

## ▪ Strategic Analysis

### Internal Analysis

- Performance Analysis
- Determinants Analysis
- Identify,
  - Strength
  - Weaknesses

### External Analysis

- Customer Analysis
- Competitor Analysis
- Market Analysis
- Environmental Analysis
- Identify,
  - opportunities
  - threats

## ▪ Issues to Consider for Strategic Analysis (SIR)

a) Strategy evolves over a period of time

b) Balance of external and internal factors

c) Risk

## ▪ Business Environment

### Micro Environment [Cosmic]

- Consumers
- organization
- Suppliers
- Market
- Intermediaries
- Competitors

### Macro Environment [PESTLE]

- Political
- Economic
- Social
- Technology
- Legal
- Environment

## ▪ Elements of Macro Environment

- Demographic Environment
- Socio-cultural Environment
- Economic Environment
- Political-legal Environment
- Technological Environment

## ▪ Business Environment

Helps: (GOL BC)

- Give direction for growth
- Opportunities & threats
- Continuous Learning
- Image Building
- Meeting Competition

## ▪ Globalization

- why do companies go global ?

a) finding opportunities in other parts of globe.

b) rapid shrinking of time & distance

c) Realised that domestic markets are no longer adequate & rich.

d) reliable or cheaper source of RM, cheap labour, etc.

e) overseas plants to reduce high transportation costs.

f) find foreign markets to open up or grow big.

g) largest single sector in world economy & regional economic integration.

h) Increased Privatization of manufacturing & service sector

i) Strategic alliance.

- Characteristics of a global business (ORS)

a) Common ownership

b) Common pool of resources

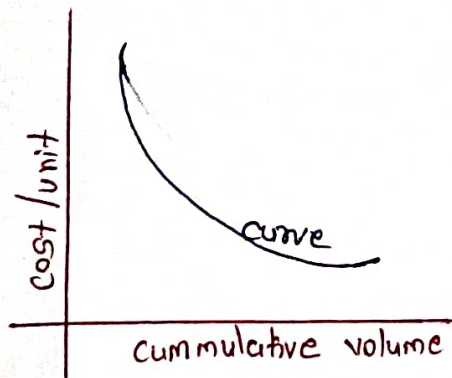
c) Common strategy.



## Product Life Cycle:

- a) Introduction - Just started - no competitor
- b) Growth - competition increase - sales inc.
- c) Maturity - high sales & profit
- d) Decline - sales decrease

## Experience Curve:



More experience = Less cost/unit

Experience curve has following features:

- a) organisation grow
- b) Provide an advantage over the competition.
- c) Large & successful organisation possess stronger "experience effect".

## Competitive Landscape:

Steps to understand the Competitive Landscape:

- a) Identify Competitor
- b) understand the Competitor
- c) Determine the strengths of the Competitors
- d) Determine the weaknesses of the competitor
- e) Put all of the information together

## ▪ Value chain Analysis:

- Primary Activities
- Inbound logistic
  - operation
  - outbound logistic
  - Marketing & Sales
  - Service

- Supportive Activities
- HR Management
  - Technology development
  - Procurement
  - Infrastructure

## ▪ Porter's 5 Forces:

- Buyer's bargaining Power
- Rivalry
- Entrants
- Suppliers bargaining Power
- Substitute

## ▪ Value creation:

Factors:

- value customers place on the company's products
- the Price that a company charges for its products
- the Cost of creating those products

## ▪ characteristics of Business Product

- Products are tangible or intangible
- Product has a Price.
- Products have certain features that deliver satisfaction.
- Product is pivotal for business
- A Product has a useful life