

## How to write a business analysis

A business analysis is a study of a company's strategy. It makes it possible to specify the strategic objectives of a company, to analyze the means at its disposal to achieve its objectives and finally to study the results of its strategy.

A business analysis typically has five main steps:

- Company presentation
- External and internal analysis, followed by a diagnosis
- The definition of the company's strategy
- Strategy analysis
- Analysis of the results

### Company presentation

The presentation of the company must allow the reader to quickly and synthetically understand the environment in which it operates. This presentation is the basis of the analysis, and it must therefore include essential elements: its legal structure, a brief history, its markets, its products, its key figures and the values on which it is based.

This part must be structured according to the different points presented and can be enhanced with diagrams as well as clear and synthetic histograms.

### Analysis and diagnosis

This phase makes it possible to understand the market situation of the company in its competitive environment and to highlight the elements on which its strategy will be based.

The elements to present in your analysis are the following:

- External analysis: the market, its growth, its forecasts, the main market, the generic market, the competition, their offer, their products, their targets, demand, the different consumer segments, their growth prospects, the social environment, legal, technological, etc.
- Internal analysis: the company, its human resources, its research and development, its finances, its current marketing mix (product, price, place, promotion), its market share by product and by segment, purchase intentions, reputation, etc.

The diagnosis is presented in the form of two tables, the points of which are ranked in order of importance: opportunities/threats of the environment (identified by the external analysis) and the strengths/weaknesses of the company (highlighted by the 'internal analysis').

Feel free to structure your analysis by topic, present your data in the form of tables or bar charts, and use short sentences to be precise and concise.

### The definition of the company's strategy and its objectives

The strategy, defined by the company, must respond to a problem that is consistent with the resulting analysis. That is to say, it must respond to the major problem facing the company, and allow it to position itself against its competitors:

"How can Air France succeed in establishing itself in the low-cost market?"

"How can Dop be allowed to rejuvenate its brand image and take advantage of the strong growth in the conditioner market, especially for children?"

Generally, the strategy can be based on two main principles:

- Differentiation the competition. This type of strategy takes different forms: differentiation competitors (brand image, positioning, value) or extension to a new market.
- Cost management. It is then a question of explaining how the company intends to organise itself to control its costs (by outsourcing or by increasing the volume of production for example).

In the conclusion of this part, the objectives of the company's strategy must be quantified. The objectives must be global: specify the gains in growth, market share, profitability.

### **Strategy analysis**

This is to analyze the means implemented by the company in accordance with its strategy to achieve its objectives.

The problem should not be confused with the strategy and then the means implemented. Indeed, it is a question of successive and logically linked stages:

- do we want to go?
- How are we going to get there?, and finally
- What means do we use to get there?

Analyzing the strategy, therefore, amounts to detailing and verifying the relevance of each of the means implemented, in accordance with the environmental analysis that has been carried out.

If we take the example of Air France, it is, therefore, necessary to specify the relevance of the choice of destinations in relation to its competitors and the potential market, its partnership with Transavia, its communication etc.

### **Analysis of the results**

The use and resources table, or financing table, allows you to refine the financial analysis by taking into account several successive balance sheets. Indeed, the comparison of the different balance sheet items over time will bring out the evolution of the company's financing: what new financial resources have been made available to the company, and how have they been used?

This step corresponds in fact to the conclusion of the analysis and we can distinguish two possible cases. Either the company has already implemented its strategy and results are visible, or its strategy is new and yet to be proven.

In the case the strategy is still to be implemented, it is a question of concluding on the possibility of success of the strategy, compared to the analysis which was made.

Otherwise, it is a matter of comparing predictable results to actual results and understanding the differences.

Consider using tools developed by consulting firms such as A.D. Little or BCG matrices, as well as Porter's analyzes to support your arguments.

Do not hesitate to support your study with diagrams, histograms and summary tables in order to offer synthetic information to your reader.

Finally, you must clearly state all the bibliographic resources that have enabled you to produce your analysis. Indeed, your data must be dated and verifiable as this contributes to the professionalism of your work.

Now it's your turn, you can find the company's analysis that interests you among the thousands of documents offered by Pimido.