

STRATEGY TERM PROJECT



The HP Running Case, a related activity for each strategy term project module, is available in Connect.

//// Module 3: External Analysis

Firms rely on a set of frameworks to analyze their *external environment*—that is, the industry in which they operate, and the competitive forces that surround them from the outside. Study the external environment of the firm you have selected for this project and how that environment might be affecting that firm's quest for competitive advantage.

1. Are any changes taking place in the macroenvironment that might have a positive or negative impact on the industry in which your company is based?

Apply the PESTEL framework to identify which factors may be the most important in your industry. What will be the effect on your industry?

2. Apply the five forces model to your industry. What does this model tell you about the nature of competition in the industry?
3. Identify any strategic groups that might exist in the industry. How does the intensity of competition differ across the strategic groups you have identified?
4. How dynamic is the industry in which your company is based? Is there evidence that industry structure is reshaping competition or has done so in the recent past?