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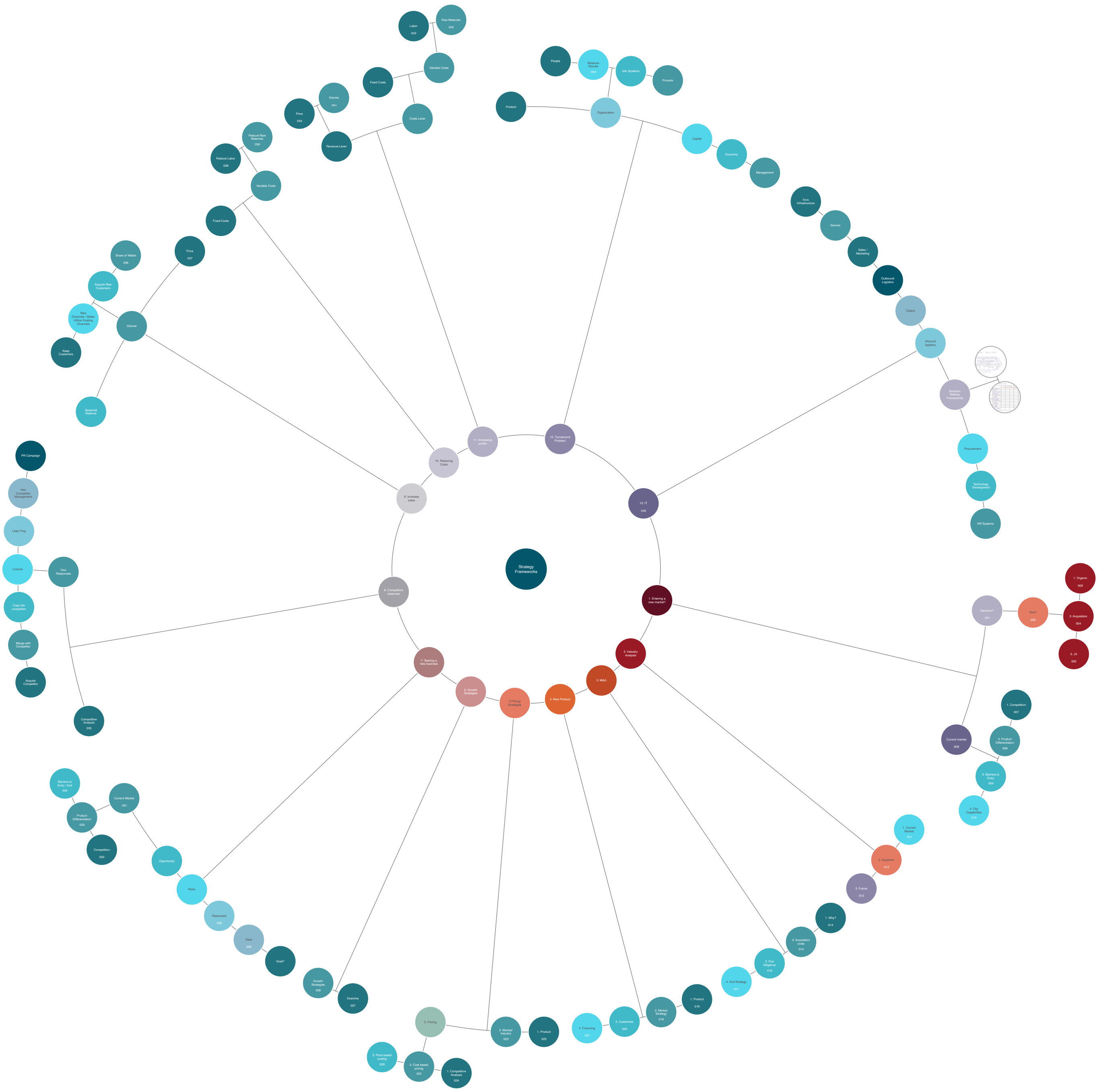
Strategy Frameworks



001 Decision?

1. Yes

2. No

3. Later

002 How?

Cost benefit analysis

003 1. Organic

You will need a

1. Product development map
2. Investment
3. Capabilities
4. Challenges

004 2. Acquisition

Determine

1. Targets
2. Budget
3. Deal

005 3. JV

Determine
1. Targets
2. Capabilities and challenges
3. Deal

006 Current market

- size
- growth
- lifecycle

007 1. Competition

Analyze -

1. Players
2. Share
3. Strength / Weaknesses
4. Reaction

008 2. Product Differentiation

Analyze your
1. product
2. price
3. substitutes

009 3. Barriers to Entry

1. capital
2. distribution
3. proprietary technology
4. government policy

010 4. Org Capabilities

1. people
2. process
3. info systems
4. measures
5. results

011 1. Current Market

Analyze -

1. lifecycle
2. performance up or down
3. client position
4. major players
5. market share
6. industry changes
    6.1 new players
    6.2 technology
    6.3 regulation
7. drivers
    7.1 brand
    7.2 size
    7.3 technology

012 2. Suppliers

1. Number
2. product availability
3. their market

013 3. Future

1. Players Entering/Exiting
2. M&A
3. Barriers to Entry / Exit

014 1. Why?

1. market access
    1.1 boost brand
    1.2 increase market share
2. diversification
3. preempt competition
4. taxes
5. synergies
    5.1 cost savings - fixed and variable
    5.2 cultural integration
    5.3 distribution channel expansion
    5.4 revenue opportunities

015 2. Acquisition costs

1. fair price
2. how debt / equity
3. reintegration costs
4. what if economy sours

016 3. Due Diligence

1. economy
2. how secure are markets / customers
3. risks
    3.1 industry
    3.2 technology
4. competitive response

017 4. Exit Strategy

1. hold /how long?
2. break it up and sell parts

018 1. Product

1. characteristics/ desirability
2. patent / trade secret
3. others / substitutes
4. advantages / disadvantages
5. fit in the product line

019 2. Market Strategy

1. replace/cannibalize
2. expand customer base
3. competitive response
4. barriers to entry
5. players / mkt share
6. branding
7. distribution

020 3. Customers

1. segmentation
2. size
3. growth

021 4. Financing

1. debt/equity
2. other investment opportunities
3. rate
4. economy

022 1. Product

1. characteristics
2. advantages / disadvantages
3. other products in this space
4. substitutes
5. R&D costs

023 2. Market/ Industry

1. lifecycle
2. size
3. growth

024 1. Competitive Analysis

1. competitor price
2. substitutes
3. consumer buying habits

025 2. Cost based pricing

1. cogs
2. break even
3. profit margin

026 3. Price based costing

1. willingness to pay
2. consumer surplus
3. supply and demand

027 Examine

1. industry /mkt
    1.1 lifecycle
    1.2 size
    1.3 growth
2. competition
3. organization
    3.1 pipeline
    3.2 segments (size, growth, profitability)
4. capabilities

028 Growth Strategies

1. increase distribution channels
2. increase product lines
3. marketing campaign
4. diversify products / services
5. acquire competitors

029 Deal

1. Finance
2. Debt / Equity
3. How ?
    3.1 Friends and Family
    3.2 Angels
    3.3 VC
    3.4 Banks

030 Resources

1. Management
2. Distribution centers
3. Products

031 Current Market

1. lifecycle
2. size
3. growth
4. customer segmentation

032 Competition

1. Players
2. Shares
3. Strength/Weaknesses?
4. Reaction

033 Product Differentiation

1. Product
2. Price
3. Substitutes

034 Barriers to Entry / Exit

1. Capital
2. Distribution
3. Propriatary Technology
4. Government Policy

035 Competitive Analysis

1. Competitor's new product
2. What is changed?
3. have they picked up market share?

036 Share of Wallet

1. Salesforce
2. Focus On Customer
3. Marketing

037 Price

1. Increase Prices
2. Reduce Trade Discount
3. Price Matrix / Segmentation

038 Reduce Labor

1. Less Labor
2. Cheaper Labor

039 Reduce Raw Materials

1. Increase Yield
2. Use Less Expensive

040 Price

- Increase Prices
- Reduce trade discounts
- price matrix / segmentation

041 Volume

- keep customers
- increase share of wallet
    - Sales force
    - focus on customer
    - marketing
- new customers
- new channels

042 Labor

1. Use Less
2. Use Cheaper

043 Raw Materials

1. Use Cheaper
2. Increase Yield

044 Measure Results

1. Create Metrics
2. Compare Metrics

045 13. IT

Focus on all to drive margin