

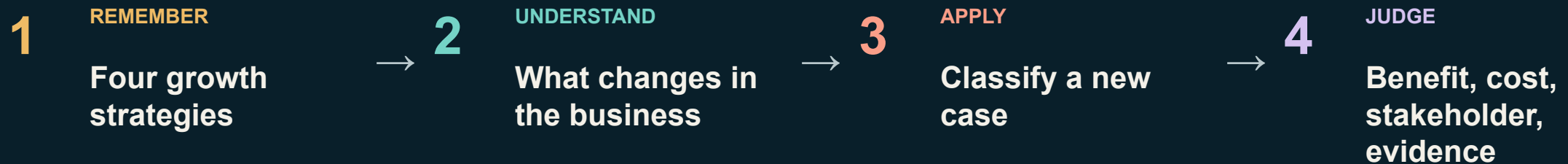
One click. Four growth choices. Different consequences.

Northstar Stationery wants to grow. Your job is to identify what changes and judge who carries the new cost or risk.

PREDICT: Which choice adds the most control?



By the end, you can explain and judge a growth decision



The core question

What relationship changed, and what new responsibility came with it?

We will use that question on every example.

A digital sale moves goods, money, data and control

INPUT item, quantity, customer

PROCESS payment and stock rules

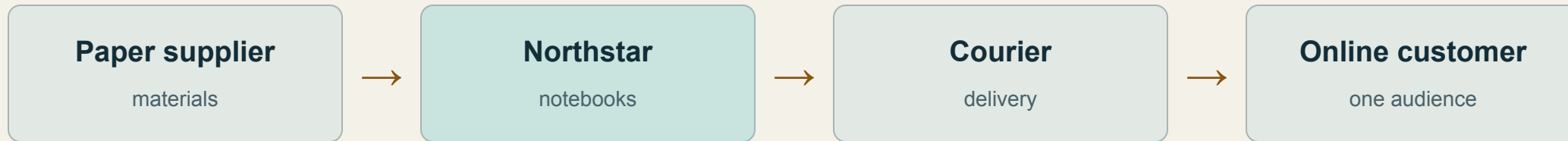
OUTPUT order, receipt, fulfilment

FEEDBACK reorder and demand data



Control sits with whoever can change the rules or access the data.

Northstar sells notebooks through one simple chain



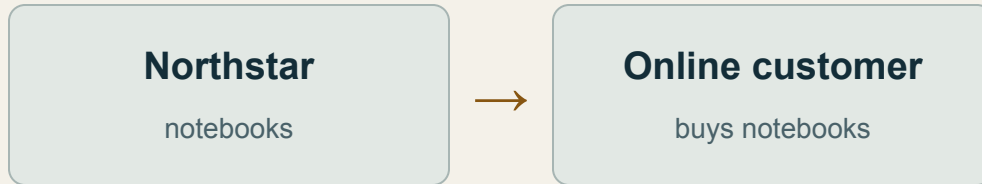
Northstar controls

product design, price, inventory and the customer relationship

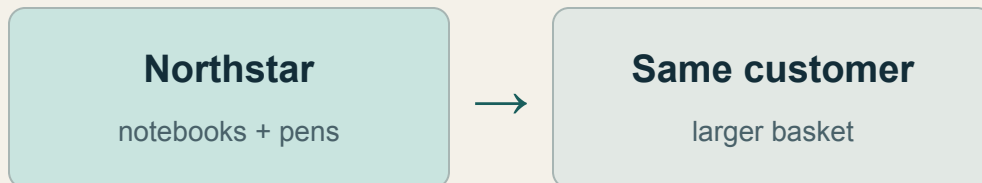
Northstar depends on **the supplier and courier**

Horizontal growth adds a related offer for the same customers

BEFORE



AFTER

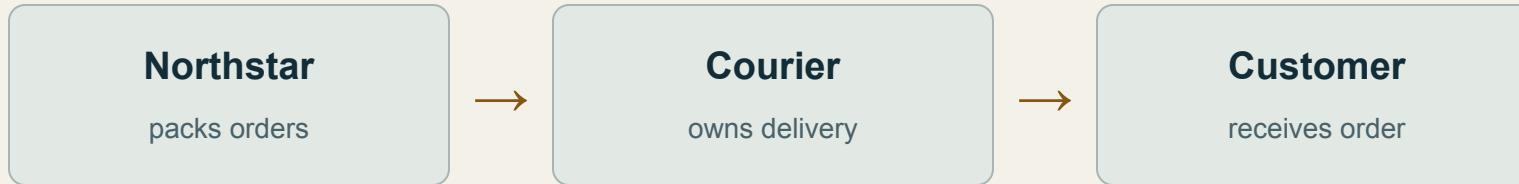


Benefit: more revenue from the existing audience

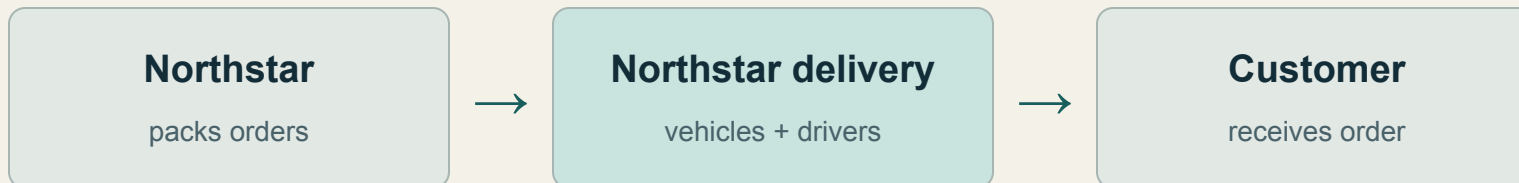
New responsibility: forecast and hold more kinds of stock

Vertical growth brings another stage of the chain inside the business

BEFORE



AFTER

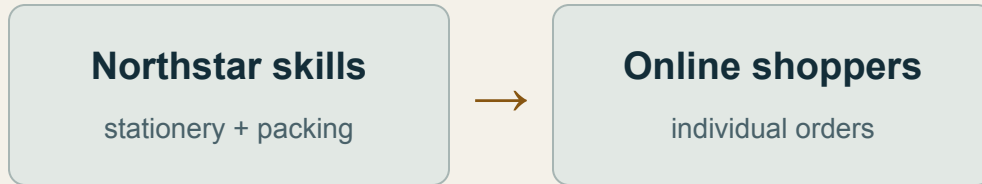


Benefit: greater control over timing and service

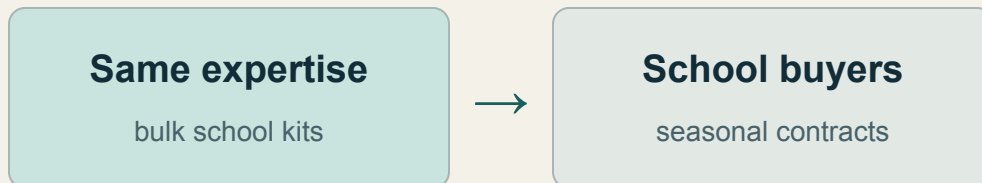
New responsibility: vehicles, drivers, safety and fixed costs

Concentric growth reuses expertise for a related new audience

BEFORE



AFTER

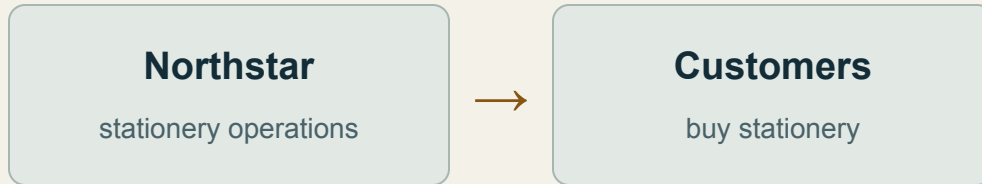


Benefit: a new market using familiar capabilities

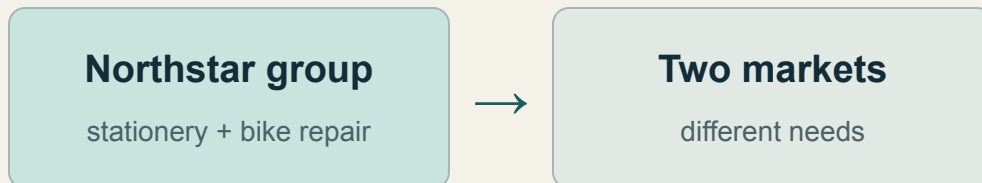
New responsibility: tenders, bulk scheduling and school budgets

Conglomerate growth enters an unrelated industry

BEFORE



AFTER



Benefit: revenue is less dependent on one industry

New responsibility: new expertise, equipment and coordination

Four strategies answer four different growth questions

STRATEGY	DECISION QUESTION	CHANGES	NEW RISK
HORIZONTAL	What else can we sell to this audience?	offer	stock complexity
VERTICAL	Which stage can we bring inside?	chain boundary	fixed cost + operations
CONCENTRIC	Where else can we use this expertise?	audience	new buyer requirements
CONGLOMERATE	Which unrelated industry can we enter?	industry	new capabilities

Classify the move named in the case, even when the company uses several strategies.

A company can use more than one growth strategy

Northstar adds pens, buys a courier, then opens a bike shop.

Student A **“Northstar uses conglomerate growth.”**

Student B **“The bike-shop move is conglomerate growth.”**

Which answer is more precise? Underline the words that make it stronger.

Two bakeries make different growth moves

CASE A

A bakery buys its flour supplier.

Name the strategy. Explain which boundary changed.

CASE B

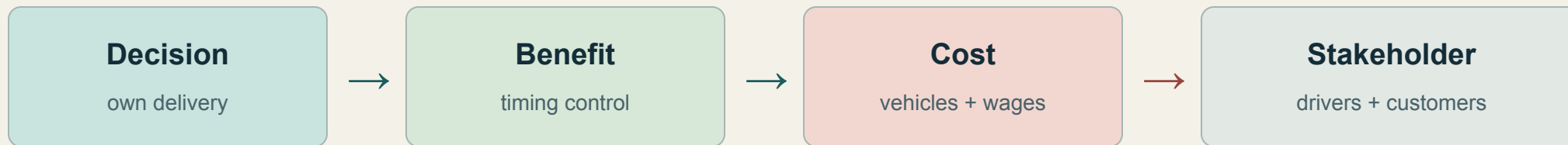
A bakery opens a phone-repair shop.

Name the strategy. Explain which capability must be added.

Success requires the label and the structural evidence.

If you change your answer, write what evidence changed your mind.

A growth strategy transfers benefits, costs and power



Strong judgement

Under these assumptions, owning delivery improves control for Northstar, but shifts safety, employment and fixed-cost responsibilities inside the company.

Evidence still needed

actual delivery cost, worker conditions and customer outcomes

Grow Northstar without breaking its service promise

- 1** **DIAGNOSE** choose an action; predict the structural change
- 2** **TEST** lock the prediction and run normal conditions
- 3** **DISRUPT** draw supplier delay or demand surge
- 4** **REVISE** preserve the first judgement; transfer to a new case



Action labels hide the strategy. Completion is not a grade.

A disruption tests the recommendation—not your memory

ROUND 1

normal condition

ROUND 2

one disruption

REVISION

what changed your judgement?

What the model shows

orders, bottlenecks, modeled costs and first-round cash

What it omits

well-being, fairness, injury, loyalty and long-term productivity

Sentence stem: In this model, under these assumptions... This does not prove...

Performance claims and worker outcomes require different evidence

COMPANY CLAIM

Amazon says Sequoia can identify and store incoming inventory faster.

REGULATORY RECORD

The US Department of Labor settlement requires corporate ergonomic measures.



Question: Who controls the system, who carries the risk, and what evidence would show improvement?

A music service buys a ticket-delivery business

The music service already sells subscriptions. It now owns the digital system that issues and delivers event tickets.

- 1** **Classify**
the growth move
- 2** **Explain**
the changed boundary
- 3** **Analyse**
one stakeholder trade-off
- 4** **Limit**
the judgement with missing evidence

Success: strategy + structural evidence + stakeholder + fact needed

Hand in the reasoning trail—not a simulator

score

A

CLASSIFY

before/after structural evidence

B

INTERPRET

two measures; same condition

C

CONNECT

stakeholder consequence +
limitation

D

TRANSFER

revise after disruption; solve
new case

2 points each · 8 total · teacher-reviewed formative
evidence



What changed, who gained control, and who gained responsibility?

RETRIEVE

Name the four strategies without notes.

EXPLAIN

Choose one. Describe the before and after relationship.

JUDGE

Name one stakeholder benefit and one new obligation.

Next lesson: classify a changed case before reopening notes, then correct with evidence.