# Supply and demand analysis tool

Supply and demand analysis is part of a comprehensive strategic planning approach. It's about making sure that you're always responding in the best way to the needs of the customers you're trying to serve, because the market and consumer habits are changing rapidly.

A market analysis conducted on an ad hoc or ongoing basis will look at trends, competition, threats and opportunities.

A supply analysis will lead to confirmation or not of customers' needs, what helps them, what they want to accomplish and what they don't want.

The tools presented are not for an exhaustive review but will provide a solid foundation for a supply and demand analysis.





### External environment

Three key components of gathering information for an analysis of the external environment

It's important to think about the following elements to remain agile and proactive. Putting the information on paper allows you to share it with your team and make sure everyone understands and responds to the situation together. You can use the tables on the following pages to gather the information.

#### **Business environment**

#### **PESTEL**

- Political
- **†** Economic
- **→** Social
- → Technological
- Environmental
- Legal

#### Market

- Market identification
- Market appeal
- Market structure:
  From suppliers to customers
- Trends and demand drivers
- Customer and product segmentation and analysis
- Distribution networks

#### Competition

- Competition structure and trends
- Competition performance benchmark
- → Profiles of main competitors
- Best practices
- → Key success factors

### PESTEL analysis

PESTEL analysis is a tool used to analyze and monitor macro-environmental factors that impact an organization.

Use this tool to write down the most important information that could impact your business, whether it's a threat or an opportunity for the business. Fill in the relevant sections with complete factual information.

Factors	
Political	
Economic	
Social	
Technological	
Environmental	
Legal	

### Market changes

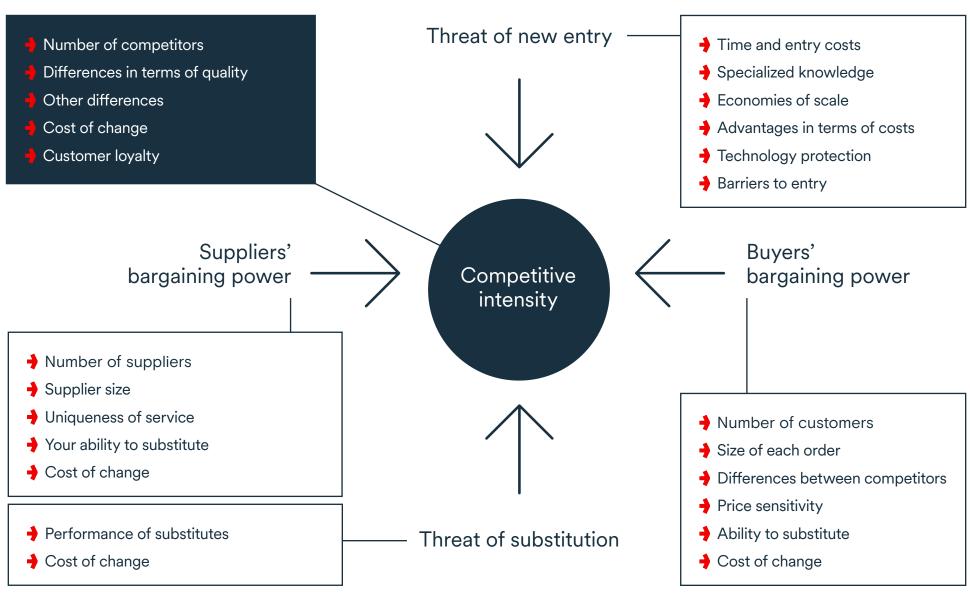
#### External opportunities and threats

With markets evolving rapidly and consumer habits changing in surprising ways, we need to stay on top of developments and make sure we're meeting consumer needs. The table below lists the key elements of trends that could affect your business, classifying them as growth opportunities or threats.

Sector trends	Analysis summary Statistical data, observations, interviews	Opportunities	Threats
Is the market growing or shrinking?			
What is changing in the market? What are the major trends?			
What is changing in the behaviour of my customers? Are they buying in the same way?			
Are they looking for the same products?			
What are the success factors?			

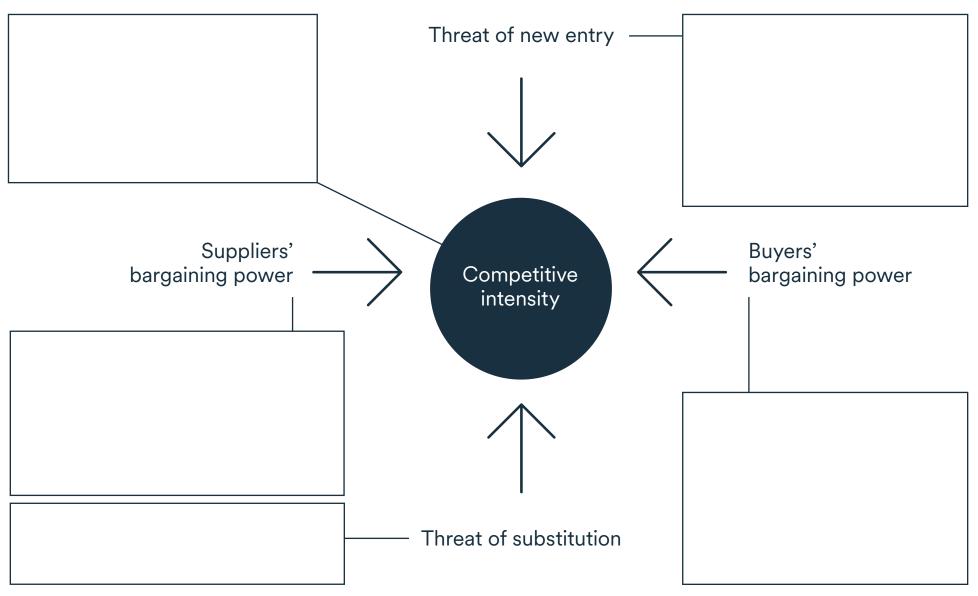
### Porter's Five Forces

Here is a list of important points that characterize your environment. You can use it to brainstorm, and ideally to understand the forces in play and plan your strategies accordingly.



### Porter's Five Forces

By referring to the previous page, you can complete the key points according to your situation and your industry.



### Competition benchmark

Here's a comparative chart to see where you stand relative to your competitors and where you really differentiate yourself. You can find this information by speaking with your teams and doing a bit of research on the Internet.

Organization/ Company	Services provided	Clients	Markets	Strengths	Weaknesses	Reputation/ awareness	Financial capacity
Your company							

### Product or service sales performance

By completing this table, or by producing a graph to track the evolution over time, you will be able to make decisions about your offer, your prices, your supply chain and your margins. It will be easier to decide where to focus to achieve your goals.

Family of products or services	This year			Last year			
	Volume	Gross margin	Level of profit	Volume	Gross margin	Level of profit	Comments
1.							
2.							
3.							
4.							
5.							

### Transformation priorities roadmap

If your goal is to undertake a major transformation, you have likely determined initiatives that must be implemented. Determine their priority based on their level of complexity and their advantages, and make sure to focus on the right ones.



### Action plan

Actions identified as priorities should ultimately be incorporated into an action plan that sets a deadline and identifies a person responsible for carrying them out.

Regular action follow-up on your action plan is important. A strategic plan is a living document that must be regularly updated and adapted to new circumstances!

Download the action plan

## Develop a sound business strategy

Having a sound business strategy to guide your decisions and actions is critical to your long-term growth.

We can help you define the right goals for your company and develop the strategies to achieve them, while ensuring that you have the right capabilities and resources in place to make it all happen.

Get started