. The same may soon be true of auto manufacturers looking for substitutes for the gasoline engine. Failure to adapt is, however, only one side of the coin. The Intel example shows how a changing environment can create new opportunities at the same time it destroys old ones

To be successful over time, an organization needs to be in tune with its external environment. There must be a strategic fit between what the environment wants and what the corporation has to offer, as well as between what the corporation needs and what the environment can provide.

What is the Value of an Industry Matrix?

Within any industry there usually are certain variables—key success factors—that a company’s management must understand in order to be successful. Key success factors are those variables that can affect significantly the overall competitive positions of companies within any particular industry . They typically vary from industry to industry and are crucial to determining a company’s ability to succeed within that industry . They are usually determined by the economic and technological characteristics of the industry and by the competitive weapons on which the firms in the industry have built their strategies.

An industry matrix summarizes the key success factors that face a particular industry

A **strategic group** is a concept used in [strategic management](https://en.wikipedia.org/wiki/Strategic_management) that groups companies within an industry that have similar [business models](https://en.wikipedia.org/wiki/Business_model) or similar combinations of strategies. For example, the restaurant industry can be divided into several strategic groups including fast-food and fine-dining based on variables such as preparation time, pricing, and presentation

strategic groups is very useful to strategic managers as a way of better understanding the competitive environment

Because a corporation’s structure and culture tend to reflect the kinds of strategies it follows, companies or business units belonging to a particular strategic group within the same industry tend to be strong rivals and more similar to each other than to competitors in other strategic groups within the same industry

For example, although McDonald’s and Olive Garden are a part of the same

restaurant industry , they have different missions, objectives, and strategies and thus belong to different strategic groups. They generally have very little in common and pay little attention to each other when planning competitive actions. Burger King and Hardee’s, however, have a great deal in common with McDonald’s in terms of their similar strategy of producing a high volume of low-price meals targeted for sale to the average family . Consequently they are strong rivals and are organized to operate in a similar fashion.

Strategic Types

Explain the bullet points

Dividing the competition into these four categories enables the strategic manager not only to monitor the effectiveness of certain strategic orientations, but also to develop scenarios of future industry developments

Hypercompetition:

Often a characteristic of new markets and industries, hypercompetition occurs when technologies or offerings are so new that standards and rules are in flux, resulting in competitive advantages and profits resulting from such competitive advantages cannot be sustained.

Hypercompetition typically occurs at a rapid pace. For example, let's say that you own a fast-food restaurant and your items are priced slightly higher than a rival fast-food chain. If you decide to adjust your prices to be closer to or lower than your rival, that is hypercompetition.

Strategy is the direction and scope of an organization over the long term which achieves advantages for the organization while business model refers to how the firm will generate revenues or make money