Jazmine Troutt

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Unit 2 DB

Professor: Dawn Miller

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As we continue with a global marketing plan it is clear that we need a more detailed analysis. Determining the tools that are needed to conduct an analysis of the industry and competitors are key. According to the Topic Gateway Series, there are 7 commonly used strategic analysis tools. Examples of these tools are…

1. SWOT Analysis
2. PEST Analysis
3. Porters Five Forces (Competitive forces model)
4. Four Corners Analysis
5. Value Chain Analysis
6. Early warning scans
7. War gaming

**What are the best tools to use in this situation?**

The best tools I would utilize is both the SWOT and PEST Analysis. Both of these tools will be able to help the furniture manufacturing company identify both the opportunities and threats coming their way and will give them a strong idea of the present and future scenario of the industry.

**SWOT Analysis**

According to Muse, SWOT is a commonly used tool and it is an acronym for Strengths, weaknesses, opportunities, and threats. This tool results in identifying a company’s distinctive competencies and reveals opportunities that the company’s is not taking advantage of due to resource constraints (Muse, 2019). This is one of the best tools to use and can be done for a product, place, industry, or person and overall helps with the strategic planning and decision making. There are internal and external factors that SWOT assesses as well.

**Internal Factors:**

**Strengths**-What does the company excel at and what separates the company from its competition? Ex: Brand, loyal customers, technology etc. (Grant, 2019).

**Weaknesses**-Areas the company can improve in to keep up with competitors. Ex: brand not strong enough, high turnover rate, debt, low supply chain and more (Grant, 2019).

**External Factors:**

**Opportunities**-Something that can give your company a competitive advantage. For example, Socio-cultural, political, economic, and technology changes that can change the company (Grant, 2019).

**Threats**-Potential harm to the organization. For example, rising costs for materials, more competition, and scarce labor supply.

**PEST Analysis**

 According to Topic Gateway Series, PEST Analysis is an output of the outside full-scale condition in which an association exists. It is a valuable tool for comprehending the political, financial, socio-social and mechanical condition that an association works in. It tends to be utilized for assessing market development or decline, and all things considered the position, potential and heading for a business. These factors are Legal and Environment conditions that can have an impact on the company

**Political Factors**: employment laws, environmental regulations and tax policy and trade restrictions (Topic Gateway Series, 2007)

**Economic Factors**: These influence the expense of capital and obtaining power of an association. Monetary components incorporate financial development, loan costs, inflation, and money trade rates (Topic Gateway Series, 2007).

**Social Factors**: consumer’s need and the potential market size for an organization’s goods and services. This includes population growth, age demographics and attitudes towards health (Topic Gateway Series, 2007).

**Technological Factors**: settle on or purchase choices and interest in development, for example, computerization, venture motivating forces and the pace of innovative change (Topic Gateway Series, 2007).

It is important to do a full PEST analysis before doing the SWOT analysis.

**Why do you think these are the best ways to analyze the market?**

In order to move operations in china there must be lots of research done. These are both the best ways to analyze the market because it will help with the strategic planning and decision making needed for a global strategy. The SWOT Analysis helps in understanding the strengths, weaknesses, opportunities, and threats involved in a business plan. This will allow the furniture company to become more appealing to employers, customers and compete with its competitors. Once the negative and positives have been weighed out it is more convenient to make better decisions. Also, the PEST helps look for possible opportunities and can take you in the direction you want your business to go into.

**How will you use these tools in your plan?**

I will be using both tools to analyze how the business market is in China that way I can make an informed decision on whether to go global or not. I will collect all the information and do a full SWOT analysis with strengths, weaknesses, opportunities, and threats in China that way I know about competitors and threats. Executing SWOT and PEST will allow me to see if our company will be successful in the global market. According to Muse, China is usually a good base of operations because its potential growth and return on investment for stakeholders. After doing a full analysis we will be able to identify whether China has the potential for success in expanding and achieving a global strategy for the company.

**References**

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