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05MBA41

Fourth Semester MBA Degree Examination, Dec. 07 / Jan. 08
Strategic Management

Time: 3 hrs. Max. Marks:100

Note : *1. Answer any four full questions from question 1 to 7.*
2. Question 8 is compulsory (case study).

1 a. Write any three definitions of strategy. (03 Marks)
b. Compare and contrast vision and mission of an organization. (07 Marks)
c. Explain in detail the 10 commandments of crafting successful corporate strategy. (10 Marks)

2 a. What is balanced score card. (03 Marks)
b. "Strategic management has immense importance and relevance in today's corporate world". Discuss in detail. (07 Marks)
c. One of the Porter's five force model explains the strengths and weaknesses of competitive rivalry and the weapons normally used for battling rivals and attracting buyers. Explain the above statement in detail with the help of a diagram. (10 Marks)

3 a. What is key success factor? (03 Marks)
b. "It is extremely essential to have a thorough knowledge on various key financial ratios for strategic planners since it measures certain key elements" Discuss in detail. (07 Marks)
c. Explain in detail with the help of a diagram the comprehensive strategic management model. (10 Marks)

4 a. What is core competency? (03 Marks)
b. Explain when a low cost provider strategy works best. (07 Marks)
c. Explain with the help of diagram "Ham brick and Fredrickson's strategic diamond model". (10 Marks)

5 a. What is differentiation (03 Marks)
b. Explain with the help of a diagram the concept of value chain analysis. (07 Marks)
c. List out the various principals of "Grand Strategy". (10 Marks)

6 a. What is "Grand Strategy". (03 Marks)
b. Explain six sigma concepts with reference to DMAIC concept. (07 Marks)
c. While analysing SWOTS of an organization, various key issues are of ut most importance. Explain these issues in detail. (10 Marks)

7 a. What is decentralized decision making in strategic management? (03 Marks)
b. What are the advantages and pitfalls to be watched out for strategic out sourcing? (07 Marks)
c. What are the 9 major cost drivers that come into play in determining a company's cost in each activity segment of value chain. (10 Marks)

8 Until 1991 before India's economic liberalization, TATA group's truck–making was done in a sellers' market. Demand for vehicles surpassed supply, and the company was in a position that anything it could supply would be sold. Due to government ceilings on how much the firm could manufacture, there was little need to change or expand. With liberalization and entry of foreign competition, the TATA group restructured. RATAN TATA the ECO, cut back on costs throughout the organization. Instead of a medley of 80 companies, the firm got out of some business and reorganized the rest in to 8 strategic units. Expanding from truck making, TATA motors took on an ambitions plan of designing an automobile. The development of the car named Indica (for Indian car) was done entirely in–house at a cost of $ 350 million. This was major source of savings - as comparable development efforts done in the west would cost at least 3 times that amount. There were still some problems in the design when the car first hit the market. Customers were invited to visit the factory, and the company deployed 500 engineers to listen to any complaints. The redesigned car TATA's Indica, which came out three years later was an instant hit in the market, It is estimated that this car has 35% market share (second highest in Industry in its category).

Analysts have given many reasons for the success of Indica, one of them is price, roomy, powerful and was priced around 3 lakhs (+ –). This low price pressured industry rivals like the market leader Maruti to drop its prices. Cost savings were obtained by doing 98% of the activities in house. The firm also saved money by buying a closed Nissan Factory in Australia that was closed down for $ 20 million. Now Indica is exported to Britain to be added as a small car to the M G Rovers line–up of vehicles. Indica was selected over competitors from China due to its low cost and high quality.

Today the demand of this car is so good that their plant in Pune is able to produce 1 car every 70 seconds (approx) second to Ford motors standards.

In the interview in Feb 2004 with business week, RATAN TATA described his vision for TATA motors. The Goal was to be able to make a roomy, powerful 4–5 seater car and sell it for Rs. 1,00,000/-. He felt that with adequate credit arrangements, a car priced at that level would be the ideal car for many families, who currently owned 2 wheelers and at times ferry 3 or 4 people. Compromising the safety standards. He also felt that any car priced above this would not be a break through. As for the future direction of the positioning his firm in India and global markets, he said 'Initially when we went in the car business I thought we would have products in each of the segments the low and high end. But the way consolidation i taking place internally and the kind of economics of scale that exist, I realise that we coulu never match that. That we could never be as fast in bringing out new products in all those segments as I had visualized so we have to confine ourselves to being leaders in niche areas where here we have the greatest edge and that edge is the ability to design and develop products at the low end and produce good value for money, products at lower volumes.

i) What actions resulted in TATA motors move from a truck manufacturers in a sellers market to a firm capable of becoming No2 in car market?

ii) Analyze TATA response to a liberalized market and foreign competition and entity barrier with the Porter's model and how do you classify, defend, dodge, extend, etc.

iii) Evaluate RATAN TATA vision for TATA group.

iv) Do you feel the TATA Loran Deal will help the Group and TATA Motors? If so, how? If not, why?

(20 Marks)

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05MBA41

Fourth Semester MBA Degree Examination, June-July 2009
Strategic Management

Time: 3 hrs. Max. Marks:100

Note : *1. Answer any FOUR full questions fromQ1 to Q7.*
2. Q8 is compulsory.

1 a. What is meant by formality in strategic management? **(03 Marks)**
b. Briefly explain the components of a company's mission statement. **(07 Marks)**
c. With the help of the strategic management model, briefly explain the steps in the strategic management process. **(10 Marks)**

2 a. Differentiate between Mission Statement and Vision statement. **(03 Marks)**
b. Explain in detail the stake holders approach to social responsibility. **(07 Marks)**
c. "Analysis of External environment is essential for strategic decision making". Evaluate. **(10 Marks)**

3 a. What is meant by outsourcing strategy? **(03 Marks)**
b. Discuss the options for a company to enter and compete in foreign markets. **(07 Marks)**
c. Explain Porter's Five Force Model. Use the model to analyze the telecom industry. **(10 Marks)**

4 a. What are three levels of strategy? **(03 Marks)**
b. Explain six sigma concept with reference to DMAIC concept. **(07 Marks)**
c. Explain the Value Chain Approach for diagonising a firms key strength and weakness. **(10 Marks)**

5 a. What is Modular Organization? **(03 Marks)**
b. Explain the seven criteria used in preparing Long – term objectives. **(07 Marks)**
c. What is the Resource Based View (RBV) of a firm? What makes a Resource valuable? **(10 Marks)**

6 a. What is meant by Strategic Alliances? **(03 Marks)**
b. When does Differential Strategy work best and what are its pit falls? **(07 Marks)**
c. When would Multi – industry company find the Portfolio approach to strategic analysis and choice useful? **(10 Marks)**

7 a. What is Functional tactics? **(03 Marks)**
b. "Is culture an ally or obstacle to strategy execution"? Discuss. **(07 Marks)**
c. Explain different types of strategic control. Give examples for each type. **(10 Marks)**

8 CASE STUDY (Compulsory)

SWAN OPTICAL CORP.

When most people think of multinational enterprises, they think of large complex companies such as General Electric, General Motors and Procter and Gamble. In reality, however, an increasing number of small and medium sized companies have become multinational enterprises in recent decades. Take swan optical corp. started in the 1960s by Alan Glassman, the company manufactures and distributes eyewear. By the end of the 1980s this company was generating annual gross revenues in excess of $20 million. Thus the company is not exactly small, but it is no corporate gaint either. However, Swan Optical is a multination company, with production facilities on three continents and customers around the globe.

Swan began its move toward becoming a multinational in the 1970s. At that time the strong dollar made U.S. – based manufacturing very expensive. Low – priced imports were taking an ever larger share of the U.S, eyewear market. Swan realized that it could not survive unless it also began to import. Initially, the company purchased eyewear from independent overseas manufacturers, primarily in Hongkong. However, Swan was not satisfied with the quality and delivery of those products and as the volume of imports increased. Glassman decided that the best way to guarantee quality and delivery was to set up Swan's own foreign manufacturing operation. According to Glassman, taking an ownership interest in foreign factories gives Swan the control necessary to influence quality and delivery schedules. Consequently, in conjunction with a Chinese partner, Swan opened a manufacturing facility in HongKong, in which it took a majority shareholding.

The choice of Hongkong as a location for manufacturing eyewear was influenced by the combination of Low Labour costs, a skilled work force and tax breaks given by the HongKong government. By 1986, however, the increasing industrialization of HongKong and a growing Labor shortage has pushed up wage rates to such an extent that HongKong could no longer be considered a low cost location. In response, Glassman and his Chinese partner opened a manufacturing plant in mainland China to take advantage of Lower wage rates. The factory manufactures parts for eyewear frames. The parts are shipped to the HonkKong factory for final assembly and then distributed to markets in both North and South America. The HongKong factory now employs 80 people and the China plant between 300 and 400.

Around the same time Swan began to look at opportunities to invest in foreign eyewear companies that enjoyed a reputation for fashionable designs and high – quality products. Its objective this time was not to lower costs, but to gain a differential advantage by launching a line of high – quality designer eyewear. Lacking in – house design capability to support such a line, Swan turned to foreign manufacturers that had such capability. It invested in factories in France and Italy, taking a minority shareholding in each case. These factories supply eyewear for Swan's status Eye division, which markets high – priced designer eyewear.

Questions :

a. How has international expansion helped Swan Optical strengthen its competitive position? **(05 Marks)**
b. What Lesson does Swan Optical experience hold for a company trying to establish a competitive advantage in the Global market place? **(05 Marks)**
c. What other Generic strategies can Swan Optical Corp. use in order to expand its business in future? **(05 Marks)**
d. Identify the theoretical concepts involved in this case. **(05 Marks)**

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8 Read the case given below and answer the questions.

In July 1999, the Government of India decided to allow private players to enter the FM radio-broadcasting sector. It planned to offer ten-year licenses to private players in 40 cities across India. These private broadcasters would be permitted to offer only music, education and entertainment-based programs, not news or current affairs programs.

Following the announcement, many companies bid for licenses to operate in various cities. The first private FM radio station Radio City began functioning in July 2001 in Bangalore, Karnataka. By October 2001, sixteen companies were issued licenses to operate private FM radio stations.

In 1993, the government allowed private players in the FM sector by permitting them to take blocks (i.e. time slots to offer their programming content) on AIR, for FM transmissions. The purpose of this move was to earn revenues for AIR (by way of license fees) and provide variety for listeners. The major players in the private FM market during that period were Times FM (of the media giant Bennett Coleman & Co) and Radio Mid-Day (of the Midday Multimedia group). The programs offered by these private stations were much more listener-friendly and innovative than AIR's programs. As a result, the channels became very successful (in the mid-1990s) and attracted high advertising revenues. By 1997-98, the private FM business in India had grown to Rs.930 million.

FM channels attracted most of the ad revenues. In June 1998, Prasar Bharati stopped the operations of private FM channels, reportedly in an attempt to improve AIR's revenues. But in July 1999, the government again decided to privatize FM broadcasts and came out with a ten-year license deal. The government refused to allow any foreign ownership in the sector. In 2000, the government called for bids for FM licenses.

Reportedly, there are more than 150 million radio sets in India. On the basis of this data, private radio broadcasters claimed that radio had vast potential just waiting to be exploited. They aimed at duplicating the success of satellite television (which transformed the television industry in the 1990s) in the radio sector, with the help of latest digital technologies and innovative programming. According to estimates, radio's share in the total advertising budgets of corporates was likely to grow to 5% by 2007 as against less than 1% in 2001.

Thus, radio ad spend was expected to grow by an estimated CAGR of 45% between 2002-2007 as compared to an estimated 15% growth for total ad spend. Though there was an initial rush for licenses, many companies decided to stay away from the sector because of the high license fees demanded by Prasar Bharati and the risk involved in investing heavily.

These players were not allowed to offer news or current affair programs, and they were given only a fixed number of slots per city. As a result, only a few players remained in the race. They were given licenses to set up 37 stations that would operate across 19 cities in India.

Contd....3

Radio city achieved significant success in Bangalore and Lucknow, registering high listenership ratings. With the launch of Radio city, overall FM radio listenership increased by 56% while the time spent on listening to radio tripled (from 1 hour to 3 hours). Home listening increased to 85% with listenership at the workplace also growing at a rapid pace. By late 2001, FM transmission reached 21% of India's population and covered over 17% of the country's area.

Radio city's market strategy was developed after six months of intensive research conducted in Bangalore. As part of this strategy, the company focused on creating brand name and brand awareness, before moving on to specific target programming. Sumantra Dutta, COO, Radio Division, STAR, said "What we are looking at is the first mover advantage. We are the first private FM radio station in India, and we plan to cash in on this." The company identified music as a universal theme and offered music-based programs in both English and local languages.

Radio city also signed a contract with Newscorp to leverage the best international talent in the fields of technology, research, engineering, sales, marketing and programming.

The target audience for Radio Mid-Day was however, car owners. The channel's programs targeted car owners, who had to spend hours stuck in the traffic. For the afternoon slot, Mid-Day focused on offering programs that appealed to housewives. Rajesh Tahil, Head of Radio Mid-day, said, " In the afternoon slot, we will have to compete with television for the attention of housewives. What we are aiming at is the top 20% of the radio audience. Thus we have decided to choose an audience, and go with it."

The increasing popularity of FM resulted in considerable growth in the advertising revenues and listenership by radio companies. Questions for discussion :

a. Discuss the growth and decline of radio broadcasting in India and examine the reasons for the fall in the medium's popularity during the 1990s. (05 Marks)
b. Analyze the changes in the Indian radio market with the entry of private players into the FM sector. (05 Marks)
c. Critically evaluate the private players strategies to leverage the potential of radio. (05 Marks)
d. Do you suggest the new entrants might follow similar strategies to expand the market and ensure success? (05 Marks)

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08MBA31

Third Semester MBA Degree Examination, Dec.09/Jan.10

Strategic Management

Time: 3 hrs. Max. Marks:100

Note: *1. Answer any FOUR full questions from the Q.No.1 to 7.*
2. Question No. 8 is compulsory.

1 a. What is strategy? How is it different from tactics? **(03 Marks)**
b. Discuss the nature and significance of competitive advantage. **(07 Marks)**
c. Explain the various components of strategic management **(10 Marks)**

2 a. What is Mc Kinsey's 7 S model? **(03 Marks)**
b. What are the strategic options for a company to enter and compete in the foreign markets? Explain with examples. **(07 Marks)**
c. Explain Porter's five force model. Use the model to analyse the fast food industry. **(10 Marks)**

3 a. What do you mean by learning curve effects? **(03 Marks)**
b. What is organizational culture? Why is it important in the execution of strategy? **(07 Marks)**
c. Explain with examples, how the five generic competitive strategies relate to the company's quest for competitive advantage. **(10 Marks)**

4 a. Distinguish between a core competence and a distinctive competence, with examples. **(03 Marks)**
b. What is the resource based view (RBV) of a firm? What makes a resource valuable? **(07 Marks)**
c. Explain how vertical integration strategies operate across the industry value chain, with examples. Also state its strategic advantages and disadvantages. **(10 Marks)**

5 a. What is meant by strategic alliances? **(03 Marks)**
b. Describe the merits and demerits of different kinds of diversification strategies with examples. **(07 Marks)**
c. What do you mean by a multicountry strategy and a global strategy? Explain with examples, how a multicountry strategy differs from a global strategy. **(10 Marks)**

6 a. What do you mean by turnaround strategy? **(03 Marks)**
b. Discuss the strategically relevant components of a company's external environment. **(07 Marks)**
c. What are the components of a company's mission statement? Explain. **(10 Marks)**

7 a. Differentiate between offensive and defensive strategies with examples. **(03 Marks)**
b. Balanced score card is an approach to measure the company's performance. Explain. **(07 Marks)**
c. What is portfolio approach? Explain the central idea behind BCG matrix. **(10 Marks)**

8 ***Case study* : (compulsory)**

Google Wave – The Latest Buzz

Google wants to create a wave, yet again. 'Google wave' is the latest buzz to hit the internet shores. It is a real time multifaceted communication and collaboration platform that unifies different web technologies such as e-mail, instant messaging, wiki, online documents and social networking.

Google's innovative leap with the 'wave' is an attempt at redefining communication over the internet. It is both a product and an open source platform for developers to build new applications. 'Wave' is a one stop shop for everything on the web. Its most striking feature is it speed. It lets users transfer data, pictures and files real time and also collaborates editing. Every letter typed in is transmitted into the other user's wave. Even images can be transmitted with almost no time loss. Once a 'wave' is initiated anybody involved in the 'wave' can reply to or edit any part of the original wave. For example : if the initiator of the wave sends out five questions, the other wave user can click on each question and answer it right below.

The other interesting feature of the wave is the playback button. Even if a person is invited into a wave much later, he will still be able to view the entire thread using the very useful playback button, which lets users see the 'wave' change one at a time using a slider.

Google wave has applications like 'Ribbit' which automatically transcribes voice into text and lets users place web calls and create multi user conference calls. The other applications are 'Labpixies' which is a free budoku puzzle game, 'lonely planet' which helps users co-create travel itinerary, 'accuweather' and 'Google maps' to name a few. Also much more widgets like 'bloggy' and 'tweety' that lets users publish and also update their twitter accounts are being developed by Google wave.

Google wave which works on the idea of providing a real time communication and collaboration by integrating established and emerging web technologies encourages third party developers to build applications for wave and plans to set up an online store to help sell their applications. These stores will give programmer and their financial backers a share in the success of the services that can potentially woo users away from facebook, Gmail, skype etc. Also marketing agencies are exploring ways to use wave to grow their client's brands.

'COLAYER', a Swiss Indian company, already provides a platform for companies to collaborate, communicate and co-create by building interactive social web 2.0 environment Microsoft (which is trying hard to catch up with Google on the internet) and Yahoo! are shortly expected to come up with a wave like offering. Buying out 'colayer' may be an option all three must be looking at.

Even though, wave has an easy to use interface with flexible design template, it is a bit buggy as many features still don't respond sometimes, complaints about browsers crashing, issues like losing contacts and there is still no option to delete contacts as well as profile pictures after logging out.

Questions :

a. List out the core competencies and distinctive competencies of 'Google wave'. **(05 Marks)**
b. What is the type of competitive advantage 'Google wave' enjoys? How? **(05 Marks)**
c. Identify the theoretical concepts involved in this case. **(05 Marks)**
d. What is the future of Google wave? **(05 Marks)**

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Srinivas Institute of Technology Library, Mangalore

08MBA31

Third Semester MBA Degree Examination, May/June 2010
Strategic Management

Time: 3 hrs. Max. Marks:100

Note: *1.Answer any FOUR full questions from Q.No.1 to Q.No.7.*
2.Question No.8 is compulsory.

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages. 2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.

1 a. Explain the difference between strategy and business model. **(03 Marks)**
b. Discuss the characteristics of an effective vision statement. **(07 Marks)**
c. Describe the ten commandments for crafting successful business strategies. **(10 Marks)**

2 a. What is the difference between a company's mission statement and its strategic vision? **(03 Marks)**
b. Explain the dimensions of general environmental assessment. **(07 Marks)**
c. Describe in detail, the strategic management process. **(10 Marks)**

3 a. Explain the three factors to be taken into account while analyzing an industry's key success factors. **(03 Marks)**
b. What is strategic group mapping? What benefits can be derived from such maps? **(07 Marks)**
c. Explain the Porter five forces model. How can it be assessed whether the collective strength of the five competitive forces promotes profitability? **(10 Marks)**

4 a. What is the difference between core competence and distinctive competence? **(03 Marks)**
b. How can SWOT analysis be effectively used to improve a company's strategy? **(07 Marks)**
c. Explain the concept of a company's value chain. **(10 Marks)**

5 a. What are the risks of following a best-cost provider strategy? **(03 Marks)**
b. In what situations do a low-cost strategy work best? **(07 Marks)**
c. What are the options available to a local company trying to fight off global challengers? Give an example, drawn from the Indian context, of each option. **(10 Marks)**

6 a. What is meant by a grand strategy? **(03 Marks)**
b. What is strategic outsourcing? What are its advantages? **(07 Marks)**
c. Explain the GE 9-cell matrix. How it can be used in practice? **(10 Marks)**

7 a. What are the three components of building a capable organization? **(03 Marks)**
b. What are the possible strategic moves a company can make in a maturing industry? **(07 Marks)**
c. Explain the dimensions of effective leadership of the strategy execution process. **(10 Marks)**

8 Read the following case carefully and answer all the questions at the end:

During India's freedom struggle, khadi became a potent symbol of self-reliance. However, in the post-independence era, Indian industrialists set up capital-intensive textile mills. Due to mass production, these mills could offer fine cloth at lower process. Thus, despite all policy incentives to popularize khadi, people bought machine-made textiles. By 2002, khadi formed less than half a percent of India's textile industry.

Earlier in 1957, in order to popularize khadi among the masses, the government set up the Khadi and Villege Industries Commission (KVIC), with the broad objective of providing employment at the village level, the economic objectives of producing saleable articles and the wider objective of creating self-reliance amongst the poor and developing a strong rural community spirit. KVIC promoted khadi and associated articles through exclusive outlets, called Khadi-Bhandars. Ever since then, the government has continued to show support to khadi. However, over the years, problems have steadily mounted. According to designers, production of khadi was inconsistent and the cloth was prone to shrinkage and fabric stretch. Fabric colours were also limited. Red tapism and bureaucracy were prevalent throughout KVIC. Corruption was rampant, as there were many middlemen. In addition, there were many bogus khadi units operating in the country, which made verification of rebates to be paid an extremely time-consuming process.

The production of khadi is a labour-intensive process, which involves weaving on handloom from cotton, silk and woolen yarn, To support khadi, KVIC also encouraged village production of toilet soaps and detergents, honey, handmade paper etc. However in spite of all this, public interest in khadi steadily declined in spite of huge governmental subsidies and promotional support.

In order to revive khadi, several initiatives were taken by both the government and private individuals. In 1985, the designers Devika Bhojwani pioneered the "Swadeshi" label of khadi ensembles. These were distributed through nearly 5000 khadi emporia. To displays khadi's potential , KVIC organized fashion shows, where dazzling garments created by Bhojwani were showcased. In 1990, the designer Ritu Kumar presented her first khadi collection, called Tree of life. Similarly, the designer Rohit Bal commented "Khadi is the Indian alternative to linen, it is comfortable and now we have proved it is fashionable". With many such initiatives, it began to look as though khadi had a future in fashion.

On the organizational front, the government took steps to restructure the khadi industry. The global consulting firm, Arthur Anderson, were called in to make recommendations. They suggested that KVIC be converted into a policy-making body, and that an independent marketing company be formed to handle sales, distribution and promotion. KVIC also registered Khadi as a brand name.

Technological innovations, such as blending of khadi with tencil in a 70:30 ratio, were introduced. An Austrian company also proposed to modify and blend the fabric to about 50% more moisture.

The government has also allocated a large advertising and promotional budget to KVIC. It propose to set up Khadi shops in all international airports. However, Khadi, like any other craft of India would need to face the challenges of quality and producing contemporary designs, that would appeal to the tastes of the present generation.

Questions:

a. Analyse the environmental factors affecting the khadi industry. **(07 Marks)**

b. What strategies would you recommend for the revival of khadi? Justify your recommendations by giving three reasons why do you think it will succeed. **(07 Marks)**

c. What are the implementation factors that you feel are critical to the success of khadi in future? **(06 Marks)**

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