



Short Case 4 – Patagonia

- Resources & Capabilities Analysis
 - Based on Whittington et al. (2021), Chapter 4

Agenda



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1. Characterize Patagonia
2. Core capabilities (VRIO)
3. Value chain (Primary & Secondary activities)
4. Yvon Chouinard's role in value creation
5. Competitive strategy
6. Discussion questions



1. Characterizing Patagonia

- Founded in 1973 by Yvon Chouinard
 - Outdoor apparel & gear company
 - Mission: 'We're in business to save our home planet'
 - Certified B Corporation
 - Strong environmental and political activism

Strategic Position (Chapter 4 perspective)

- Distinctive resources & capabilities
 - Sustainability embedded in business model
 - Strong brand identity linked to environmental values
 - High customer loyalty among outdoor enthusiasts

2. Core Capabilities – Identified in Case

- Environmental activism & authenticity
 - Sustainable sourcing & recycled materials
 - Mission-driven culture
 - Stakeholder trust & loyalty



Additional Core Capabilities (Beyond Case)

- Brand equity & symbolic value
 - Innovation in eco-friendly materials
 - Integrated sustainability across value system
 - Leadership-driven strategic coherence

VRIO Analysis (Chapter 4 Framework)

- Valuable: Sustainability creates differentiation & loyalty
 - Rare: Deep authenticity & long-term activism
 - Inimitable: Path dependency, founder values, culture
 - Organized: B-Corp governance, aligned systems & incentives



Dynamic Capabilities

- Ability to renew sustainability practices over time
 - Continuous innovation in materials & supply chain
 - Adaptive political & social engagement
 - Alignment between mission and operations

3. Primary Activities (Value Chain)

- Inbound logistics: Sustainable sourcing
 - Operations: Eco-friendly production processes
 - Marketing & Sales: Purpose-driven branding
 - Service: Repair programs & long product life

Support (Secondary) Activities

- Firm infrastructure: B-Corp governance
 - HR management: Mission-driven recruitment
 - Technology development: Material innovation
 - Procurement: Ethical supplier standards

4. Yvon Chouinard's Contribution to Value

- Founder authenticity builds trust
 - Strategic shift away from damaging products (pitons)
 - Embedding environmental mission in strategy
 - Long-term legitimacy & brand differentiation

5. How Patagonia Competes

- Differentiation strategy (quality + sustainability)
 - Premium pricing justified by values & durability
 - Competes on authenticity, not cost
 - Creates emotional & ethical switching costs

Sustainable Competitive Advantage?

- Strong VRIO position
 - Culture difficult to imitate
 - Brand reputation accumulated over decades
 - Risk: Mission drift if growth pressures increase

Conclusion



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- Patagonia's core competence = authentic sustainability
 - Resources & capabilities deeply embedded
 - Value created through mission-aligned strategy
 - Differentiation rooted in culture & leadership



3 Questions

1. If sustainability becomes industry standard, does Patagonia lose rarity?
2. Can large multinationals replicate Patagonia's model? Why/why not?
3. Is Patagonia maximizing competitive advantage or sacrificing profits for purpose?