



Session 2

Use of Frameworks & Creating a Storyline



Lesson Outline

1. Business Description & Business Model
2. Industry Overview & Competitive Positioning
3. Frameworks
4. Creating a Storyline
5. Research Platforms and Data Sources



Industry Overview & Competitive Positioning

INDUSTRY OVERVIEW AND COMPETITIVE POSITIONING

This section should include an overview of the industry dynamics, including a competitive analysis of the industry. Most firms' annual reports include some discussion of the competitive environment. A group of peer companies should be developed for a competitive analysis. The "Porter's Five Forces" framework for industry analysis is an effective tool for examining the health and competitive intensity of an industry. Production capacity levels, pricing, distribution, and stability of market share are also important considerations.

It is important to note that there are different paths to success. Strength of brand, cost leadership, and access to protected technology or resources are just some of the ways in which companies set themselves apart from the competition. Famed investor Warren Buffett describes a firm's competitive advantage as an economic "moat." He says, "In business, I look for economic castles protected by unbreachable moats."

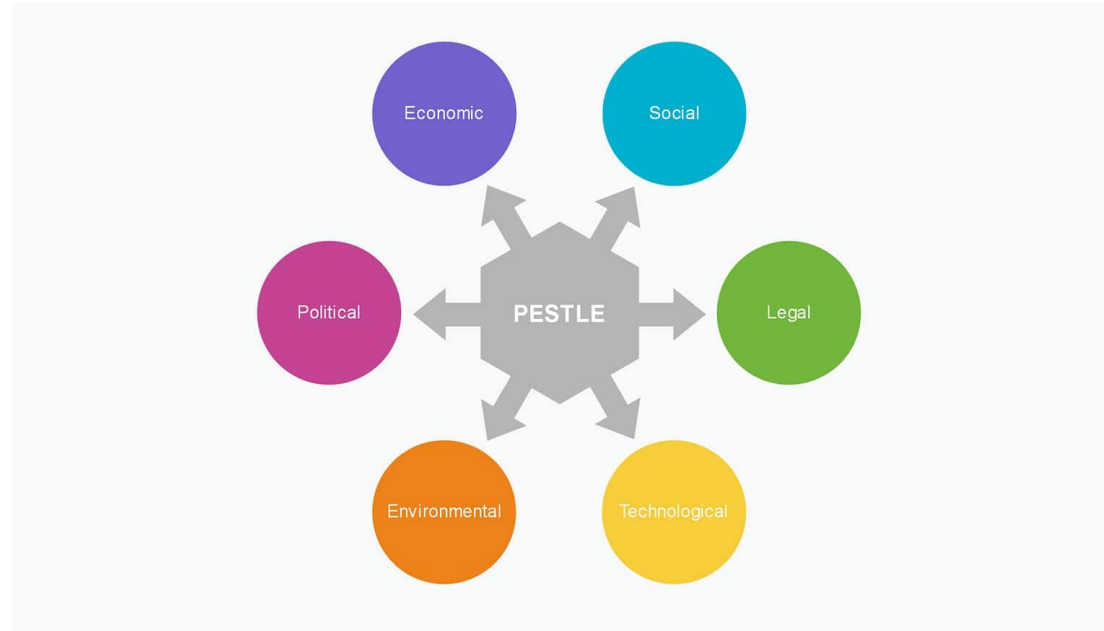
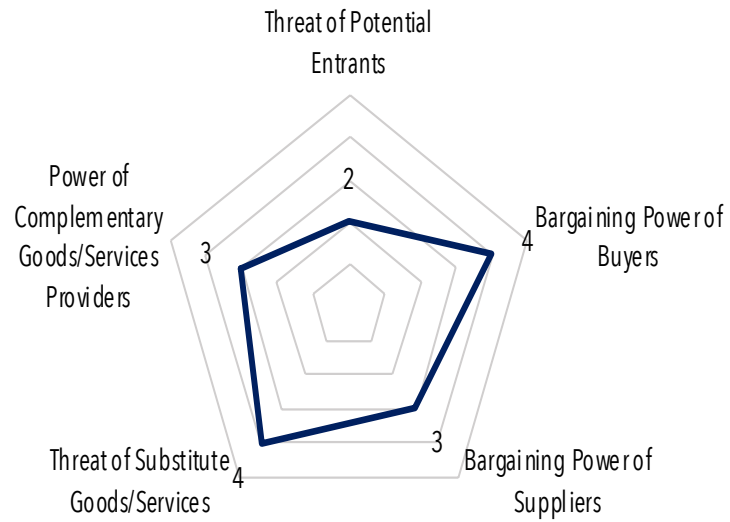
Source: CFA

What should you consider?

- Industry growth
- Key developments & drivers
- Think demand and supply
- Think about different parts of the supply chain

- Key players (competitors)
- Benchmarking against competitors (comparison of products / services)
- What makes your chosen company stand out?
- Link industry trends to your chosen company. Is your company going to ride on the upsides or lose out to its competitors?

Frameworks



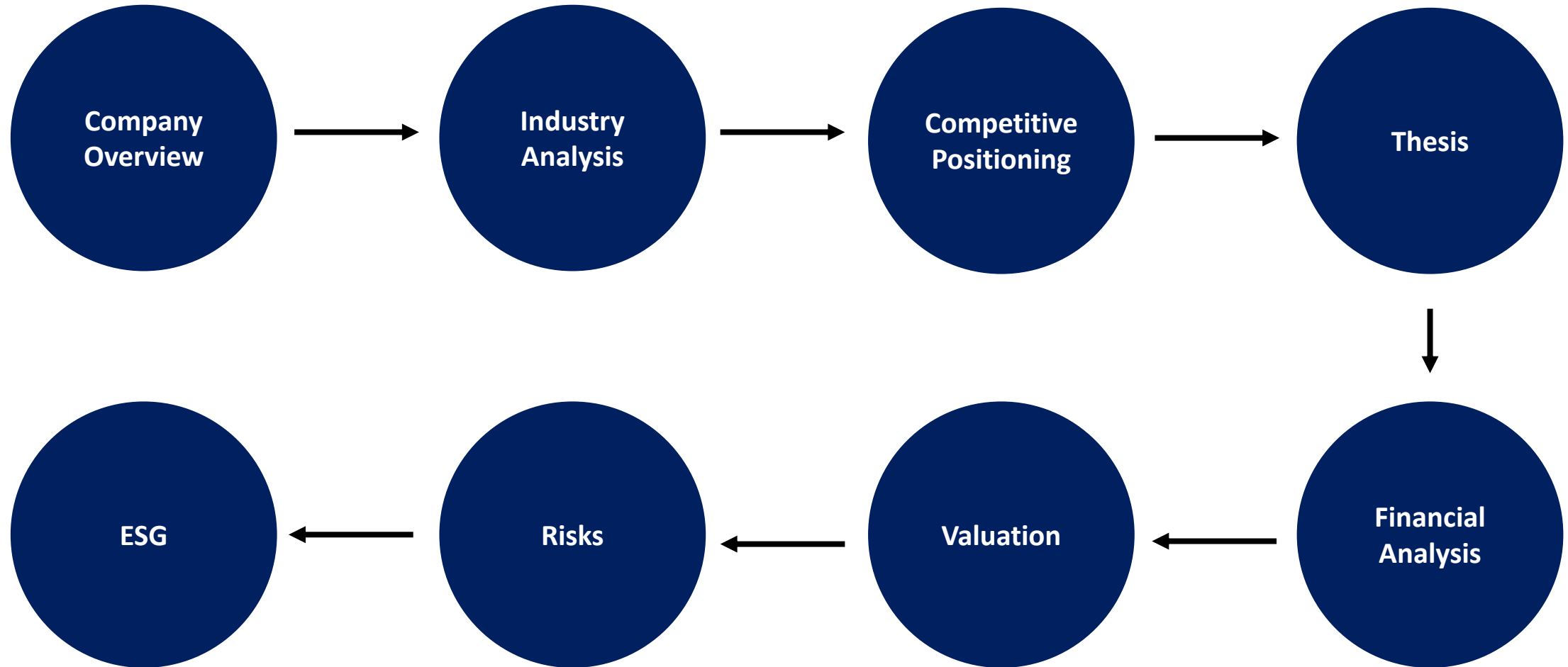


Research Platforms and Data Sources

Platform	Description
S&P Capital IQ (subscription excludes research tab)	<ul style="list-style-type: none">Public companies' data & screeningMarkets data
FactSet	<ul style="list-style-type: none">Public companies' data & screeningMarkets data
Euromonitor (Passport)	<ul style="list-style-type: none">Data for market research
Fitch Connect	<ul style="list-style-type: none">RatingsCountry risk & industry research
Factiva	<ul style="list-style-type: none">News monitoring



Creating a Storyline





**Thank You
&
God Bless!**

