

# Session 7

## “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?**