

The **Model of 5 Forces** identifies five forces in microeconomic environment that drive competition and can affect a company's ability to serve its customers and make profits, with purpose to aid entrepreneurs in evaluating these threats so they can become more successful in creating strategies to neutralize them.

The entrepreneur has to fill in the threats that may affect his/her business idea. Through the analysis of the five competitive forces the entrepreneurs will be able to reflect upon the influence of the external environment to his/hers business idea.



Step 3

Market Study and Idea
in the Context

Micro Analysis - Model 5 Forces



 <p>1. Potential new entries Ease of entry of competitors</p>	
 <p>2. Power suppliers Existence of unique suppliers, location or other factors</p>	
 <p>3. Rivalry competitors Types of services they provide, differentiation</p>	
 <p>4. Pressure of substitutes Existence of other ways of meeting the needs of</p>	
 <p>5. Power customers Differentiation, information they hold about the service, ability to negotiate</p>	