

# Analyzing Your Industry

Analyzing your industry means taking some time to look at the bigger picture before narrowing down your scope to target customers and the competition. There are a few main areas to look at:

## **Overview**

This is where you would provide a general description of the industry. It could include what products or services are sold, where the major markets are and who the major players are.

## **Industry Trends**

What are the trends in sales? Are sales going up or down? How are different companies positioning themselves to take advantage of emerging trends or to handle increasing levels of competition? What impact, if any will changes in technology have on the industry? What characteristics drive business success in the industry?

## **Financial Characteristics**

What percentage of sales does the average company in your industry spend on advertising or cost of goods sold? What is commonly needed for working capital? What are common profit margins and expenditures?

## **Family Expenditures**

What do people, on average spend annually on your product or service? This would give you a good starting point to determine your possible sales.

## **Licenses**

What licenses or permits are required before you can enter into this type of business.

## **Association and Trade Journals**

Chances are that there is an association in B.C. or Canada that can provide you with pertinent information. Take a look at the B.C. Directory of Associations in the Community Futures library.

This should give you a good basis to evaluate your industry.

## **For More Information**

**Internet:** [www.albertafirst.com](http://www.albertafirst.com) (a good selection of small business profiles)  
[www.statcan.gc.ca](http://www.statcan.gc.ca) (a good source for stats)  
[www.ic.gc.ca/ic\\_wp-pa.htm](http://www.ic.gc.ca/ic_wp-pa.htm) (another good source for stats)