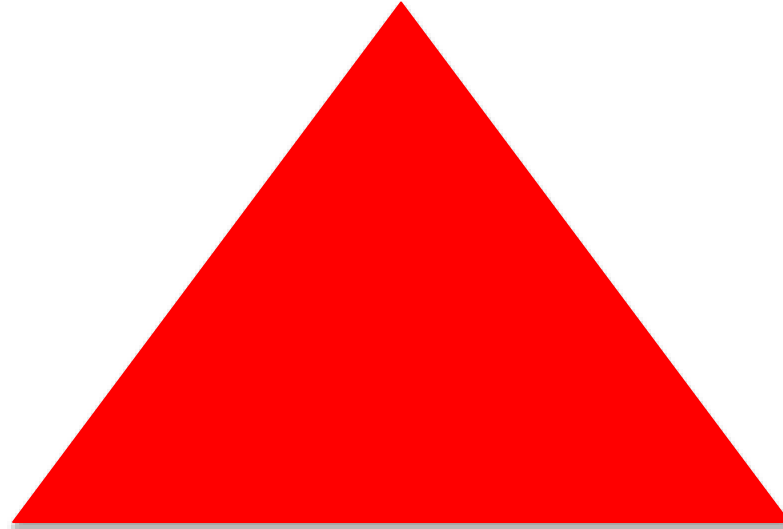




**"Without Competition
there would be no
need for strategy"**

-KENICHI OHMAE

CUSTOMER

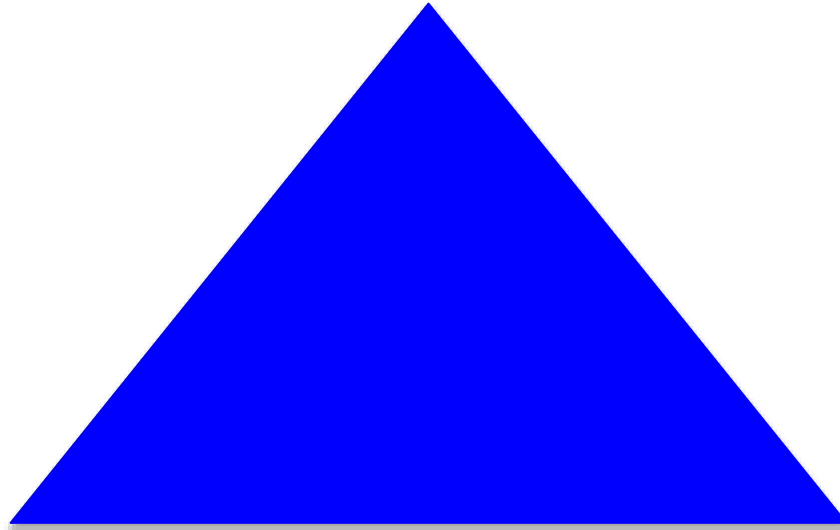


COMPANY

COMPETITION

STRATEGIC 3 C'S

CUSTOMER – NEW/ BIDA



COMPANY
Strengths

COMPETITION
Weaknesses

STRATEGIC 3 C'S


Environmental Analysis

TOWS
Analysis

PESTLE

PORTER
5 FORCES
OF
COMPETITION

ANSOFF
MATRIX



STRATEGIC ANALYSIS

INTERNAL

STRENGTHS

build; enhance

WEAKNESSES

resolve; reduce

EXTERNAL

OPPORTUNITIES

exploit; expand

THREATS

avoid; thwart

TOWS Analysis

	Threats	Opportunities
Weaknesses	<p>1.</p> <p>2.</p> <p>3.</p>	<p>1.</p> <p>2.</p> <p>3.</p>
Strengths	<p><u>CRITICAL SUCCESS FACTORS</u></p> <p>How can I address my weaknesses to successfully combat threats?</p>	<p><u>CRITICAL SUCCESS FACTORS</u></p> <p>How can I address my weaknesses to take advantage of my opportunities?</p>
	<p>1.</p> <p>2.</p> <p>3.</p>	<p>1.</p> <p>2.</p> <p>3.</p>



T O

W

S

P

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E

conomic

S

ocial

T

echnology

L

egal

E

nvironmental

Political

Services

Infrastructure

Tax
Policy

Regulation

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Economic

Growth
Rate

Inflation

Labor
Cost

Business
Cycle

--	--	--	--

Social

Demography

Education

Cultural
Norms

Income
Distribution

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Technological

Emerging
Tech

Tech
Transfer

R and D
Efforts

Communication

--	--	--	--

Legal

Regional
Law

Law
Enforcement

Court
System

Employment
Laws

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Environmental

Resource
Management

Energy
Availability

Workforce
Health

Climate
Change

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Weaknesses

- AREAS THAT NEED IMPROVEMENTS
 - ANY LIMITED RESOURCES
 - ANY THINGS YOU LACK IN BUSINESS
-

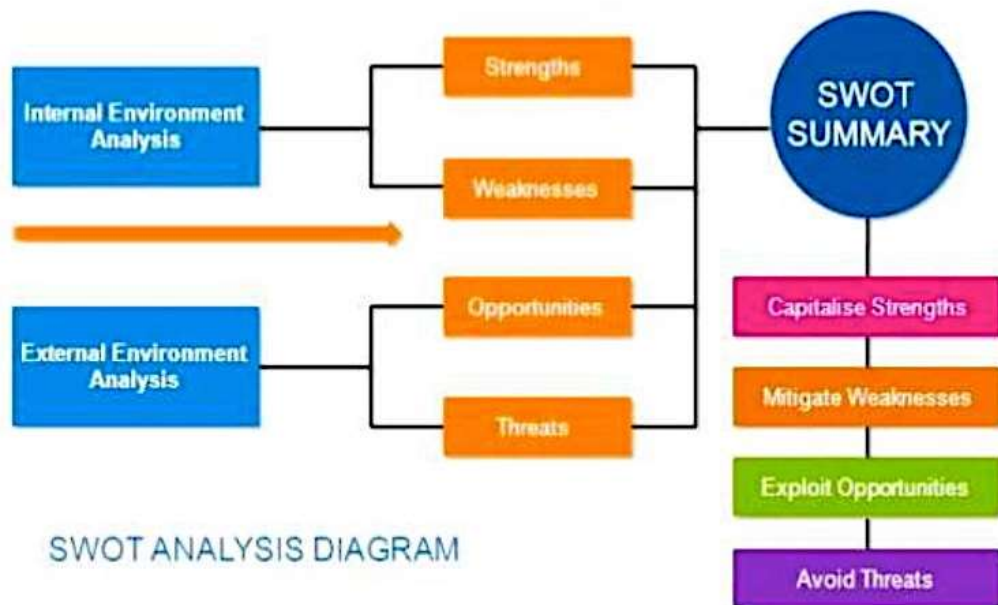


Strengths

- WHAT DO YOU DO WELL
- INTERNAL RESOURCES YOU HAVE
- ADVANTAGE AGAINST COMPETITION



Business Environment



SWOT ANALYSIS DIAGRAM

TOWS ANALYSIS

	Helpful	Harmful
Internal	Strengths S	Weaknesses W
External	Opportunities O	Threats T



SWOT STRATEGY



AGGRESSIVE STRATEGY

If you have many strengths and opportunities

SWOT STRATEGY

Strengths

S

DIVERSIFICATION STRATEGY

If you have many strengths and threats.

Threats

T

SWOT STRATEGY

Defensive

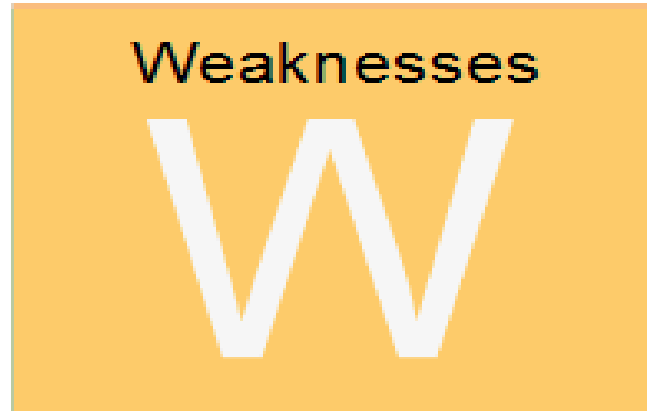
If you have many
weakness and
threats



SWOT STRATEGY

Turnaround

If you have many
weakness and
opportunities





Go to your group, choose one of your members company, and use SWOT and TOWS Analysis to diagnose the company.

Propose a SWOT strategy and explain why.





Competitive Strategy



"Porter's books on competitive strategy are the seminal works in the field."
—Philip Kotler, author of *Principles of Marketing*

Michael E.
Porter
Competitive
Strategy



Techniques for Analyzing Industries and Competitors

MICHAEL E.
PORTER

ON
COMPETITION

Updated and Expanded Edition

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**Power of
Customers**

**Power of
Suppliers**

**Intensity of
Rivalry**

**Threat of
Market Entry**

**Threat from
Substitutes**

Porter's Five Forces Model



Barriers to Entry

- Economies of Scale
- Proprietary product differences
- Brand identity
- Capital requirements
- Access to distribution channels
- Cost advantages
- Knowledge & IPRs
- Government policy

Threat of substitutes

- Relative price performance
- Switching costs
- Buyer's propensity
- Substitute viability
- Substitute modifiability

Industry Rivalry

- Industry Growth
- Fixed Costs
- Intermittent over capacity
- Brand identity
- Switching costs
- Industry concentration
- Information complexity
- Exit barriers
- Intellectual property rights
- Political leverage
- Social leverage

Bargaining power of buyers

- Buyer's concentration vs firms'
- Buyer's volume
- Buyer's switching costs
- Buyer's ability to backward integrate
- Substitute products
- Pull through
- Price sensitivity
- Differentiation sensitivity
- Brand identity impact
- Profitability of buyer's industry
- Decision maker's incentives

Supplier's bargaining power

- Differentiation of inputs
- Switching costs to supplier
- Presence of substitutes
- Supplier concentration
- Cost relative to total purchases
- Impact of inputs on cost and differentiation
- Threat of forward / backward integration

5 FORCES OF COMPETITION

Threat of New Entrants	THREAT
SUPPORTING REASONS	
Economies of Scale	
Product Differentiation	
Capital Requirements	
Switching Cost from One Supplier to Another	
Access to Distribution	
Cost Advantage of Independent Scale	
Government Policy	

5 FORCES OF COMPETITION

Threat of Substitutes	THREAT
List of Primary Substitutes	

5 FORCES OF COMPETITION

RIVALRY AMONG EXISTING COMPETITION	THREAT
SUPPORTING REASONS	
Number of Major Competition	
Industry Growth	
Fixed Costs	
Product Differentiation	
Switching Cost	
Unused Capacity	
Diversity of Competition	
Strategic Stakes	
Exit Barriers	

5 FORCES OF COMPETITION

BARGAINING POWER OF BUYERS	THREAT
SUPPORTING REASONS	
Volume Purchase	
Buying Prices versus Product Cost	
Number of Suppliers	
Differentiated Products	
Threat of Backward Integration	
Quality of Seller	
Full Information	
Buyers Ability to Influence their Customer's Purchasing Decisions	

5 FORCES OF COMPETITION

BARGAINING POWER OF SUPPLIERS	THREAT
SUPPORTING REASONS	
Industry Dominance	
Availability of Substitutes	
Importance of Buyer to Seller	
Importance as Input to Buyer	
Product Differentiation	
Switching Costs	
Threat to Forward Integration	

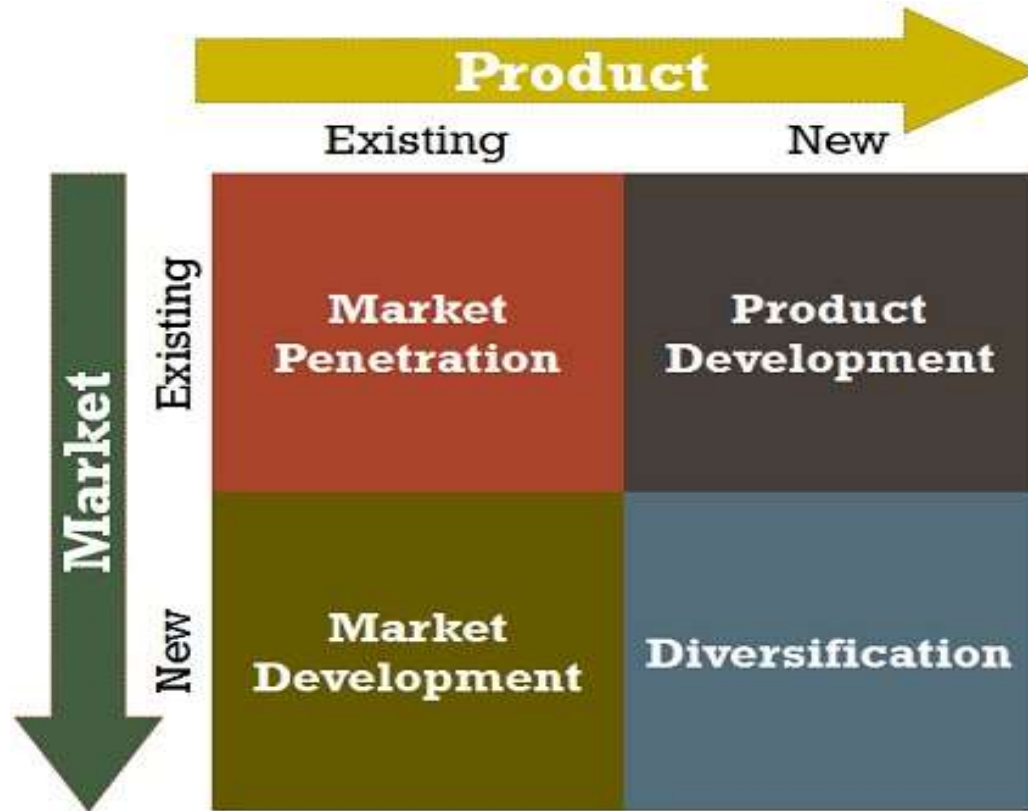
5 FORCES OF COMPETITION

BARGAINING POWER OF SUPPLIERS	THREAT
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Industry Dominance	
Availability of Substitutes	
Importance of Buyer to Seller	
Importance as Input to Buyer	
Product Differentiation	
Switching Costs	
Threat to Forward Integration	

GROWTH STRATEGY



ANSOFF PRODUCT MARKET GROWTH MATRIX



ANSOFF PRODUCT MARKET GROWTH MATRIX

Product

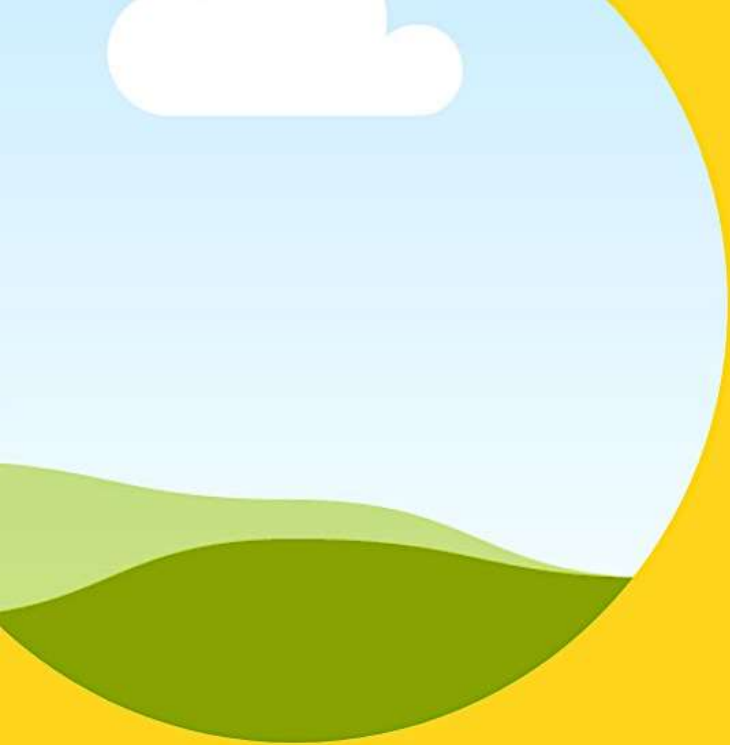
Market

Market Penetration	New Product Development
Market Development	Diversification





How will you grow Lambanog, the Philippine Vodka. Choose a country and a growth strategy explain your answer.



**Know Your Enemy
and know yourself
and you can fight a
hundred battles
without disaster**

Sun Tzu

Thank You Very Much!

ORLY BALLESTEROS
IINFO@EXLINKEVENTS.COM
SUCCESS INSTITUTE

