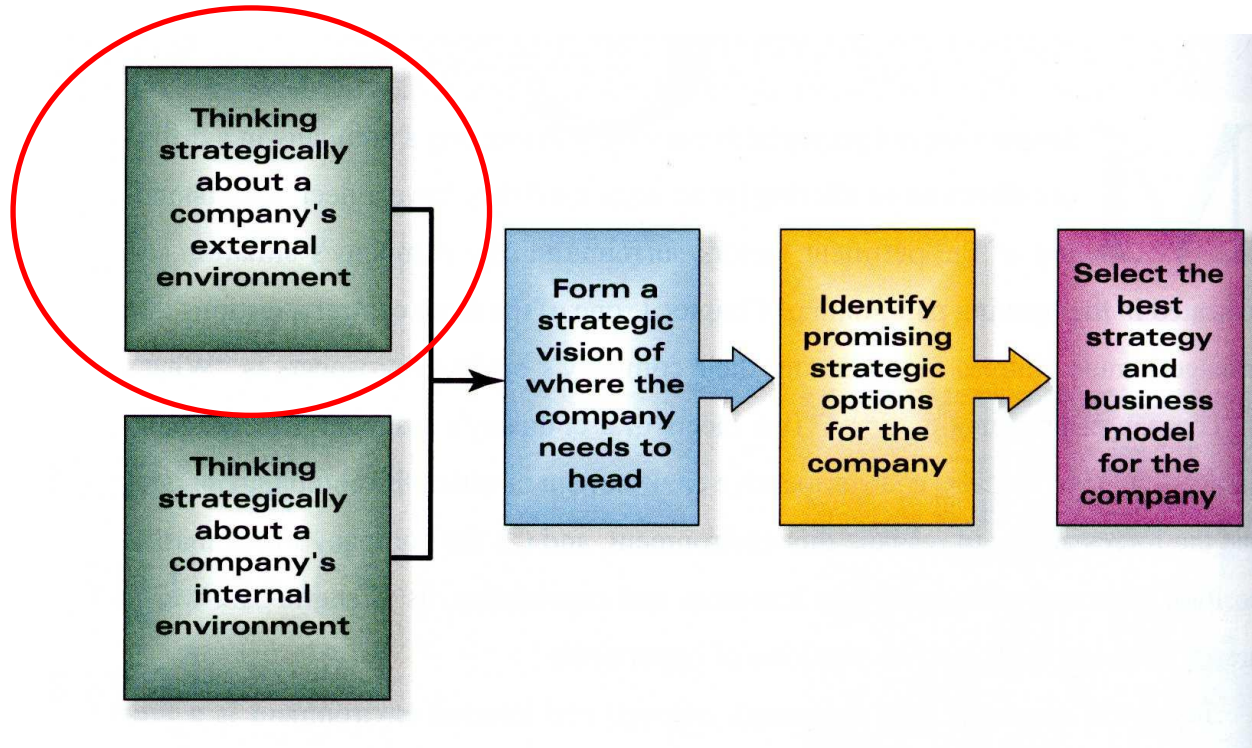


**Intro to 2<sup>nd</sup> class  
(and what you should have read  
in the book)**

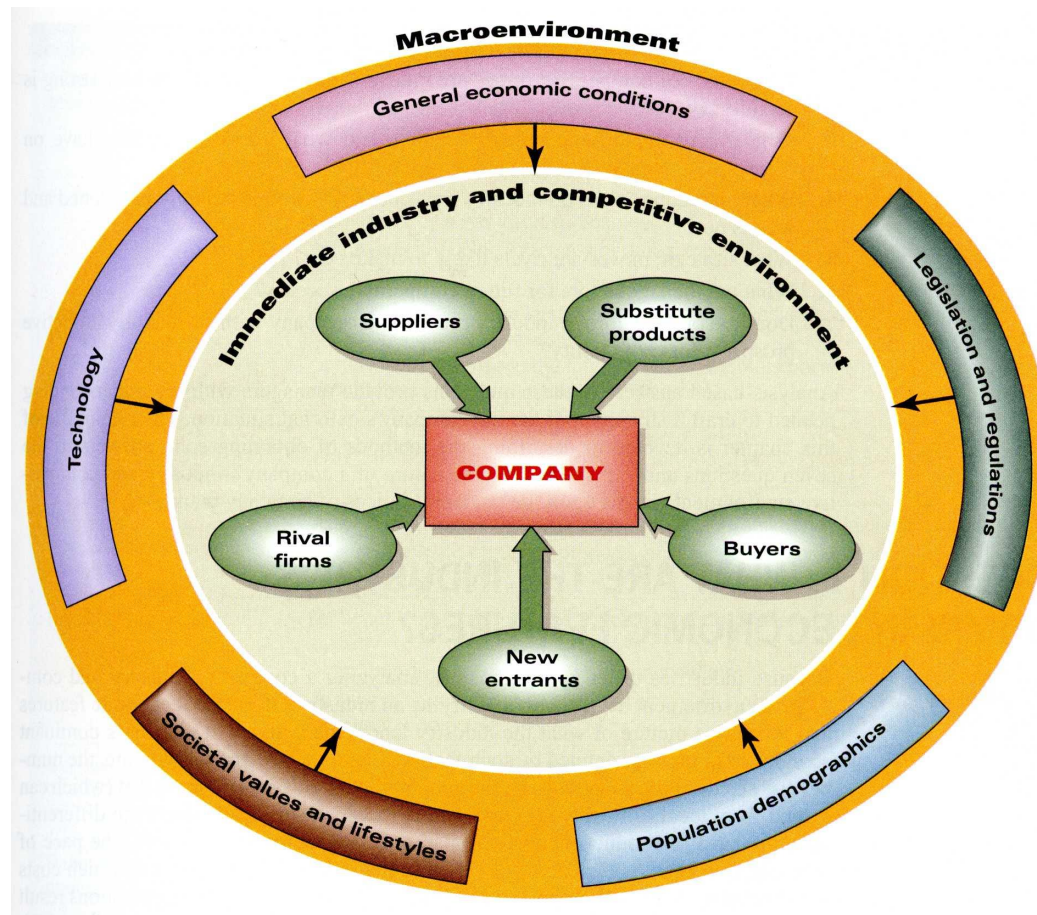
**WIUU BBA Business Policy**

# External Analysis

# Crafting a company's strategy



# The Components of a Company's Macroenvironment



# Industry's Dominant Economic Features

## CORE CONCEPT

Get an accurate and insightful view on the industry landscape  
Factors like market size, growth rates, number and size of buyers/  
sellers .....

# Industry's Dominant Economic Features

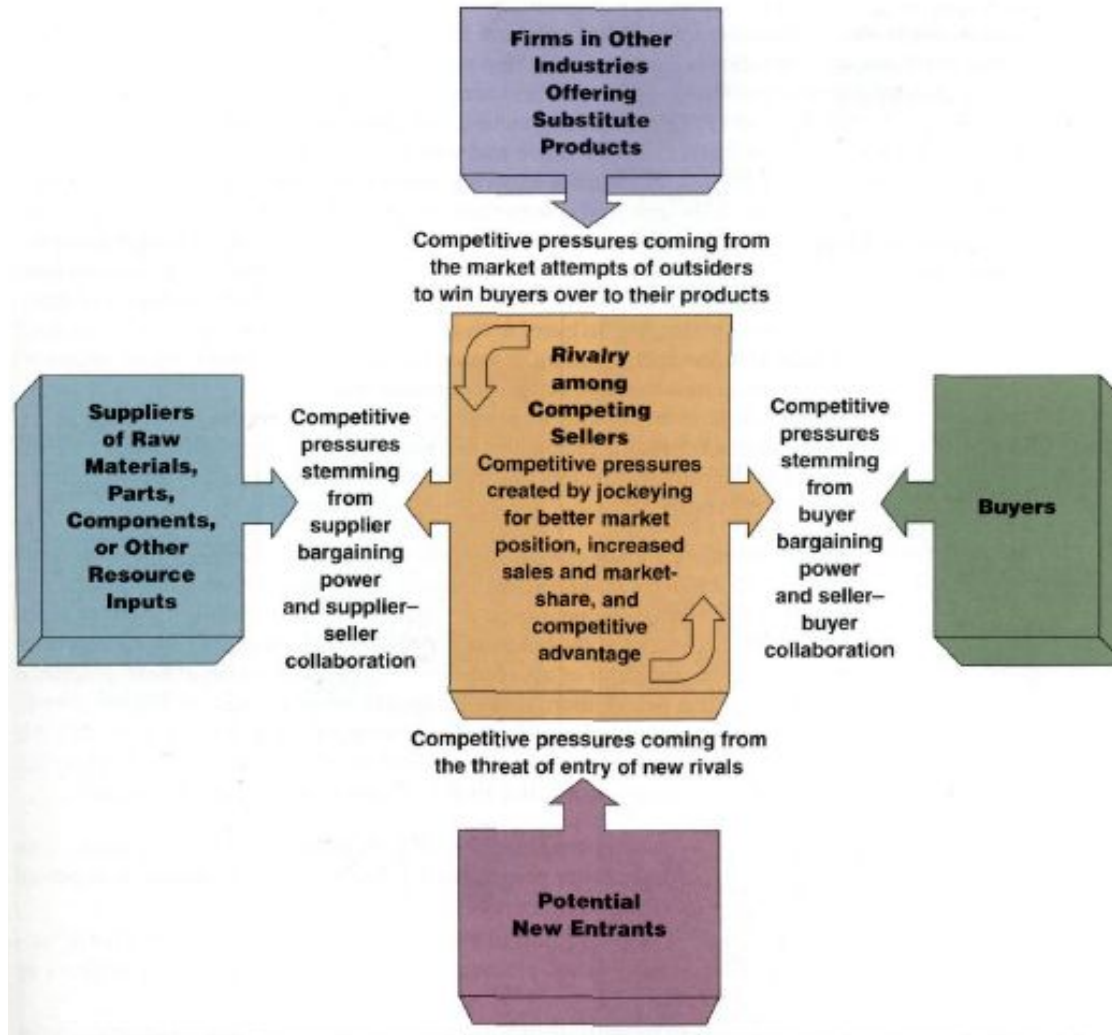
< What to consider in identifying an Industry's Economic Features?

< Let us discuss examples.

< Tobacco industry in Ukraine

< Cosmetic industry in Ukraine

# Competitive Forces. Porter's 5-Forces-Model



# Driving Industry Forces

## CORE CONCEPT

Industry conditions change because important forces are driving industry participants (competition, customers, or suppliers) to alter their actions; the driving forces in an industry are the major underlying causes of changing industry and competitive conditions – they have the biggest influence on how the industry landscape will be altered.



# Driving Industry Forces

< What are the most common driving forces?

< Let us discuss examples.

< Tobacco industry in Ukraine

< Cosmetic industry in Ukraine

# Strategic Group Map

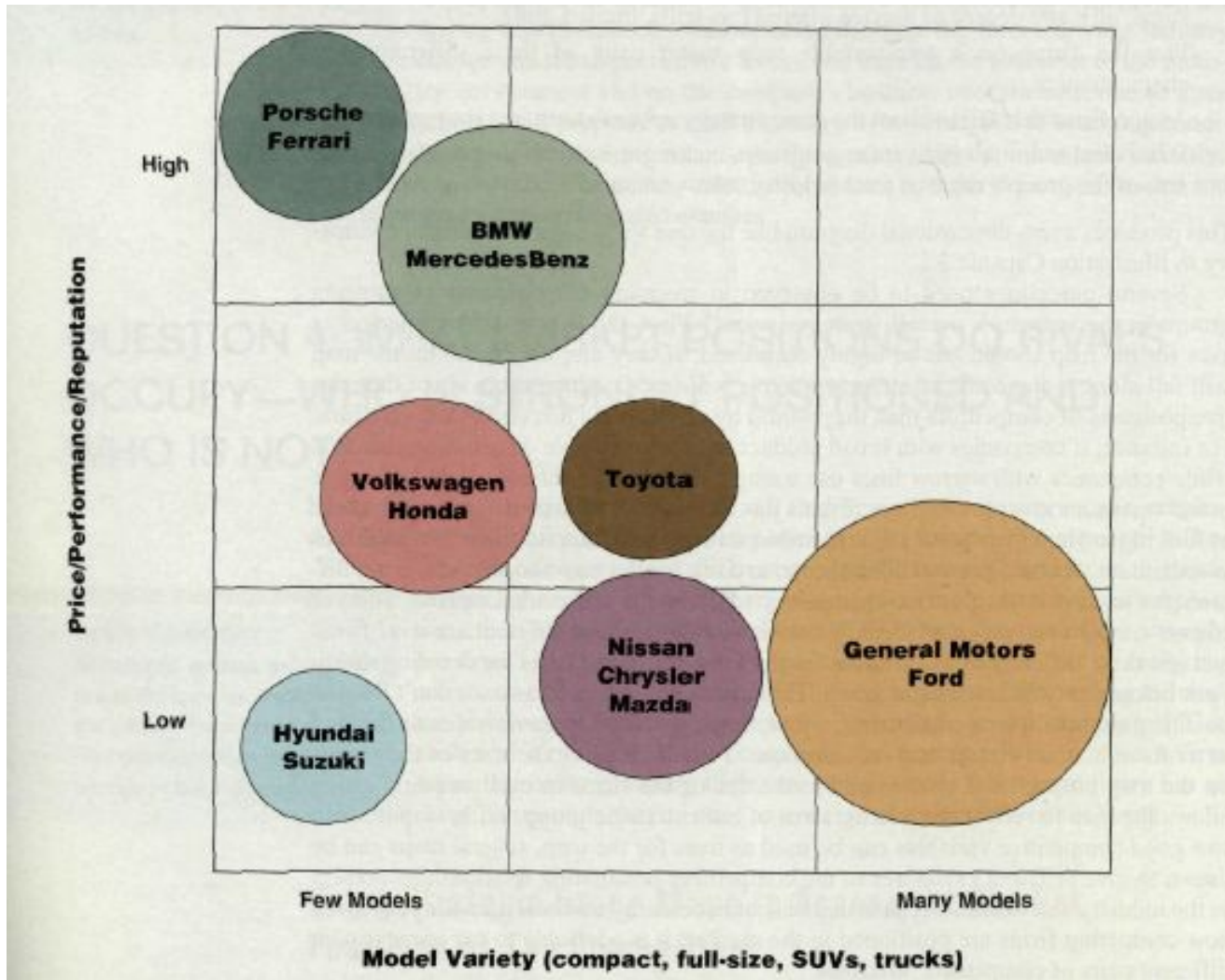
## CORE CONCEPT

Strategic Group Mapping is a technique for displaying the different market or competitive positions that rival firms occupy in the industry.

A Strategic Group is a cluster of the industry rivals that have similar competitive approaches and market positions.

So finally a Strategic Group Maps reveal which companies are close competitors and which are distant competitors.

# Strategic Group Map



# Strategic Group Map

< Let us discuss examples.

< Tobacco industry in Ukraine

< Cosmetic industry in Ukraine



# Key Success Factors

## CORE CONCEPT

Key success factors are the product attributes, competencies, competitive capabilities, and market achievements with the greatest impact on future competitive success in the marketplace.

# Key Success Factors

< What are the most common types of industry key success factors (KSF)?

< Let us discuss examples.

< Tobacco industry in Ukraine

< Cosmetic industry in Ukraine



# Tools to Evaluate a Company's External Environment

- < **Industry's Dominant Economic Features?**
  - > Describing the industry landscape. (e.g. market size, # of rivals, supply/demand conditions, # of buyers)
  - > To identify the nature and strength of competitive pressure in a given industry.
- < **Competitive Forces. The 5-Forces-Model of Competition.**
  - > The major underlying causes of changing industry and competitive conditions.
- < **Driving Industry Forces**
  - > is a cluster of industry rivals that have similar competitive approaches and market positions.
- < **Strategic Group Map**
  - > are the factors with the greatest impact on future competitive success in the marketplace.
- < **Key Success Factors (for future competitive success)**
  - > are the factors with the greatest impact on future competitive success in the marketplace.



**Questions?**