

The Porter's Five Forces Template

The intensity of the competitive landscape

The largest determiner in how competitive a sector is overall. It relates specifically to the behavior of other competitors within a particular market.

Exit barriers

Concentration ratio

Number of competitors

Diversity of rivals

Brand identity

Switching costs

Industry growth

Customer loyalty

Fixed costs/value added

Product differences

Access to the market for new entrants

The likelihood that new companies will attempt to establish within the market based on the # entry/exit barriers.

Economies of scale

Capital requirements

Government policy

Time and cost of entry

Cost advantages

Expected retaliation

Specialist knowledge

Access to distribution

Technology protection

Level of supplier power

This can include raw materials, labor, components, and more. One factor in supplier bargaining power is the number of alternative suppliers.

Differentiation of inputs

Switching costs of suppliers and firms

Presence of substitute inputs

Supplier concentration

Importance of volume to supplier

Uniqueness of service

Buyer's entry/exit costs

The ability of your customers to put the business under pressure. These include the bargaining leverage of buyers, substitute product availability, as well as buyer price sensitivity.

Bargaining leverage

Buyer volume

Buyer information

Buyer switching costs relative to firm

Price sensitivity

Ability to substitute

Buyer concentration vs. industry

Price of purchase

The threat of substitute products

The likelihood that an alternative product or service will enter the market.

Buyer inclination to substitutes

Switching costs

Relative price-performance