



Market Force Analysis

Building Dynamic External Market Scenarios

Exercise Book

Market Force Analysis Exercise

Making Assumptions About External Industry Forces Explicit and Adaptable

Universities Need a Clear View of the External Market to Stay Agile, but Strategy Teams Often Look Inward First

Dynamic Strategy intrinsically combines an external view of industry trends and competition with internal views on sources of unique value and comparative advantage. It explains how, given what is assumed to be true about shifting markets, institutions can deliver a unique value proposition that enable access to students, research funding, first-generation student success, community engagement, or any other priority mission goal.

Instructions:

Using the table below, develop a hypothesis for each external factor's trendline over the next 5 years. Leverage available data to inform your analyses and identify high level indicators that would require your institution to shift strategic focus. Use estimations where data is not available. See the table on **page 3** for additional factors to consider.

External Force (factor to be analyzed)	Change (% change in <i>last 5 years</i>)	Priority (magnitude of impact)	Hypothesis (data-informed predictions for the <i>next 5 years</i>)	Trigger Point (% change that would require revisiting goals)
<i>Example:</i> Public funding	<i>Federal funding plateaued since 2018; state funding down by 5% since 2018</i>	<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 	<i>Federal and state funding levels will decrease by 7.5% in the next 5 years</i>	<i>If decrease more than 5% in the next 5 years, reassess budget allocations</i>
Undergraduate demographics		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		
Undergraduate market share		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		
Net tuition revenue		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		
Adult learner market		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		

Market Force Analysis Exercise (cont.)

Making Assumptions About External Industry Forces Explicit and Adaptable

External Force (factor to be analyzed)	Change (% change in <i>last 5 years</i>)	Priority (magnitude of impact)	Hypothesis (data-informed predictions for the <i>next 5 years</i>)	Trigger Point (% change that would require revisiting goals)
New entrants (competition)		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		
Student program preference		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		
Student delivery preference		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		
Research funding		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		
		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		
		<ul style="list-style-type: none"> ○ High ○ Medium ○ Low 		

Other Potential External Factors:

- International student market
- Revenue generating projects (e.g. athletics, parking)
- Alumni and charitable donations
- Ranking shifts
- Accreditation and regulation
- Graduate student unionization

Reflection Questions: Market Force Analysis



Guided Reflection Questions

As a strategy team, discuss the following questions to identify action steps from your market force analyses:

1 Of your identified external factors, which 2-3 were assigned the highest priority? What conclusions can be made from those trends?

2 Which sector specific trends should your team be monitoring more closely? Who is assigned to operationalize the identified "trigger point"?

3 How reliable are your sources of data? Are there gaps in your analyses due to a lack of data and if so, how could that data be acquired?

4 What factors in your local region could influence your strategic goals in the next year? 5 years? 10 years?

Final Takeaway

What are the immediate next steps resulting from your analyses?



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