ERRC GRID

The Eliminate-Reduce-Raise-Create (ERRC) Grid developed by W. Chan Kim and Renée Mauborgne is a simple matrix like tool that drives companies to focus simultaneously on eliminating and reducing, as well as raising and creating while unlocking a new blue ocean.

Eliminate

Which factors that the industry has long competed on should be eliminated ?

Raise

Which factors should be raised *well above* the industry's standard?

Reduce

Which factors should be reduced *well below* the industry's standard?

Create

Which factors should be created that the industry has never offered?

This analytic tool complements the [Four Actions Framework](#). It pushes companies not only to ask the questions posed in the Four Actions Framework but also to *act* on all four to create a new value curve (or strategic profile), which is essential to unlocking a new blue ocean. The grid gives companies four immediate benefits:

- It pushes them to simultaneously pursue differentiation and low cost to break the value-cost trade off.
- It immediately flags companies that are focused only on raising and creating, thereby lifting the cost structure and often over-engineering products and services – a common plight for many companies.
- It is easily understood by managers at any level, creating a high degree of engagement in its application.
- Because completing the grid is a challenging task, it drives companies to thoroughly scrutinize every factor the industry competes on, helping them discover the range of implicit assumptions they unconsciously make in competing.