

Penman Strategic Competitor Report – Executive Summary

We have noted the latest positioning in terms of Turnover in Fig 1.1 below and whilst Your Co commands the highest share of the ESM, it is clear that Multi Districation Limited have shown the ability to increase turnover in the latest year by approximately 40%. This time frame coincides with two new directors joining the existing board. Whilst you have secured 23.5% of the growth in 2004, Multi has secured 62.7%.

Fig 1.1

2004	Company	Period (Months)	Year Ending	Turnover	Share	Size Ranking
Client	Your Co	12	31/10/2004	2,400,000	32.7%	1
	Dynamite Fraser Limited	12	31/12/2004	1,860,000	25.3%	2
"Threat on Growth"	Multi Districation Limited	12	31/10/2004	1,524,000	20.8%	3
	Griffin of Wellsmere Limited	12	31/12/2004	1,190,000	16.2%	4
"New Threat"	Liverty Distribution Limited	12	30/04/2004	365,000	5.0%	5

Multi is well established and also well balanced financially, so it has the resource and working capital necessary to effect or sustain change. The company is well rated and cleared for contracts of the order of £1,000,000.

Dynamite and **Griffen** do not appear as much of a threat to Market Share going forward. Dynamite has been almost static, over the last 3 years and the slight drop in turnover in 2004 despite a reasonable 14.2% increase in exports has resulted in lower pre tax profits being generated. The company is currently rated zero, and whilst they do have reserves, very few signs exist that changes are taking place. This company may very well be operationally hamstrung with its overseas parentage which can work in your favour.

Griffen is a relatively new company having been formed in 1998 however turnover in 2004 is some £300k less than the turnover 3 years ago. The company shows some signs of moving forward such as changing to Invoice Financing in 2001 however it is clear that as a zero rated company, Griffen do not appear to have the resources available to dramatically alter their current performance.

Liverty is even newer and shows some significant signs of threat, the company secured 25.8% of the growth in 2004 and when you consider that this represented more than a doubling in turnover from £180,000 to £365,000 it cannot be denied that this company needs close attention. Their weakness is financial; however they are already into profitable trading. Liverty should be studied in detail.

Your Co files abbreviated accounts at Companies House and as a result of not showing Pre Tax or Post Tax profit, it will be assumed that your company has made a Post -Tax Post Appropriation Loss of £ (30,000) in 2004. Your stated turnover is not shown in official records, so it could be construed that Your Co is on the decline which is potentially dangerous as many companies that you are likely to seek new business from, will vendor vet, revealing what appears to be a loss making organisation.

Your accounts are rated at only 27/100 and the Credit Limit has dropped from £5,000 to £4,000 over the last 4 years as opposed to increasing. Consider comparing your company background to Multi with a £1,000,000 Contract Limited and £40,000 increasing Credit Line. Specific attention needs to be focused on the way Your Co is being perceived.

Executive Summary - Immediate Threat

We consider Multi to be the most serious immediate threat to Your Co with both Dynamite and Griffen losing ground but Liverty could pose a serious threat in the short to medium term.

Executive Summary - Strategic Assessment

Whilst tactics and possible actions are discussed against specific weaknesses in the Individual Target Sections of this report, in general terms it would be fair to point out that Multi have shown a good recovery however they have previously seen a period of significant gain and followed this by substantial turnover fall. A poor turnover gain or turnover fall in 2005 will have an adverse effect on this company. A growth of similar magnitude to 2004 may present minimal overtrading difficulties but could be interpreted as confirmation that growth is now stable.

Liverty has shown a dramatic gain in turnover in 2004 and returned to profit in 2004. It is weakest now, limited track record, unstable financially, weak accounts, and should be experiencing the difficulties associated with third year trading.