Strategic business analysis is a company’s process of determining its business plan, and deciding how to allocate the factors of production it controls – land, labour and capital - to pursue that plan.

Strategic planners usually look 3-5 years ahead to determine: what the company does (“Know your Product / Market”); for whom it is done (“Know your Customer’s Needs”) and how to excel (“Know your Competition”) with world’s best practice behaviours.

Analytical techniques used in Strategic Planning, include SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats); PEST analysis (Political, Economic, Social, and Technology analysis), and STEER analysis, involving Social, Technological, Economic, Ecological and Regulatory factors.

Access to IBISWorld’s database with a subscription to our full Industry reports, iExpert reports and Risk Rating reports provides all the insight you may need to plan confidently.

The Five Forces
IBISWorld’s key paradigm is Michael Porter’s Five Forces, which determine an industry’s competitive intensity and therefore attractiveness for investors. We see a company’s “business environment” as a series of connected operating and influential environments - our database of industries, supply chains and key drivers emphasize these relationships.

The operating environments can be a source of revenue or a cost centre. The generation of positive cash flow or profit depends on how a firm relates to the operating environments.

Marketplace – a source of revenue from customers who buy goods/services; Finance market – a source of cash, or a cost centre for firms with debt; Government – a cost centre that includes taxation and compliance; Services – a cost centre involving outsourcing and sub-contracting; Purchases – a cost centre for raw, processed and/or finished goods; and Labour market – a cost centre related to the company’s workforce.

Operating & Influential Environments

The influential environments do not directly affect revenue, costs or profits, but impact via the operating environments.
IBISWorld for Strategic Business Analysis

Know Your Product / Market
Understand the product / market universe - see the total size of the market for a good or service, substitute products and the industry supply chain connections that get a product to market. See international trade data and trends and how globalized a market is.

Our situational analysis allows firms to step back - sometimes they are focused too broadly to exploit high-growth product niches, or too narrowly to judge macro-environmental developments.

Know Your Customer
Determining why a customer buys a product is essential knowledge.

IBISWorld reports segment the size of the consumer market and highlight key demographics. We show key supplying and buying industries.

IBISWorld analyses each industry’s demand determinants, highlighting the areas of a business plan that strategists and marketers must address. Reports highlight and quantify the effect of key external drivers, namely the economic, demographic, consumer factors that influence industry growth.

Know Your Competition
By reviewing the competitive landscape of an industry - and substitute industries - firms are able to position and benchmark themselves against the whole industry.

Our major player market share data and company analysis highlight current corporate strategies.

IBISWorld presents key success factors, which are the strategic tactics that make a firm world’s best practice. Unrealized key success factors present opportunities for revenue and profit growth.

How to use IBISWorld for SWOT Analysis

Help
- High Barriers to Entry
- Low Level of Imports
- Low Revenue Volatility
- Late Mature Life Cycle
- Fast Technology Change
- Heavy Regulation

Harm
- New Buyer Segment
- Struggling Major Player
- High Forecast Growth
- Rising Input Costs
- No Supply Chain Power
- Substitute Goods

Strengths
- Help
- Harm

Weaknesses
- Help
- Harm

Opportunities
- Help
- Harm

Threats
- Help
- Harm

IBISWorld believes the industry is in the late mature stage of development and characterized by player consolidation. However, you have not invested in new technology through the last cycle and fear that typically speedy technology change and heavy regulation related to R&D efforts may slow your push for market share.

High barriers to entry protect your business by slowing the growth of competition. Import competition is also minimal - providing a larger domestic market for you. Low revenue volatility makes short-term planning and long-term investment decisions easier; you are confident that there won’t be a sudden change in input prices, or supply-side capacity constraints.

IBISWorld product segmentation identifies four separate product lines in your industry. A niche good is expanding with earnings at 20% per year thanks to a new buying demographic - an opportunity! A major player is struggling by producing a decline-stage good. With high forecast industry growth accessing bank capital will be easier. Your business plan outlines the move to gain market share.

The industry factors outside your control include slowly rising input costs - partly due to growing demand from competing manufacturers in China, but also due to the oligopolistic conditions in supplying industries. You are being bullied by your suppliers and this shows no sign of letting up in the next five years. Substitute goods are gaining market share so you need a strategy to head off the threat - get to know their business plan and counter attack.