Past and Future Growth of Your Industry

Factor	2 Years Ago	Past Year	This Year	Next Year	Next 5 Yrs (Avg.)
Total Revenue					
Total Units Sold/Volume					
Total Employment					
Industry Growth Rate					
GDP Growth Rate					
Rate Compared to GDP (+ or %)					

If your business plan's figures are far out of line with industry averages, you need to explain in your plan how you account for the variation.

Industry Maturity

Industries don't remain static; they may change dramatically over time. Generally, the life cycle of an industry comprises four phases: 1) new, 2) expanding, 3) stable, and 4) declining. The last phase, decline, is not inevitable; many long-standing, stable industries show no sign of decline.

Industries have distinct attributes in different stages of maturity. Even industries that seem closely related are quite dissimilar based on their development stage. For instance, the soft drink industry is relatively stable, and a few major companies dominate the field. Little room exists for newcomers, and it would be extremely expensive to try to compete. On the other hand, the newer bottled water industry has lots of competition and variation.

The Industry Maturity Chart on page 90 describes characteristics of industries in the four different stages. Examine the chart and the descriptions of the growth stages, then list the maturity characteristics of your industry and the opportunities and risks they represent on the worksheet on page 89.