

Look at the Graph and Answer

Oh, God!

I'd like you to look at this graph. Here we can see a fairly typical growth-curve. For a company first in the field in a low-tech industry... turnover rising dramatically in the early growth phase, flattening out in the face of competition and then recovering as we responded to that competition. Our early success was due to three main factors. Firstly the company was protected by patents. Secondly there was a vital Government contract in 1984, here on the graph, and thirdly the direct selling policy was extremely successful. We can trace the beginning of our problems to the end of the patents in 1995. "The New Bolt" entered the market in that year with large and medium bolts and was followed a year later by "The Newest Nut" with small nuts and bolts. The story after that is familiar to all of us... Faced with severe price competition and very good "me too" products, our market shares declined and profitability slumped. I think we should be frank, ladies and gentlemen...

- Answer these questions**
- What can you see looking at the graph?
 - How did turnover rise in the early growth phase?
 - When did it flatten out?
 - What was their early success due to?
 - What was the company protected by?
 - What did the company hold in 1984?
 - When can they trace the beginning of their problems?
 - When did The New Bolt enter the market?
 - Did The Newest Nut follow?
 - Why did profitability slump?

The answers?
Discuss them in class

