

How to Formulate a Successful Strategy?

Insights from Porter and Three Case Studies

Short Paper Assignment

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Date: July 27, 2026

Executive Summary

This paper discusses Michael Porter's concept of strategy, focusing on how organizations achieve competitive advantage through clear positioning, tradeoffs, and fit activity systems. The research question guiding this paper is: How do Porter's three positioning variety-based, access-based, and needs-based will help organizations build sustainable strategies in the Egyptian market? This topic is important because managers often confuse operational effectiveness with strategy, leading to imitation, fragmentation, and loss of competitive advantage. Porter's framework provides a structured way to understand how organizations can differentiate themselves in complex environments. This paper applies Porter's ideas to three Egyptian case studies: Instapay (variety-based), Fawry (access-based), and the Magdi Yacoub Heart Foundation (needs-based). The analysis shows that each organization achieves strategic coherence by making deliberate tradeoffs and building activity systems that reinforce their chosen position. The main result is that Porter's framework remains highly relevant for modern managers seeking clarity, focus, and long-term advantage.

Introduction

Strategy is one of the most important responsibilities of modern managers, even if it is often misunderstood. Many organizations believe that performing activities more efficiently or adopting new technologies neglects strategy. Michael Porter argues that this view is incomplete. Operational effectiveness is necessary, but it does not replace strategy. True strategy requires choosing a unique position, making tradeoffs, and designing a system of reinforcing activities that competitors cannot easily imitate. This paper explores Porter's concept of strategy and applies it to three Egyptian organizations that demonstrate different forms of strategic positioning.

The research question guiding this paper is: *How do Porter's three positioning bases—variety-based, access-based, and needs-based—help organizations build sustainable competitive advantage in the Egyptian market?* This question is important because Egyptian managers operate in a KPI based, and performance which driven by digital transformation, rising customer expectations, sales or earnings, and competition. Understanding Porter's framework can help managers avoid imitation, fragmentation, and strategic failure.

This paper focuses on three case studies: Instapay, Fawry, and the Magdi Yacoub Heart Foundation (MYF). Each organization represents one of Porter's positioning bases. Instapay shows variety-based positioning by focusing on instant bank transfers (bank to bank). Fawry illustrates access-based positioning through its nationwide POS network. MYF exemplifies needs-based positioning by serving patients with complex cardiac conditions. These cases show how clear positioning, tradeoffs, and activity fit create non-imitated advantages. The paper concludes that Porter's insights remain highly valuable for managers seeking long-term differentiation.

Theoretical Framework

Michael Porter's article *What Is Strategy?* remains one of the most important articles for strategic management. Porter argues that strategy is fundamentally about choosing a unique position, making tradeoffs, and designing a system of activities that fit together. He distinguishes strategy from operational effectiveness, noting that organizations often confuse the two. Operational effectiveness refers to performing similar activities better than competitors, while strategy refers to performing different activities or performing similar activities in different ways.

Porter explains that organizations can choose their strategic position in three main ways. The first is **Variety-based positioning**, which happens when a company focuses on offering a very limited set of products or services. Instead of trying to serve every customer's need, it chooses one activity and becomes excellent at it. This type of positioning is defined by *what the company offers*, not by *who the customer is*.

The second is **Needs-based positioning**, the organization shapes its activities around the needs of a specific group of customers. These customers usually have unique or specialized requirements, so the company designs its services to fit them closely. This approach is common in organizations that serve specific segments.

The third is **Access-based positioning**, which is about reaching customers in a different way. Sometimes customers are hard to reach because of where they live, how they buy, or the channels they prefer. In this case, the company builds a strategy around a special access method such as a unique distribution network or a specific geographic presence.

Porter stresses that strategy requires making **tradeoffs**. Organizations must decide what it will not do, not only what it will do. Without these choices, competitors can copy individual activities and gradually weaken any advantage.

Porter also highlights the idea of **activity fit**. A strategy becomes strong when all activities support one another. When activities fit together, they form a system that is very hard for competitors to imitate. Copying one activity is easy, but copying an entire interconnected system is not.

These ideas are highly important for today's managers. In fast-changing environments, managers often feel pressure to follow competitors or adopt every new trend. Porter's framework helps them stay focused, avoid confusion, and build strategies that make sense. The following case studies show how three Egyptian organizations Instapay, Fawry, and the Magdi Yacoub Heart Foundation use Porter's positioning bases to create long-lasting competitive advantage.

Case Studies

1. Instapay: Variety-Based Positioning

Instapay is a strong example of Porter's variety-based positioning because it focuses on doing one thing extremely well: instant bank-to-bank transfers. Instead of expanding into wallets, merchant payments, QR services, or POS networks, Instapay intentionally keeps its scope narrow. This clear focus allows the organization to build a simple, reliable, and secure system around a single high-value activity. Its advantage does not come from being part of the Central Bank of Egypt, but from the way it uses its limited variety to create a clean and efficient activity system. Instapay connects all Egyptian banks through the Instant Payment Network (IPN), uses strong authentication standards, and maintains reliability. These activities reinforce one another and make the service difficult for competitors to imitate, because copying the whole system are not just one feature it requires significant coordination and technical depth. According to the CBE's 2024 IPN report, Instapay processed more than 500 million transactions worth over EGP 2.5 trillion. By excelling in one specific financial need, Instapay shows how variety-based positioning can create a focused and sustainable competitive advantage.

2. Fawry: Access-Based Positioning

Fawry is a clear example of Porter's access-based positioning because its entire strategy is built around how customers reach its services. Instead of relying on apps, bank branches, or telecom wallets, Fawry created a huge physical network of more than 300,000 POS machines placed in kiosks, pharmacies, supermarkets, and rural shops. This network gives Fawry access to people who are usually hard to reach through traditional digital channels, especially cash-based and unbanked customers. This unique access channel is the core of Fawry's strategy. Fawry does not try to compete with banks or wallets by offering every financial service. Instead, it focuses on bill payments, cash-in and cash-out services, and merchant acceptance through its physical network. These tradeoffs help Fawry keep a clean and fit activity system built around distribution, merchant relationships, and interoperability. Because its network is so large and deeply embedded in daily life, it is extremely difficult for competitors to copy. Fintech Egypt's 2024 report highlights how Fawry's hybrid cash-to-digital model supports millions of daily transactions. Fawry shows how access-based positioning can create strong and defensible advantage through unique customer reach.

3. Magdi Yacoub Heart Foundation: Needs-Based Positioning

Magdi Yacoub Heart Foundation (MYF) is a strong example of Porter's needs-based positioning because it focuses on one very specific need: advanced cardiac care for underserved patients, especially children with congenital heart disease. MYF is not a general hospital. Instead, it directs all its resources toward one specialized medical service. This clear focus is supported by a set of activities that work closely together, including world-class heart surgery, active research programs, medical training, and a commitment to treating patients regardless of their financial situation.

These activities form a tightly connected system that strengthens MYF's mission and reputation. The foundation's specialization also makes it extremely difficult for others to imitate. Its model depends on unique capabilities such as global medical partnerships, highly trained cardiac specialists, and strong donor trust built over many years. According to MYF's 2024 annual report, the Aswan Heart Centre has performed more than 40,000 surgeries and treated over 250,000 patients, with more than 60 percent being children. MYF shows how needs-based positioning can create deep expertise and long-lasting impact.

Main Results

The three case studies show that Porter's positioning framework is a very useful way to understand how organizations build long-lasting competitive advantage. Instapay, Fawry, and MYF each use a different positioning base, all three succeed because they make clear choices, accept tradeoffs, and design activity systems that support their chosen direction. Instapay's variety-based positioning demonstrates the power of focus. By concentrating on one core service -instant bank transfers- it develops deep expertise, strong reliability, and high user trust. Its narrow scope allows it to refine its technical and regulatory systems without distraction, which explains its high transaction volumes and strong adoption. Instapay's advantage comes from its strategic discipline, not from being part of the Central Bank of Egypt. Fawry's access-based positioning shows how reaching customers in a unique way can become a major advantage. Its nationwide POS network allows it to serve people who cannot easily use traditional digital channels. This access model is extremely hard to imitate because it depends on long-term merchant relationships, physical distribution, and brand trust built over many years. MYF's needs-based positioning highlights how serving a specific group with tailored activities can create deep specialization and meaningful impact. By focusing on complex cardiac care for underserved patients, MYF builds a coherent system of surgery, research, training, and donor engagement. This tight fit between activities strengthens its mission and makes its model difficult for others to copy.

Overall, the main result is clear, Porter's framework remains highly relevant for modern managers. Organizations that choose a different position, make tradeoffs, and build reinforcing activity systems are far more likely to achieve sustainable advantage than those that try to do everything at once. The three Egyptian cases show that strategic clarity and focus are powerful tools in any competitive environment.

Conclusion

This paper applied Michael Porter's concept of strategy to three Egyptian organizations and showed how variety-based, access-based, and needs-based positioning can create strong and sustainable competitive advantage. Instapay, Fawry, and the Magdi Yacoub Heart Foundation demonstrate that when organizations choose a clear position, accept trade-offs, and build activity fit systems that support their choices, they can stand out in competitive environments. The analysis reinforces Porter's central idea: strategy is not about doing more but about deciding what to focus on and what to deliberately avoid. Porter's insights remain highly relevant for modern managers,

especially in markets that face rapid change and rising competition. The three case studies show that long-term advantage comes from clarity and discipline, not from trying to imitate every new trend. Instapay's focus, Fawry's unique access model, and MYF's specialized mission all highlight how coherent strategies can create meaningful and lasting impact.

Overall, the paper concludes that Egyptian organizations can benefit greatly from applying Porter's framework. It offers a practical way to build strategies that are focused, consistent, and difficult for competitors to copy. In a fast-moving business environment, this kind of strategic clarity is essential for sustainable success.

References

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(Used for: variety-based, needs-based, access-based positioning; trade-offs; activity fit.)