

- c. Political–legal
 - d. Sociocultural
2. Are these forces different in other regions of the world?

C. Task Environment

1. What forces drive industry competition? Are these forces the same globally or do they vary from country to country? Rate each force as **high**, **medium**, or **low**.
- a. Threat of new entrants
 - b. Bargaining power of buyers
 - c. Threat of substitute products or services
 - d. Bargaining power of suppliers
 - e. Rivalry among competing firms
 - f. Relative power of unions, governments, special interest groups, etc.
2. What key factors in the immediate environment (that is, customers, competitors, suppliers, creditors, labor unions, governments, trade associations, interest groups, local communities, and shareholders) are currently affecting the corporation? Which are current or future threats? Opportunities?

D. Summary of External Factors

(List in the EFAS Table 4–5, p. 153)

Which of these forces and factors are the most important to the corporation and to the industries in which it competes at the present time? Which will be important in the future?

IV. Internal Environment: Strengths and Weaknesses (**SWOT**)

A. Corporate Structure

1. How is the corporation structured at present?
- a. Is the decision-making authority centralized around one group or decentralized to many units?
 - b. Is the corporation organized on the basis of functions, projects, geography, or some combination of these?
2. Is the structure clearly understood by everyone in the corporation?
3. Is the present structure consistent with current corporate objectives, strategies, policies, and programs, as well as with the firm's international operations?
4. In what ways does this structure compare with those of similar corporations?

B. Corporate Culture

1. Is there a well-defined or emerging culture composed of shared beliefs, expectations, and values?
2. Is the culture consistent with the current objectives, strategies, policies, and programs?
3. What is the culture's position on environmental sustainability?
4. What is the culture's position on other important issues facing the corporation (that is, on productivity, quality of performance, adaptability to changing conditions, and internationalization)?
5. Is the culture compatible with the employees' diversity of backgrounds?
6. Does the company take into consideration the values of the culture of each nation in which the firm operates?

C. Corporate Resources

1. Marketing

- a. What are the corporation's current marketing objectives, strategies, policies, and programs?
 - i. Are they clearly stated or merely implied from performance and/or budgets?
 - ii. Are they consistent with the corporation's mission, objectives, strategies, and policies, and with internal and external environments?
- b. How well is the corporation performing in terms of analysis of market position and marketing mix (that is, product, price, place, and promotion) in both domestic and international markets? How dependent is the corporation on a few customers? How big is its market? Where is it gaining or losing market share? What percentage of sales comes from developed versus developing regions? Where are current products in the product life cycle?
 - i. What trends emerge from this analysis?
 - ii. What impact have these trends had on past performance and how might these trends affect future performance?
 - iii. Does this analysis support the corporation's past and pending strategic decisions?
 - iv. Does marketing provide the company with a competitive advantage?
- c. How well does the corporation's marketing performance compare with that of similar corporations?
- d. Are marketing managers using accepted marketing concepts and techniques to evaluate and improve product performance? (Consider product life cycle, market segmentation, market research, and product portfolios.)
- e. Does marketing adjust to the conditions in each country in which it operates?
- f. Does marketing consider environmental sustainability when making decisions?
- g. What is the role of the marketing manager in the strategic management process?

2. Finance

- a. What are the corporation's current financial objectives, strategies, policies, and programs?
 - i. Are they clearly stated or merely implied from performance and/or budgets?
 - ii. Are they consistent with the corporation's mission, objectives, strategies, and policies, and with internal and external environments?
- b. How well is the corporation performing in terms of financial analysis? (Consider ratio analysis, common size statements, and capitalization structure.) How balanced, in terms of cash flow, is the company's portfolio of products and businesses? What are investor expectations in terms of share price?
 - i. What trends emerge from this analysis?
 - ii. Are there any significant differences when statements are calculated in constant versus reported dollars?
 - iii. What impact have these trends had on past performance and how might these trends affect future performance?
 - iv. Does this analysis support the corporation's past and pending strategic decisions?
 - v. Does finance provide the company with a competitive advantage?
- c. How well does the corporation's financial performance compare with that of similar corporations?
- d. Are financial managers using accepted financial concepts and techniques to evaluate and improve current corporate and divisional performance? (Consider financial leverage, capital budgeting, ratio analysis, and managing foreign currencies.)
- e. How does finance adjust to the conditions in each country in which the company operates?
- f. How does finance cope with global financial issues?
- g. What is the role of the financial manager in the strategic management process?