

Good case study on porters five forces model

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



Dear adventure works employees,

It has come to my attention that as a company we need to gear up towards customer satisfaction in order to achieve the largest market share metal industry. This will happen if all of us are committed towards the success of the adventure works. In order to be the best organization that manufactures metal and composite bicycles we will have to employ certain features. These features which are also described as the porter's five forces model have worked for the top leading organizations in the industry and I have been convinced that they can work for this organization too. These forces are aimed at determining the competitive power of any business organization. One of the forces is the supplier power whereby the suppliers are assessed on how easy it can be for them to drive up prices.

The buyer power is another force that depicts the competitive power of any business organization. The third force that has been known to determine the competitive power in a business organization is competitive rivalry. This depicts the competition among other rival firm that drives the profits to zero (Hill and Gareth, 109). The fourth force is the threat of substitution which is affected by the ability of the customers finding another way of doing what we do. The fifth force that has been known to have a significant effect on the competitive power in any business organization is the threat of new entry. Power of any business entity is massively affected by the ability of people to pursue the same market. Therefore in order for any business entity to thrive in the competitive power all the above forces have to be put in consideration.

The above five forces are also applicable in the adventure works. This is

because the company is just like any other business organization that is geared towards attaining prodigious profits. Threat of new entrants in the metal industry can be applicable in our company. Most entrepreneurs may not be able to afford the high capital requirements that are crucial in starting up a business that deals with metals and composite bicycles. This makes it extremely difficult for small entrepreneurs to break into the market.

Bargaining power of suppliers is also applicable to our country. As an adventure works company, we will make sure that Importados Neptuno manufactures unique and quality products that are sent to Bothell where finished goods are made. In order to have a reduced price from our suppliers, we will have to stick with one supplier.

The power of buyers is another feature that can be applied in the adventure works. This is a case where powerful customers are able to exert pressure to drive down prices. This calls for the company to make sure that it achieves the largest market share in order to have a significant number of customers. This is because it has been stipulated that the smaller number of customers the greater their power. The other thing that we need to achieve is to produce unique and quality products that are hard to emulate. This will help us in gaining the customers' loyalty and also making sure that no other company can produce the same substandard goods and sell to the customers' at subsidized costs. In this industry there are less competitors due to the capital required for the start up. Our company has overcome this since there are very few people who can afford to invest a large amount of capital.

The generic forces that we are going to consider in order to ensure that our

company achieves the competitive power are: threat of new entry, competitive rivalry and buyer power. Threat of new entry which basically means the possibility of other people entering the market can be handled effectively by the company employing several strategies. One of the strategies that we can use is special knowledge. This is by making sure that all our employees have a special knowledge as compared to those in and trying to venture in the industry. The other strategy is the use of technology protection. This will be aimed at making sure that the company is current with the technological advancements.

In order to overcome competitive rivalry, the company can employ the following strategies. One of the strategies is by knowing the number of competitors. The other strategy that will be helpful in overcoming this, is establishing the quality differences. This will help in making sure that the company manufactures the best quality composite bicycles and metals in the industry. The other strategy is customer loyalty. This will be made possible by making sure that the company gets customer loyalty in order to make sure that it thrives even if other people invest in the industry. The last competitive power that is crucial for adventure works is the buyer power. The strategy that can be used to overcome this is by knowing the number of customers. The other strategy is by reviewing the size of order from the customers. This will determine the kind of profit the company will be achieving (Ahlstrom, David and Garry, 156).

In order for the company to thrive in the competition world it is very vital to employ some tactics that will help it to acquire the required power in the competition. One of the tactics is power. This is the ability to influence

behavior, change course of event and to overcome resistance. Power is very crucial in any business organization (Ahlstrom, David and Garry, 122). This is because it is the source of power that makes people to face challenges even when things are extremely difficult in the company. Power makes one to have a positive influence to the customers.

The other tactic that can be used is customer satisfaction. This is making sure that the customers receive quality products which ensure their satisfaction. This can only be achieved when all the employees are geared towards making sure that the company thrives because of the customers. It has been estimated that most companies that have succeeded in the industry have always ensured that customer satisfaction is apprehended. Customer satisfaction also leads to customer retention. It has been depicted that in order for a consumer to come back for more services or goods, they must be satisfied accordingly with our products. The success of this company gaining competition power can only be possible with the aid of employees and management working together. The unity between the management and employee must be strengthened in order to ensure that the company overcomes the five forces in the Porter model. This will involve treating the customers with respect and making sure that they get the best prices. By doing this, the company will have sustainable profits that will be for the benefit of both the company and the employees.

Janet.

Work cited

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