

# Lesson 4 - Competitive Advantage

- You will become familiar with the different ways countries compete in the global market and how they can gain a competitive advantage. You will watch and listen to two Canadian case studies on the Internet and express your view on the competitive advantage that a key Canadian business could have in the future.



# Achieving A Global Presence



A company that is expanding internationally needs a strong global presence in order to compete. When expanding internationally, a company always tries to minimize risk and maximize profits. Part of their expansion strategy should therefore address the following;

- How quickly should the company expand?
- Which geographical markets they should enter first?
- Which mode of distribution should be used when entering these markets?
- Which product should be launched first?

# Competitive Advantage

Companies wish to obtain a competitive advantage that allows them to outperform their competitors by producing a superior product, offering better pricing, better service, operating more efficiently, and realizing more profit as a result or simply offering a unique product that is not already on the marketplace. A company can measure their competitive advantage in a number of ways:

- Market share
- Customer demand
- Customer loyalty
- Distribution channels
- Quality of service
- Partnerships with suppliers



Competitive advantage ultimately translates into increased profitability for corporations.

# Bombardier: The Snowmobile Legacy

- <http://www.cbc.ca/archives/categories/economy-business/manufacturing/bombardier-the-snowmobile-legacy-1/just-for-the-fun-of-it.html>
- Complete Assignment 1 and Discussion Questions (Handout)



# How Do Companies Achieve a Competitive Advantage? (1 of 4)

The country in which a business operates creates a foundation for the company's growth and future success. There are many factors that contribute to competitive advantage:

- **Infrastructure**
- Canada has strong transportation and communication systems that allow Canadian companies to get their products to market efficiently and help businesses communicate with customers and suppliers around the world.

# How Do Companies Achieve a Competitive Advantage? (2 of 4)



## **Currency and Exchange Rates**

A strong currency indicates that the economy is strong and stable, which is a good environment for business to grow. A strong economy however leads to a strong dollar, which can make Canadian exports more expensive on the global market.

## **Natural Resources**

Canada has an abundance of natural resources that are in great demand. Canada is also able to transport these resources with relative ease due to the fact that we share a border with the United States, our largest trading partner.

# How Do Companies Achieve a Competitive Advantage? (3 of 4)



## **Workforce Characteristics**

Canada has a well-educated workforce and high literacy rate. Our workforce enables companies to continue research and development in order to improve and innovate products. Without an educated workforce companies cannot achieve a competitive advantage and would need to heavily invest in workers.

## **Societal Characteristics**

Canada has a high standard of living, good level of health care and work ethic. Our country is also very diverse and peaceful. These factors make Canada an attractive country to do business with.

# How Do Companies Achieve a Competitive Advantage? (4 of 4)

## **Entrepreneurship**

Quality and quantity of entrepreneurship affects Canada's competitive advantage because they provide business solutions and cater to consumer's needs and wants with their innovations.

## **Government Involvement**

Our government has a fair tax system in place and also tries to promote trade by participating in trade agreements. Business sees Canadian government involvement as fair and unobtrusive.



# The Canada-U.S. Softwood Lumber Dispute

- As you are listening, answer the questions on the [handout](#) and then participate in the Discussion
- <http://www.cbc.ca/archives/categories/economy-business/trade-agreements/at-loggerheads-the-canada-us-softwood-lumber-dispute/at-loggerheads-the-canada-us-softwood-dispute.html>

