

1.6 INDUSTRY AND COMPETITIVE ANALYSIS

In today's increasingly competitive market, it is no longer enough to understand customers for a firm to succeed. Firms must pay close attention to their competition. They need to constantly compare their products, prices, channels and promotional efforts with their close competitors, to identify areas of competitive advantage and disadvantage. Firms must be forward looking and identify both their current and potential competitors, gather information, and operate a market information system to monitor competitor's moves and market trends.

To develop a sound strategic plan for an existing or a new business it is necessary to understand the industry in which the business will operate and the competitive forces within that industry.

1.6.1 INDUSTRY OVERVIEW

The first task is to collect some basic data about the sector you plan to operate in, including such relevant metrics as:

- Annual sales in value for the last three years.