnosis of the organization, formulation of visions and goals, making strategic choices, action plans, and measuring accompanying results [Obłój, 2014, p. 23].

The 1960s are considered to be the genesis of perceiving strategic management as a scientific problem, along with works by H.I. Ansoff and their foundations based on earlier studies by A. Marshall (1890), E.H. Chamberlin (1933) or J.A. Schumpeter (1942) [Rokita, 2005, p. 15]. Complexity of this issue encouraged researchers to fragmentary analysis of respective aspects of strategic management. Over time, however, researchers have developed more holistic concepts describing the functioning of the organization and its choices. For example, determinants shaping competition in a given sector were analyzed [Porter, 1985] or relationships between competition and economic results were described [Barney, 1997]. Still, considering organization's activities from the perspective of applied analytical techniques and tools narrows the decision-making field and the perception of strategic problems to the mechanistic approach [Rokita, 2005, p. 18]. Therefore, it is more desirable to move away from a typical static analysis based on financial planning and using forecasts towards a dynamic approach, encompassing environment-oriented planning and creating the future through the use of strategic management [Ghemawat *et al*., 1999].

One of major challenges of strategic management is to ensure mutual fit and adaptation, which can be considered in many interdependent and often opposing systems, such as: environment vs. organization, a strategy of the entire organization vs. functional strategies or strategies of business units, strategic goals vs. operational goals, etc. Lack of coherence in these systems causes many tensions in the organization and can lead to management dysfunction, loss of synergy effect and other undesirable phenomena. Therefore, the issue of harmonization of individual elements, which is one of the main determinants of the organization's success [Galbraith, 1997, p. 6; Obłój, 2002, p. 199] should become the subject of an in-depth analysis.

In this work, strategic coherence is considered in two perspectives: vertical fit (describing the cascading of strategic goals into elements of the business model) and horizontal fit (covering the configuration of elements of the business model in the context of the implemented strategy). This issue will be considered through the prism of implementation of the organizational ambidexterity strategy, which determines the ability to simultaneously implement two different activities: exploration and exploitation.

Exploration is the search for new development opportunities through research, change, experiments or discoveries, as well as flexibility, innovation and risk-taking, i.e. long-term actions [March, 1991, p. 71]. In turn, exploitation focuses on maintaining regular efficiency, control, improvement, implementation and realization, increasing certainty and reducing diversity, and in a broader sense – on generating profits in the short-term perspective [*ibidem*, p. 71]. Both activities, although requiring different resources and skills, should be taken into account in the process of strategy creation and implementation, as they determine both organizational efficiency [Raisch, Birkinshaw, 2008] and the use of the strategic potential of a company [Bratnicka-Myśliwiec, 2017, p. 13].

The starting point for undertaking the considerations outlined above is to present the main currents of strategic management, the essence of the strategy and the concept of the business model.

1.1. From strategy to business model

The strategy has many meanings and is defined differently not only in various areas of human activity, but also in the field of management and quality (see Table 1.1). In the literature, strategy is understood as the process of creating and implementing a long-term plan, obtaining a specific position against the background of the environment or a relatively stable pattern of action [Obłój, 1988, p. 1]. The strategy expresses long-term goals of a business, corresponding to its general directions of activity, and also presents allocation of resources that are necessary to achieve such assumed goals [Chandler, 1962]. An extended formulation of this definition was proposed by J.B. Quinn [1988], according to whom it is a pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole. He emphasizes that a well formulated strategy helps to obtain and allocate unique resources, which focuses attention on internal competences and shortcomings, allows anticipating changes in the environment and taking into account competitors' actions.

Table 1.1. Chronology of definitions of strategy

Authors	Definitions of strategy
A. Chandler [1962]	Strategy is the determinant of the basic long-term goals of a firm, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals
K.J. Hatten, M.L. Hatten [1974]	Strategy is the method of reaching organizational goals
K. Obłój [1988]	Strategy is the process of creating and implementing a long-term plan, obtaining a specific position against the background of the environment or a relatively sustainable pattern of action
J.B. Quinn [1988]	Strategy is the pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive whole; a well formulated strategy helps to marshal and allocate organization's unique resources, focus on internal competencies and shortcomings, and anticipate changes in the environment, and moves by opponents
H. Mintzberg [1988]	Strategy is: (1) a plan; (2) ploy; (3) pattern; (4) position; (5) perspective
J.B. Barney [2002]	Strategy is both an idea and a set of different types of policies and procedures that operationalize this idea
J. Rokita [2005]	Strategy is a set of competitive activities and appropriate approaches to business, used to achieve satisfaction of stakeholders and clients and bringing a relatively sustainable success to an organization expressed in its competitive advantage
B. De Wit, R. Meyer [2007]	Strategy consists of the following elements: strategic context, namely factors determining actions in the area of the strategy; purpose of the organization's existence, i.e. the impulse to take actions in the area of strategy; strategy creation process, i.e. the stream of actions in the area of strategy, and strategy content comprising the effect of actions in the area of strategy
M. Porter [2007]	Strategy is a process of building a unique and valuable market position by resolving dilemmas regarding areas and ways of competing
M. Romanowska [2009]	Strategy is an action program that defines main goals of a company and methods to achieve them
R. Grant [2011]	A corporate strategy defines the scope of activities in relation to sectors and markets, and the main methods of operation are: diversification, vertical and horizontal integration, acquisitions and alliances, and other forms of allocation of company resources
	A business strategy, also referred to as a competitive strategy, defines ways in which a company achieves its goals within a given sector by indicating competitive advantages

Authors	Definitions of strategy
K. Obłój [2014]	Strategy comes from the Greek word *strate-gos*, which consists of two terms: *stratos* – meaning an encamped army and *agein* meaning leadership; *strate-gos* therefore meant a person who led the army and created a fight concept

Source: based on the cited works.

According to J.B. Barney [1997], the definitions presented in Table 1.1 reflect a shared point of view on the phenomenon of strategy, which boils down to the following guidelines:

1) impact of the environment that determines strategic choices of an organization is emphasized, which translates into the logic of action aimed at taking advantage of the opportunities that arise in the environment thanks to the organization's strengths and to elimination of threats and weaknesses;
2) resources as a source of competitive advantage; by properly shaping links between strengths and weaknesses and opportunities in the environment it is possible to shape and maintain a competitive advantage, however it is not so much about material resources as about outstanding competences and skills, which – thanks to difficulties in their imitation by competitors – are the basis for this advantage;
3) formalized and hierarchical organization control system, which is reflected in the strategic management process involving transformation of a vision into goals, and then into strategy, policy and tactics, leading to achievement of the vision.

The strategy is defined slightly differently by H. Mintzberg [1988], who identifies it with non-exclusive possibilities:

1) a plan: an informed course of action adopted depending on a situation;
2) a ploy: aimed at gaining an advantage over competitors;
3) a pattern: acting on the basis of previously established practices and experience;
4) a position: namely a status obtained by a company in relation to its environment;
5) a perspective: boiling down to the way managers perceive their surrounding reality.

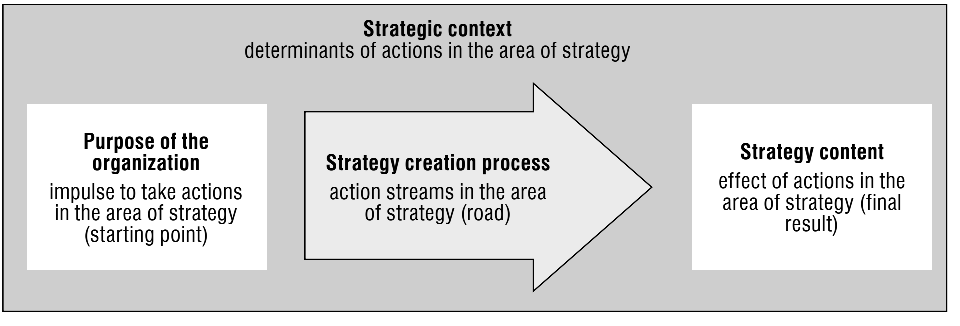
As J. Rokita [2005, p. 25] notes, the abovementioned definitions and approaches have some shortcomings. First of all, they excessively emphasize the formal aspects of strategy, which makes them identifiable with the strategic management process, and as a result underline their intended character too much, while ignoring the importance of emerging strategies. In addition, he points to one of major challenges of strategic management regarding the issue of strategy implementation involving the coupling of strengths and weaknesses of the organization with opportunities and threats in the environment. Based on these considerations, he proposes the definition of a strategy as a set of *"competitive actions and* *proper approaches to businesses, used to achieve satisfaction of stakeholders and clients, and bringing a relatively sustainable success to an organization expressed in its competitive advantage*" [*ibidem*, p. 26].

J. Rokita's proposition was adopted in this paper as a definition of strategy due to the following properties [*ibidem*, pp. 26–27]:

1) emphasizing patterns of actions, which on the one hand – in the form of processes and procedures – lead to formalization of organization's activities, and on the other hand, they enable designation of non-formalized areas in which the course of action depends on decisions of organization's participants, which translates into a challenge as regards determining the degree of discretion;
2) it points to the essential task of the strategy, which is to meet expectations of stakeholders: shareholders and stockholders by generating profits and customers by providing products that meet their needs;
3) it is assumed that satisfying clients' needs should ensure achievement of organization's main objectives and contribute to building a relatively sustainable competitive advantage;
4) the strategy perceived in this way is associated with a business model that presents ways of achieving economic results expressed by the relationship between organization's revenues, costs and profits.

The most important elements defining the strategy were presented by B. De Wit and R. Meyer (see Figure 1.1) [2007, p. 20].

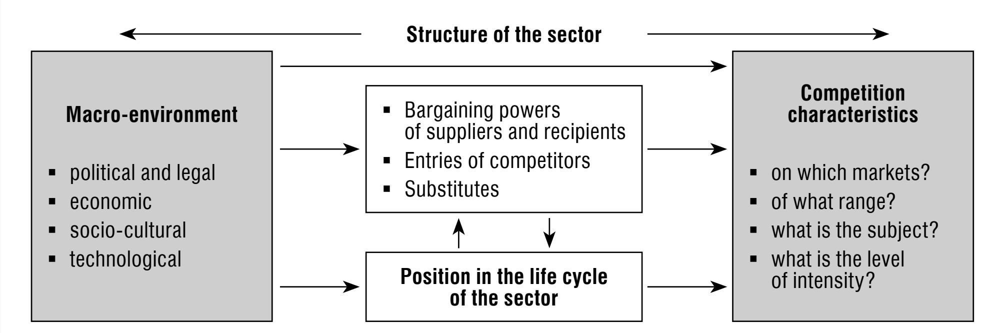
Figure 1.1. Strategy dimensions and purpose of organization's existence



Source: based on the work of: De Wit, Meyer, 2007 p. 20.

The strategic context includes, but is not limited to, the impact of environmental factors that are variable over time, thus one single set of these factors cannot be specified. In addition, the impact of these factors is varied because it can have a direct or indirect nature and exert influence with varying intensity [Rokita, 2005, p. 77]. A comprehensive approach to the interactions taking place in the company's environment includes the arrangement of macro-environment and competitive environment elements, which jointly determine the position in the sector's life cycle (see Figure 1.2).

Figure 1.2. Company's environment vs. company's strategy



Source: based on the work of: Rokita, 2005, p. 71, as cited in: Haberberg, Rieple, 2001.

A properly conducted strategic analysis should include and confront two approaches to perceiving the organization: from the outside towards the inside and vice versa. Meanwhile, in practice, managers more often focus on the internal sphere of the organization functioning [Romanowska, 2009, p. 33]. When considering conditions of the external environment, unilateral impact of the macro-environment on the organization and bilateral shaping of the competitive environment are emphasized. At the microenvironment level, the impact of the bargaining power of suppliers and buyers, the threat of new competitors entering the market and the appearance of substitutes are important. Along with an increase in the impact of these factors on entities in a given sector, the likelihood of achieving favorable results decreases and the level of competition increases. Most of all, the importance of the following is emphasized: the increase in the number of businesses in the sector, their size in relation to the size of suppliers and buyers, as well as the history and organizational culture of these businesses [Rokita, 2005, p. 73].

Another element shown in Figure 1.1 is the purpose of the organization. Company's activities, assuming a high level of generalization, can be brought down to the pursuit of its primary goal, which is mainly survival and then development, which is achieved when the rate of return on capital exceeds the cost of capital. Formation of this surplus depends, among other things, on the environment, including the specifics of the sector in which a given company operates. Apart from analyzing the impact of external factors, definition of the organization's goals is considered to be the most important stage of strategic management, since the defined goals bind a significant part of resources and regulate a large part of the organization's activities [Penc, 2001, p. 141]. The managerial staff plays a key role in defining the company's goals, which in this respect creates micro foundations of management. This approach analyzes attitudes and behavior of decision makers, and in a broader spectrum – issues of cognitive abilities, which are conditioned by psychological, social and emotional factors [Piórkowska, 2016, pp. 262–263]. It is at the same time emphasized that company's goals are implemented as a result of mutually consistent methods of action ensuring adaptation of the organization's potential to the situation in its environment. The goals and tasks arising therefrom are consciously determined, future states of affairs that the company aims at – they determine what, where and when should be implemented. They must be based on a vision supported by a solid analysis of reality and possibilities related to fulfillment of a given need for which they were designed [Antoszkiewicz, 1996, p. 76].

Goals can be formulated in relation to various areas, including: market position, innovation, productivity, physical and financial resources, management activities, employee activities, profitability, and corporate responsibility [Drucker, 1994, p. 78]. When determining the organization's strategy, it is worth underlining the principles that ensure correct formulation of strategic goals, requiring the simultaneous fulfillment of the following requirements [Cyfert, Krzakiewicz, 2015, p. 34]:

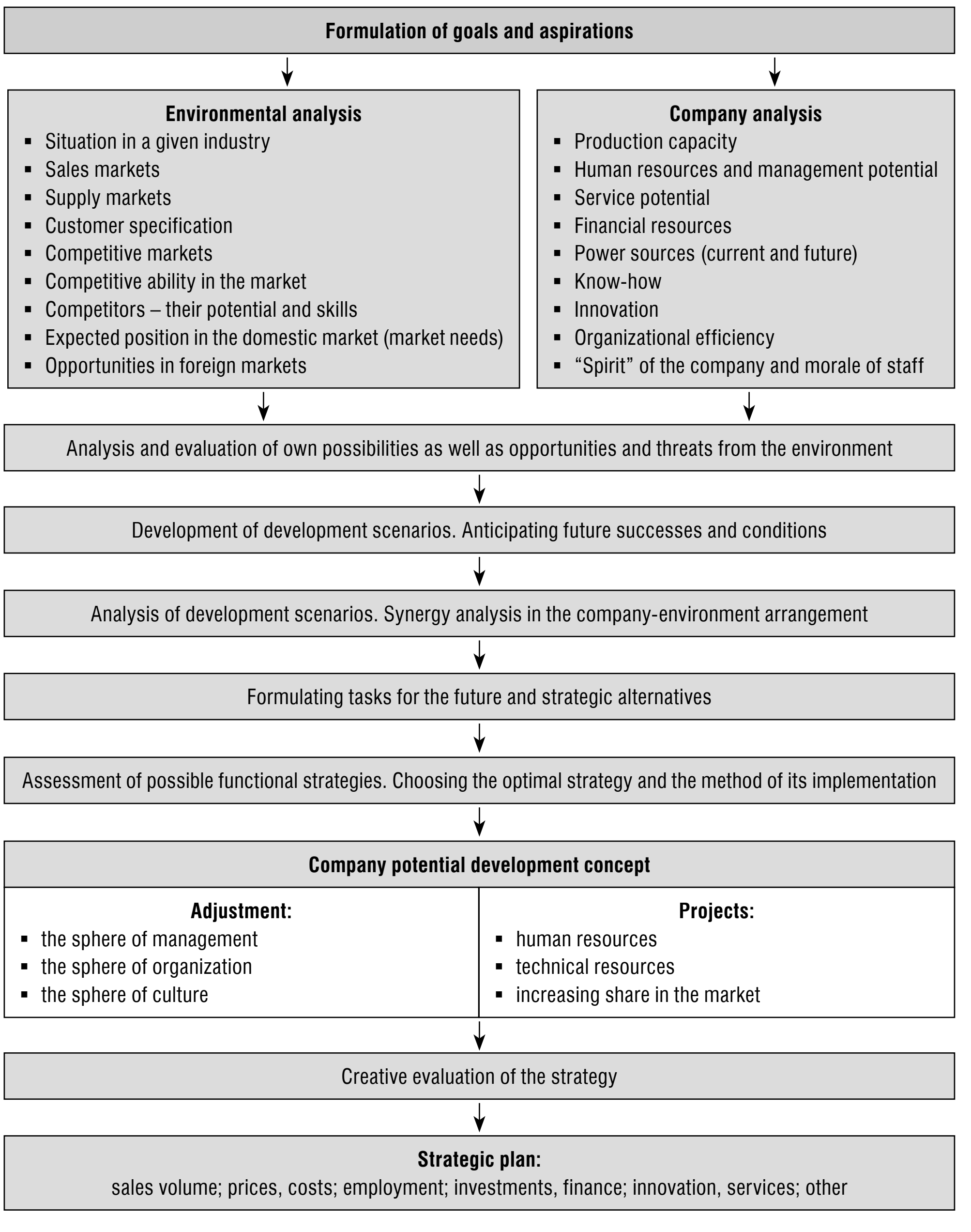
1) it should be realistic and therefore must be based on the recognition and objective assessment of conditions of the organization's functioning;
2) it should consist of objectives that are understandable, specific and measurable, which will allow it to be carried out and enable control of the progress of work, and, moreover, on the basis of deviations found in the course of implementation – will enable specifying remedial actions;
3) it should be formulated in a comprehensive manner, covering all areas of functioning that contribute to the achievement of the goals;
4) it should ensure hierarchy, which will enable ordering the strategy by introducing the relationship between tasks of different significance and complexity;
5) taking into account the organizational development paradox, the strategy should at the same time ensure survival of the organization in the short term and create opportunities for its development in the longer term, which requires adoption of an appropriate level of flexibility and perspective thinking.

Creation of a strategy is a complex and difficult process, having a decisive impact on the implementation of the goals adopted by the organization and the development path chosen. The strategy formulation process itself combines many aspects and areas of management, including [Chojnacki, Mielcarek, 2017, p. 62]:

- technical aspect (such as coordination of existing technologies and technical solutions);
- financial aspect (ensuring resources and possibilities of financing operating activities and investments);
- organizational aspect (ensuring proper human resources and their development as well as matching elements of the management system);
- social aspect (management of changes, regulations, adaptation to legislative requirements);
- cultural aspect (creating values, views, norms, and attitudes).

Strategy formulation is therefore a complex task that requires intellectual and organizational preparation, as shown in Figure 1.3.

Figure 1.3. Company strategy building process



Source: based on the work of: Penc, 1993, p. 122.

The strategy creation process requires defining main goals from the perspective of the company's survival and development, as well as developing rules of operation and problem solving that will ensure quick, flexible and effective response to changes in the environment. In addition, these activities should be supported by the development of the organizational structure and embedded in an appropriate culture involving modification of people's attitudes and aspirations. The criteria that should be followed when developing a strategy include: long-term economic efficiency, growing market share, improving company strengths, and development of creativity capabilities [Penc, 1993, p. 123].

An interesting concept combining the interaction between the strategy creation process and the strategy content is presented in Table 1.2. Respective types of strategies differ in terms of the role of decision-makers and their empowerment in the strategic management process, the degree of involvement of organization members in the formulation of strategies, and the degree of awareness of decision-makers during the development of strategies (deliberate and emergent strategies).

Table 1.2. Types of strategies according to H. Mintzberg

Strategies	Characteristics
Planned	Top management formulates directions of action that it supports by designing a formal control system so as to ensure risk minimization when implementing strategies in a friendly and stable environment; these strategies are characterized by a high level of awareness among decision makers
Entrepreneurial	Direction of the organization development results from unspoken visions of the leader, therefore there is an ability to adapt to new opportunities; the organization is subject to personal control of the leader and relates to a relatively safe market niche; they usually belong to deliberate strategies, although they can also be formed on the emergence basis
Ideological	Direction of development is the outcome of a vision collectively developed by all members of the organization and control is based on strong common standards; the organization often adopts a proactive attitude towards the environment; these strategies are relatively aware
Umbrella	Management of the organization focuses on setting goals and establishing boundary conditions for development; these strategies are to some extent deliberate (establishing boundaries) and to some extent emergent (method of implementing activities within the boundaries); management strives to provide employees with a high degree of freedom in making and implementing decisions
Process	Management – by controlling the recruitment process and the division of roles in the organization – decides on the direction of strategy development, changing structures, etc., while the issue of the content of the strategy is left to other members of the organization; these strategies are positioned between deliberate (process control) and emergent (strategy content) ones

Strategies	Characteristics
Unconnected	Members of organizational units are loosely connected with the entire organization and independently develop standards of action; there is decentralization in shaping intentions or formulated development directions may conflict with strategies of individual organizational units; the level of awareness is high for individual organizational units and to some extent lower for the entire organization
Consensus	Through mutual adaptations, standards of individual members' activities are transformed into a common scheme of action of the entire organization; at the same time there are no centralized, universally accepted intentions; these strategies are considered emergent
Imposed	Schemes of action are determined by the environment both directly (e.g. by the customer or owner) and indirectly (by influencing choices of decision makers or boundary conditions of a decision); from the perspective of the development method criterion, these are emergent strategies, although in some cases they may undergo internalization and seek to transform into deliberate decision-making processes

Source: based on the work of: Lundy, Cowling, 2000, p. 34.

Continuing the analysis of the content issues, two basic levels of the company's strategy, corporate and business, can be distinguished. The corporate strategy defines the scope of activities in relation to sectors and markets, and the basic methods of operation are: diversification, vertical and horizontal integration, acquisitions and alliances, and other forms of allocation of company resources. The business strategy, also known as the competitive strategy, defines ways in which a company achieves its goals within the sector by pointing to competitive advantages [Grant, 2011, pp. 33–34].

Therefore, in order to clarify the content of the strategy, it is necessary to clarify the concept of the company competitiveness subsystem, which consists of the following elements [Stankiewicz, 2005, p. 89]:

- competitiveness potential – including tangible and intangible assets of a company necessary to operate in the market;
- competitive advantage – understood as the effect of using the competitiveness potential (taking into account the environment), which enables effective creation of an attractive market offer and shaping competition instruments;
- competition instruments – namely means created by a company, enabling the acquisition of contractors ensuring that its offer is implemented;
- competitive position – treated as the result achieved in the field of competition in a given sector, considered in the context of results achieved by other competitors.

On the other hand, the essence of the strategic analysis is the ability to combine and assess factors that shape the success of a company at the level of the organization and its environment, especially the sector. At the company level, the most important are: goals and values, resources and skills, as well as structure and systems, and in relation to the sector: analysis of competition, customers and suppliers [Grant, 2011, pp. 24–25].

Focusing on the interior of the organization, it is worth mentioning the concept of a balanced scorecard proposed at the turn of the 1980s and 1990s by D. Norton and R. Kaplan [2001]. These authors perceive the company's strategy through four balancing perspectives: finance, customer, internal processes and development, and the implementation of activities in these areas constitutes a short-term profitability strategy (items on the left side of the diagram) and a long-term development strategy (items on the right side of the diagram). Strategies based on the balanced scorecard (BS) concept are shown in Figure 1.4.

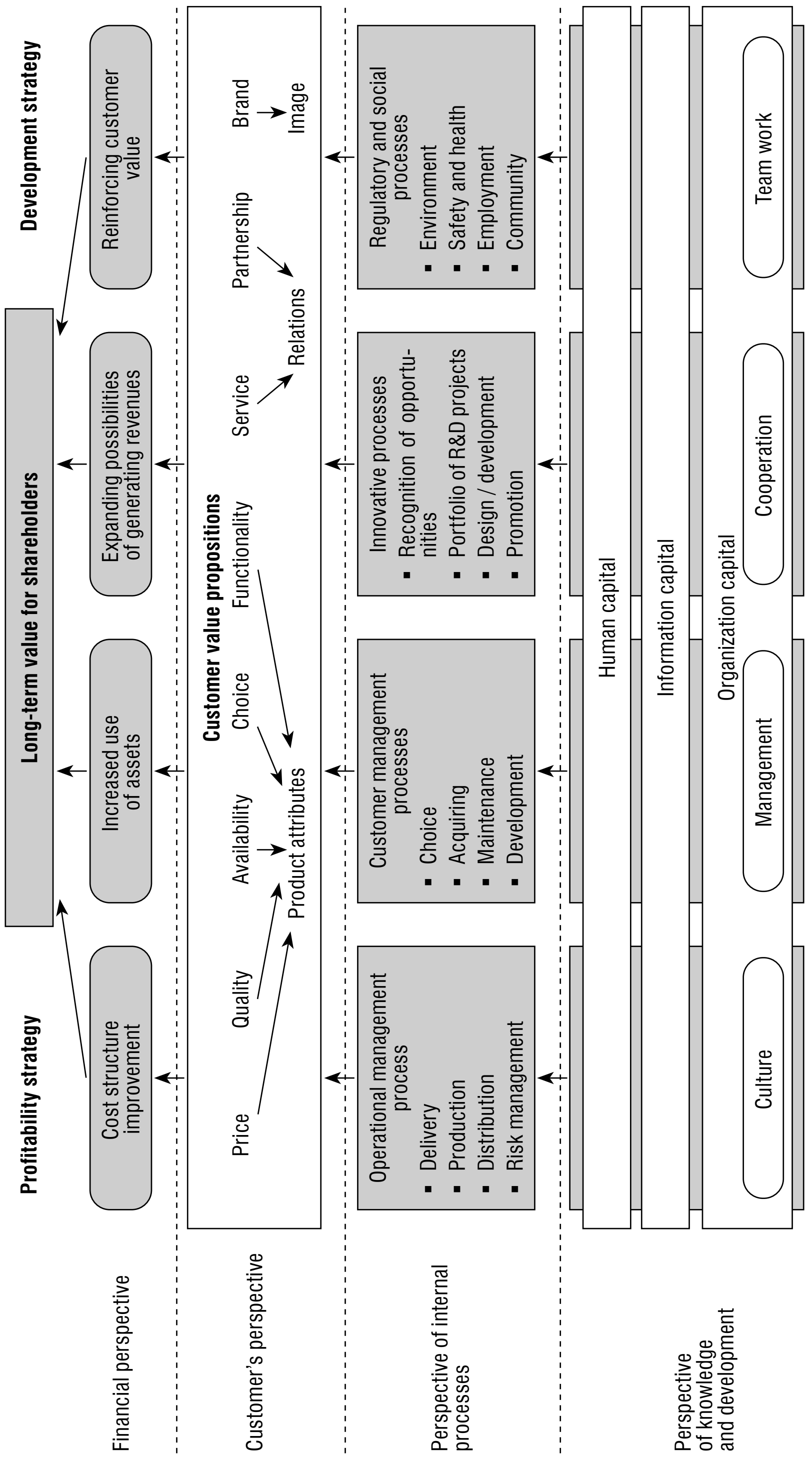
The profitability strategy is essentially based on improving the cost structure and increasing the use of assets. These financial goals are implemented through operational management processes and customer relationship management. In turn, the development strategy is based on the pursuit of expanding revenue opportunities and strengthening customer value. These tasks mostly rest on innovative, regulatory and social processes.

The overarching assumptions of the BS concept, relevant to the strategy implementation, are as follows:

1) coupling of strategic goals with actions aimed at implementing them and a measurement system providing feedback to decision makers and ensuring employee involvement and motivation;
2) interdependence of all strategic perspectives (financial, customer, internal processes and development);
3) organization development paradox resulting from the need to balance efficiency of activities in the short term along with ensuring the possibility of development in the long term;
4) dilemma of ensuring a balance between formulating the strategy in a deliberate, centralized and planned way versus the emergent method based on participation of all members of an organization;
5) striving for a balance between achieving the organization's goals and the possibility of achieving individual goals of individual members of an organization.

The balanced scorecard concept is also described in section 2.2 of this study.

Figure 1.4. Map of strategies based on the BS concept



Source: based on the work of: Kaplan, Norton, 2011b, p. 30.

Summing up the above considerations, it should be stated that the implementation of the strategy requires knowledge of both the environment and the interior of the organization, and the ability to anticipate approaching changes. The strategy should address needs of all key stakeholders and the basic condition for its success is to maintain consistency of the assumptions made with the organization's goals and to ensure that operational performance is balanced with the need to develop the organization.

A business model is the concept that gets increasingly common together with strategy as the second strategic planning tool. Both concepts refer to the long-time horizon of organization management and are based on a set of rules determining conditions for further implementation of activities necessary to run business [Drzewiecki, 2011, p. 340]. Both the business model and the strategy are based on common theoretical assumptions, including: value chain, competitive position, company boundaries, resource approach, and transaction cost theory, which constitute the theoretical basis for the formulation thereof [Morris, Schindehutte, Allen, 2005, p. 728].

Despite the common theoretical foundations, important differences should be emphasized regarding constituents of both these constructs. Table 1.3 presents a summary of the business model definition in chronological order.

Table 1.3. Definitions of the business model in chronological order

Authors	Definitions of the business model
B. Mahadevan [2000]	A business model is a unique blend of three streams that are critical to the business. These include the value stream for the business partners and the buyers, the revenue stream, and the logistical stream
R. Amit, C. Zott [2001, p. 511]	A business model depicts the design of transaction content, structure, and governance so as to create value through the exploitation of business opportunities
A. Osterwalder, Y. Pigneur [2002]	A business model is the conceptual and architectural implementation of a business strategy and as the foundation for the implementation of business processes; it is the value a company offers to one or several segments of customers and the architecture of the firm and its network of partners for creating, marketing and delivering this value and relationship capital, in order to generate profitable and sustainable revenue streams
D. Mitchell, C.B. Coles [2004]	A business model identifies related elements that answer the questions: what, how, when, why, where and how much, in respect of providing the customer and end users with products
H.W. Chesbrough [2006, p. 108]	A business model is ensuring conditions that combine ideas and technology into economic value; it should perform two basic functions: value creation and value capture

Authors	Definitions of the business model
B. Nogalski [2009, p. 12]	A business model is a general concept in which the framework of business logic and its features such as innovation and competitiveness are formulated; the strategy, as well as the resources, competences and system of operational activities adopted for its implementation can be described as a sort of strategic – due to its nature and structure – business model
B. Nogalski, A. Szpitter, Z. Kreft [2010, p. 121]	A company business model is a concept of the way in which it intends to conduct its business in the condition of environment it identifies and diagnoses; it is shaped as a specific configuration of resources, activities and products offered, which ensures creating value for the customer and generating profit for the company owners
R. Casadesus--Masanell, J.E. Ricart [2010, pp. 195–215]	A business model describes the company's logic, indicates how the company works and how it creates value for stakeholders
X. Lecocq, B. Demil, J. Ventura [2010, pp. 214–225]	A business model defines the way of operation and resources that are used to ensure sustainable development and growth
D. Teece [2010, p. 179]	A business model describes how a company provides value to customers and how it turns payments into profits
H. Itami, K. Nishino [2010, pp. 364–369]	A business model is a profit model, business delivery system and learning system
K. Obłój [2010, pp. 96–117]	A business model is a total concept of the company's operation; it is a combination of the company's strategic concept and technology as well as its practical implementation, understood as building a value chain that allows efficient exploitation and renewal of resources and skills
V. Sabatier, T. Rousselle, V. Mangematin [2010, pp. 431–447]	A business model is a crossroad of competences and customer needs
P.J. Williamson [2010, pp. 343–353]	A business model is based on the cost of innovation that brings benefits for the company and is characterized by the "higher value for less cost" principle
S. Cyfert, K. Krzakiewicz [2011, pp. 100–105]	A business model defines the logic of relationships arising between resources at the disposal of the organization and activities that create value for broadly understood customers
M.J. Eyring, M.W. Johnson, H. Nair [2012]	A business model is constituted by combining four components: customer value proposition, profit formula, key processes and resources
T. Falencikowski [2013, p. 37]	A business model is a relatively separate, multi-component conceptual object that describes running a business by articulating the logic of creating customer value and capturing part of this value by the company

Authors	Definitions of the business model
FRC [2016, p. 16]	A business model is the foundation on which the company is based when generating or retaining value over the longer term; it is linked to a strategy that indicates how to achieve the organization's goals

Source: based on the cited works.

A business model is characterized by a wider scope and a higher level of complexity in relation to the strategy, since it comprises [Drzewiecki, 2011, p. 338]:

1) value chain – a configuration of the value chain and position of a company in the value chain of the sector towards other entities are shown, thus the importance of the organization's structure in terms of its processes and relations with other entities within the sector is enhanced;
2) organization's resources – especially in the context of shaping competitive advantage and competences, which in the case of strategy is not so clearly stressed;
3) partners – in the business model, the importance of building relationships with key partners in the business environment is emphasized, while the strategy is often narrowed down to defining entities from the perspective of competition and competitive struggle.

When comparing definitions of the two concepts, it must be stated that they are different constructs. The strategy refers to the dynamics of business, including the way it is run and implemented [Falencikowski, 2013, p. 81], whereas the business model includes two approaches: (1) static – presenting the existing status enabling description of the business and classification of models, and (2) transformational – being a tool for introducing changes and innovations in business [Lecocq, Demil, Ventura, 2010, pp. 214–225].

In the literature, a significant part of business model definitions falls into one of the two approaches presented below.

1. A resource-based approach, basing on component analysis. A detailed list, covering 50 different components building the business model, was presented by T. Falencikowski. Of these, the most frequently indicated in the literature are [2013, pp. 51–53]: (1) value propositions; (2) value capture (sources of income; preservation of income, revenue; profits); (3) customer (customer selection, customer relationship, customer service); (4) value creation (value network, value chain); (5) products (goods and services market and its segments); (6) scope of operation (activity); (7) resources.

2. A market-based approach, emphasizing interactions with the environment and the essence of relations with external entities in the process of achieving competitive advantage. It is worth underlining that the implementation of the company's goal refers to the environment, since: it is carried out by meeting needs of customers in the form of creating value for them and is focused on taking the