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NMBA041

MBA**THEORY EXAMINATION (SEM-IV) 2016-17****STRATEGIC MANAGEMENT****Time : 3 Hours****Max. Marks : 100****SECTION – A**

1. Answer the following questions in not more than 30 words each: **(2x10=20)**
- Elaborate on strategic management.
 - State the significance of Environmental appraisal.
 - What is meant by Benchmarking?
 - Elucidate on strategy activation?
 - What do you mean by Balance scorecard?
 - Define SWOT analysis.
 - Elucidate on Portfolio Analysis?
 - Discuss the Resource based Approach.
 - Define the concept of corporate restructuring.
 - Discuss Strategic Intent.

SECTION - B

2. Answer any **five** questions of the following in 350 words each. **(5X10 =50)**
- Define and differentiate between strategic management and Business Policy.
 - What are diversification strategies? Under what circumstances an organization needs to adopt this strategy?
 - What structural consideration must be incorporated into strategy implementation?
 - Explain in detail the strategic planning process.
 - Discuss the impact of globalization on various strategies of MNC's.
 - How will you identify priority environmental factors for analysis? What are the variables that affect the choice of these factors?
 - Discuss strategic implementation through structure, values and ideologies with the help of McKinsey's 7- S framework.
 - "Strategic Choice is made in the context of decision situation as well as decision maker." Explain this and show how various objective and subjective factors affect strategic choice.

SECTION – C

Read the following case and answer any two questions given at the end. (15x2 = 30)

Case: GILLETTE: GLOBAL STRATEGY

Gillette is the global leader in male and female grooming products. It was founded in 1901 by King Gillette. Its products include razors and blades, personal grooming products, writing instruments, batteries, and oral care products. Gillette's global market share in the shaving market is around 65%.

Gillette's vision is to be a world-class organization with world-class people, products, and brands.

Gillette's mission is to be a global leader in the products it markets.

Gillette operates in 200 countries and has manufacturing facilities in 56 countries. Gillette makes a 5-year rolling plan which is reviewed three times a year and modified if required. A sales forecast is made every 6 months.

The business philosophy of Gillette can be summarized as follows:

1. Keep introducing new products. Fifty percent of the business must come from products that have been introduced less than 5 years ago.
2. Technical superiority in every product. Competition must act as a spur for customer retention.

Gillette's game plan is to do the following:

- Keep the user/customer at the centre of activities
- Provide improved products – gain increased net sales.
- Have pricing options by improving products

Gillette considers the following as its key growth areas:

Value addition in existing products; New product, speedy launches, distribution network, display and merchandising; advertising and promotion; keep a close watch on standard direct costs and post-marketing expenses, which can be considered as controllable overheads; synergy for efficiency and effectiveness; profits through IT-driven TQM and people's involvement.

Gillette has developed a marketing strategy for facing recession in the market. It views the impact of recession on different segments of the market as follows:

Consumers: Their demand reduces for non-essential articles and they switch to value-for-money products.

Trade: they suffer from inventory blockage of non-essential products and end up with heavy stocks of a variety of products.

Firm: It loses customers, as also trade/distribution channels, who show little interest in their products.

Gillette's policy for marketing during recession is that of pause! It believes in operating in the following manner:

- Basic marketing strategy does not change.
- Organize better management of resources and plan tactical moves
- Provide value addition; when consumers downgrade, Gillette provides added value to the product, reinforces advertising messages, improves the product package.
- Organize new product launches to increase user share and also upgrade the users.

The result of all this is that Gillette has grown even during recession periods.

Questions:

3. Gillette has grown even during recession. In the light of this analyse the marketing strategy of Gillette.
4. The expansion and diversification of Gillette over years has led to strong product groups. Analyse this statement keeping in view the vision and mission of the company.
5. Using McKinsey 7s model analyse the 7 key internal elements of Gillette.