

# Cpm (competitive profile matrix) essay



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Competitive profile matrix is an essential strategic management tool to compare the firm with the major players of the industry. Competitive profile matrix show the clear picture to the firm about their strong points and weak points relative to their competitors. The CPM score is measured on basis of critical success factors, each factor is measured in same scale mean the weight remain same for every firm only rating varies. The best thing about CPM that it include your firm and also facilitate to add other competitors make easier the comparative analysis.

IFE matrix only internal factors are evaluated and in EFE matrix external factors are evaluated but CPM include both internal and external factors to evaluate overall position of the firm with respective to their major competitors. The competitive profile matrix consists of following attributes mentioned below. Critical Success Factors Critical success factors are extracted after deep analysis of external and internal environment of the firm. Obviously there are some good and some bad for the company in the external environment and internal environment.

The higher rating show that firm strategy is doing well to support this critical success factors and lower rating means firm strategy is lacking to support the factor. Rating Rating in CPM represent the response of firm toward the critical success factors. Highest the rating better the response of the firm towards the critical success factor , rating range from 1. 0 to 4. 0 and can be applied to any factor. [sky] There are some important point related to rating in CPM. Rating is applied to each factor.

The response is poor represented by 1. 0 The response is average is represented by 2. 0 The response is above average represented by 3. The response is superior represented by 4. 0 Weight Weight attribute in CPM indicates the relative importance of factor to being successful in the firm's industry. The weight range from 0. 0 means not important and 1. 0 means important, sum of all assigned weight to factors must be equal to 1. 0 otherwise the calculation would not be consider correct. Weighted Score Weighted score value is the result achieved after multiplying each factor rating with the weight. Total Weighted Score The sum of all weighted score is equal to the total weighted score, final value of total weighted score should be between range 1. (low) to 4. 0(high).

The average weighted score for CPM matrix is 2. 5 any company total weighted score fall below 2. 5 consider as weak. The company total weighted score higher then 2. 5 is consider as strong in position. The other dimension of CPM is the firm with higher total weighted score considered as the winner among the competitors. Competitive Profile Matrix Example CPM matrix shown below show the comparison among Harley, Honda and Yamaha. As the result show Harley davidson is dominating on critical success factors because the total weighted score is high compare to Yamha and Honda.