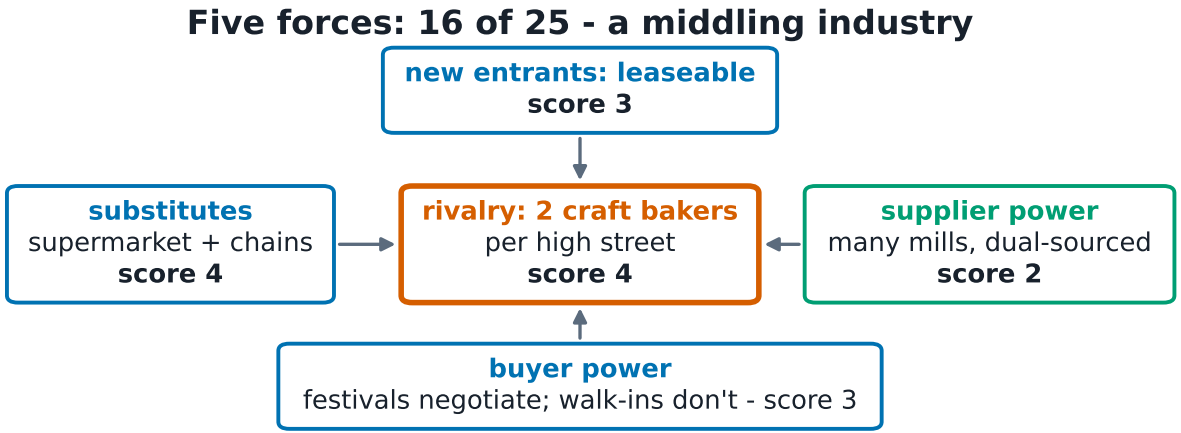
Exercise walk-through

12.6
Integrated case

University Business

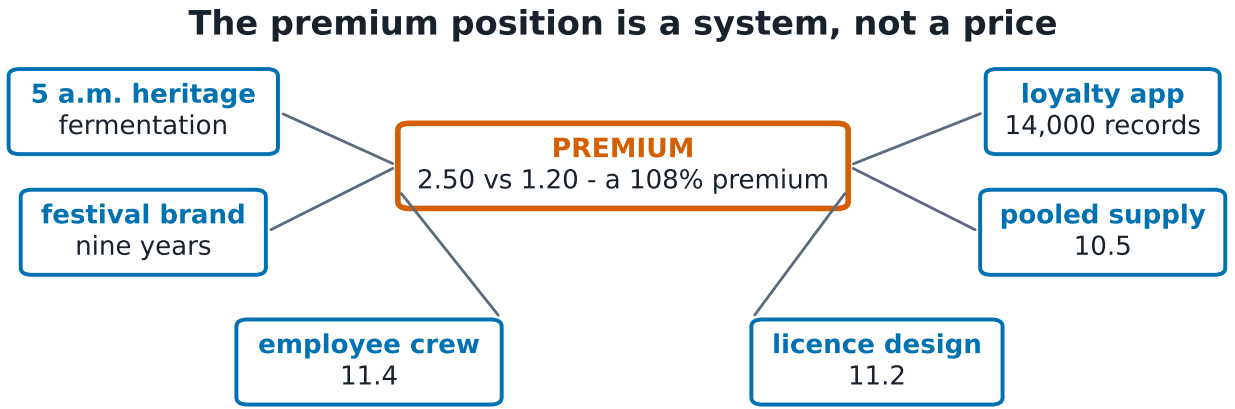
Industry and internal analysis: score, then act



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

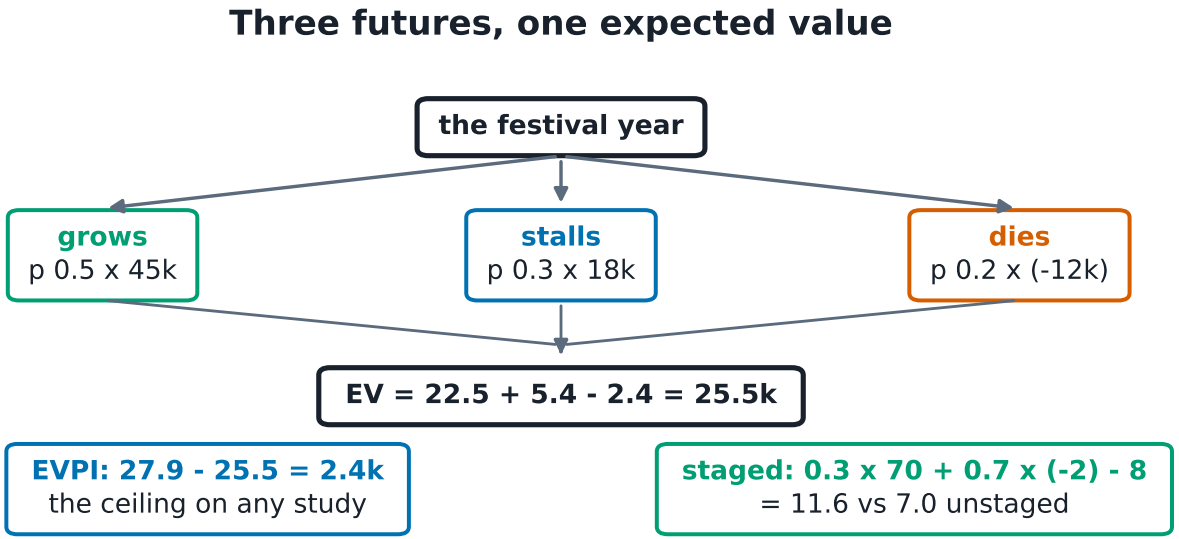


the 2.50 bun: materials 0.95 + labour 0.70 + energy 0.20 + distribution 0.15 + overhead 0.30

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

> Six reinforcing activities carry a 108% price premium.

Strategy under uncertainty: EV, EVPI, options



EV 25.5k; perfect information is worth only 2.4k.

Exercises 2.1–2.3

2.1 The situation, in two lines with its two headline numbers. [3]

2.2 The options ranked, with their EVs or valuations. [4]

2.3 The decision, in at most twenty words, each clause carrying a number. [4]

Exercises 2.1·2.3

2.1 The situation, in two lines with its two headline numbers. [3]

2.1

- Two lines naming structure and position: forces 17/25 with entrants the binding force; margin 13.2% held by brand (sustained VRIO) - equipment and trainers parity.

2.2 The options ranked, with their EVs or valuations. [4]

2.2

- Schools 9.0k > penetration 8.7k > frozen 6.0k > farm shop 3.0k; farm shop buy only at or below 369k; specialty position (equilibrium 18/12) is the base, not an option.

2.3 The decision, in at most twenty words, each clause carrying a number. [4]

2.3

- E.g. hold specialty; win the schools contract; buy the farm shop only below 369k with a staged pilot; close the 6-hour gap by promotion - each clause a number above.

exercises.lol exercises.com.cn

Exercise 2.4

2.4 Three review triggers with numbers and dates. [3]

Exercise 2.4

2.4 Three review triggers with numbers and dates. [3]

2.4

- Any three with number and date: activation 31-45% by Q3; supervision gap 6-0 hours by June; pilot sign-ups below 60% by week 3 lapses the option.