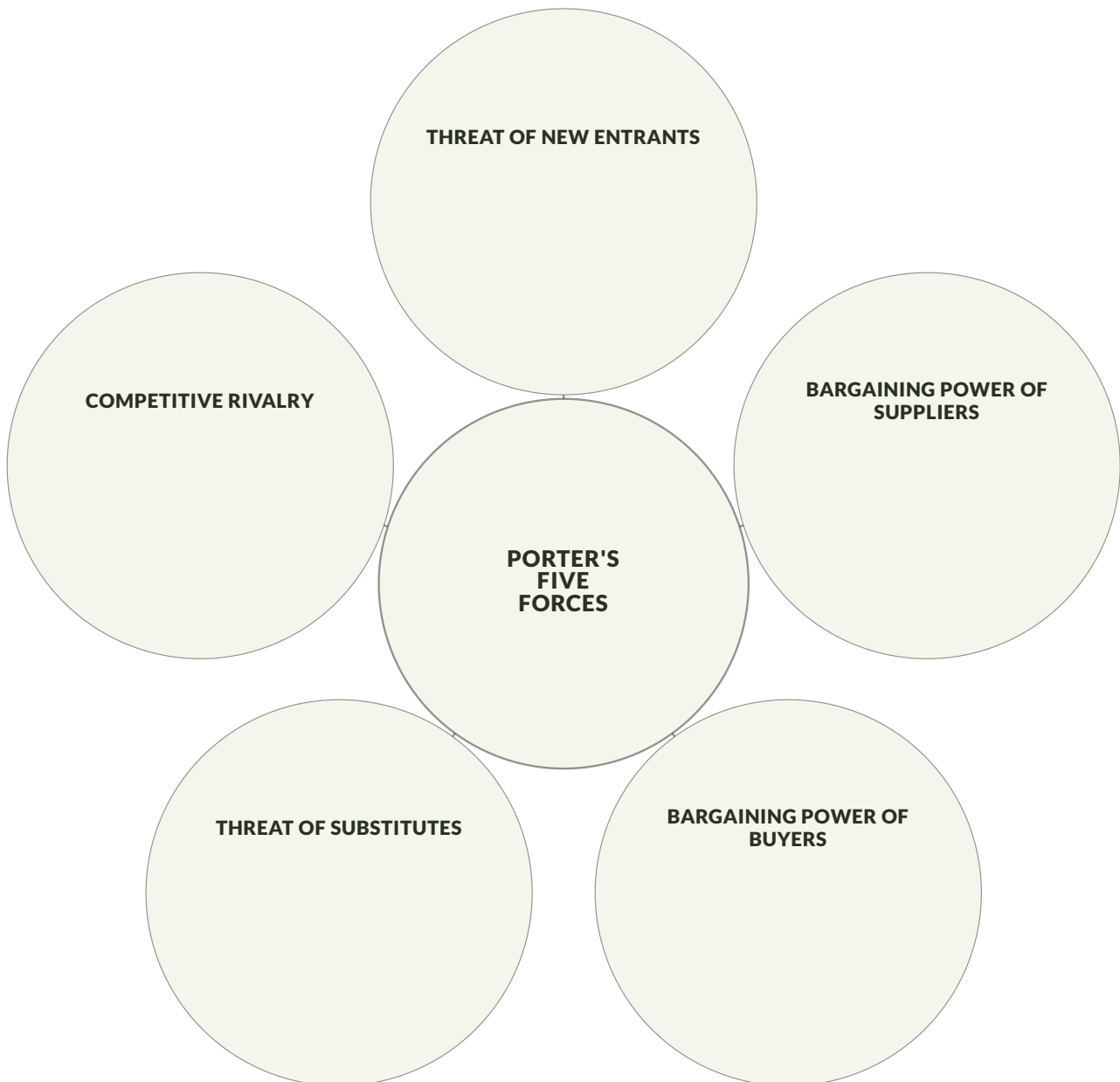


Porter's Five Forces

An industry-attractiveness analysis: shows where the profit in your market leaks out and how defensible your position really is. Origin: Michael E. Porter



- **THREAT OF NEW ENTRANTS:** How easily new competitors can enter and erode profits. Rate low/medium/high and name the real barrier (or the lack of one).
- **BARGAINING POWER OF SUPPLIERS:** How much leverage your key inputs hold over you. Weight suppliers by how much of your cost or capability they actually control.
- **BARGAINING POWER OF BUYERS:** How easily customers push price down or walk away. Note concentration, switching cost, and price transparency.
- **THREAT OF SUBSTITUTES:** Different ways customers get the same job done, usually from outside your category. Force at least one answer from another industry.
- **COMPETITIVE RIVALRY:** The intensity of the brawl between existing players - the centre force the other four feed. Rate the heat, not the headcount.