



Economic Incentives Template for Vertical Market Analysis

The purpose of this template is to guide analysis of an organisation's vertical market relationships. These are relationships between organisations at different levels of the production chain. Although it may be of less relevance to smaller organisations, it is understood to still be informative.

Using the 'Economic Incentives Template for Vertical Market Analysis'

Step 1: Brainstorming is conducted, involving 3-4 experts, on each of the items listed on the template. Assessment of conditions specific to the organisation are recorded.

Indicator	Explanation	Own Assessment
What are the main inputs needed into production processes?	Input categories can include: capital (hardware, software, buildings), human capital (R&D, MINT skills), etc.	
In what fields is the company active?	Firms can be active in one or several fields.	
Technological integration?	Is there vertical technological integration needed with other firms' products or services? Is the organisation's product/service platform dependent or independent?	
Adjacent supply chains?	Are there any products/services that must be purchased from others in order to be able to provide the good or service?	
Distribution to end-users?	What kind of distribution network is needed in order to bring the product to the end-user?	
Customer feedback cycle?	What are the feedback mechanisms in order to integrate customer opinions and suggestions?	
Output - final products or interim products?	Who are the final consumers of the product, and if the product is an interim input into another firms' production, who are the customers of those firms?	

Step 2: Results are used to inform internal presentations or for integration into a business plan.

