

## STRATEGY TERM PROJECT



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

### //// Module 4: Internal Analysis

Internal analysis helps companies understand why differences in firm performance exist even within the *same* industry. Companies that compete in the *same* industry face similar external opportunities and threats; therefore, any observable performance difference must be found *inside the firm*. In this module you will study the internal resources, capabilities, core competencies, and value chain of the firm you have selected for this project.

1. A good place to start with an internal firm analysis is to catalog the assets a firm has. List the firm's tangible assets. Then make a separate list of its intangible assets.
2. Now extend beyond the asset base and use the VRIO framework to identify the competitive position held by your firm. Which, if any, of these resources are helpful in sustaining the firm's competitive advantage?
3. Identify the core competencies that are at the heart of the firm's competitive advantage. (Remember, a firm will have only one, or at most a few, core competencies, by definition.)
4. Perform a SWOT analysis for your firm. Remember that strengths and weaknesses (S, W) are internal to the firm, and opportunities and threats (O, T) are external. Prioritize the strategic actions that you would recommend to your firm. Refer to the *Implications for Strategic Leaders* section on how to conduct a SWOT analysis and provide recommendations building from strategic alternatives.