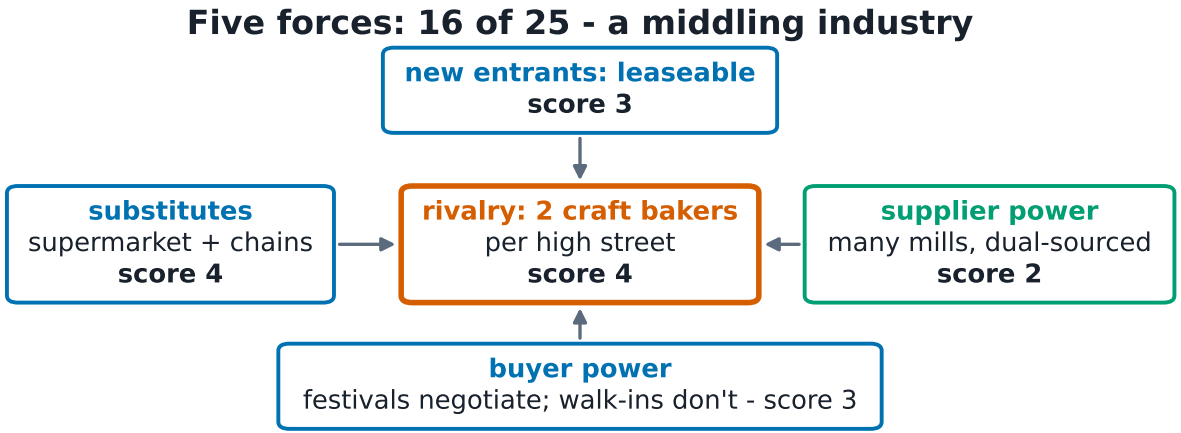
Exercise walk-through

12.1
Industry and internal analysis

University Business

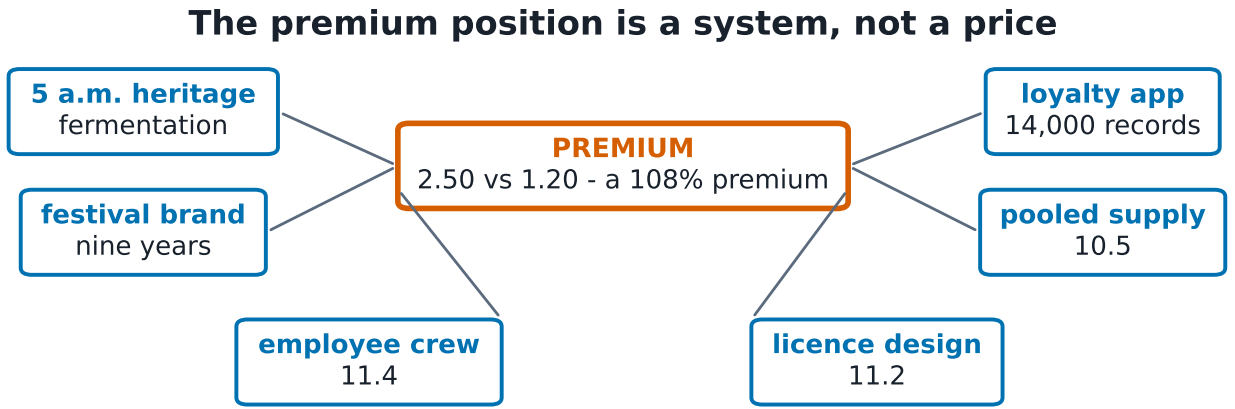
Industry and internal analysis: score, then act



total 16 of 25: the profit must come from position; industry average 6%, top quartile 11%

Five forces score 16 of 25; the bun earns an 8% margin.

Competitive strategy: position, fit, equilibrium

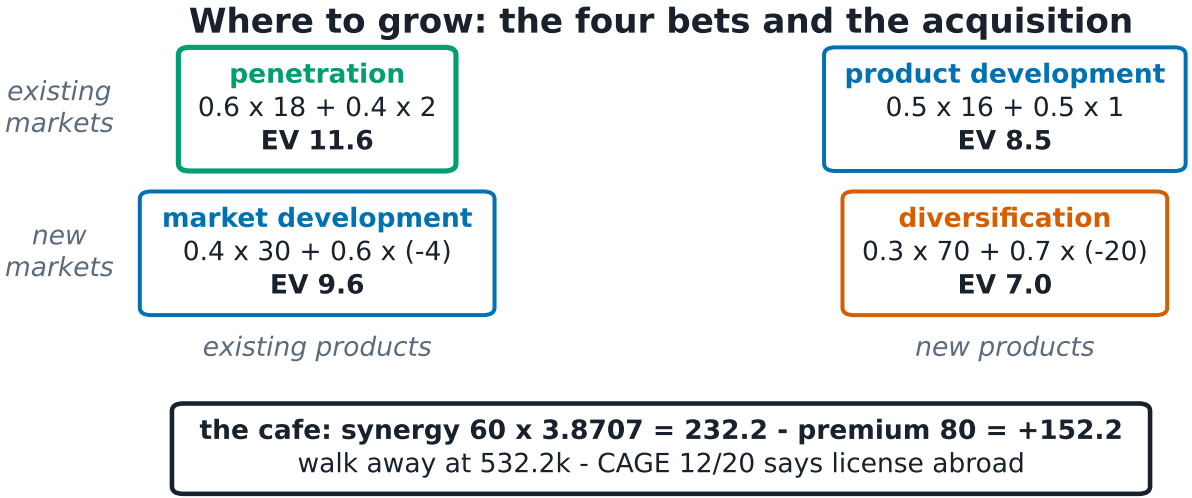


the 2.50 bun: materials 0.95 + labour 0.70 + energy 0.20 + distribution 0.15 + overhead 0.30

= cost 2.30, margin 0.20 (8%) - against the supermarket cost line of 1.60

> Six reinforcing activities carry a 108% price premium.

Corporate and international strategy: bet by the arithmetic



Ansoff values: penetration 11.6k leads; walk away from the cafe at 532.2k.

Exercises 2.1–2.2

2.1 The five-forces total, of 25. [2]

2.2 The margin per member and as a percentage of revenue. [3]

Exercises 2.1·2.2

2.1 The five-forces total, of 25. [2]

2.1

- $3 + 5 + 3 + 2 + 4 = 17$ of 25.

2.2 The margin per member and as a percentage of revenue. [3]

2.2

- $38 - (14 + 9 + 6 + 4) = 5$ a member.
- $5/38 = 13.2\%$.

Exercises 2.3·2.4

2.3 VRIO on four resources: the brand (valuable, rare, 12 years of local history, organised), the equipment (valuable, not rare), the trainers (valuable, not rare), the member app (valuable, rare, imitable within a year). Verdicts. [5]

2.4 The margin bridge from your 2.1-2.2 answer to 18%: two levers with numbers. [4]

Exercises 2.3·2.4

2.3 VRIO on four resources: the brand (valuable, rare, 12 years of local history, organised), the equipment (valuable, not rare), the trainers (valuable, not rare), the member app (valuable, rare, imitable within a year). Verdicts. [5]

2.3

- Brand: sustained (V, R, hard to imitate, organised).
- Equipment and trainers: parity (not rare).
- App: temporary (imitable within a year).

2.4 The margin bridge from your 2.1-2.2 answer to 18%: two levers with numbers. [4]

2.4

- Price +2.50: revenue 40.50. Staff scheduling -1.00: costs 32.00. Margin $40.50 - 32.00 = 8.50$, and $8.50/40.50 = 21\%$ - past the 18% target.