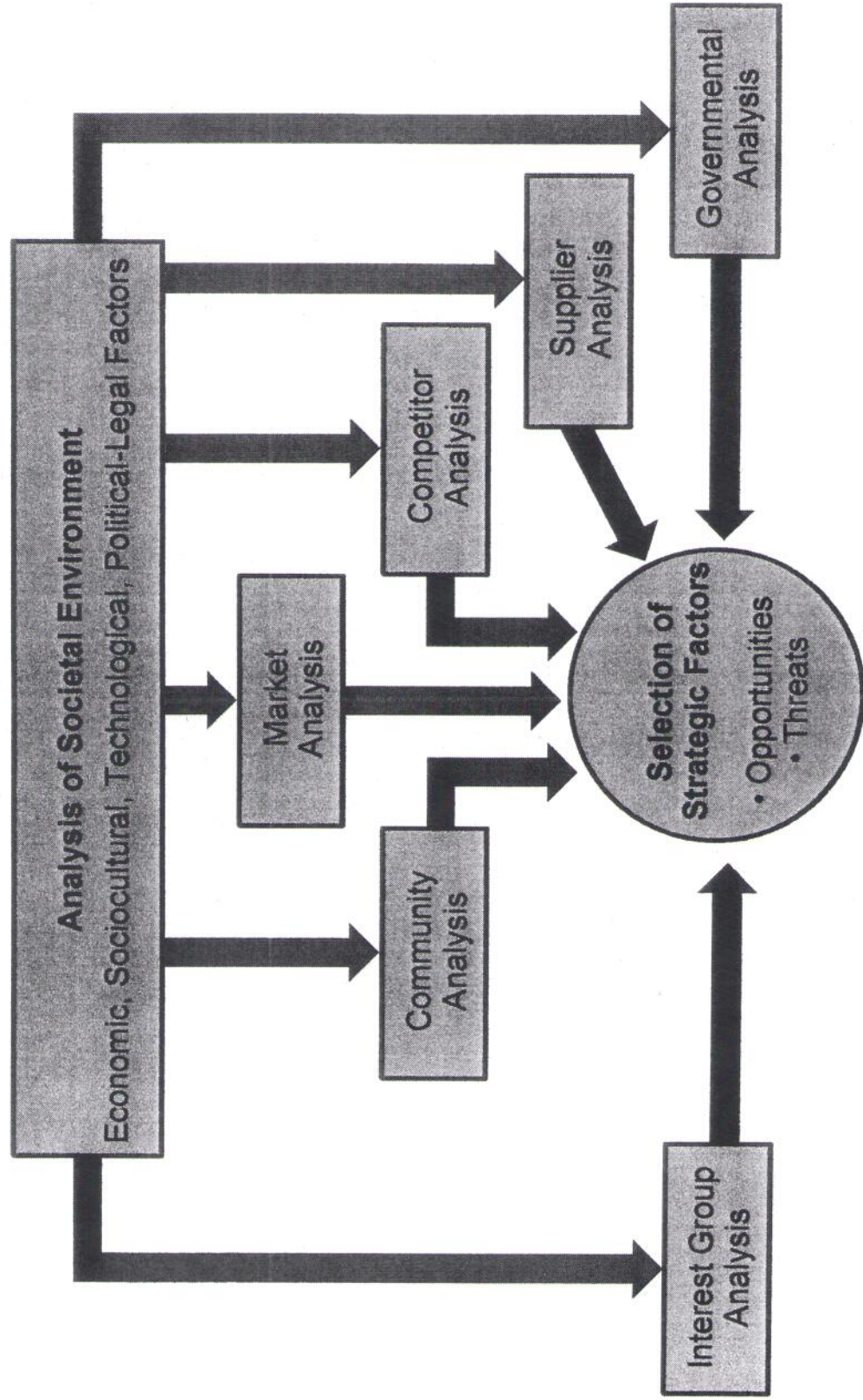


Scanning the External Environment



External Analysis

- Demographics
 - Economic
 - Technological
 - Legal / Political
 - International
 - Social
-
- External Analysis also known as MacroEnvironmental
 - Note: SWOT
 - Identify Opportunities and Threats



External Analysis

- Demographics
 - General Information
 - Women
 - Minorities
 - Consumer spending
 - Industry market share and Growth
 - Product comparisons
 - and more.....



External Analysis

- Economic
 - Weak or Strong
 - Regional, International
 - Currency Rate
 - Disposable income
 - Company Dependency
 - Increasing, Decreasing or Static
 - Demand
 - Energy Costs



External Analysis

- Technology
 - Research and development budget
 - Importance to business and industry
 - How does company leverage technology
 - Cycle time for new products
 - Internet use
 - Patents



External Analysis



- Legal / Political
- Outstanding Lawsuits
 - How does this impact company
- How does company leverage law
 - Protect intellectual property – i.e. patents
- Regulatory entities
 - Government
 - Federal, State, Local, or International
 - Industry boards



External Analysis



- International
 - Sales broken down by competitor
 - Market Share
 - Currency rates
 - Culture differences
 - Economies



External Analysis

- Social
 - How do products integrate with society
 - Part of culture
 - Part of upbringing
 - Childhood memories
 - Activity are that part of a business practice
 - An example would be Golf
 - Company's charitable initiatives

Potential External Opportunities

- Serve additional customer groups
- Enter new markets or segments
- Expand product line to meet broader range of customer needs
- Diversify into related products
- Discovery of important new technologies
- Vertical integration
- Falling trade barriers in attractive foreign markets
- Complacency among rival firms
- Faster market growth
- Other?

Potential External Threats

- Entry of lower-cost foreign competitors
- Rising sales of substitute products
- Slower market growth
- Adverse shifts in foreign exchange rates and trade policies of foreign government
- Costly regulatory requirements
- Vulnerability to recession and business cycle
- Growing bargaining power of customers or suppliers
- Changing buyer needs and tastes
- Adverse demographic changes
- Other?