

Porters five forces model business plan example

[Business](#), [Company](#)



Business Plan for an Event Management Company in Vancouver, Canada

Introduction

This report has been formulated to reflect upon a business plan of establishing an event management company in Vancouver, Canada. The major aim of this report is to analyze two event and catering companies which are successfully operating in Vancouver, Canada. Once these two companies have been analyzed in significant detail, the prospects of establishing a new event management company in this city would become clear.

In order to analyze the competitiveness of the event management industry, the Porter's Five Forces Model will be used. The Porters five forces framework is an effective tool for industry analysis and aids in strategy development especially for a new business. In this report the Porters five forces model will help us determine the competitive intensity of the Event management industry.

The Porter's Five Forces Model is a marketing tool which allows businesses to analyze the intensity of competition in the market place with respect to the bargaining power of the customers, bargaining power of the suppliers, the threat of new entrants and substitutes and the intensity of rivalry. All these five forces will be discussed separately to point out their unique characteristics.

The Bargaining Power of Customers

The bargaining power of customers plays a major role in determining the intensity of competition in the market. The newly established event management business will have to understand that there exist other successful event management companies as well which have greatly increased the bargaining power of customers. When customers have a choice between two or more competing firms, then the customers tend to develop a bargaining power through which they successfully persuade the firms to agree to their bargains or terms of business. Usually these include price bargains or asking for additional benefits in terms of services. The firm which does not cooperate with the customers ends up losing them to their competitor who agrees who fulfil the bargains of the customers (Tucker, 2007).

The major competitors of our event management company would be Carte Blanche Event Management Company and Shaughnessy wedding and events company. Both these companies are successfully operating in Vancouver by providing the best event management services to their customers. These companies have been offering customers all sorts of event management services such as corporate events, non-profit events, public events, economic events, private events, etc. Therefore, our event management company will greatly focus on understanding and the making effective plans to deal with bargaining power of customers that already exists in the Vancouver market due to the Carte Blanche and Shaughnessy companies (Tucker, 2007).

The Bargaining Power of Suppliers

The bargaining power of suppliers is also essential for the success of our event management company because without understanding it, our company would not be able to compete in an effective manner with the two main competing event management companies of Vancouver. In order to tackle the competition, our event management company will try to develop sustainable relationships with the suppliers to gain a competitive advantage for the long term. By negotiating and agreeing with the bargains of the suppliers, our event management company would be able to effectively manage its supplies at lower costs.

The Threat of New Entrants

The threat of new entrants is also a significant force which cannot be ignored in our business plan. With the advent of globalization and consumerism, new entrants keep emerging in every industry and therefore, the event management industry has also become highly competitive.

In order to effectively deal with this threat, our event management company will greatly focus on enhancing its services and products through extensive research and development and innovation. This will give our company an edge towards the new entrants and it would be able to enhance its customer base along with the market share.

The Threat of New Substitutes

The threat of new entrants also plays a significant role in determining the long term success and growth of a business. Therefore, in order to boost the growth and success of our event management company, the threat of new

substitutes will be given extensive consideration. By analyzing the quality, price, packaging and other characteristics of the substitutes, our event management company will try to offer better services which will motivate the customers to ignore the substitutes and purchase our products and services.

The Intensity of Rivalry

The intensity of rivalry is also an important force which needs to be given its due attention. Our event management company will identify and then analyze the competitors in the market and then it will try to gain a competitive advantage by providing better products and services. No matter how intense the rivalry is, our event management company would be able to gain long term success if it invests significant time and efforts in the field of research and development. In today's highly competitive business environment, innovation plays a significant role in allowing the businesses to develop a sustainable competitive advantage which in results boosts the success and profitability of the businesses.

Conclusion

In the end, we can conclude on the note that there are huge prospects of success for our event management company and if it manages to utilize the porter's five forces model effectively then there is no way that the company would fail to remain competitive. In order to effectively deal with the rising competition, the five forces of the porter's model will a significant role (Hsu & Tsuen, 2000).

Our event management company will focus on this business plan because it

gives an insight of the current bargaining power of the customers and the suppliers along with the threats of substitutes and new entrants in the market. Moreover, the business plan has also given importance to the intensity of rivalry which exists in the events management market of Vancouver, Canada. By completely understanding and then adopting these five forces, our event management company would be able to achieve all its long term goals and objectives. Furthermore, by focusing on research and development and innovation, our company would be able to win over the customers from the rival competitors and would be able to achieve a competitive advantage (Borrington and Stimpson, 2000).

In today's highly competitive environment where globalization has been changing the way businesses operate, it has become essential for businesses to do extensive market research through the tools like the porter's five forces model. This model can greatly help the businesses to plan in advance for the challenges that they will have to face with respect to the competitors, customers, suppliers and substitute products. Without the use of porter's five forces model, our event management company would not be able to effectively compete in the highly competitive markets of today (Hsu & Tsuen, 2000).

Works Cited

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