BUSINESS FRAMEWORKS

Business Frameworks are useful tools to have in your toolbox. Management consultants and analysts often use these frameworks to analyze business issues, structure and clearly communicate their analyses and recommendations to their clients. This worksheet covers some of the most common frameworks that can be used to analyze a business, a company, a team, or an industry.

3Cs of Marketing

This model takes into consideration 3 variables to develop an effective marketing strategy:

1. The Company
2. The Customers
3. The Competitors

Some questions to answer under each heading are below:

1. **The Company:**
   a. What is the vision and mission?
   b. Where is your company located? What strategic importance, if any, does the location have?
   c. What is your brand? What does it represent?
   d. What is your product and value proposition?
   e. What is your competitive advantage?

2. **The Customers:**
   a. Who is your target audience? What are their demographics, habits, spending power, needs, preferences?
   b. Why do they buy? Are they looking for value, economy or prestige?
   c. How many customers do you have at the moment and what additional segments, if any, are you targeting in the future?
   d. Are they satisfied? What are they telling you (via feedback channels)
   e. What is their decision-making process?
   f. Who are the most valuable customers for our brand?

3. **The Competitors:**
   a. Who are your competitors?
   b. What value proposition do they offer that you don't?
   c. What are your competitors' goals and accomplishments?
   d. What are their financial position, marketing tactics?
   e. What are their strengths and weaknesses in terms of competitive advantages?

4Ps of Marketing

The 4Ps framework, also known as "The Marketing Mix", defines the areas a business has to focus on for marketing success, namely:

1. Product
2. Price
3. Promotion
4. Place

Some questions to answer under each heading are below:

1. **Product:**
    a. What is your product or service?
    b. Is the product in demand for the market?
    c. What are the benefits, the use cases and the technology used?
    d. What is the life cycle of the product?

2. **Price:**
    a. What is your pricing structure?
    b. What is the customer's perceived value? What price are your customers willing to pay for your product?
    c. What is your pricing strategy? (e.g. subscription only, monthly / yearly maintenance fee, tier pricing, freemium, etc)
    d. How much did it cost to produce the product?
    e. Could a slight price decrease significantly increase your market share?
    f. Can the current price keep up with the price of the product's competitors?

3. **Promotion:**
    a. What is your marketing promotion strategy? How will you promote your product / service offerings?
    b. What is your brand recognition and sales?
    c. What are your PR, advertising, content creation etc. plans?

4. **Place:**
    a. What is your distribution model?
    b. What is your target market? Where do they shop?
    c. How will you get your product to customers and partners?

d. What is the cost of inventory, transport, all else related to distribution?

Porter's 5 forces:

Porter's 5 forces is a framework used in the identification of the competitive forces at work in an industry. This framework helps spot where the power lies in a business situation and understand the strength of an organization's current competitive position and the position that it may look to move into as well as industry attractiveness and how new trends may affect industry competition.

Here are some questions to answer under each force:

1. Bargaining Power of Suppliers:

    a. How strong are the suppliers in the industry? How easy is it for them to drive up prices?

    b. How many suppliers are there of each essential input?

    c. How unique is each suppliers' product or service?

    d. What is the cost of switching from one supplier to another?

2. Bargaining Power of Buyers:

    a. How strong are the buyers in the industry? How easy is it for them to drive prices down?

    b. How many buyers are there in the market?

    c. How important is each individual buyer to the organization?

    d. What is the cost to the buyer of switching from one supplier to another?

3. Industry Rivalry:

    a. How many competitors are there in the market? What is their market share?

    b. How capable are the competitors?

    c. Are they offering undifferentiated or unique products and services?

    d. What is missing in the industry? What could disrupt the industry?

4. Threat of Substitutes:

    a. Do close substitution products exist in the market?

    b. How easy is it for customers to switch between products / services?

5. Threat of New Entrants:

    a. How easy is it to enter the market?

b. Do incumbents have strong and durable barriers to entry - for example, patents, economies of scale, capital requirements or government policies?

BCG Matrix (Growth Share Matrix)

BCG Matrix (Growth Share Matrix) is a portfolio management framework that helps companies decide how to prioritize their different businesses. It is a table, split into four quadrants, each representing a certain degree of profitability: question marks, stars, pets/dogs, and cash cows. By assigning each business to one of these four categories, executives could then decide where to focus their resources and capital to generate the most value, as well as where to cut their losses.
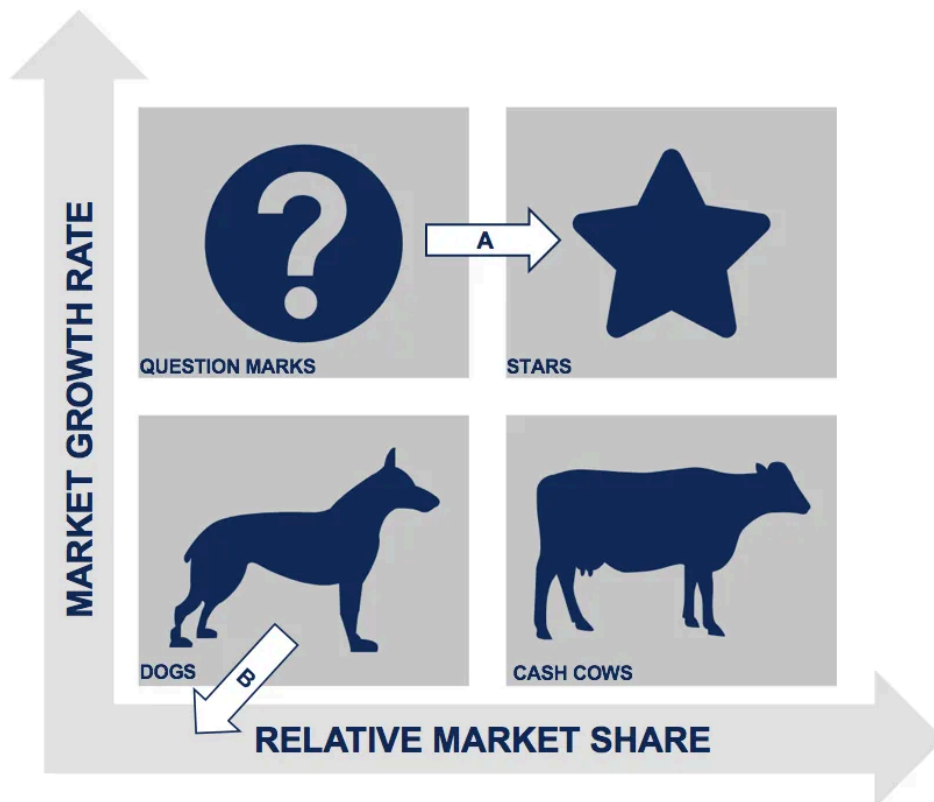
Each of the four quadrants represents a specific combination of relative market share, and growth:

**Low Growth, High Share:** Companies should milk these "cash cows" for cash to reinvest.
High Growth, High Share: Companies should significantly invest in these "stars" as they have high future potential.
High Growth, Low Share: Companies should invest in or discard these "question marks" depending on their chances of being stars.
Low Share, Low Growth: Companies should liquidate, divest or reposition these "pets".

SWOT Analysis

SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a business's, a leader's, a team's competitive position and to develop strategic planning accordingly, i.e. boost strengths, supplement and improve on weaknesses, tap into opportunities, and be prepared for possible threats.
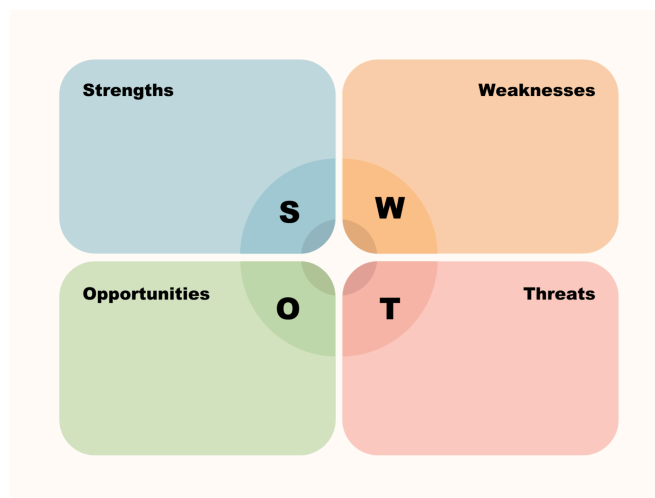
Here are some questions to answer under each quadrant:

Strengths:

    a. What are your / your company's / your team's strengths? What do you excel at?

    b. What separates you from the competition? What is your competitive advantage?

    c. What positive feedback and recognition do you often get?

    d. What resources do you have at your disposal?

    e. Where are you performing well?

Weaknesses:

    a. What is stopping you / your company / your team from performing at the optimum level?

    b. What are the areas of improvement?

    c. What constructive feedback do you often get?

    d. Where are you underperforming?

    e. Where are you lacking resources?

Opportunities:

    a. What favorable external factors are there that could work to your advantage?

    b. What trends are evident in the marketplace?

    c. What demographics are you not targeting?

    d. What regulations are changing that could impact you positively?

    e. What are competitors doing that could increase your market share, attractiveness?

 f. How are consumer trends changing that could impact you positively?

Threats:

 a. What are some factors that have the potential to damage your company / your team / yourself?

 b. What regulations are changing that could impact you negatively?

 c. What are competitors doing that could decrease your market share / the need for your team, you or your product?

 d. How are consumer trends changing that could impact you negatively?

Skill-Will Matrix

The Skill - Will Matrix is a useful tool (for managers / leaders) that can be used to assess an employee's performance based on two factors: their skill (AKA their competencies) and their will (AKA their motivation).

Skill = Number of Interactions that Change Business Success (as measured by metrics used by the team / organization)
Will = Commitment, Activity Level, Enthusiasm
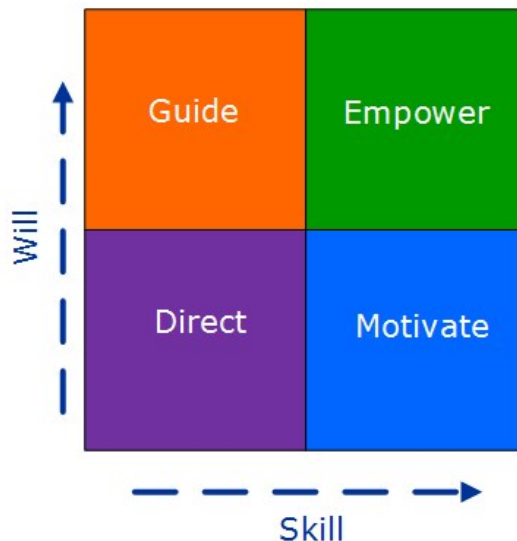
Here are some questions to answer under each quadrant:

Low Skill, Low Will:
   a. What are the causes for the low skill? Can you train, coach, supplement to upskill the individual in question?
   b. What are the causes of the low will? Is it temporary and can it change? Is it coachable?

Low Skill, High Will:
   a. What is the employee's tenure at the organization? E.g. if they are new hires, it most likely makes sense that they would need to onboard and ramp up to get to a high skill level.
   b. What are the causes of the low skill (even though the employee is motivated?)
   c. Is this role the right fit for them? Would they be better off elsewhere?

Low Will, High Skill:
   d. What is the employee's tenure at the organization? E.g. if they have been in the same position for a long time, it makes sense that they would be very skilled and yet potentially bored and therefore no longer motivated.
   e. What are the causes of the low will (even though the employee is skilled?)
   f. How can we re-engage or excite them? How can we stretch and challenge them to motivate?

High Skill, High Will:
   a. What can we do to make sure these employees stay in this quadrant? (as they are presumably the ones adding the most value to the team)
   b. What additional responsibilities can we assign to these individuals?

c. How can we disproportionately compensate and recognize these people?

GROW Model

The GROW (Goals - Reality - Options - Will) model is a simple method for goal setting and problem solving. As such, it encourages you to think about and identify the goals first, then run through the current reality, think through some options for resolving issues and progressing towards the goal, and finally, commit to actions you will take in order to achieve / work towards the goal.

Here are some questions to answer under each heading:

Goal:
- What are your goals? Over what time frame?
- What does success look like?
- What would you like to achieve?
- Imagine you have achieved it:
  - What does it look like?
  - How do you feel?
  - What are people saying to you?
  - What are the benefits?
- How will you know when you have achieved it?
- In an ideal world, what do you really want?
- What is your dream?

Reality:
- What is happening at the moment?
- How important is this to you?
- If an ideal situation is 10, what number are you at now?

- What impact is this having on you/how do you feel?

- What have you done so far?

- Who else is affected?

- What are you doing that's working towards your goal?

- What are you doing that is getting in the way of your goal?

Options:

- What are your options?

- What could you do?

- What else?

- If there were anything else, what would it be?

- What has worked in the past?

- What steps could you take?

- Who could help you with this?

- Where could you find out the information?

Will:

- What will you do about that?

- What actions will you take?

- How will you do that?

- When will you do it by?

- What will it take for you to commit to that action?

- What could you do to become more committed?

- Could you do more?

- What are your next steps?