**Strategic Fit With the Industry Environment Assessment**

**Executive Summary**

* Addresses modifications to the Strategic Frame, especially the corporate strategy**,** as a result of having conducted an in-depth analysis of the fit of firm’s strategy with its industry environment.
* Analyzes the firm’s competition and strategic position in the industry; identifies concerns and opportunities relative to the competition, customers, and suppliers.
* Assesses the firms strategic position and direction
* Evaluates the degree to which the firm’s structure and management systems enable the execution of the firm’s business and corporate (if applicable) strategy to affect the firm’s strategic position.
* Summarizes in a preliminary report on the firm and its external industry environment, issues about how strategies business and corporate strategies are applied to product lines and customer market segments, as identified in the Strategic Frame report.

**Business and Corporate Strategy**

* Confirm the firm’s business strategy/competitive strategy as reported in the firm strategic fit. Identify and define the firm’s generic corporate strategy (globalization, vertical integration, and diversification); the firm’s product scope, and the extent of its involvement in the value chain; keep this in mind when you identify the competitors who are competing in the same space with products.
* Summarize how the corporate strategy (as defined here) is different or validates the strategy as defined in the Strategic Frame.

**Competitive Analysis**

* Research the industry and identify the PEST factors and conclude which conditions are impacting the vitality of the industry, and your specific project firm.
* Analyze the industry using (Porter's 5-Forces Model) and conclude which forces are the most intense, pose the greatest threat, to your project firm.
* HINT: As you assess the threat of rivals (cite your research), do a deep dive into who the ‘real’ competition is, and note who they are and what segment they are competing in. Review ‘*Segmentation Analysis”*, keeping in mind that ‘substitutability’ is key to defining industry or market segment boundaries. Apply the 5 stages of segment analysis to your firm, noting the second to last stage where you identify the Key Success Factors.

**The Strategic Position of the Firm**

* Position your project firm among the competitors you identified in the ‘rivals’ force analysis. HINT: one approach is a nominal ranking based on the 1) the key success factor, the degree to which the industry competitors meet customer demand and 2) the degree to which the industry competitors can meet the most intense industry forces 3) the degree to which industry competitors are in the best position to fend off the weakest forces. A simple table will suffice to support your analysis.
* Identify concerns or opportunities about the fit between the firm’s strategy and the direction it is going among its industry competitors. Should the firm reposition its resources and capabilities (change its product scope, vertical scope, or geographical scope) in anticipation of changes in industry structural factors or competitive forces?

**Strategic Execution: Organizational Structure & Management Systems**

* Review the firm’s organizational structure and management systems from the Firm-Strategy Fit analysis.
* Consider the organization of functional and value chain capabilities and the management systems that support them. Do they ‘fit’ the current corporate strategy, or should the firm establish another or modified corporate strategy to better strategically position the firm?
* Assuming the firm employs a diversification or vertical integration strategy, could costs be reduced or revenue be increased by economizing the scale of diversification? Could costs be reduced or revenue be increased by downsizing or outsourcing activities in the vertical scope of the firm? Cast your response to these questions as concerns or opportunities.

**Preliminary Findings and Conclusions**

* Analyze concerns or opportunities about the firm’s strategic fit with its competition, suppliers, and customers; the strategic position, and the execution of the strategy to better position the firm**.**
* Summarize the issues that are most closely aligned to the products or customer market segments. The products or customer segments should be the ones identified in the Business Model of the Strategic Frame.
* Identify which issues are most important or critical, and explain why. Important issues related to weakness of capabilities are ones that threatens the competitive advantage and/or strategic position.