



Lab: Five Forces Model

Estimated duration: 30 minutes

Objectives

In this hands-on lab, you will:

- Review a product development scenario
- Determine how the Five Forces are impacting product planning positively or negatively
- Complete a SWOT Analysis
- Develop an appropriate strategy to deal with the Five Forces

Prerequisites

1. Ensure you have viewed the Business Development and Porter's Five Forces Model videos in this module.
2. You must have Microsoft Excel installed on your computer or a Microsoft Office 365 account online. If you want to sign up for Microsoft Office 365 online and need help with the steps, view the [Sign-up for Microsoft 365 lab](#).

Scenario: Time is Now LLC Product Development

The Time is Now LLC is developing a new Smartwatch, which they believe can carve out a significant market share and bring profitability to their organization. However, they are fully aware of their competition in the Smartwatch market, where numerous competitors compete for top sales.

Competitive Landscape

- **Market Competition:** The Smartwatch market is crowded with numerous competitors competing for market space. This intense competition challenges Time is Now's market share aspirations.
- **Technical Advantage:** Time is Now believes it can match competitors' functionality while keeping costs low due to its technical expertise. This confidence in their ability to create a competitive product is critical.

- **Protecting Intellectual Property:** To maintain its competitive edge, Time is Now must safeguard its product and development ideas from being adopted by other companies, potentially undercutting their pricing strategies.

Market Entry

Time is Now found a few barriers and regulatory guidelines when entering the Smartwatch market. This allowed them to expedite their planning and development activities. However, it's important to note that this ease of entry also benefits their competitors, who can also take advantage of the same situation.

Competitive Advantage

Common Smartwatch issues include:

- Low battery life
- Connectivity problems
- Syncing issues
- Missed notifications
- Poor connectivity at close range

Time is Now aims to set itself apart by eliminating slow syncing problems and plans to market this feature aggressively, believing it provides a significant competitive advantage.

Market Potential

Time is Now recognizes that many potential Smartwatch buyers are in the market. Not everyone can afford high-end models and seeks reasonably priced, functional alternatives. Time is Now believes there's a substantial market potential for their product, although this may come with challenges such as increased costs or delivery delays.

Supply Chain Challenge

One challenge Time is Now faces is the scarcity of suppliers offering the specific batteries required for their Smartwatch to function effectively.

In summary, Time is Now is entering the competitive Smartwatch market with confidence in its technical capabilities and unique features. However, they must be mindful of protecting their intellectual property, managing market potential effectively, and addressing supply chain challenges to succeed in this competitive landscape.

Exercise 1: Determine How the Five Forces are Impacting Product Planning Positively or Negatively

You are the Smartwatch Product Manager for Time is Now LLC.

Step 1: Perform a Five Forces analysis and determine the optimal strategy to plan and deliver a successful product.

Note: You may document this on the SWOT Analysis spreadsheet you download in exercise 2 or a separate document. This portion does not need to be turned in for peer review.

The Five Forces include:

- Entry
- Threat of substitution
- Bargaining power of buyers
- Bargaining power of suppliers
- Rivalry among current competitors

Exercise 2: Complete a SWOT Analysis

Step 1: Keeping the CTRL key pressed, click [here](#) to download the **SWOT Analysis** spreadsheet.

Note: On Mac systems, keep the Command (CMD) key pressed instead of the CTRL key.

Step 2: Document strengths, weaknesses, opportunities, and threats.

Hint: Think out of the box. What threats are posed by Time is Now LLC's weaknesses? What opportunities are posed by their strengths?

Step 3: Suggest communications and collaboration tools and methods covered in this module's readings and videos to address and mitigate the issues. Place your solutions in the Solution column of the table on the Communication Issue and Solutions worksheet.

Step 4: Share this document with your peers. Compare your answers to the potential solution table provided.

Exercise 3: Develop an Appropriate Strategy or Strategies to Deal with the Five Forces

Step 1: Review Porter's recommended strategies. Recall that strategies include overall cost leadership, differentiation, and focus. Which strategy may be best for Time is Now LLC to pursue? Note your choices on the SWOT Analysis spreadsheet.

Step 2: Save your spreadsheet with a unique naming convention, for example, LSmith_TimeisNow_SWOTAnalysis. This spreadsheet will be part of a peer review submitted at the end of this course.