

--	--	--	--	--	--	--	--	--	--

Third Semester M.B.A Degree Examination, December 2011
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

- 1
 - a. What are the three levels of strategy? (03 Marks)
 - b. What are the strategic options for a company to enter and compete in the foreign markets? (07 Marks)
 - c. With the help of the strategic management model, briefly explain the steps in the strategic management process. (10 Marks)

- 2
 - a. What is functional tactics? (03 Marks)
 - b. Briefly explain the components of a company's mission statement. (07 Marks)
 - c. "Balanced score card is an approach to measure the company's performance". Explain. (10 Marks)

- 3
 - a. What do you mean by turnaround strategy? (03 Marks)
 - b. Explain the seven criteria used in preparing long term objectives. (07 Marks)
 - c. Explain the value chain approach for diagnosing a firm's key strengths and weaknesses. (10 Marks)

- 4
 - a. Differentiate between mission statement and vision statement. (03 Marks)
 - b. What is the resource based view (RBV) of a firm? What makes a resource valuable? (07 Marks)
 - c. Explain with examples, how the firm generic competitive strategies relate to the company's quest for competitive advantage. (10 Marks)

- 5
 - a. What is meant by joint venture? (03 Marks)
 - b. When does differential strategy work best and what are its pitfalls? (07 Marks)
 - c. Explain Porter's five force model. Use the model to analyze the manufacturing industry. (10 Marks)

- 6
 - a. Differentiate between offensive and defensive strategies, with examples. (03 Marks)
 - b. Discuss the nature and significance of competitive advantage. (07 Marks)
 - c. Explain different types of strategic controls. Give examples for each type. (10 Marks)

- 7
 - a. What is backward integration? (03 Marks)
 - b. Explain the nature and objectives of a turnaround strategy. (07 Marks)
 - c. Why is leadership an important element in strategy implementation? Using an example, state how a CEO can implement innovative strategies in a unique way. (10 Marks)

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.

8 Case Study: Fed Ex

Between 1969 and 1971, Fred Smith secured \$ 90 million in financing to launch Federal Express, a service that originally provided overnight and second – day delivery to 22 major cities in the United States. “FedEx” began delivery in 1973 and the company enjoyed immediate success. FedEx was the first major air transport firm to implement a “hub and spoke” system, whereby all packages were flown to a central location each night and redistributed by air to their destinations in the pre – dawn hours. The airline shift from parcels to passengers and the strike at UPS in 1974, contributed to the firm’s early market share gains. FedEx went public in 1978.

By the late 1980s, FedEx had begun to move internationally, purchasing Tiger International (also known as Flying Tigers) and carriers in Japan and Italy. In 1989, FedEx doubled its international volume. In 1995, FedEx created Latin American and Caribbean divisions and became the first U.S express carrier to offer direct flights to China.

In 1996, FedEx introduced the first internet – based shipping management system, known as internet ship. Another UPS strike in 1997 sent 8,50,000 packages a day to FedEx, creating more opportunities for the firm. In 1998, FedEx averted a pilot strike of its own, prompting the company to outsource more of its flights.

In 2000, Federal Express adopted its nickname “FedEx”, as its official company name. Today, FedEx provides transportation, e – commerce and supply chain management services, including worldwide express delivery, ground small – parcel delivery and small quantity freight delivery. Transportation and logistics services account for about 80% of the company revenues. FedEx remains the world’s leading express delivery company, with 56000 drop off locations, 640 aircrafts and nearly 54000 vehicles, delivering more than 3 million packages to more than 200 countries and territories every business day. FedEx has even partnered with the U.S postal service to provide air transportation for postal express shipments, an arrangement that allows FedEx to utilize post offices as critical package drop off locations.

Founder Fred Smith remains the CEO and owns approximately 7% of FedEx shares. Smith is known as a popular and cagey leader, both inside and outside the company.

- a. The Internet has alleviated the need for overnight delivery of many documents. How has FedEx survived and even prospered in the midst of this key technological change? (06 Marks)
- b. Should FedEx be partnering with a key competitor and protected government entity the U.S postal service? (06 Marks)
- c. Do FedEx and UPS offer the some delivery services or has each chosen to focus on different forms of delivery and / or customers needs? Explain. (08 Marks)

* * * * *