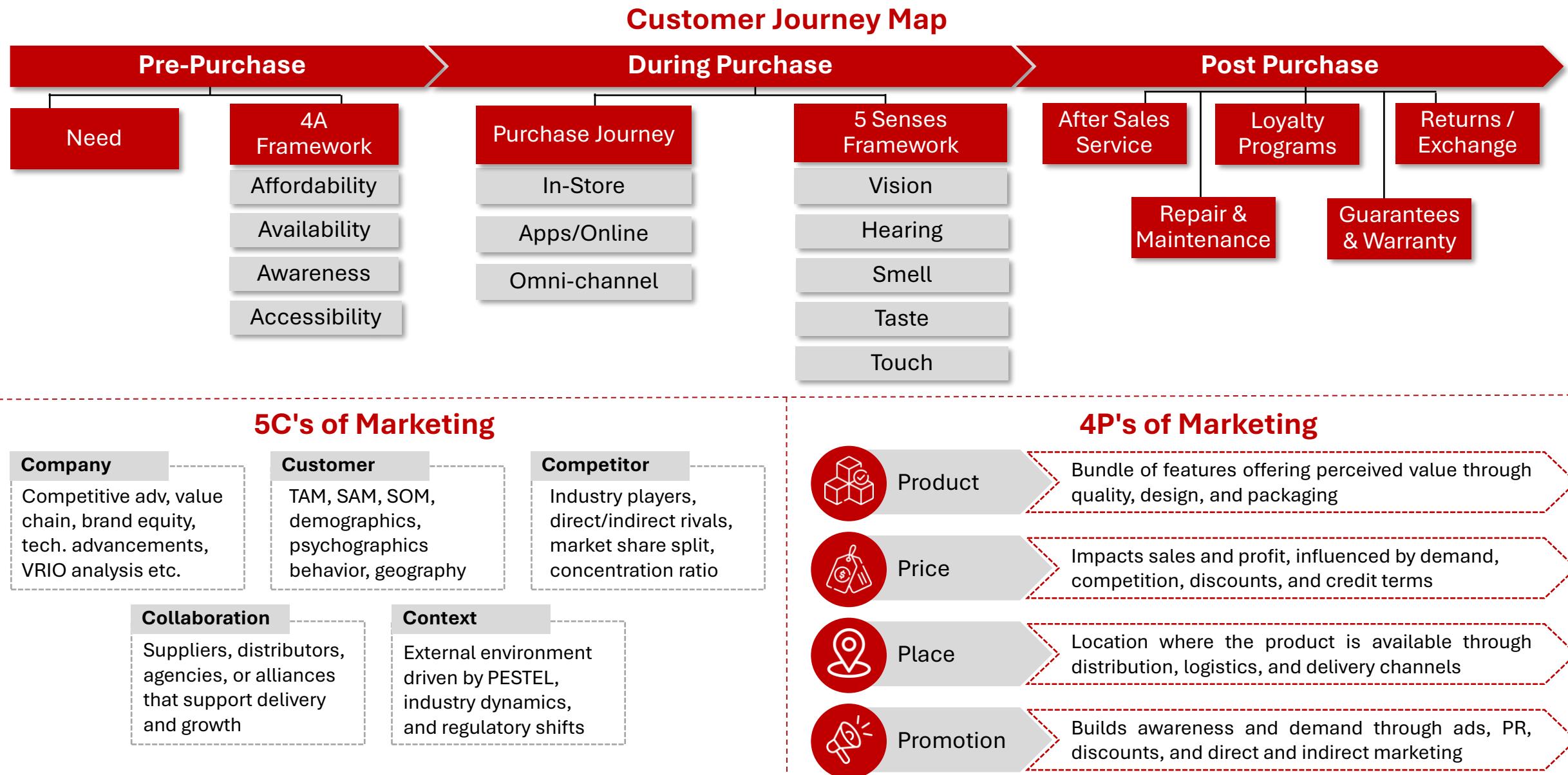


Commonly Used Frameworks (1/7)

SWOT Framework		PESTEL Analysis							
<p>Internal</p> <table border="1"> <thead> <tr> <th>STRENGTHS</th> <th>WEAKNESSES</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Positive tangible and intangible attributes providing competitive edge to an organization over its competitors Answers questions: <ul style="list-style-type: none"> What aspects of people, products, processes sets you apart? What is your USP and value proposition? Example: Proprietary systems, employees, brand image </td><td> <ul style="list-style-type: none"> Factors that detract an organization from achieving its desired goals, that need further improvement Answers questions: <ul style="list-style-type: none"> What are the vulnerabilities & what changes are needed? What is obstructing progress and needs to be eliminated? Example: Weak brand, inadequate supply chain, lack of Cap. </td></tr> <tr> <th>OPPORTUNITIES</th><th>THREATS</th></tr> <tr> <td> <ul style="list-style-type: none"> Factors representing why an organization exists, which can provide it a competitive advantage These factors need to be identified w.r.t. a given Time Frame Answers questions: <ul style="list-style-type: none"> What trends, changes could strengthen the brand, markets? Example: Reduced Tariffs, Tech Advancements </td><td> <ul style="list-style-type: none"> Factors that have the potential to harm the organization, and put its goals and mission at a risk Answers questions: <ul style="list-style-type: none"> What external risks could impact performance? What market shifts could disrupt the firm? Example: Rising cost of production, increasing competition, tight labor supply </td></tr> </tbody> </table>	STRENGTHS	WEAKNESSES	<ul style="list-style-type: none"> Positive tangible and intangible attributes providing competitive edge to an organization over its competitors Answers questions: <ul style="list-style-type: none"> What aspects of people, products, processes sets you apart? What is your USP and value proposition? Example: Proprietary systems, employees, brand image 	<ul style="list-style-type: none"> Factors that detract an organization from achieving its desired goals, that need further improvement Answers questions: <ul style="list-style-type: none"> What are the vulnerabilities & what changes are needed? What is obstructing progress and needs to be eliminated? Example: Weak brand, inadequate supply chain, lack of Cap. 	OPPORTUNITIES	THREATS	<ul style="list-style-type: none"> Factors representing why an organization exists, which can provide it a competitive advantage These factors need to be identified w.r.t. a given Time Frame Answers questions: <ul style="list-style-type: none"> What trends, changes could strengthen the brand, markets? Example: Reduced Tariffs, Tech Advancements 	<ul style="list-style-type: none"> Factors that have the potential to harm the organization, and put its goals and mission at a risk Answers questions: <ul style="list-style-type: none"> What external risks could impact performance? What market shifts could disrupt the firm? Example: Rising cost of production, increasing competition, tight labor supply 	<p>Political Extent to which governments and its policies affect an organization and the industry like fiscal policy, trade policies, tax policies, labor laws, corruptions etc.</p> <p>Economic Factors affecting the economy of the country directly like interest rates, exchange rates, disposable income, unemployment rate and other micro and macro economic factors</p> <p>Social Factors affecting the social environment and any growing trends like population growth, demographics, age distribution, health standards, career attitudes, employment, etc.</p> <p>Technological Factors affecting rate of technological improvements that affect a market such as digital tech, R&D, adoption rates, trends and awareness, new ways of production & distribution</p> <p>Environmental Factors which influence the surrounding environment such as carbon footprint, sustainable business practices, availability of natural sources of raw material, CSR initiatives, ethics, etc.</p> <p>Legal Considers the legal factors of the industry in which organization operates Laws pertaining to health, safety, advertising standards, product labelling, IP, Licenses, permits, industrial regulations</p>
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<p>External</p>									



Commonly Used Frameworks (2/7)



Commonly Used Frameworks (3/7)

Porter's Industry 5 Forces



BPOB increases with,

- Few large size buyers
- Low switching cost
- Higher # of substitutes
- Standardized products
- High price elasticity
- High buyer awareness

BPOS increases with,

- Low number of supplier
- High switching cost
- Lower # of substitutes
- Differentiated product
- Forward integration is possible

RIVALRY increases with,

- High # of competitors
- Low barriers to entry
- Easily substitutable product
- Low bargaining power of suppliers
- Low focus on brand value

TOS increases with,

- Low switching cost for customers
- High performance of substitutes
- Price-performance trade off is acceptable

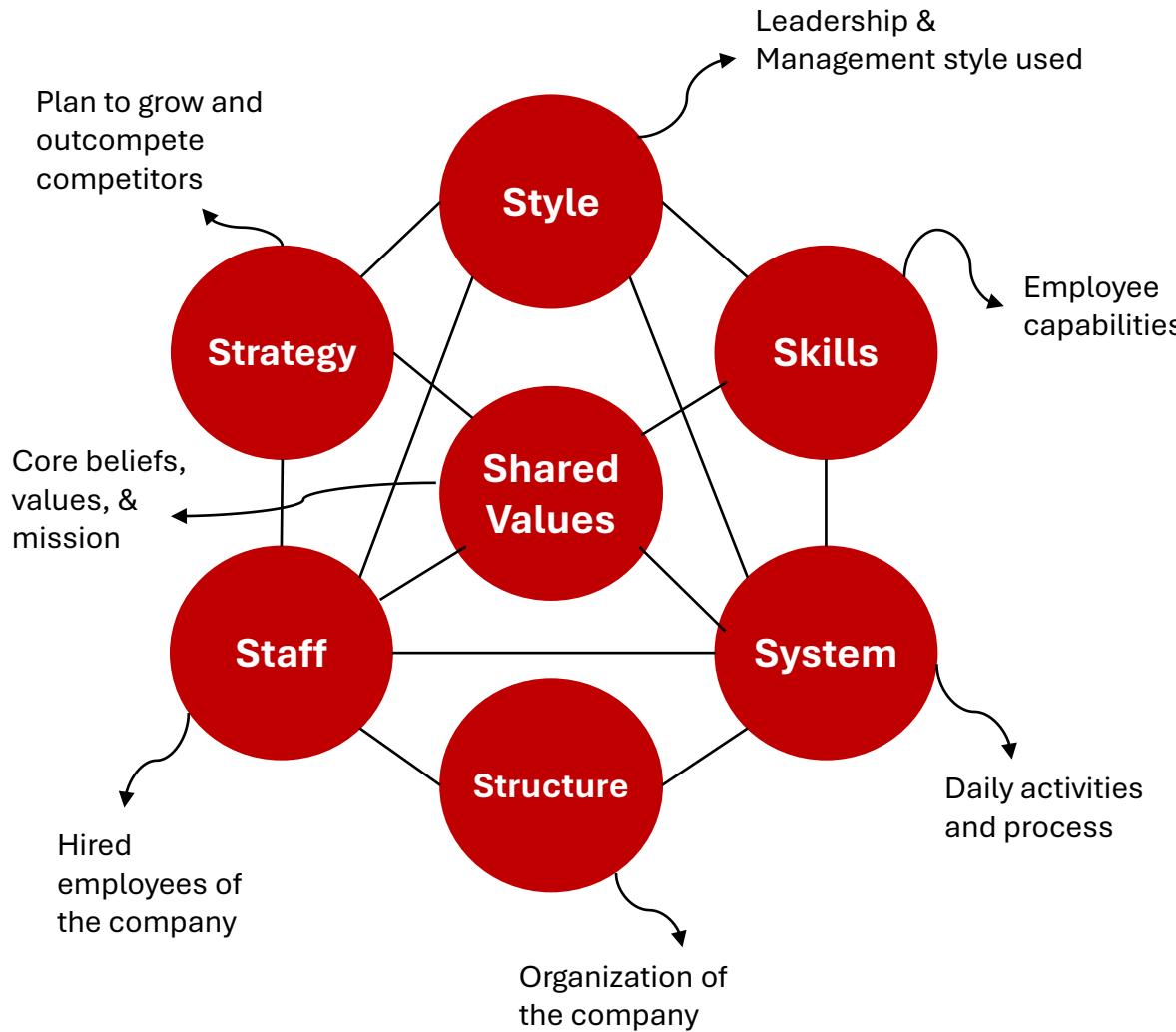
TONE increases with,

- High capital req.
- Differentiated products
- Strict govt. regulations
- High switching cost
- Supply side EOS
- High brand value of firms

Commonly Used Frameworks (4/7)

7S Framework

Used to analyze and improve organizational effectiveness



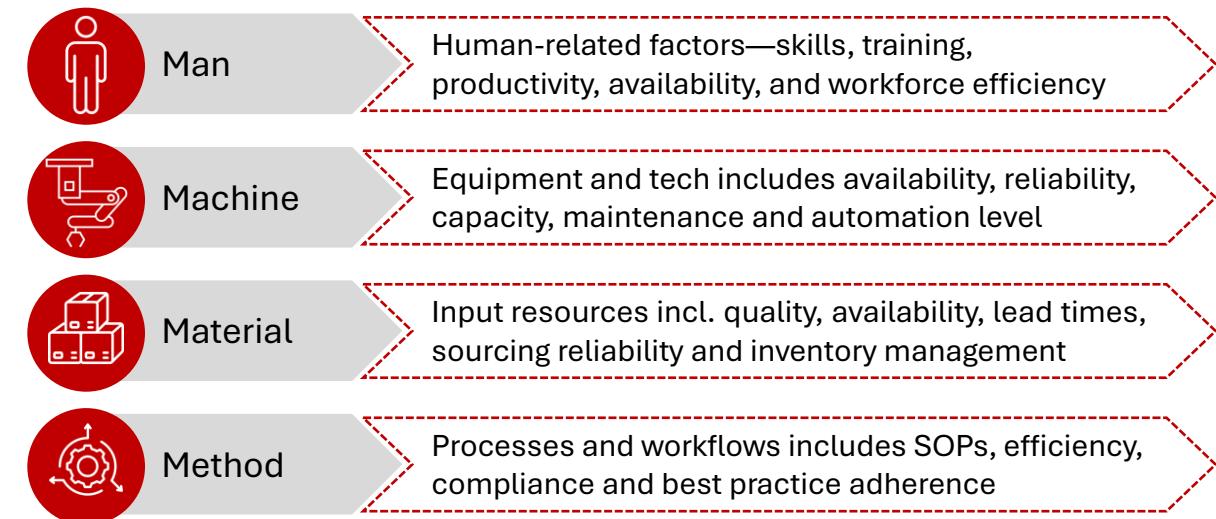
AMO Framework

Used to assess employee productivity due to HR practices

Ability	Motivation	Opportunity
Selective recruitment, hire able & qualified employees, training and development	Compensation, work life balance, performance-based incentives, clarity of goals, conflict mgt.	Career planning, high performing work culture, recognition, fair appraisal

4M Framework

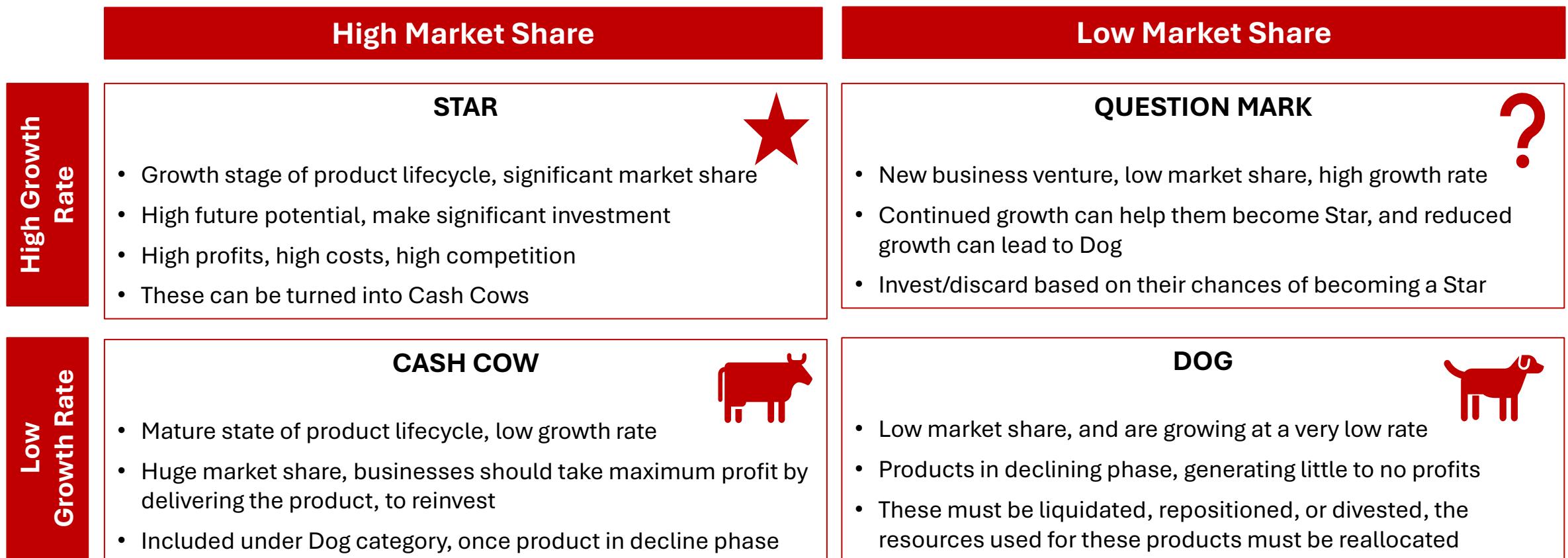
Establish cause-effect relationship and root cause of process variation



Commonly Used Frameworks (5/7)

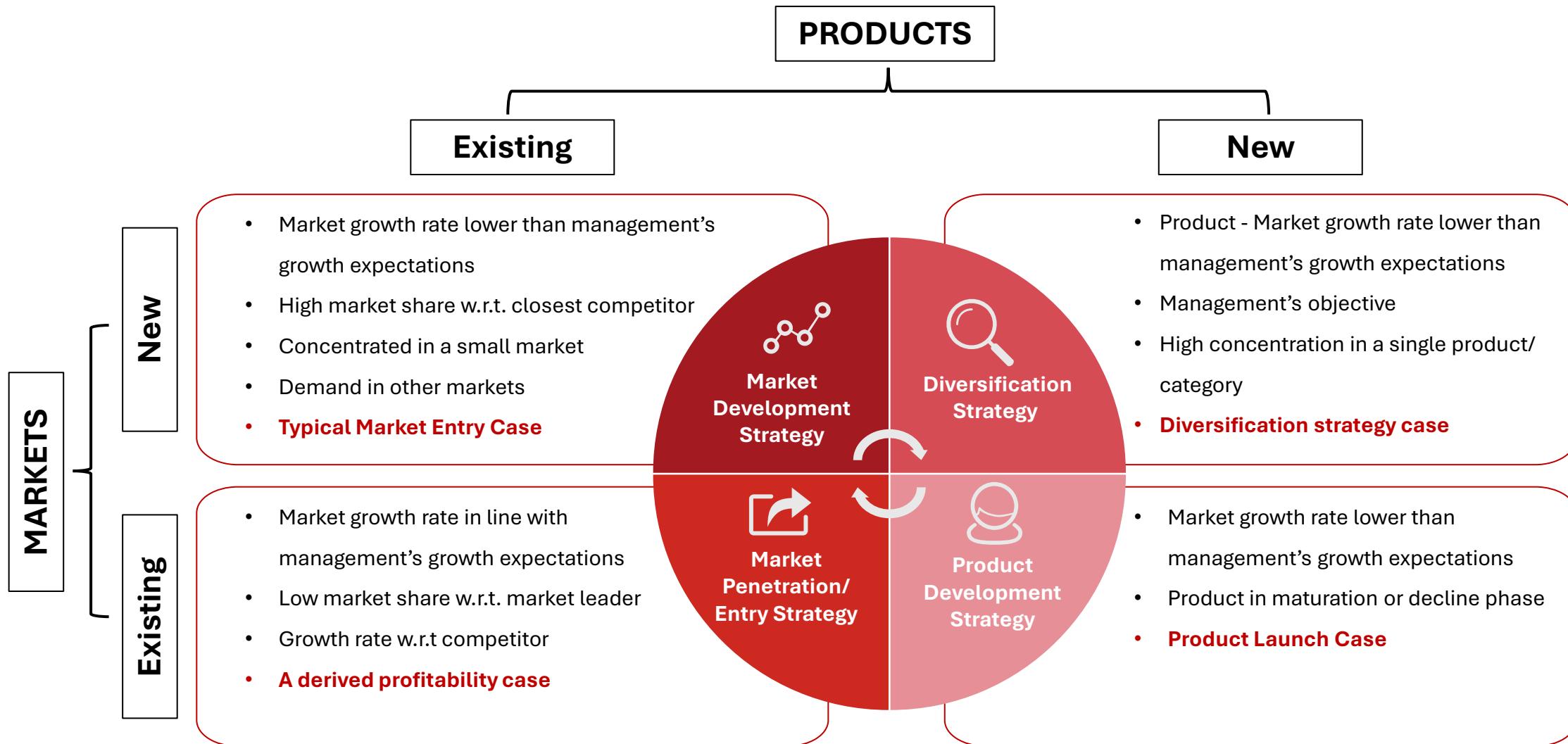
BCG Growth Share Matrix

BCG matrix can be used as a portfolio management tool to decide among different business opportunities, depending on their profitability



Commonly Used Frameworks (6/7)

Ansoff Matrix



Commonly Used Frameworks (7/7)

Addressable & Obtainable Markets

TAM = *The market that exists*

SAM = *The market that is accessible*

SOM = *The market that is winnable*

Total Addressable Market

The **total demand** for a product or service across **all geographies, segments, and use cases**, assuming no constraints on distribution or competition.

- Helps size the **maximum opportunity**
- Typically calculated top-down using industry data, population stats, or macro indicators.

Serviceable Addressable Market

The portion of TAM that a company can **realistically target** based on **its current offerings, regulatory access, and distribution reach**.

- Accounts for what fits your current capability and market coverage.
- Given by **(TAM) * Market Penetration Percentage**

Serviceable Obtainable Market

The **share of SAM** that a company can **actually capture** in the near term, based on **salesforce strength, brand equity, pricing, and competitive intensity**.

- Calculated bottom-up using internal data (e.g., conversion rates, sales pipeline)
- Given by **(SAM) * Market Share Percentage**



Case Specific Frameworks

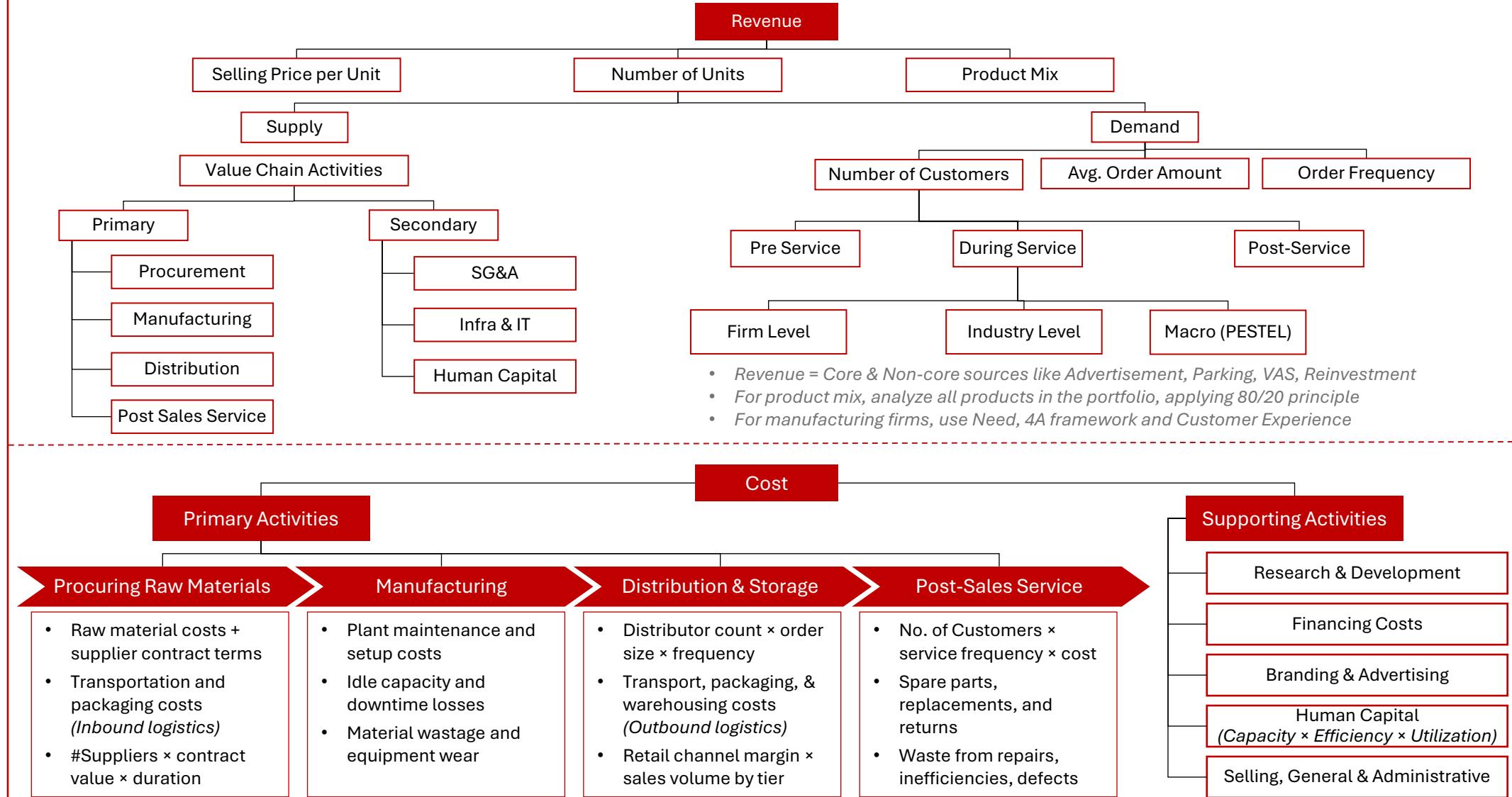


Profitability Framework

Preliminary Questions

- Clarify objective, quantum of change in profit and timeline
- Geography - Location of the firm, its branches
- Business Model – Where does the firm lie in the value chain? What are its revenue streams and distribution channels?
- Who are the key customer segments, and how do they differ?
- What is the product mix? Any new differentiation/ change in products?
- What is the competitive landscape?
- How does pricing and volume of sales vary? Are there seasonal patterns in sales volume or pricing?

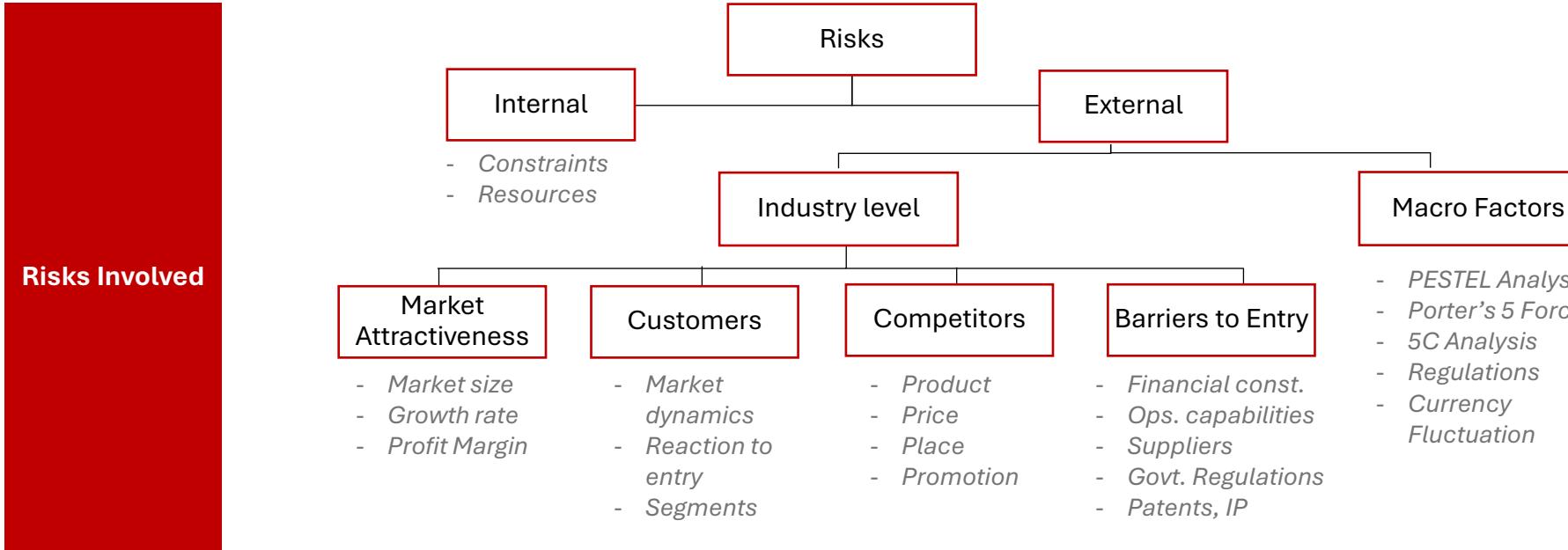
$$\text{Profit} = \text{Revenue} - \text{Cost}$$



Market Entry Framework

Preliminary Questions

- Clarify objective, growth quantum and targeted timeline
- Geography : Why are we looking into this geography? Have they launched this product in another market?
- Business Model : Where does the firm lie in the value chain?
- Who are the target customers? Market size and price sensitivity
- What are the existing products / services, capabilities of the firm? Any differentiating / new features in products?
- Pricing - given or required, ask for targeted margin?
- What is the competitive landscape?



Market Size and Share

Economic Feasibility: Market Size x Market Share x (Price – Variable cost) – Fixed Cost

(Solve the guesstimate to calculate market size, qualitatively find achievable market share)

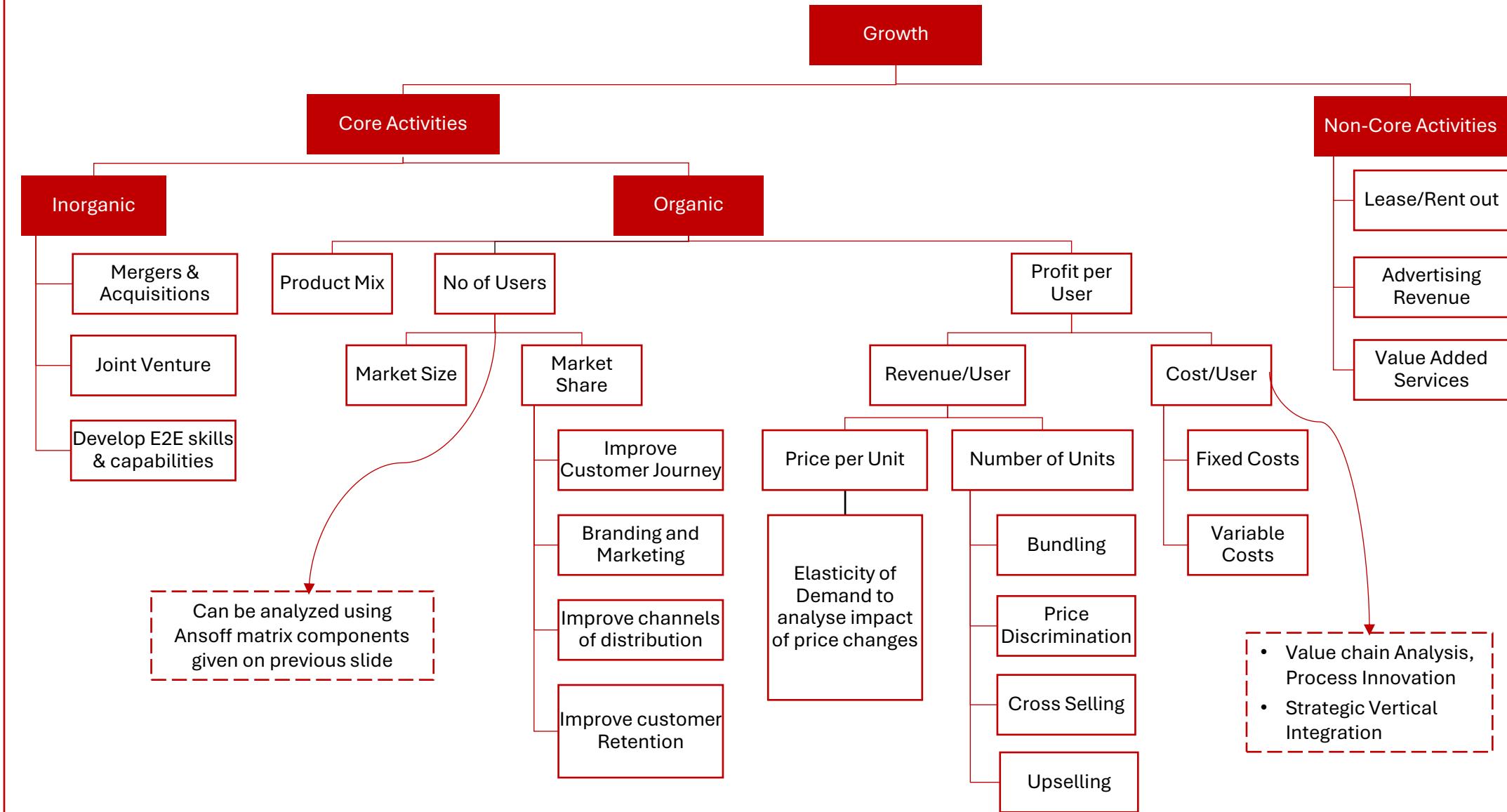
Modes of Entry

	Organic	Joint venture	Acquisition
Advantages	<ul style="list-style-type: none"> - Retain business control - Build experience curve - Boosts brand image 	<ul style="list-style-type: none"> - Less investment - Local expertise - High scale and scope 	<ul style="list-style-type: none"> - Extend market scope - Utilise local expertise - Produce synergy
Disadvantages	<ul style="list-style-type: none"> - High capex - High commitment 	<ul style="list-style-type: none"> - Limited control - Brand dilution risk 	<ul style="list-style-type: none"> - Significant investment - Threat to brand value

Growth Strategy Framework

Preliminary Questions

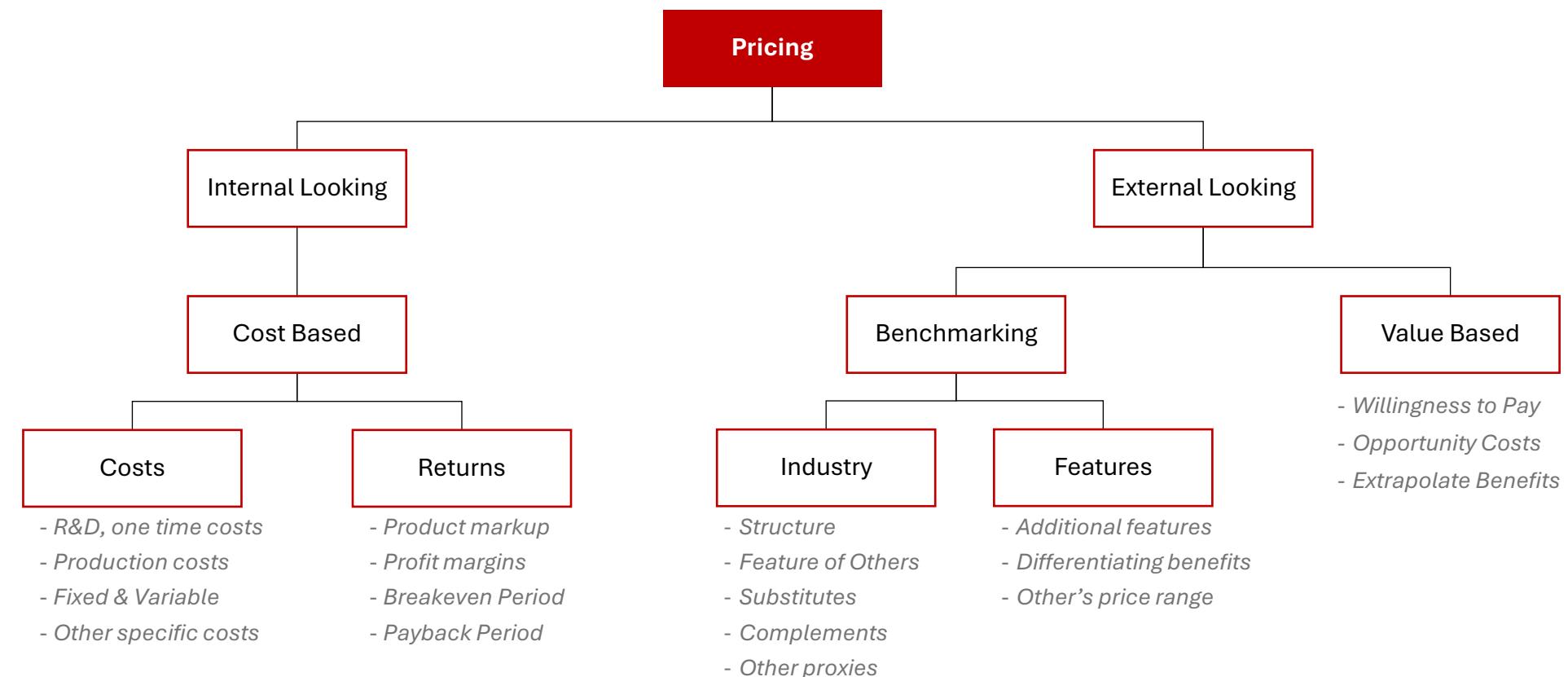
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- What are the existing products / services, capabilities of the firm? Any differentiating / new features in products?
- Pricing - given or required, ask for targeted margin?
- What is the competitive landscape?



Pricing Framework

Preliminary Questions

- What is the primary pricing objective - profit maximization, market penetration, or brand positioning?
- Are we pricing a new product or revisiting the price of an existing offering?
- What is the minimum acceptable margin or breakeven condition?
- Who are the target customers and their willingness to pay?
- What value do we offer over substitutes or existing options?
- How does the competitor pricing landscape look - industry norms, price anchors & outliers?
- Are there any regulatory or channel-specific constraints on pricing?



M&A and PE Framework

Preliminary Questions

- What is the investment objective total/partial exit, TAT or scale-up?
- What is the investment horizon short-term, long-term, or staged funding?
- What is the firm's unique value proposition compared to existing players?
- What is the size and growth rate of the target market?
- What are the core capabilities and financial health of the business?
- What is the current equity structure and founder's stake?
- Are there any regulatory, macro economic, or execution risks to be accounted for?

Factors to be evaluated for the time-period of investment	Financial Feasibility		Synergies and Business Model		Exit Options and Risks		
	Financial Factors	Acquired Firm's Factors	Synergies	Business Model	Exit Options	Risks	
	Market Size (Guesstimate)	Unique Value Proposition	Demand-side Synergies	Company's Evaluation	Total Exit	P E S T L E	
Growth Rate	Competitors	Supply-side Synergies	Operations	Partial Exit			
Profitability	Current Equity Structure	Efficiency Synergies	Financials	IPO			
Use information from above parameters to calculate Free Cash Flows (FCFs) to estimate the valuation of the company being acquired							
Factors needed to analyze a company							
Structure		Systems		Style		Staff	
What structure do we need to execute the strategy?		Business system needed to execute the strategy?		Analyzing Leadership style and cultural qualities		How should we help our managers in their growth?	
Strategy		Structure		Shared Values			
What should we do to solve the business problem?		What structure do we need to execute the strategy?		Current Values and culture of the firm			