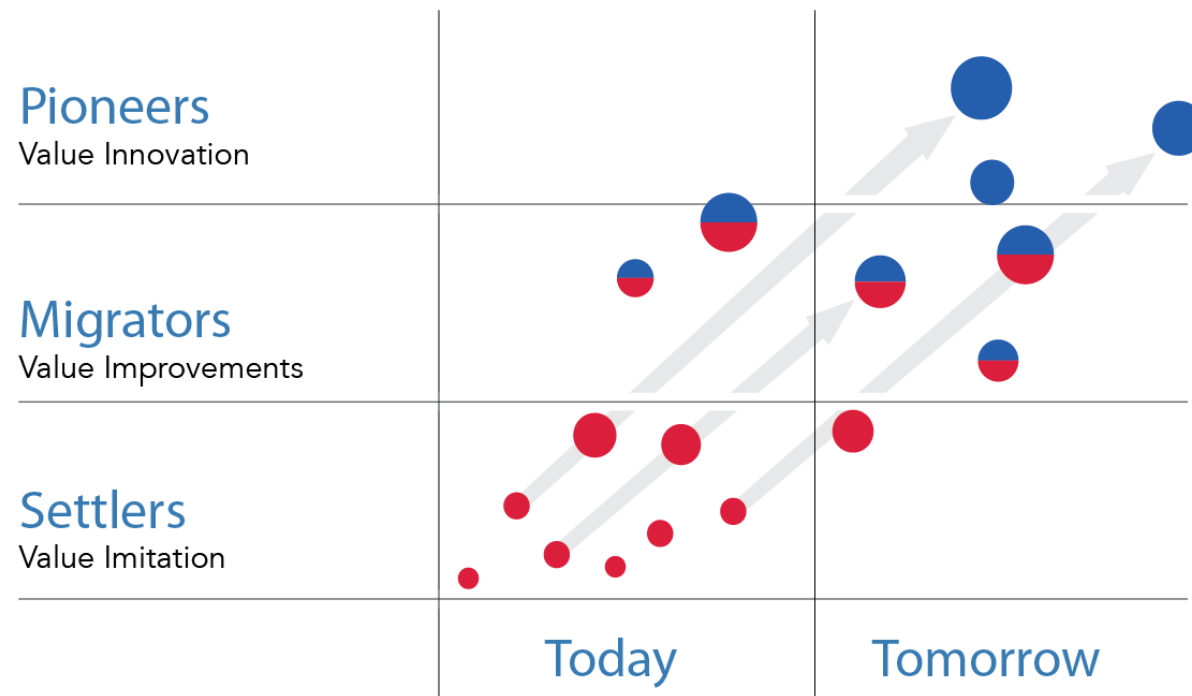# PIONEER-MIGRATOR-SETTLER (PMS) MAP

A useful exercise for a corporate management team pursuing profitable growth is to plot the company's current and planned portfolios on the Pioneer-Migrator-Settler Map created by W. Chan Kim and Renée Mauborgne.

Settlers are defined as me-too businesses, *migrators* are business offerings better than most in the marketplace, and a company's pioneers are the businesses that offer unprecedented value. These are a company's blue ocean strategic moves, and are the most powerful sources of profitable growth. They are the only ones with a mass following of customers.

If both the current portfolio and the planned offering consist mainly of settlers, the company has a low growth trajectory, is largely confined to red oceans, and needs to push for value innovation. Although the company might be profitable today as its settlers are still making money, it may well have fallen into the trap of competitive benchmarking, imitation, and intense price competition.

If current and planned offerings consist of a lot of migrators, reasonable growth can be expected. But the company is not exploiting its potential for growth and risks being marginalized by a company that value-innovates. In our experience the more an industry is populated by settlers, the greater the opportunity to value-innovate and create a blue ocean of new market space.

This exercise is especially valuable for managers who want to see beyond today's performance. Revenue, profitability, market share, and customer satisfaction are all measures of a company's current position. Contrary to what conventional strategic thinking suggests, those measures cannot point the way to the future; changes in the environment are too rapid. Today's market share is a reflection of how well a business has performed historically.

Clearly, what companies should be doing is shifting the balance of their future portfolio toward pioneers. That is the path to profitable growth.