Instructions

Step 1 Select a company or business where you currently or previously have worked. Conduct an external audit for this company. Find opportunities and threats in recent issues of newspapers and magazines. Search for information using the Internet. Use the following five websites:

www.hoovers.com
www.money.msn.com
http://finance.yahoo.com
www.morning.star.com
http://globaledge.msu.edu/industries/

Step 2 On a separate sheet of paper, list 10 opportunities and 10 threats that face this company. Be specific in stating each factor.

Step 3 Include a bibliography to reveal where you found the information.

Step 4 Write a three-page summary of your findings, and submit it to your instructor.

EXERCISE 3E
Develop an EFE Matrix for Your University

Purpose

Most colleges and universities do strategic planning. Institutions are consciously and systematically identifying and evaluating external opportunities and threats facing higher education in your state, the nation, and the world.

Instructions

Step 1 Join with two other individuals in class and jointly prepare an EFE Matrix for your institution.

Step 2 Go to the board and record your total weighted score in a column that includes the scores of all three-person teams participating. Put your initials after your score to identify it as your team's.

Step 3 Which team viewed your college's strategies most positively? Which team viewed your college's strategies most negatively? Discuss the nature of the differences.

EXERCISE 3F
Comparing PetSmart With PETCO Animal Supplies

Purpose

The company featured at the beginning of this chapter, PetSmart, competes with PETCO in thousands of cities across the USA and Canada. Gaining and sustaining competitive advantage is something that both firms strive to do every day. This exercise gives you practice identifying competitive advantages that could provide a basis for strategic action.

Instructions

Step 1 Using the Internet sites described in this chapter as well as other sources of information including an on-site visit, conduct research aimed at comparing PetSmart with PETCO.

Step 2 Identify four competitive advantages that PetSmart has over PETCO and four competitive advantages that PETCO has over PetSmart. Give a rationale and source for each of your identified factors.

Step 3 Discuss or write up how PetSmart can best sustain and promote its competitive advantages while at the same time minimizing PETCO's competitive advantages.

EXERCISE 3G
Develop a Competitive Profile Matrix for PepsiCo

Purpose

Monitoring competitors' performance and strategies is a key aspect of an external audit. This exercise is designed to give you practice evaluating the competitive position of organizations in a given industry and assimilating that information in the form of a CPM.