Which of your resources could a competitor not copy?

VRIO tests whether a resource can carry a lasting advantage: is it valuable, rare, costly to imitate — and is the company organized to exploit it?

WHY IT MATTERS

Strength lists fill up with things every competitor also has. VRIO filters the list down to the few resources that can carry a strategy for years.

BY THE NUMBERS

4
questions Barney asks of every resource (Barney, 1995)

1991
Barney sets out the resource attributes (Barney, 1991)

1995
Barney adds the question of organization (Barney, 1995)

HOW IT WORKS

Take one resource at a time through Barney's four questions, in order: value, rareness, imitability and organization (Barney, 1995). **Value:** it lets you exploit an opportunity or neutralize a threat. **Rareness:** few rivals already have it. **Imitability:** a rival would face a cost disadvantage getting it. **Organization:** the company is set up to use its full potential. A resource that fails a question can still be useful; it is not a source of lasting advantage.



WHEN TO USE IT

- When a SWOT produces a long list of strengths
- Before betting a strategy on a capability
- When deciding which capabilities to build, buy or protect

Where Horizon12 uses it: HorizonAxis cites VRIO, and the Strategy Blueprint workshop applies it.

GO DEEPER

Credit. Jay B. Barney. The 1991 article names value, rareness, imitability and substitutability as the attributes that matter (Barney, 1991); the 1995 article frames them as four questions and adds organization (Barney, 1995).

Barney lists organization separately to stress that a resource pays off only alongside complementary organizational resources (Barney, 1995).

References

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99–120. https://doi.org/10.1177/014920639101700108

Barney, J. B. (1995). Looking inside for competitive advantage. *Academy of Management Executive, 9*(4), 49–61. https://doi.org/10.5465/ame.1995.9512032192

BOTTOM LINE

VRIO tells you which strengths can carry a strategy. Choosing the strategy is the next step. Run HorizonAxis and HorizonNorth free, then book a Strategy Blueprint ($5,000–$9,500) to turn the gap into a signed-off plan.