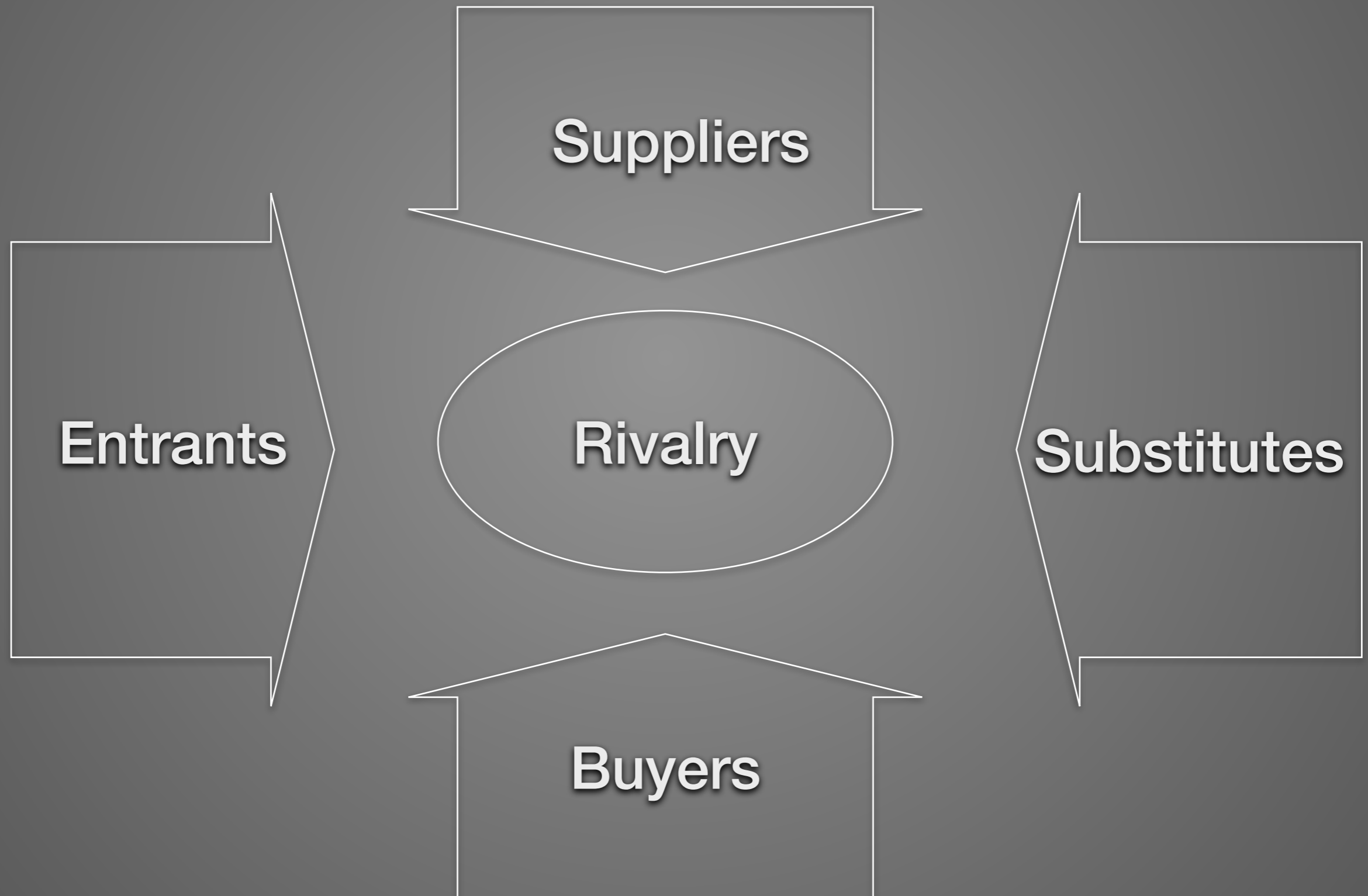


# **Startup management Markets and Competitors**

FRI 63749B

# Porter's Five Forces



# Suppliers

- Impact of inputs on cost or differentiation
- Strength of distribution channel
- Employee solidarity (e.g. labor unions)
- Supplier competition

# Substitutes

- Perceived level of product differentiation
- Number of substitute products available
- Ease of substitution
- Substandard product

# Buyers

- Buyer concentration to firm concentration
- Bargaining leverage
- Buyer information availability
- Availability of existing substitute products
- Buyer price sensitivity

# Entrants

- The existence of barriers to entry (patents, capital, etc.)
- Economies of scale
- Product differentiation
- Brand equity
- Switching costs or sunk costs
- Access to distribution

# Rivalry

- Sustainable competitive advantage through innovation
- Competition between online and offline companies
- Level of advertising expense
- Firm concentration ratio

# Market sizing

top down

vs.

bottom up



# Top Down Market Sizing

Total Available Market: TAM

Served Available Market: SAM

Target Market/ Share of the Market: SOM

# Bottom Up Market Sizing

1. How much each customer spends?
2. How often they spend it?
3. How many customers we can sell to?

# Trends

- check historical data
- try to find patterns
- try to assess the growth rate

# Competitive Strategy

Cost

Differentiation

Focus / niche

# Competitive analysis

us comp1 comp2 comp3 ...

Size

Product

Features

Price

Distribution

Brand

# Profitability

- What are the selling prices of competitors
- COGS - cost of goods sold
- Overhead

# SWOT

- Strengths
- Weaknesses
- Opportunities
- Threats

# Assignment

- analyse market size (top down and bottom up)
- competitive analysis
- swot



# Readings

- **Best Way to Do Market Size Analysis**  
<http://www.inc.com/jeff-haden/bottom-up-or-top-down-market-analysis-which-should-you-use.html>
- **Value Chain Analysis**  
[http://en.wikipedia.org/wiki/Value\\_chain](http://en.wikipedia.org/wiki/Value_chain)
- **5 Forces**  
<http://www.quickmba.com/strategy/porter.shtml>