

Name: \_\_\_\_\_  
Hour: \_\_\_\_\_

## 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

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)

Is the vertical line correct?

YES

NO

Is the horizontal line correct?

YES

NO

YES/NO Strategy