

Session 4a

“Defining the Competitive Situation”

In this session you will learn:

1. How to define your firm's competitive situation
2. How to use a situation analysis to set the objectives your strategy must achieve
3. How to communicate your analysis to gain understanding and support for the development of your strategy

The Strategic Situation Facing Hannibal

- He is defending; Varro is attacking
- He is outnumbered in infantry
- His army is pinned by mountain ridges and river
- He cannot augment his troops nor retreat
- By the law of physics, he is expected to lose
- His first objective is to survive, next to win

Strategic Situation Analysis

How the firm finds itself in terms of:

- The actions being taken by the competitor(s)
- The characteristics of the terrain on which the competition is being staged
- The relative strengths and weaknesses of the competitors
- The constraints which limits the players' action options
- The rules which define who deserves to win
- The objectives(s) which the strategy must achieve to be successful

**What is the Strategic
Situation in Which AMD
Finds Itself?**