

A TEACHING EXERCISE FOR THE COMPETITIVE PROFILE MATRIX (CPM)

Christopher M. Cassidy
Sam Houston State University
cassidy@shsu.edu

Renée Gravois
Sam Houston State University
renee.gravois@shsu.edu

Charles Capps
Sam Houston State University
mgt_cjc@shsu.edu

ABSTRACT

The Competitive Profile Matrix (CPM) is a tool for analyzing the relative performance of rivals operating in an industry. Learning this tool gives the manager a better understanding of the competitive landscape. Applying the CPM gives managers a quantitative assessment of rivals which is easily converted into a visual comparison. This visualization of the competition facilitates critical thinking and problem solving about company strategy. This paper, and the accompanying in class exercise, provides guidance and recommendations to instructors teaching the CPM. The exercise requires students to provide and organize inputs in a structured process that allows the students to see the thinking behind the CPM. The power of the exercise is that students see the company inputs turned into a matrix that allows for easy visual interpretation.