Horizontal and Vertical Integration
(Chapter 5, Section 3)

Think of a business that you could use to show the difference between horizontal and vertical integration…perhaps a McDonald’s, Starbucks or your favorite store. Then assume that each box represents a business that feeds into your center business; your end result will be a fully integrated business in both examples (the lone outer box). Represent the boxes accordingly:

- Fully Integrated Fast Food Company
- McDonald’s
- Buy out Burger King
- Buy out Wendy’s
- Buy a food processing plant so that you turn your farm goods into food to serve your customers
- Buy a farm with cattle (hamburger meat), potatoes (french fries), and wheat (bread)
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- McDonald’s
- Buy out ______
- Buy out ______
- Buy a
  ___________________
  ___________________
  ___________________
- Buy
  ___________________
  ___________________
  ___________________

Closed Strategy
Horizontal and Vertical Integration
(Chapter 5, Section 3)

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Horizontal and Vertical Integration
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Think of a business that you could use to show the difference between horizontal and vertical integration...perhaps a McDonald’s, Starbucks or your favorite store. Then assume that each box represents a business that feeds into your center business; your end result will be a fully integrated business in both examples (the lone outer box). Represent the boxes accordingly:

Is the **vertical** line correct?
YES
NO

Is the **horizontal** line correct?
YES
NO

**YES/NO Strategy**