

Industry Study Outline

Assignment:

I would like for you to form teams of four or five, and then conduct an in-depth study of a particular industry. In conducting your study, you can take either of two approaches. The first approach would be to write a report for an outside group of investors who are thinking about either de novo entry or acquisition of an existing firm in an industry. Such a report would look at all existing competitors in the industry and not take the point of view of any individual producer. The second approach would take the point of view of an existing competitor in an industry. Your task would be to write a report that would be used internally by your firm's strategic planning committee. You would evaluate your firm's position relative to that of other firms in the industry. Your focus would not be on your firm, but instead would analyze the market in which your firm operates.

Important Dates:

- Monday, October 14: industry choice. Each team should turn in a one-page memo indicating the industry that you intend to study. Include a brief discussion of the product and the identity of some of the major competitors. Also briefly describe some of the more interesting aspects of the industry that you intend to include in your report.
- Monday, December 2: written reports due and oral presentations in class.

Project Outline:

The project consists of two components:

- An 8-12 page (typed, double-spaced) **written report** by your group. This report should examine an industry in the context of the material that we have studied in this course. Examples of industry studies can be found in The Structure of American Industry by Walter Adams (ed.), which is in the library. An excellent basis for any study of an industry is contained in Chapter 1: "The Structural Analysis of Industries" of Michael Porter's Competitive Strategy. Porter discusses five competitive forces at work in an industry: (1) threat of entry; (2) intensity of rivalry among existing competitors; (3) pressure from substitute products; (4) bargaining power of buyers; and (5) bargaining power of suppliers. I recommend that you read this chapter before beginning your project. Appendix B of Porter's book explicitly describes how to conduct an industry study. You might also want to take a look at that.
- An **oral presentation** of your group's findings. These oral presentations should be approximately 15 minutes in length and will be made during the last two weeks of the semester. I would like as many members of the team as possible to be involved in the presentation. The oral presentations obviously should highlight the findings of your written report.