To: Executive Team

From: Rockie O’Hara, Human Resources Manager

Date: Today

Re: Mr. Proffitt needs more information

Thanks for your help in getting Mr. Proffitt up to speed on our corporate vision, mission, values and strategy. Your document went a long way in getting him started in his new job.

A lot has changed for us in the last three years, and now it’s really important for our sales team to better understand our current situation. Dewey has a general understanding of our industry now, but he’s not 100% sure that he understands all the important industry dynamics. Please pull together a report that covers the important issues in our external environment that Dewey and his sales team need to know.

It would also be helpful for him to have an even better understanding of our company’s current situation. I know you’ve been spending a lot of time thinking about where we are, so if you could include some information on our current situation that would be great too. Don’t forget to include any updates you made to the information in your first report.

I know you’re really busy, but please try to have the report completed by **Friday, March 8th**.

Thanks!

Rockie

As you prepare your memo for Mr. Proffitt, here are some helpful hints:

1. Evaluate your performance on previous objectives. Track the planned vs. actual performance. Did your company perform as expected?

Based on our previous objectives beginning with the financial objectives. Net revenue has increased from Y10 to Y11.

2. Perform an External Analysis – Use the frameworks from chapter 3

* Does an environmental scan (PESTEL) reveal strategically relevant issues?
* How strong are the industry’s competitive forces? (Porter’s Five Forces)
* What are the industry’s driving forces of change and what impact will they have?
* How are industry rivals positioned? (Strategic Group Maps)
* What strategic moves are rivals likely to make next?
* What are the industry key success factors? (KSFs)
* Does the industry offer good prospects for attractive profits?

3. Perform an Internal Analysis – Use the frameworks from chapter 4.

* How well is the company’s strategy working? (Financial Ratios)
* What are the company’s competitively important resources and capabilities? (VRIN and SWOT)
* Are the company’s cost structure and customer value proposition competitive? (Value Chain and industry benchmarking)
* What are the company’s competitive strengths relative to key rivals? (Competitive Strengths Assessment)

4. Conclusions: What strategic issues and problems must be addressed by management? What is your new strategy as you go forward? Highlight any changes to your vision, mission or core values. Set new financial and strategic objectives—they may be different from your first report. **You should set objectives for years 14-16**.

Important Note: Remember this is a full, narrative paper. You should write out every section in text form using the business writing guidelines posted on Moodle. The models are used to help you understand and analyze your situation. They are not a substitute for a fully-explained, written explanation of your findings.

Example Table of Contents

**Company Overview**

Executive summary (How the company performed on previous objectives and key strategic issues from the previous period)

Vision, Mission and Values

Objectives for the next 3 years

Overview strategic initiatives (marketing, finance, operations and CSR)

**External analysis**

PESTEL/Driving Forces

Porter’s Five Forces

Strategic Group Map/Predict Moves of Rivals

Key Success Factors

Conclusion about industry's prospects for profitability

**Internal Analysis**

Assessment of current strategy (Financial Ratios)

Key Resources and Capabilities (VRIN) & SWOT

Value Chain

Competitive Strengths Assessment

**Conclusions**

Key issues management must address and new objectives (financial and strategic)