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Concept Based Notes

Strategic Management

BBA II

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PREFACE

I am glad to present this book, especially designed to serve the needs of the students. The book has been written keeping in mind the general weakness in understanding the fundamental concepts of the topics. The book is self-explanatory and adopts the "Teach Yourself" style. It is based on question-answer pattern. The language of book is quite easy and understandable based on scientific approach.

Any further improvement in the contents of the book by making corrections, omission and inclusion is keen to be achieved based on suggestions from the readers for which the author shall be obliged.

I acknowledge special thanks to Mr. Rajeev Biyani, *Chairman* & Dr. Sanjay Biyani, *Director* (*Acad.*) Biyani Group of Colleges, who are the backbones and main concept provider and also have been constant source of motivation throughout this Endeavour. They played an active role in coordinating the various stages of this Endeavour and spearheaded the publishing work.

I look forward to receiving valuable suggestions from professors of various educational institutions, other faculty members and students for improvement of the quality of the book. The reader may feel free to send in their comments and suggestions to the under mentioned address.

Author

Strategic Management

Unit 1

Introduction: Meaning of Strategic Management, Role of SM, Process of SM, Limitations of SM, Organisational Mission, Vision, and Objectives & Goals.

Unit 2

Environmental Scanning: Appraisal of External Environment, Appraisal of Internal Environment, Dynamics of internal Environment, Organisational Capabilities and Appraisal, Core Competence.

Unit 3

Strategy Formulation: Corporate Level Strategy, Business Level Strategy, Functional Level Strategy.

Unit 4

Strategy Implementation: Aspects of Strategy Implementation, Procedural Implementation, Resource Allocation, Organisational Design and Change, Corporate Culture.

Unit 5

Strategic Evaluation and Control: Meaning of Strategic Evaluation and Control, Criteria and Techniques of Strategic Evaluation and Control.

UNIT 1

Q1 what do you understand by the term strategic management? State its nature/ Features?

Ans Strategic management is a critical process that organizations employ to set and achieve their long-term goals and objectives. It involves the formulation, implementation, and monitoring of strategies to ensure an organization's competitiveness and success in a dynamic and competitive business environment. Here is an overview of the nature of strategic management:

- **Long-term Orientation:** Strategic management is concerned with the long-term direction and sustainability of an organization. It involves planning and decision-making that typically spans several years, focusing on the organization's vision and mission.
- **Multifaceted Approach:** Strategic management is a multifaceted process that encompasses various components, including strategic planning, strategy formulation, strategy implementation, and strategy evaluation. These components are interconnected and require careful coordination.
- **Goal-Oriented:** The primary objective of strategic management is to achieve the organization's goals and objectives. These goals are often derived from the organization's mission statement and reflect its desired future state.
- **Environmental Scanning:** Strategic management involves monitoring and analyzing the external and internal environments that can impact the organization. This includes factors such as market trends, competitive forces, technological advancements, regulatory changes, and internal strengths and weaknesses.
- **Decision-Making:** Effective strategic management requires informed decision-making. Leaders must make choices about which strategies to pursue, allocate resources, and adapt to changing circumstances.
- **Resource Allocation:** Resource allocation is a critical aspect of strategic management. Organizations must allocate financial, human, and other resources to support the chosen strategies and ensure their successful implementation.
- **Flexibility and Adaptation:** The business environment is dynamic, and strategic management must be flexible and adaptive. Organizations may need to adjust their strategies in response to changing market conditions or unexpected challenges.
- **Competitive Advantage:** One of the central goals of strategic management is to create and sustain a competitive advantage. Organizations strive to develop unique capabilities or

advantages that differentiate them from competitors.

Q2 **what are the Roles of Strategic Management?**

Ans Roles of strategic management are:-

- Strategic leader and Decision Maker
- Integrative Role
- Thinking through the overall Mission
- Adapting to change
- Creating superior performances and Competitive Advantage
- Protecting Natural Environment
- Managing in an economic crisis
- Marching with globalization
- Creating a learning organisation
- Motivating and empowering employees
- Builds market leadership
- Develops business ethics
- Path finder to new business opportunities
- Achieving synergies of the whole
- Creates the architecture of the organization
- Creates value
- Captures the full potential of the firm
- Linking with the organization development

Q3 **What are the benefits, advantages and merits of strategic management study?**

Ans Strategic management is a critical process for organizations to set and achieve their long-term goals and objectives. It involves the formulation and execution of strategies to ensure an organization's success. There are several advantages to strategic management:

- **Clear Direction:** Strategic management provides a clear sense of direction for the organization. It helps define the organization's mission, vision, and values, which guide decision-making and actions.
- **Alignment:** It ensures alignment between the organization's goals and its resources and capabilities. This alignment helps in optimizing resource allocation and focusing efforts on strategic priorities.

- **Competitive Advantage:** Strategic management enables organizations to identify and leverage their competitive advantages. By understanding their strengths and weaknesses, they can position themselves effectively in the market.
- **Risk Management:** It helps in identifying and mitigating risks. By conducting a thorough analysis of the internal and external environment, organizations can anticipate potential challenges and develop strategies to address them.
- **Innovation:** Strategic management encourages innovation and adaptability. Organizations can identify opportunities for growth and innovation in their strategic planning process.
- **Improved Decision-Making:** It provides a framework for making informed decisions. By evaluating various strategic options and their potential outcomes, organizations can make decisions that are in line with their long-term objectives.
- **Resource Allocation:** Strategic management helps in efficient resource allocation. It ensures that resources such as finances, human capital, and technology are allocated to projects and initiatives that align with the organization's strategic priorities.
- **Performance Measurement:** It establishes key performance indicators (KPIs) and metrics to measure progress towards strategic goals. This allows organizations to track their performance and make adjustments as needed.
- **Adaptability:** In a rapidly changing business environment, strategic management allows organizations to adapt to new circumstances and market conditions effectively.
- **Stakeholder Engagement:** It fosters communication and engagement with stakeholders, including employees, customers, investors, and the community. Engaged stakeholders are more likely to support the organization's strategic initiatives.
- **Long-Term Sustainability:** Strategic management focuses on long-term sustainability rather than short-term gains. This approach helps organizations build a strong foundation for continued success.
- **Competitive Positioning:** It helps organizations position themselves strategically in the market, taking into account their unique value proposition and market dynamics.
- **Enhanced Organizational Learning:** The strategic planning process encourages learning and knowledge sharing within the organization. It allows teams to reflect on past experiences and incorporate lessons into future strategies.
- **Strategic Partnerships:** Organizations can identify opportunities for collaboration and strategic partnerships through strategic management, which can lead to increased market reach and innovation.

Q4 what are the disadvantages or drawbacks of strategic management?

Ans Strategic management, while essential for an organization's success, is not without its disadvantages and challenges. Here are some of the potential drawbacks of strategic management:

Complexity: The strategic management process can be complex and time-consuming, especially for large organizations. Developing, implementing, and monitoring strategies require significant resources and expertise.

Resource Intensive: Effective strategic management often requires dedicated personnel, tools, and technology for data analysis, planning, and execution. Small organizations may find it challenging to allocate these resources.

Resistance to Change: Employees and stakeholders may resist strategic changes, especially if they perceive them as a threat to their jobs or interests. Managing resistance can be a significant challenge.

Uncertainty: The business environment is constantly changing, making it difficult to predict future conditions accurately. This uncertainty can lead to strategic plans becoming outdated quickly.

Rigidity: Overly rigid strategic plans may hinder an organization's ability to adapt to unexpected opportunities or challenges. A lack of flexibility can limit innovation and responsiveness.

Implementation Gaps: Even well-formulated strategies can fail if they are not effectively implemented. Implementation gaps, where strategies are not executed as planned, can result in suboptimal outcomes.

Costs: Developing and implementing strategic plans can be costly, and there is no guarantee of immediate returns on investment. Organizations may incur expenses without immediate financial benefits.

Overemphasis on Short-Term Goals: In some cases, organizations may become too focused on short-term financial results at the expense of long-term strategic objectives. This can lead to decisions that prioritize immediate gains over sustainability.

Resistance to Feedback: Some organizations may struggle to incorporate feedback into their strategic management process. Ignoring or dismissing feedback can result in a failure to adapt and improve strategies.

Inhibits Creativity: Excessive emphasis on following a predetermined strategy can stifle creativity and innovation within an organization. Employees may feel constrained by rigid plans

and processes.

Overconfidence Bias: Organizations may become overconfident in their strategies, assuming they are infallible. This can lead to a lack of vigilance in monitoring and adjusting strategies as needed.

Environmental Impact: Strategies that prioritize short-term financial gains over sustainability and environmental responsibility can have negative long-term consequences for the planet.

Competitive Blind Spots: Strategic plans can sometimes lead to a narrow focus on specific competitors or factors while overlooking emerging threats or opportunities from unexpected sources.

Cultural Misalignment: When strategies are not aligned with the organization's culture or values, it can lead to employee disengagement and a lack of commitment to the strategic objectives.

Strategic Drift: Over time, organizations may drift away from their intended strategies due to changes in leadership, culture, or external factors. This can result in a lack of strategic coherence.

Difficulty in Measurement: Some strategic objectives are challenging to measure accurately, making it difficult to track progress and evaluate the success of strategies.

It's important to recognize that the disadvantages of strategic management can vary depending on the organization's size, industry, and specific circumstances. Successful strategic management involves a balance between the advantages and disadvantages, with a focus on adaptability and continuous improvement. Organizations should also be prepared to address and mitigate the challenges that may arise during the strategic planning and implementation process.

Q5 Explain the process of Strategic Management?

Ans Strategic management is a comprehensive process that involves the formulation, implementation, and evaluation of an organization's strategies to achieve its long-term goals and objectives. Below is an overview of the key steps in the strategic management process:

1 **Establish a Clear Mission and Vision**:

- Define the organization's mission, which is its fundamental purpose and reason for existence.
- Develop a clear and inspiring vision that outlines what the organization aims to achieve in the future.

2 **Conduct a SWOT Analysis:**

- Analyze the organization's internal strengths and weaknesses.
- Evaluate external opportunities and threats in the business environment.
- This analysis forms the basis for strategic planning by identifying areas for improvement and

potential areas for growth.

3. **Set Objectives and Goals:**

- Establish specific, measurable, achievable, relevant, and time-bound (SMART) objectives and goals.
- Objectives should be aligned with the organization's mission and vision and should address the findings of the SWOT analysis.

4. **Formulate Strategies:**

- Develop strategies that outline how the organization will achieve its objectives and goals.
- Consider different strategic options, such as market expansion, product development, cost leadership, differentiation, alliances, and more.
- Ensure that strategies are well-defined and provide a clear direction for the organization.

5. **Develop an Action Plan:**

- Create a detailed action plan that breaks down the strategies into specific tasks, responsibilities, and timelines.
- Allocate resources and budget as needed to implement the plan effectively.

6. **Implement Strategies:**

- Execute the action plan by putting the strategies into action.
- Monitor progress closely, manage resources, and address any challenges or issues that arise during implementation.

7. **Evaluate and Adjust:**

- Continuously monitor and evaluate the progress of the strategic plan.
- Use key performance indicators (KPIs) and metrics to assess whether objectives and goals are being met.
- If necessary, make adjustments to strategies or the action plan to ensure alignment with changing circumstances.

8. **Communicate and Engage:**

- Communicate the strategic plan and its progress to all relevant stakeholders, including employees, shareholders, and external partners.
- Engage employees and stakeholders in the process to ensure buy-in and commitment to the strategic objectives.

9. **Strategic Control:**

- Implement controls and feedback mechanisms to track progress and performance.
- Adjust strategies or take corrective actions if deviations from the plan occur.

10. **Strategic Review and Learning:**

- Periodically review the entire strategic management process.
- Identify lessons learned, best practices, and areas for improvement.

Strategic management is an ongoing process. After completing the initial cycle, organizations should start the process again to develop new strategies for the next planning period.

It's important to note that the strategic management process is not a one-time event but a continuous cycle that adapts to changes in the internal and external environment. Effective strategic management requires collaboration, communication, and commitment at all levels of the organization to ensure the successful implementation and achievement of long-term objectives.

Q6 what do you understand by the term organisational mission and vision?

Ans **Organizational Mission Statement:**

Definition: A mission statement is a concise, clear, and inspiring statement that articulates the fundamental purpose and reason for an organization's existence. It answers the question, "Why does the organization exist?"

Key Elements: The mission statement typically includes information about the organization's products or services, target customers, and the value it provides. It often highlights the organization's commitment to certain values, ethics, or principles.

Importance: The mission statement provides focus and identity to the organization. It serves as a constant reminder of its core purpose and helps in aligning strategies, decisions, and actions with this purpose.

Organizational Vision Statement:

Definition: A vision statement is a forward-looking, aspirational statement that outlines what an organization hopes to achieve in the future. It provides a vivid picture of the desired future state.

Key Elements: The vision statement is often inspirational and ambitious, motivating stakeholders to work toward a common goal. It sets a specific timeframe for achieving the envisioned future, creating a sense of urgency.

Importance: The vision statement acts as a beacon that guides the organization toward its desired future. It inspires and aligns employees, partners, and stakeholders by communicating a shared vision of success.

Q7 State the difference between vision and mission statement?

Ans

S.No	Basis	Vision	Mission
1	**Purpose**	The vision statement outlines the organization's aspirational and forward-looking goals. It answers the question, "Where does the organization aim to be in the future?"	The mission statement describes the fundamental purpose and reason for an organization's existence. It answers the question, "Why does the organization exist?"
2	**Focused**	Vision statements are future-focused and paint a vivid picture of what the organization hopes to achieve in the long term.	Mission statements are primarily present-focused. They articulate what the organization is currently doing and its core activities.
3	**Answer**	Vision statements address the "where" and "how" of the organizations desired future state, describing where it wants to go and how it plans to get there.	Mission statements typically address the "what" and "why" of the organization, outlining what the organization does and why it does it.
4	**Time-Bound**	Vision statements may include a timeframe or specific milestones for achieving the envisioned future, creating a sense of urgency.	Mission statements tend to remain relatively stable over time, as they reflect the enduring purpose of the organization.
5	**Strategic Direction**	Vision statements provide strategic direction by setting a clear and compelling long-term goal that guides the organization's strategic planning and decision-making.	Mission statements guide day-to-day operations and decisions by helping employees understand the organization's core purpose.

Q8 State the features of organisation vision and mission?

Ans Features of a Vision Statement:

- **Future-Oriented:** A vision statement is forward-looking, describing where the organization aspires to be in the future. It outlines a long-term, aspirational goal.

- **Inspiring:** It should inspire and motivate stakeholders, including employees, by presenting a compelling and exciting vision of success.
- **Clear and Concise:** A vision statement should be clear and concise, avoiding jargon or overly complex language. It should convey its message succinctly.
- **Specific and Measurable:** While vision statements are generally broad, they should include specific elements that allow progress to be measured and evaluated. This can include a timeframe or specific milestones.
- **Alignment with Values:** The vision statement should align with the organization's core values and principles, reflecting its ethical and cultural commitments.
- **Unique:** A good vision statement should set the organization apart from others in its industry or field, emphasizing what makes it distinct and remarkable.
- **Challenging Yet Achievable:** While it should be ambitious, the vision should still be attainable through strategic efforts and commitment.
- **Forward-Thinking:** A vision statement should anticipate changes in the external environment and the evolving needs of stakeholders.

Features of a Mission Statement:

- **Present-Oriented:** A mission statement describes the organization's current purpose and what it does to fulfill that purpose. It is focused on the organization's present activities.
- **Concise and Clear:** Similar to a vision statement, a mission statement should be clear, concise, and easily understood. It should convey the organization's primary function succinctly.
- **Practical and Actionable:** A mission statement should serve as a practical guide for the organization's daily operations and decision-making, helping to align actions with purpose.
- **Customer-Centric:** It often includes information about the target audience, customers, or beneficiaries of the organization's products or services.
- **Enduring:** While strategies and goals may change, a mission statement tends to remain relatively stable over time, reflecting the organization's core purpose.
- **Reflects Core Values:** It should reflect the organization's core values and ethical principles, providing a foundation for its culture and actions.
- **Defines Scope:** A mission statement should define the scope of the organization's activities and the boundaries of its operations.
- **Differentiates:** It can differentiate the organization from competitors by highlighting its unique value proposition and contributions.

- **Guides Decision-Making:** A well-crafted mission statement guides decision-making by helping the organization prioritize activities that align with its purpose.
- **Communicative:** A mission statement should effectively communicate to both internal and external stakeholders what the organization does and why it does it.

Q9 what do you understand by the term goals and state its features and types?

Ans Goals are specific targets or outcomes that individuals, organizations, or groups aim to achieve within a defined timeframe. Goals provide a sense of purpose and direction, guiding efforts and actions toward a desired result. Here are some key characteristics and types of goals

Characteristics of Goals:

- **Specific:** Goals should be clear and well-defined, leaving no room for ambiguity. They should specify precisely what is to be achieved.
- **Measurable:** Goals should be quantifiable, allowing for the measurement of progress and success. Establishing metrics or key performance indicators (KPIs) helps in tracking performance.
- **Achievable:** Goals should be realistic and attainable within the given resources, constraints, and timeframe. They should challenge individuals or organizations without being overly ambitious.
- **Relevant:** Goals should be aligned with the individuals or organization's overall objectives and mission. They should contribute to the broader purpose.
- **Time-Bound:** Goals should have a specific timeframe or deadline by which they are expected to be achieved. This creates a sense of urgency and accountability.

Types of Goals:

- **Short-Term Goals:** These are goals with a relatively short timeframe, typically within one year or less. They focus on immediate actions and outcomes.
- **Long-Term Goals:** Long-term goals extend beyond one year and often span several years or even decades. They provide a strategic vision for the future.
- **Personal Goals:** These are goals that individuals set for themselves in various aspects of life, such as career, health, education, and personal development.
- **Organizational Goals:** Organizations set goals related to their mission, vision, and strategic priorities. These can include financial goals, growth targets, customer satisfaction objectives, and more.
- **Performance Goals:** These goals are often related to job performance and are set by

managers and employees to improve individual or team performance.

Q10 what do you understand by the term objectives and state its features?

Ans Objectives are specific, measurable, and time-bound targets or outcomes that are set to achieve broader goals. They serve as stepping stones toward the accomplishment of larger aims, providing clear guidelines for actions and progress tracking. Here are some key characteristics and examples of objectives:

Characteristics of Objectives:

- **Specific:** Objectives should be clearly defined and focused on a particular result or outcome. They should answer the questions of what, who, where, and when.
- **Measurable:** Objectives should include quantifiable criteria or key performance indicators (KPIs) to assess progress and determine when the objective has been achieved.
- **Achievable:** Objectives should be realistic and attainable within the available resources, constraints, and timeframe. They should stretch but not overwhelm.
- **Relevant:** Objectives should align with broader goals and the organization's mission or purpose. They should contribute to the overall strategy.
- **Time-Bound:** Objectives should have a specific timeframe or deadline by which they should be accomplished. This adds a sense of urgency and accountability.

Q11 Difference between goals and objectives?

Ans

S.No	Basis	Goals	Objectives
1	**Definition**	Goals are broad, overarching statements that describe the desired outcome or direction of an endeavor. They provide a general sense of purpose but are often qualitative and may not be quantifiable on their own. Goals answer the question "What are we trying to achieve?"	Objectives are specific, measurable, and time-bound targets or outcomes that are set to achieve broader goals. They are concrete, quantifiable, and answer the question "How will we achieve our goals?"
2	**Specificity**	Goals are typically less specific and more abstract in nature. They provide a general sense of direction and purpose but lack the level of	Objectives are highly specific and detail-oriented. They include measurable criteria and

		detail found in objectives.	clear action plans to accomplish them.
3	**Measurability**	Goals are often qualitative and may not have easily measurable criteria. They are usually assessed subjectively	Objectives are quantitative and include specific metrics or key performance indicators (KPIs) that can be used to assess progress and success objectively.
4	**Timeframe**	Goals are generally long-term and do not have specific deadlines attached to them	Objectives are time-bound and include a specific timeframe or deadline by which they should be achieved.
5	**Scope**	Goals are broader and may encompass several related objectives. They provide a high-level context for decision-making	Objectives are more focused and represent specific actions or steps that contribute to the achievement of goals.
6	**Flexibility**	Goals tend to remain relatively stable over time and are less subject to change.	Objectives can be adjusted, modified, or replaced more easily as circumstances change or as new information becomes available.
7	**Alignment**	Goals provide an overarching vision and purpose for an endeavor, helping to align efforts and resources.	Objectives are aligned with and support the accomplishment of specific goals. They provide the actionable steps needed to realize those goals.

UNIT 2

Q12 what do you understand by the term Environmental Scanning?

Ans Environmental scanning is a strategic management process that organizations use to gather, analyze, and interpret information about their external environment. It involves monitoring and assessing various factors and trends that can impact an organization's operations, performance, and long-term sustainability. The purpose of environmental scanning is to identify opportunities and threats, anticipate changes, and make informed decisions to adapt to or capitalize on emerging circumstances.

Here are some key reasons why environmental scanning is essential:

- **Anticipating Change:** Environmental scanning allows organizations to anticipate and prepare for changes in the external environment. This is crucial because it helps organizations avoid being caught off guard by unexpected shifts in markets, regulations, technology, or consumer preferences.
- **Identifying Opportunities:** By monitoring trends and emerging developments, organizations can identify new opportunities for growth, innovation, and market expansion. Recognizing opportunities early can provide a competitive advantage.
- **Risk Mitigation:** Environmental scanning helps organizations identify potential threats and risks in the external environment. This includes regulatory changes, economic downturns, competitive pressures, and emerging risks like cyber security threats or environmental concerns. With this information, organizations can develop strategies to mitigate these risks.
- **Informed Decision-Making:** It provides decision-makers with valuable information and insights. When leaders have a better understanding of the external factors affecting their organization, they can make more informed and strategic decisions.
- **Competitive Advantage:** Understanding the competitive landscape through environmental scanning allows organizations to position themselves effectively in the market. This includes identifying gaps in the market, assessing competitors' strengths and weaknesses, and differentiating their products or services.
- **Strategic Planning:** Environmental scanning is a fundamental component of the strategic planning process. It helps organizations align their goals and strategies with the external environment, ensuring that their plans are relevant and adaptable.
- **Resource Allocation:** Organizations can allocate their resources more effectively by considering external factors. For example, they can invest in research and development

(R&D) in areas that align with emerging technological trends or allocate marketing budgets based on changing consumer preferences.

- **Enhanced Adaptability:** In today's rapidly changing business landscape, adaptability is a key success factor. Environmental scanning fosters a culture of adaptability and responsiveness within organizations, allowing them to pivot when necessary.
- **Customer Insights:** By monitoring social and consumer trends, organizations gain insights into customer behavior and preferences. This information can inform product development, marketing strategies, and customer engagement efforts.
- **Compliance and Regulation:** Staying informed about changes in regulations and compliance requirements is crucial for avoiding legal issues and ensuring ethical and responsible business practices.
- **Sustainability and Corporate Responsibility:** Environmental scanning can help organizations stay attuned to environmental and social issues, enabling them to incorporate sustainability and corporate responsibility into their strategies and operations.
- **Globalization and Market Expansion:** For organizations looking to expand globally, environmental scanning is essential for understanding cultural differences, market dynamics, and international regulations.
- **Long-Term Viability:** Organizations that engage in effective environmental scanning are better equipped to secure their long-term viability by proactively addressing challenges and capitalizing on opportunities.

In conclusion, environmental scanning is not just a useful tool; it's a critical component of strategic management. It empowers organizations to make informed decisions, adapt to change, and position themselves for success in an increasingly complex and dynamic business environment.

Q12 explain how an organisation can do the appraisal of external environment?

Ans The appraisal of the external environment is a crucial step in the strategic management process. It involves assessing and analyzing the various factors and forces outside an organization that can impact its operations and long-term success. This external analysis helps organizations make informed strategic decisions and adapt to changing circumstances. Here's an appraisal of the external environment in strategic management:

1. PESTEL Analysis: One commonly used framework for external environmental appraisal is the PESTEL analysis, which examines six key categories of external factors:

Political: This includes government policies, stability, regulations, taxation, and political risk. Changes in political factors can significantly affect industries and businesses.

Economic: Economic factors encompass aspects like economic growth, inflation rates, exchange rates, interest rates, and consumer spending patterns. These factors impact market demand, cost structures, and profitability.

Sociocultural: Sociocultural factors involve demographics, cultural norms, values, lifestyle trends, and consumer behavior. Understanding these factors is vital for marketing and product development.

Technological: The technological environment includes advances in technology, innovation, and the impact of new technologies on industries. Organizations need to stay abreast of technological trends to remain competitive.

Environmental: This pertains to environmental and sustainability factors, including climate change, environmental regulations, and societal awareness of environmental issues. Organizations must consider their environmental impact and sustainability practices.

Legal: Legal factors encompass laws, regulations, and legal constraints that can affect business operations, such as labor laws, intellectual property regulations, and industry-specific regulations.

2. Industry Analysis: Beyond PESTEL analysis, organizations often conduct a comprehensive analysis of their specific industry or market. Porter's Five Forces model is a widely used framework for this purpose, examining factors such as the bargaining power of suppliers and buyers, the threat of new entrants, the threat of substitutes, and competitive rivalry within the industry.

3. Competitive Analysis: Understanding the competitive landscape is essential. Organizations assess their direct competitors' strengths and weaknesses, market share, strategies, and customer bases. This analysis helps in crafting competitive strategies.

4. Market Research: Market research involves gathering data on customer preferences, needs, and behaviors. It helps organizations identify market trends, target audiences effectively, and develop products and services that meet customer demands.

5. Customer Feedback: Direct feedback from customers, whether through surveys, focus groups, or social media, provides valuable insights into customer satisfaction and preferences.

6. Technological Scanning: Given the rapid pace of technological change, organizations should continually scan for emerging technologies that could disrupt their industry or create new opportunities.

7. Social Media Monitoring: Social media platforms offer real-time insights into public sentiment, customer feedback, and emerging trends, making them valuable tools for environmental appraisal.

8. Global Factors: Organizations that operate in international markets need to consider global factors like international trade policies, geopolitical stability, and currency exchange rates.

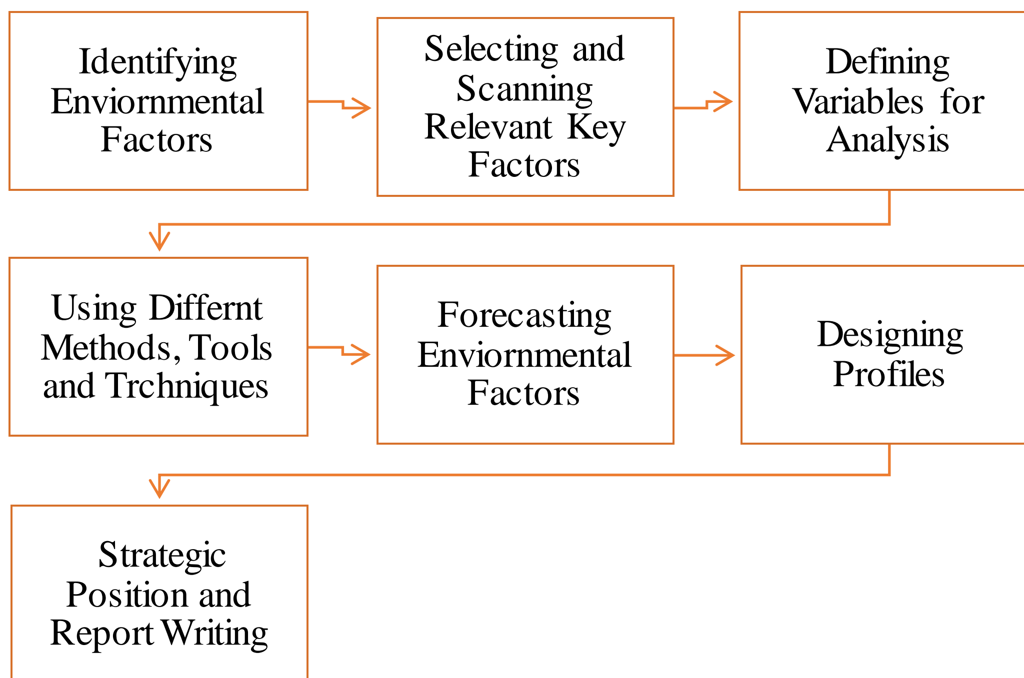
9. Scenario Planning: Environmental appraisal often includes scenario planning, where organizations develop multiple scenarios of possible future environments to prepare for different contingencies.

10. Stakeholder Engagement: Organizations may involve various stakeholders, including employees, customers, suppliers, and investors, in the appraisal process to gain diverse perspectives.

In conclusion, the appraisal of the external environment is a dynamic and ongoing process in strategic management. It helps organizations understand the opportunities and threats in their environment, adapt to change, and formulate strategies that align with the external realities they face. This analysis is a critical foundation for effective strategic decision-making.

Q13 explain the process of environmental scanning?

Ans



Q 14 Explain the Techniques of Environmental Scanning?

Ans SWOT analysis is a strategic planning tool used by organizations to assess their internal strengths and weaknesses, as well as the external opportunities and threats in their operating

environment. It helps organizations gain a comprehensive understanding of their current position and formulate strategies to achieve their objectives. The term "SWOT" stands for:

Strengths: These are the internal characteristics and resources that give an organization a competitive advantage and help it achieve its goals. Strengths can include things like a strong brand, skilled workforce, efficient processes, proprietary technology, and financial stability.

Weaknesses: Weaknesses are also internal factors but represent the areas where an organization may be lacking or where it faces challenges. Weaknesses can include poor management, outdated technology, limited resources, and a lack of specific expertise.

Opportunities: Opportunities are external factors that an organization can leverage to its advantage. These are typically favorable trends or situations in the external environment that can create new prospects for growth and success. Opportunities can include emerging markets, changes in consumer preferences, technological advancements, or favorable regulatory changes.

Threats: Threats are external factors that pose risks or challenges to an organization's performance and objectives. These can include competitive pressures, economic downturns, changing regulations, natural disasters, and shifts in consumer behavior.

2**. PESTEL** analysis, also known as PESTEL analysis or PEST analysis, is a framework used by organizations to assess and analyze the macro-environmental factors that can impact their operations and decision-making. PESTEL stands for Political, Economic, Social, Technological, Environmental, and Legal factors. By examining these factors, organizations can gain insights into the external forces that might affect their business environment. Here's a breakdown of each component of a PESTEL analysis:

Political Factors:

These factors encompass the influence of government policies, regulations, and political stability on an organization. Key considerations include taxation policies, trade restrictions, government stability, and the impact of political decisions on business operations.

Economic Factors:

Economic factors focus on the overall economic conditions within the region or markets where the organization operates. This includes factors such as inflation rates, exchange rates, economic growth or recession, interest rates, and the overall state of the labor market.

Social Factors:

Social factors examine the cultural, demographic, and societal aspects that can affect an organization. This includes factors like population demographics, consumer behavior, lifestyle trends, social values, and attitudes.

Technological Factors:

Technological factors consider the impact of technological advancements and innovation on the organization. This involves assessing the rate of technological change, research and development (R&D) activities, access to technology, and the potential for disruptive technologies.

Environmental Factors:

Environmental factors address the ecological and sustainability aspects of an organization's operations. This includes concerns related to environmental regulations, sustainability practices, climate change, and the organization's environmental impact.

Legal Factors:

Legal factors encompass the laws and regulations that affect business operations. This includes labor laws, consumer protection laws, intellectual property rights, industry-specific regulations, and compliance requirements.

3. **ETOP (Environmental Threats and Opportunities Profile)** analysis is a strategic management tool used by organizations to evaluate the external factors in their business environment. It is similar to a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis but focuses exclusively on external factors. ETOP analysis helps organizations identify and prioritize potential threats and opportunities in the external environment that may affect their operations and strategies. Here's how to conduct an ETOP analysis:

Identification of External Factors:

1. Begin by identifying and listing the key external factors that can influence your organization. These factors can be categorized into different aspects of the business environment, such as political, economic, social, technological, environmental, and legal (PESTEL factors).
2. **Gathering Information:**

Collect relevant data and information about each of the identified external factors. This may involve conducting market research, monitoring industry trends, reviewing government policies and regulations, and analyzing the competitive landscape.

3. **Rating and Ranking Factors:**

After gathering information, assess the impact of each external factor on your organization. You can use a rating scale (e.g., from 1 to 5, with 1 being low impact and 5 being high impact) to assign a score to each factor based on its significance.

Assessing Opportunities and Threats:

Once the external factors are rated and ranked, classify them into opportunities and threats.

Factors with high positive impact and potential benefits are considered opportunities, while those with high negative impact and potential risks are considered threats.

Creating an ETOP Matrix:

Construct an ETOP matrix or chart that visually represents the identified opportunities and threats. In the matrix, you can list and describe each opportunity and threat along with its corresponding rating and rank.

Prioritizing Opportunities and Threats:

Prioritize the opportunities and threats based on their significance and potential impact on your organization. This prioritization will help you focus on the most critical issues.

Developing Strategies:

Based on the prioritized opportunities and threats, develop strategies to leverage the opportunities and mitigate the threats. These strategies should align with your organization's goals and objectives.

Implementation and Monitoring:

Implement the strategies and regularly monitor the external environment to stay updated on changes in the factors you identified. Adjust your strategies as necessary to respond to evolving threats and opportunities.

ETOP analysis provides a structured framework for organizations to better understand the external factors that can affect their business. By identifying and addressing potential threats and capitalizing on opportunities, organizations can develop more robust and adaptive strategies to navigate their external environment effectively.

4. **QUEST Analysis:**

   The quest or "quick environmental scanning technique" it facilitates the environment factors and assess their influence on the organisation. It tries to identify the environmental forces on the basis of events and trends occurring in the market.

   It allows the executives to understand and analyses the different perceptions, interpretations and points mistakes regarding the environment.

   This technique helps the executives in voicing their perceptions and analyzing the points at which individual differs from each other. Once the points at which executives disagree are identified, it is possible for the mangers to negotiate with them so that the consensus can be achieved.

Q15 Difference between Micro and Macro Environment?

Ans

Basis	Micro Environment	Macro Environment
Scope	The microenvironment refers to the immediate and specific factors that directly affect an organization's day-to-day operations and decision-making. These factors are typically closer to the organization and are within its control or influence.	The microenvironment encompasses broader external factors that are beyond the organization's control and have a more indirect influence on its operations. These factors are often larger in scale and can impact the organization over a longer term.
Factors	The microenvironment includes factors like customers, suppliers, competitors, employees, shareholders, and distribution channels. These are the stakeholders and entities with whom the organization interacts directly and regularly.	The microenvironment consists of factors such as economic conditions, technological advancements, political and legal factors, socio-cultural trends, demographic changes, and environmental issues. These factors shape the overall business environment but are not directly controllable by the organization.
Control	Organizations have a higher degree of control over the factors within the microenvironment. They can make immediate changes and decisions to manage relationships with customers, suppliers, and other stakeholders.	Organizations have limited control over the macro environmental factors. They can adapt to these factors and develop strategies to mitigate their impact, but they cannot directly change them.
Impact	The impact of micro environmental factors is more immediate and can directly affect an organization's sales, profitability, and market positioning. For example, a competitor's pricing	The impact of macro environmental factors is broader and may be less immediately noticeable. These

	strategy can impact a company's market share.	factors can shape the overall market conditions, customer behavior, and industry trends over the long term.
Examples	Examples include customer preferences, supplier relationships, employee morale, and competitive rivalry within a specific industry.	Examples include economic recessions, technological innovations, government regulations, cultural shifts, and global environmental concerns.

Q16 Write a Short Note on:

a) Appraisal of External Environment

b) Appraisal of Internal Environment

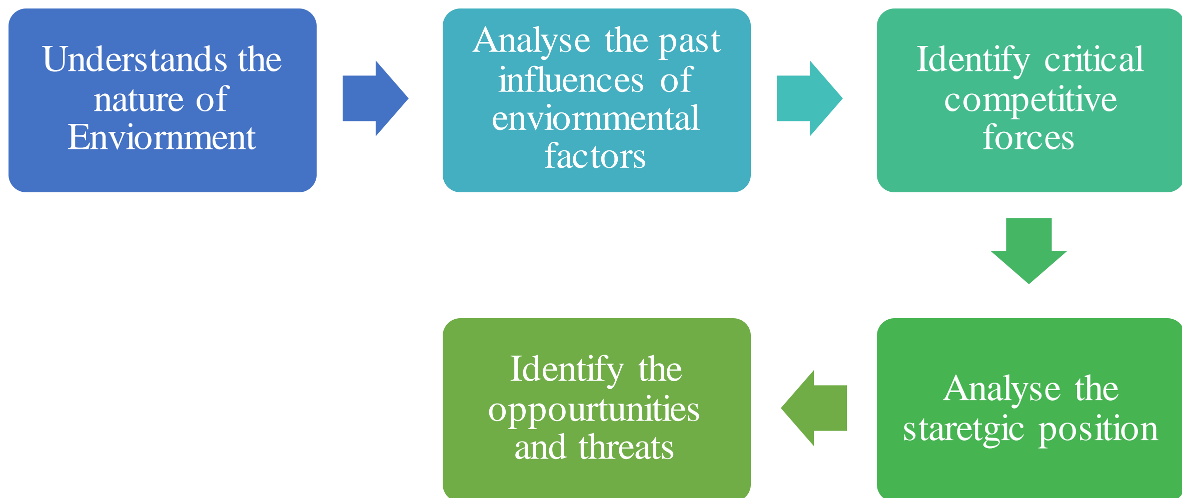
Ans There are numerous factors which affect the organisation and also its operations. These factors influence the organisation in both negative and positive aspect. Identifying the issues as well as the challenges in the external environment is extremely important for an organisation.

It facilitates the managers with the ability to study the competitive structure and competitive position of the organisation along with the position of the competitors.

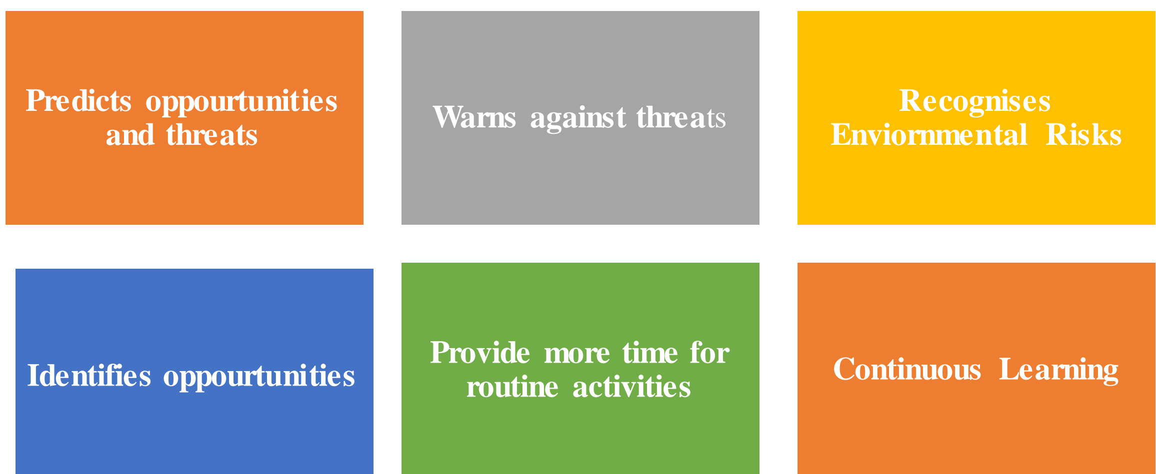
By analyzing and appraising the external environment, the existing opportunities and threats can be identified. It is the responsibility of the managers to avoid the threats and to reap the benefits from the opportunities in the market. Environmental appraisal also helps the management in analyzing the effects of the globalization on the level of competition within a particular industry. It is well known that the business environment that never remains stable and keeps on changing. As the business grows and expands the changes in the external environment compels the Organisations to make the efficient strategies to deal with the contingency situation.

Environmental appraisal also allows an organisation to study the steps taken by the competitors in the market.

❖ PROCEDURE OF EXTERNAL APPRAISAL



❖ SIGNIFICANCE OF EXTERNAL APPRAISAL



❖ LEVELS OF EXTERNAL APPRAISAL

External appraisal, often referred to as external evaluation or assessment, involves the assessment of an organization, project, product, or individual by external entities or individuals who are not directly involved in the subject being evaluated. External appraisal can take various forms and levels, depending on the scope and purpose of the assessment.

❖ **Environmental Scanning :** Environmental scanning, also known as environmental analysis or environmental assessment, is a strategic management process that organizations and individuals use to gather, analyze, and interpret information about their external environment. The goal of environmental scanning is to identify opportunities and threats that may affect an organization's performance, strategies, and decision-

making. This process is essential for staying competitive and adapting to changing conditions.

- **Industry Analysis :-**

  Industry analysis is a critical component of strategic planning and market research. It involves the examination of various factors and dynamics that impact a specific industry or sector of the economy. The primary goal of industry analysis is to gain a comprehensive understanding of the industry's current state, trends, competitive landscape, and potential opportunities and threats. Here are the key components and steps involved in industry analysis:

- **Industry Definition:** Define the scope and boundaries of the industry you are analyzing. Industries can be broadly defined (e.g., the automotive industry) or more narrowly defined (e.g., electric vehicle manufacturing)
- **Market Size and Growth:** Determine the size of the market or industry in terms of revenue, sales volume, or other relevant metrics. Analyze historical growth rates and forecast future trends to understand the industry's growth potential.
- **Market Trends**: Identify and assess current and emerging trends within the industry. This can include technological advancements, consumer preferences, regulatory changes, and macroeconomic factors.
- **Competitive Analysis:** Analyze the competitive landscape by identifying key players in the industry. Assess their market share, strengths, weaknesses, strategies, and financial performance. This often involves using tools like Porter's Five Forces analysis to understand competitive forces within the industry.
- **Barriers to Entry:** Evaluate the barriers that may prevent new entrants from easily entering the industry. Barriers can include high capital requirements, economies of scale, proprietary technology, and regulatory hurdles.
- **Supplier and Buyer Power:** Analyze the bargaining power of suppliers and buyers within the industry. Understanding these dynamics can help assess pricing pressures and supply chain risks.
- **Substitute Products and Services:** Identify potential substitutes for the industry's products or services. Assess the threat these substitutes pose and their impact on market demand.
- **Regulatory Environment:** Examine the regulatory framework governing the industry. Understand how regulations affect operations, compliance costs, and market entry.
- **SWOT Analysis:** Conduct a SWOT analysis (Strengths, Weaknesses, Opportunities,

and Threats) to summarize the key internal and external factors affecting the industry.

- **Key Success Factors:** Identify the critical factors that drive success within the industry. These may include factors like innovation, distribution networks, brand reputation, and customer loyalty.
- **Industry Life Cycle:** Determine where the industry falls in its life cycle (e.g., introduction, growth, maturity, and decline). Different stages of the life cycle may require different strategies.
- **Future Outlook:** Provide insights into the expected future of the industry, including growth prospects, challenges, and disruptive forces.
- **Risk Assessment:** Analyze potential risks and uncertainties that the industry faces, such as economic downturns, changing consumer preferences, or geopolitical factors.
- **Strategic Implications:** Based on the analysis, derive strategic implications and recommendations for businesses operating within the industry or considering entry.

❖ **Competitive Analysis:**

While appraising the external environment it is very important to analyses the strength and weakness of the existing and probable competitors. It helps the organisation to formulate the strategies required to survive and succeed in the highly competitive environment. It also outlines the strategies adopted by the competitors. The influence of competition is directly proportional to the degree of concentration in the industry. If the concentration of the industry is high, the influence of competition is high and vice versa. It helps the organisation to identify its opportunities and threats.

❖ **APPRAISAL OF INTERNAL ENVIORNMENT**

Appraising the internal environment of an organization is a crucial step in strategic planning and management. An internal environment appraisal, often referred to as an internal analysis, involves assessing the organization's strengths and weaknesses across various internal factors and resources. This assessment provides valuable insights for strategic decision-making and helps organizations leverage their strengths while addressing weaknesses. Here are key components and steps in the appraisal of the internal environment:

- **Organizational Structure:** Evaluate the structure of the organization, including its hierarchy, departments, and reporting lines. Consider whether the structure is aligned with the organization's goals and objectives.
- **Leadership and Management:** Assess the effectiveness of leadership and

management within the organization. Analyze the skills, experience, and decision-making capabilities of key executives and managers.

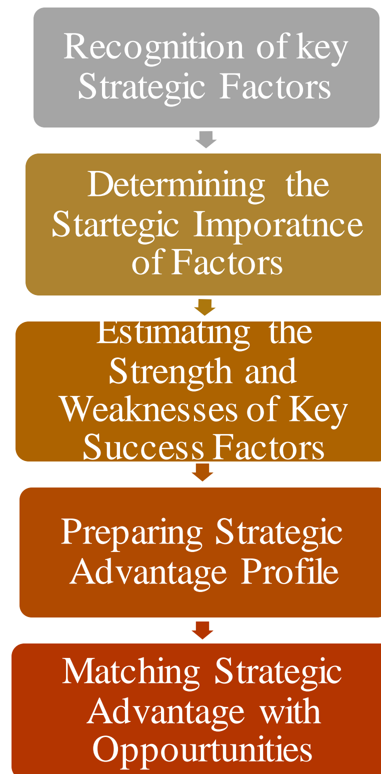
- **Human Resources:** Examine the quality and capabilities of the workforce. This includes assessing employee skills, experience, training, and retention rates. Consider whether the organization has the right talent in place to achieve its objectives.
- **Culture and Values:** Evaluate the organizational culture and values. Determine if they align with the organization's mission and goals. Consider aspects like teamwork, innovation, ethics, and employee morale.
- **Financial Resources:** Analyze the organization's financial health. Assess key financial metrics, including revenue, profitability, liquidity, and solvency. Identify areas of financial strength and areas that may require improvement.
- **Operational Efficiency:** Assess the efficiency and effectiveness of the organization's operations and processes. Identify areas where processes can be streamlined or improved to reduce costs or enhance productivity.
- **Technology and IT Infrastructure:** Evaluate the organization's technology infrastructure and capabilities. Consider whether the technology supports the organization's operations and strategic goals. Assess cyber security measures and data management practices.
- **Marketing and Sales:** Analyze the organization's marketing and sales strategies and capabilities. Assess brand awareness, customer acquisition, sales channels, and customer retention efforts.
- **Product or Service Portfolio:** Evaluate the organization's products or services. Assess their quality, uniqueness, and relevance in the market. Consider product lifecycle stages and opportunities for innovation.
- **Supply Chain and Logistics:** Analyze the efficiency of the supply chain and logistics processes. Assess inventory management, supplier relationships, and distribution networks.
- **Research and Development (R&D):** Evaluate the organization's R&D capabilities and innovation efforts. Assess the investment in new products, technologies, or processes.
- **Financial Management:** Review the financial management practices, including budgeting, forecasting, and cost control. Ensure that financial resources are managed effectively.
- **Quality Control:** Assess the organization's quality control and assurance processes to

ensure the delivery of high-quality products or services.

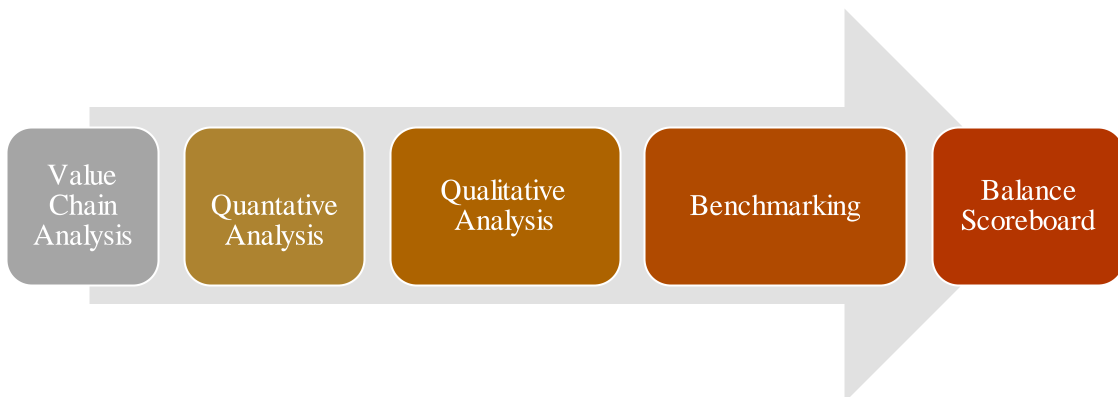
- **Risk Management:** Evaluate the organization's risk management practices. Identify potential risks and assess the effectiveness of risk mitigation strategies.
- **Intellectual Property:** Consider whether the organization has valuable intellectual property, such as patents, trademarks, or proprietary technology, and how it is protected.
- **Customer Relationships:** Assess customer relationships and satisfaction levels. Analyze feedback and customer service practices.
- **Supplier Relationships:** Evaluate relationships with suppliers and vendors. Ensure that they are reliable and contribute to the organization's success.
- **Legal and Regulatory Compliance:** Ensure that the organization complies with all relevant laws, regulations, and industry standards.
- **Environmental and Social Responsibility:** Consider the organization's commitment to environmental sustainability and social responsibility.
- **SWOT Analysis:** Summarize the key findings from the internal analysis in a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) to identify the internal factors that can be leveraged and those that need improvement.

❖ DYNAMICS OF INTERNAL ENVIORNMENT

❖ PROCEDURAL OF INTERNAL APPRAISAL



- **TECHNIQUES OF INTERNAL APPRAISAL**



Q17 **what do you understand by Organisational Capabilities? And also state the types of capabilities in various functional areas?**

Ans Organizational capability in strategic management refers to an organization's capacity to effectively develop, execute, and adapt its strategic plans and initiatives. It involves a set of internal and external resources, processes, and competencies that enable an organization to achieve its long-term objectives and respond to changes in its environment. Here are key elements of organizational capability in strategic management:

- **Strategic Planning:** The organization should have a well-defined and structured strategic planning process that involves setting clear objectives, analyzing the internal and external

environment, and formulating strategies to achieve its goals.

- **Leadership:** Effective leadership is essential in driving strategic initiatives. Leaders must provide vision, direction, and alignment throughout the organization, ensuring that everyone understands and supports the strategic objectives.
- **Resource Allocation:** The ability to allocate resources (financial, human, and technological) in alignment with strategic priorities is crucial. This includes budgeting, prioritization, and resource management.
- **Competitive Analysis:** Understanding the competitive landscape, industry trends, and market dynamics is essential for making informed strategic decisions. Regular market research and competitive intelligence gathering are part of this capability.
- **Organizational Culture:** A culture that encourages innovation, risk-taking, and adaptability can facilitate effective strategic management. A culture of continuous improvement and learning is also beneficial.
- **Talent and Skills:** Ensuring that the organization's workforce possesses the necessary skills and competencies to execute the chosen strategies is critical. Capability development, training, and talent acquisition are part of this.
- **Technology and Information Systems:** Information systems and technology play a role in data analysis, decision support, and efficient execution of strategies. The organization should have the capability to leverage technology effectively.
- **Performance Measurement and Evaluation:** The organization needs mechanisms to measure and evaluate its performance against strategic objectives. Key performance indicators (KPIs) and performance dashboards are often used for this purpose.
- **Change Management:** Effective change management capabilities help the organization navigate transitions associated with strategic changes, ensuring that employees are onboard and resistant to change is minimized.
- **Risk Management:** Organizations should be able to assess, mitigate, and manage risks associated with their strategic initiatives. This includes identifying potential threats and developing contingency plans.
- **Alignment and Communication:** Effective communication ensures that everyone within the organization is aligned with the strategic direction. Communication channels should be open, transparent, and well-managed.
- **Customer Focus:** Understanding customer needs and preferences is fundamental to strategic management. Organizations should have the capability to gather customer feedback and

incorporate it into their strategies.

- **Ethical and Legal Considerations:** Ensuring that strategic initiatives comply with ethical and legal standards is vital. The organization should have the capability to navigate complex regulatory environments.
- **Collaboration and Partnerships:** Building relationships and partnerships with other organizations can enhance strategic capabilities by providing access to complementary resources and expertise.

❖ **TYPES OF ORGANSIATIONAL CAPABILITY**

Organizational capabilities refer to an organization's ability to perform various tasks, functions, and activities effectively. These capabilities can be categorized into several types based on their nature and function within the organization. Here are some common types of organizational capabilities:

- **Strategic Capability:** The ability to formulate, implement, and adapt strategic plans and initiatives to achieve the organization's long-term objectives. This includes strategic planning, market analysis, and strategic leadership.
- **Operational Capability:** The capacity to efficiently manage day-to-day operations and processes. This includes production, supply chain management, quality control, and workflow optimization.
- **Innovation Capability:** The skill to generate new ideas, products, services, or processes and foster a culture of innovation within the organization. This involves research and development, creative problem-solving, and fostering a culture of experimentation.
- **Financial Capability:** Competence in managing financial resources, budgeting, financial analysis, and risk management to ensure financial stability and growth.
- **Marketing and Sales Capability:** The ability to effectively market products or services, identify target markets, and generate sales. This includes market research, branding, customer relationship management, and sales strategies.
- **Human Resource Capability:** The capacity to attract, retain, and develop a skilled and motivated workforce. This includes talent acquisition, training and development, performance management, and employee engagement.
- **Information Technology Capability:** Competence in adopting and utilizing technology to enhance operations, data management, cyber security, and digital transformation.
- **Customer Service Capability**: The skill to provide excellent customer service, respond to customer needs, and maintain high levels of customer satisfaction. This involves customer

support, complaint resolution, and feedback mechanisms.

- **Supply Chain and Logistics Capability:** Efficiently managing the procurement of raw materials, production processes, and distribution networks to ensure timely delivery of products and services.
- **Risk Management Capability:** The ability to identify, assess, and manage risks effectively to protect the organization from potential threats and uncertainties.

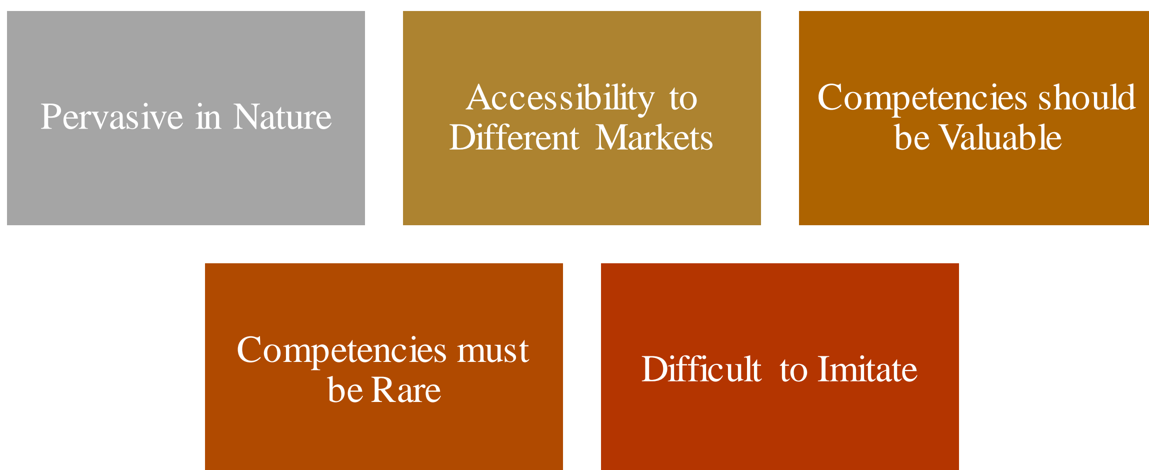
These types of organizational capabilities can vary in importance and focus depending on the organization's industry, size, and strategic goals. Developing and strengthening these capabilities is crucial for an organization's long-term success and competitiveness.

Q18 **what do you understand by the term core competence and what is the need of competencies in an organisation?**

Ans In strategic management, core competence refers to the unique strengths and strategic advantages that give an organization a competitive edge. It is the collective knowledge, skills, expertise, technologies, and capabilities that distinguish a company from its competitors and enable it to provide superior value to customers.

The capability of utilizing the resources in an harmonized way for attaining definite objectives is known as competence.

❖ Characteristics of Core Competence



Q19 **what do you understand by the term organisational appraisal? What is the need of organizational appraisal?**

Ans Organizational appraisal, also known as organizational performance appraisal, is the process of evaluating and assessing an organization's overall performance, effectiveness, and efficiency.

This assessment can help organizations identify strengths, weaknesses, areas for improvement, and opportunities for growth.

Organizational appraisal is needed for several important reasons:

- **Performance Assessment:** Organizational appraisal allows an organization to assess its performance, both in terms of its strengths and weaknesses. This evaluation provides a clear understanding of where the organization stands in relation to its goals, competitors, and industry benchmarks.
- **Identifying Improvement Areas:** Through the appraisal process, an organization can identify areas that require improvement. This can encompass various aspects, such as operational efficiency, employee performance, customer satisfaction, product quality, and financial stability.
- **Strategic Alignment:** An appraisal helps ensure that the organization's activities and initiatives are aligned with its strategic goals and objectives. It provides insight into whether the organization is on track to achieve its long-term vision.
- **Resource Allocation:** By assessing performance, organizations can make informed decisions about resource allocation. This includes budget allocation, manpower planning, and investment decisions in areas that have the greatest potential for improvement and impact on strategic goals.
- **Competitive Advantage:** Understanding how an organization compares to its competitors is crucial. An appraisal can reveal areas where the organization can gain a competitive advantage, whether through innovation, cost reduction, or improving customer service.
- **Employee Engagement and Satisfaction:** An organizational appraisal can include surveys or assessments of employee engagement and satisfaction. This data is essential for understanding the workforce's needs and concerns, which can lead to improved retention, productivity, and morale.
- **Customer Insights:** Assessing customer satisfaction and feedback is a key component of many organizational appraisals. This information helps organizations enhance products and services, address customer concerns, and maintain strong customer relationships.
- **Decision-Making:** Appraisal data provides valuable information for decision-making at all levels of the organization. Leaders can make informed choices about strategic direction, investments, and resource allocation based on the findings of the appraisal.
- **Accountability and Transparency:** Organizational appraisal promotes accountability within the organization. It holds individuals and departments responsible for their performance and

encourages transparency in reporting and decision-making.

- **Continuous Improvement:** Appraisals are not a one-time event but part of a continuous improvement process. Regular assessments help organizations track progress over time and make adjustments to their strategies and operations as needed.

In summary, organizational appraisal is a critical tool for organizations to evaluate their performance, identify areas for improvement, align with strategic goals, and make data-driven decisions. It plays a vital role in maintaining competitiveness, fostering growth, and ensuring long-term sustainability.

UNIT 3

Q20 Explain corporate level strategy?

Ans Corporate-level strategy refers to the overall plan and approach that a company's top management team develops to guide the organization as a whole. It involves making choices about which businesses or industries to compete in and how to allocate resources across different business units. Corporate-level strategy sets the direction for the entire organization and addresses questions related to its scope, growth, diversification, and synergies. There are several types of corporate-level strategies that organizations may adopt, depending on their goals and circumstances. Here are some common types:

Growth Strategies:

- **Market Penetration:** Focuses on increasing market share within existing markets by selling more of the current products or services. This often involves aggressive marketing, pricing, or distribution strategies.
- **Market Development:** Seeks to enter new markets or expand into new geographic regions with existing products or services.
- **Product Development:** Involves creating and introducing new products or services to existing markets.
- **Diversification:** Can be either related (entering new businesses that are related to the current business) or unrelated (entering businesses that have no significant connection to the current business).

Stability Strategies:

These strategies are about maintaining the status quo and avoiding major changes. They may be suitable when a company faces uncertainty or has reached a plateau in growth.

- **Pause/Proceed with Caution:** A company may temporarily halt expansion efforts to reassess its direction.
- **No-Change:** The Company maintains its current operations and does not actively seek growth or contraction.

Retrenchment Strategies:

These strategies involve reducing the scale of a corporation's operations. They are typically employed when a company faces financial distress or a need to restructure.

- **Turnaround:** Focuses on reversing declining performance by making significant operational changes and cost reductions.
- **Divestiture:** Involves selling off underperforming business units or assets to improve the overall financial health of the company.
- **Liquidation:** The most drastic form of retrenchment, where the company sells off all its assets and ceases operations.

Combination Strategies

A combination strategy, also known as a hybrid strategy, is an approach that involves integrating elements of different generic or competitive strategies to create a unique strategy tailored to a company's specific situation and objectives. Instead of strictly adhering to a single, pure strategy (such as cost leadership, differentiation, or focus), a combination strategy seeks to leverage the strengths of multiple strategies simultaneously.

Here are some advantages and disadvantages of corporate level strategy

Advantages:

- **Diversification:** Corporate-level strategies can allow a company to diversify its operations across different industries or markets. This diversification can help reduce risk by spreading it across multiple businesses.
- **Synergy:** When companies have multiple business units, they can often find opportunities for synergy, where the combined efforts of these units create greater value than they would individually. This can lead to cost savings and revenue enhancements.
- **Economies of Scale:** Operating multiple businesses under a common corporate umbrella can lead to economies of scale, as resources and capabilities can be shared or leveraged across different units, reducing costs.
- **Portfolio Management:** Corporate-level strategies enable a company to manage its portfolio of businesses more strategically, allocating resources to businesses with the greatest growth potential and divesting from underperforming ones.

- **Risk Management:** By having a diverse portfolio of businesses, a company can better manage risk. Poor performance in one business can be offset by strong performance in another.

Disadvantages:

- **Complexity:** Managing multiple businesses can be highly complex and require significant managerial resources. It can be challenging to coordinate and integrate diverse operations effectively.
- **Lack of Focus:** Diversification can sometimes lead to a lack of focus on the core competencies of the company. This can result in reduced competitiveness in individual markets.
- **Conflict of Interest:** Different business units may have conflicting interests, which can create internal conflicts and hinder decision-making at the corporate level.
- **Resource Allocation Challenges:** Deciding how to allocate resources among different business units can be challenging. Failing to allocate resources appropriately can lead to underinvestment or overinvestment in certain areas.
- **Reduced Accountability:** In a highly diversified company, it may be difficult to hold individual business units accountable for their performance, as their results can be overshadowed by the performance of the overall corporation.
- **Limited Agility:** Large corporations with multiple business units may be less agile and responsive to changes in the external environment compared to smaller, more focused competitors.

In summary, corporate-level strategies can offer significant benefits, such as diversification, synergy, and economies of scale, but they also come with challenges, including complexity, resource allocation dilemmas, and potential loss of focus. The appropriateness of a corporate-level strategy depends on the specific goals and circumstances of the organization. Companies must carefully weigh the advantages and disadvantages to determine the most suitable approach for their long-term success.

Q21 Explain Business level strategy?

Ans Business-level strategy refers to how a company competes in a specific market or industry to gain a competitive advantage and achieve its goals. These strategies focus on the choices and actions a company takes to differentiate itself from competitors or to achieve cost leadership within its chosen market segment. There are several types of business-level strategies:

Cost Leadership Strategy:

Cost leadership involves becoming the low-cost producer in the industry. Companies pursuing this strategy aim to offer products or services at lower costs than their competitors while

maintaining acceptable quality. Key tactics may include economies of scale, efficient production processes, supply chain optimization, and cost control.

Examples: Walmart in retail, Southwest Airlines in the airline industry.

Differentiation Strategy:

Differentiation strategy aims to create unique and distinctive products or services that are perceived as valuable by customers. Companies focus on offering features, quality, or attributes that set them apart. Effective branding, innovation, superior product design, and marketing efforts are common tactics.

Examples: Apple in consumer electronics, Tesla in electric vehicles.

Cost Focus Strategy:

A cost focus strategy involves concentrating on a narrow market segment or niche and achieving cost leadership within that segment. This allows companies to cater to a specific group of customers' needs. Concentrating resources and expertise on a particular market can result in cost advantages.

Examples: Dollar General in discount retail, Ryan air in budget air travel.

Differentiation Focus Strategy:

With a differentiation focus strategy, a company targets a specific niche market and aims to provide uniquely differentiated products or services that meet the distinct preferences of that market segment.

Customization, specialized features, and personalized service are often key elements.

Examples: Rolex in luxury watches, Whole Foods Market in organic and natural foods.

Here are some advantages and disadvantages of Business level strategy

Advantages:

- **Competitive Advantage:** A well-executed business-level strategy can lead to a sustainable competitive advantage, making it difficult for competitors to match the company's value proposition.
- **Market Focus:** Business-level strategies help companies focus their resources and efforts on specific market segments, allowing them to tailor products or services to the needs of those customers.
- **Customer Loyalty:** Effective business-level strategies can build strong customer loyalty and brand recognition, leading to repeat business and customer referrals.
- **Cost Leadership:** A cost leadership strategy can result in lower production costs, allowing a company to offer competitive prices and potentially gain a larger market share.

- **Differentiation:** A differentiation strategy can create a unique and premium brand image, allowing a company to command higher prices and achieve higher profit margins.
- **Innovation:** Business-level strategies that focus on innovation can lead to new product or service offerings that meet emerging customer needs and stay ahead of the competition.

Disadvantages:

- **Risk of Imitation:** Successful business-level strategies can attract competitors who may try to replicate the same approach, potentially eroding the company's competitive advantage.
- **Costs:** Pursuing a differentiation strategy or investing in innovation can be costly, and there is no guarantee of immediate or sustained returns on these investments.
- **Market Changes:** Business-level strategies may become less effective if market conditions change rapidly, making it necessary to adapt or shift strategies quickly.
- **Narrow Focus:** A focus on a specific market segment can limit the company's ability to diversify and may make it more vulnerable to changes in that segment.
- **Competitive Pressure:** Rival companies may respond aggressively to a company's business-level strategy, leading to price wars or other forms of competition that can erode profitability.
- **Customer Shifts:** If customer preferences shift away from the company's chosen value proposition, the business-level strategy may become less relevant, requiring adjustments.
- **Complexity:** Implementing and managing different business-level strategies, especially in large organizations with multiple divisions or product lines, can be complex and challenging.

In summary, business-level strategies can offer significant advantages in terms of competitive positioning and customer focus, but they also come with risks and challenges, including the potential for imitation by competitors and the need for ongoing adaptation to changing market conditions. Companies must carefully assess their competitive environment and resources when selecting and implementing their business-level strategies to maximize their chances of success.

Q22 Explain Functional Level Strategy?

Ans Functional-level strategy, also known as operational-level strategy, is a plan of action that is developed and implemented by individual departments or functions within an organization. These strategies support the overall business-level and corporate-level strategies of the company. Functional-level strategies are focused on optimizing the performance and efficiency of specific functions or departments within the organization. Here are some common functional-level strategies in key areas:

Marketing Functional-Level Strategy:

- **Product Positioning:** Deciding how to position products or services in the market to appeal

to target customers.

- **Promotion Strategy:** Developing advertising and promotional campaigns to reach and influence the target audience.
- **Pricing Strategy:** Setting pricing strategies based on factors like cost, competition, and market demand.
- **Distribution Strategy:** Determining how products will be distributed to reach customers effectively.

Operations Functional-Level Strategy:

- **Quality Management:** Implementing processes and standards to ensure product or service quality.
- **Supply Chain Management:** Managing the procurement, production, and distribution of goods and services efficiently.
- **Process Improvement:** Continuously identifying and improving operational processes to enhance efficiency and reduce costs.

Human Resources (HR) Functional-Level Strategy:

- **Talent Acquisition**: Developing strategies for hiring and retaining top talent.
- **Training and Development:** Implementing programs to enhance employee skills and performance.
- **Compensation and Benefits:** Developing competitive compensation and benefits packages to attract and retain employees.
- **Employee Engagement:** Strategies to improve employee morale, motivation, and job satisfaction.

Finance and Accounting Functional-Level Strategy:

- **Cost Control:** Managing costs and expenses to ensure financial stability and profitability.
- **Capital Budgeting:** Allocating financial resources to different projects and investments.
- **Risk Management:** Strategies for identifying and mitigating financial risks.

Research and Development (R&D) Functional-Level Strategy:

- **Innovation:** Focusing on product or process innovation to gain a competitive edge.
- **New Product Development:** Developing new products or improving existing ones.
- **Technology Investment:** Allocating resources for research and technology development.

Information Technology (IT) Functional-Level Strategy:

- **Infrastructure Management:** Maintaining and upgrading IT infrastructure and systems.
- **Data Security and Privacy:** Ensuring the security and privacy of data and information.

- **Digital Transformation:** Strategies for leveraging technology to enhance business processes and customer experiences.

Sales Functional-Level Strategy:

- **Market Segmentation:** Identifying and targeting specific customer segments.
- **Sales Channel Management:** Managing sales distribution channels, such as direct sales, online sales, or partnerships.
- **Sales Force Training:** Training sales teams to effectively communicate product benefits and close deals.

Functional-level strategies should align with the broader business-level and corporate-level strategies of the organization. These strategies are developed by functional managers and teams within each department and are essential for achieving the organization's overall goals and objectives. Effective coordination and alignment between functional-level strategies are crucial to ensure that all parts of the organization work together toward a common purpose.

Here are some advantages and disadvantages of corporate level strategy

Advantages of Functional-Level Strategies:

- **Efficiency:** Functional-level strategies allow departments to concentrate on their core functions, leading to increased efficiency and specialization. This can result in improved productivity and cost savings.
- **Expertise:** Departments can develop specialized knowledge and skills in their respective areas, leading to higher-quality output and better problem-solving.
- **Alignment:** Functional-level strategies help ensure that the activities of each department are aligned with the overall goals and objectives of the organization. This alignment is crucial for achieving the company's mission and vision.
- **Clear Accountability:** Functional-level strategies define roles and responsibilities clearly within each department, which promotes accountability and transparency.
- **Flexibility:** Departments can adapt and tailor their strategies to respond to changing internal and external factors, such as market conditions or emerging technologies.
- **Focus:** Functional-level strategies allow organizations to focus on specific aspects of their operations, such as marketing, production, or finance, to improve competitiveness in those areas.
- **Resource Allocation:** Functional strategies help in efficient allocation of resources within each department, ensuring that budgets, personnel, and technology are used effectively.

Disadvantages of Functional-Level Strategies:

- **Lack of Holistic Perspective:** Focusing on individual functions may result in a lack of consideration for the organization's overall performance and long-term goals.
- **Conflict:** Departments may prioritize their own objectives over those of the organization as a whole, leading to conflicts of interest and suboptimal decision-making.
- **Risk of Inefficiency:** Over-specialization within departments can sometimes lead to inefficiencies, as departments may become resistant to change or reluctant to collaborate with other functions.
- **Difficulty in Integration:** When organizations undergo mergers or acquisitions, or when new business strategies are adopted, functional-level strategies may need to be realigned or integrated, which can be a complex and time-consuming process.
- **Resource Competition**: Different departments may compete for limited resources, which can lead to conflicts and budgetary challenges.
- **Lack of Strategic Vision:** Functional-level strategies often focus on short-term objectives and may not always align with the long-term strategic vision of the organization.

UNIT 4

Q23 Explain the concept of corporate culture?

Ans Corporate culture plays a significant role in the field of strategic management. It influences how an organization's strategies are formulated, executed, and sustained.

- **Alignment with Strategy:** A strong and well-defined corporate culture can help align the organization's employees with its strategic goals and priorities. When the culture is congruent with the desired strategic outcomes, employees are more likely to work together cohesively toward achieving those outcomes.
- **Decision-Making and Values:** Corporate culture shapes the organization's decision-making processes and values. A culture that values innovation and risk-taking, for example, may be more likely to pursue strategies that involve product innovation and expansion into new markets.
- **Adaptability and Change:** Corporate culture can impact an organization's ability to adapt to change. A culture that is resistant to change may hinder the implementation of new strategic initiatives, while a culture that encourages adaptability can foster innovation and support strategic flexibility.
- **Risk Tolerance:** Different cultures have different levels of risk tolerance. Some organizations have a culture that embraces calculated risks, while others are more risk-averse. This can influence the types of strategies the organization is willing to pursue.

- **Employee Engagement:** A positive corporate culture can enhance employee engagement, which, in turn, can lead to better execution of strategic initiatives. Engaged employees are more likely to be committed to the organization's goals and work proactively toward achieving them.
- **Leadership and Role Modeling:** Leaders at all levels of the organization play a crucial role in shaping and reinforcing the corporate culture. Effective leaders can model the behaviors and values that are aligned with the organization's strategic objectives.
- **Innovation and Creativity:** A culture that encourages innovation and creativity can be a catalyst for developing and implementing innovative strategies. Employees in such cultures are more likely to generate new ideas and approaches to problem-solving.
- **Customer Focus:** Some corporate cultures prioritize a customer-centric approach. This can drive strategies aimed at improving customer satisfaction, retention, and loyalty.
- **Ethical Behavior:** Corporate culture can influence the ethical behavior of employees. An ethical culture is important in strategic management to ensure that the organization's strategies are pursued with integrity and in compliance with legal and ethical standards.
- **Sustainability and Long-Term Orientation:** The culture of an organization can influence its orientation toward sustainability and long-term thinking. A culture that values long-term success is more likely to pursue sustainable business practices and strategies.

It's important for organizations to be aware of their existing corporate culture and consider how it aligns with their strategic objectives. If there is a misalignment, efforts may be needed to reshape the culture to better support the strategic goals of the organization. Additionally, as strategic priorities evolve, organizations may need to continuously assess and adapt their culture to ensure it remains supportive of their strategic direction.

Here are some key reasons why corporate culture is important:

- **Employee Engagement and Morale:** A positive corporate culture fosters a sense of belonging, purpose, and pride among employees. When employees feel valued and engaged, they are more motivated, productive, and satisfied in their work.
- **Attraction and Retention of Talent:** An appealing corporate culture helps attract top talent to the organization. Prospective employees often consider culture as a significant factor when deciding where to work. Moreover, a strong culture can help retain employees by creating a sense of loyalty and commitment.
- **Alignment with Organizational Values:** Corporate culture reflects the core values, beliefs, and ethics of the organization. When the culture aligns with these values, it promotes ethical behavior, integrity, and a sense of shared mission among employees.

- **Enhanced Collaboration and Teamwork:** A positive culture encourages teamwork, cooperation, and open communication among employees. When employees feel comfortable sharing ideas and working together, it can lead to greater innovation and problem-solving.
- **Innovation and Creativity:** A culture that encourages innovation and risk-taking can drive creativity and the development of new ideas. Employees are more likely to think outside the box and propose novel solutions when they feel supported by the culture.
- **Adaptability and Change Management:** In a rapidly changing business environment, an adaptable culture is crucial. Organizations with flexible cultures are better equipped to navigate change, pivot when needed, and implement new strategies effectively.
- **Customer Satisfaction:** A customer-centric culture places a strong emphasis on meeting customer needs and providing exceptional service. Satisfied employees are more likely to deliver better customer experiences, leading to increased customer loyalty and business growth.
- **Performance and Productivity:** A positive culture can have a direct impact on employee performance and productivity. When employees are motivated, engaged, and aligned with the organization's goals, they are more likely to deliver high-quality work and meet performance targets.
- **Brand and Reputation:** Corporate culture can significantly influence the organization's brand and reputation. A culture that prioritizes social responsibility, sustainability, and ethical behavior can enhance the company's image and attract socially conscious customers and investors.
- **Long-Term Success:** A strong and healthy corporate culture contributes to the long-term success and sustainability of the organization. It provides a solid foundation upon which the organization can build and adapt to changing market conditions.
- **Risk Management:** An ethical and compliance-focused culture reduces the risk of legal and ethical violations. It helps organizations identify and address potential issues before they escalate into major problems.
- **Leadership Development:** A culture that values leadership development can groom future leaders from within the organization. It promotes the growth and advancement of employees, which can have a positive impact on succession planning.

Q24 Explain the concept of organisational design and change?

Ans **Organizational Design:**

Organizational design refers to the process of structuring an organization to achieve its goals and objectives effectively and efficiently. It involves making decisions about the organization's

structure, roles, processes, and systems. Several key elements are involved in organizational design:

- **Organizational Structure:** This defines the hierarchy of authority, reporting relationships, and how work is divided and coordinated within the organization. Common structures include functional, matrix, divisional, and flat organizations.
- **Roles and Responsibilities:** Defining clear roles and responsibilities for each position in the organization is essential for ensuring accountability and productivity.
- **Processes and Workflows:** Efficient processes and workflows are crucial for achieving organizational goals. Organizations often use tools like process mapping to identify bottlenecks and streamline operations.
- **Culture and Values:** Organizational culture plays a significant role in design. It encompasses shared values, beliefs, and norms that guide how employees behave and make decisions.
- **Technology and Systems:** The choice and implementation of technology and information systems can significantly impact an organization's design and functioning.

2. Organizational Change:

Organizational change is the process of making significant alterations to an organization's current structure, processes, culture, or strategies. Change can be driven by various factors, including technological advancements, shifts in market conditions, changes in leadership, or the need to adapt to new challenges. Effective change management is crucial to ensure that these changes are successful and well-received by employees. Key aspects of organizational change include:

- **Change Drivers:** Identifying the reasons for change, whether they are external (market trends, competition) or internal (inefficiencies, new leadership).
- **Change Planning:** Developing a clear plan for the change initiative, including goals, timelines, resources, and communication strategies.
- **Communication:** Open and transparent communication is essential to gain buy-in from employees and stakeholders. Leaders must articulate the reasons for change, the expected benefits, and the impact on individuals.
- **Employee Engagement:** Involving employees in the change process and addressing their concerns and feedback is critical for success.
- **Monitoring and Evaluation:** Continuously assessing the progress of the change initiative and making adjustments as needed is essential to ensure its success.
- **Sustainability:** Ensuring that the changes become part of the organization's new normal and are sustained over time is a critical aspect of organizational change.

Organizational change can be challenging to implement successfully, and there are several common barriers that organizations often encounter during the change process. Identifying and understanding these barriers is crucial for effective change management. Here are some of the most common barriers to organizational change:

- **Resistance to Change:** Resistance from employees is one of the most significant barriers to organizational change. People may resist change due to fear of the unknown, concerns about job security, or a belief that the current way of doing things is better.
- **Lack of Leadership Support:** If top leadership is not fully committed to the change initiative, it can hinder progress. Employees look to their leaders for guidance and support during times of change.
- **Inadequate Communication:** Poor communication can lead to confusion and uncertainty among employees. Clear, consistent, and transparent communication is essential to address concerns and keep everyone informed about the reasons for change and the expected outcomes.
- **Unclear Objectives and Goals:** Without clear and well-defined objectives and goals for the change initiative, employees may not understand what is expected of them or why the change is necessary.
- **Insufficient Resources:** A lack of resources, including time, budget, and personnel, can impede the implementation of change initiatives. Organizations need to allocate adequate resources to support the change process.
- **Organizational Culture:** Organizational culture can be a powerful barrier to change. If the existing culture does not align with the desired changes, it can slow down or even sabotage the change efforts.
- **Lack of Employee Involvement:** Employees often have valuable insights and ideas that can contribute to the success of a change initiative. Not involving them in the planning and decision-making process can lead to resistance.
- **Change Fatigue:** If an organization has undergone frequent or continuous changes without a clear sense of stability, employees may become fatigued and resistant to further changes.
- **Inadequate Training and Development:** Employees may resist change if they feel they lack the necessary skills or knowledge to adapt to the new way of working. Providing training and development opportunities is crucial.
- **Ineffective Change Management:** A lack of a structured and well-executed change management plan can hinder the successful implementation of change. Change

management strategies, such as assessing readiness, creating a change team, and monitoring progress, are essential.

- **External Factors:** Sometimes, external factors such as economic downturns, market disruptions, or regulatory changes can create barriers to organizational change that are beyond the organization's control.
- **Past Failures:** Previous failed change initiatives can create skepticism and resistance among employees, making it more challenging to gain their trust and support for future changes.

Overcoming resistance to change is crucial at both the individual and organizational levels to ensure the successful implementation of change initiatives. Here are reasons for overcoming resistance to change at both levels:

At the Individual Level:

- Job Security: Individuals may resist change because they fear that the change will lead to job losses or layoffs. Assuaging these fears through clear communication can help alleviate resistance.
- **Comfort Zone:** People are naturally comfortable with routines and familiar ways of doing things. Change disrupts these routines, leading to resistance. Overcoming resistance can help individuals adapt to new ways of working.
- **Fear of the Unknown:** Change often involves uncertainty about what the future will look like. Individuals may resist because they are unsure about how the change will affect them personally and professionally.
- **Loss of Control:** Change can sometimes make individuals feel like they have less control over their work or circumstances. Overcoming resistance can involve providing a sense of control or involvement in the change process.
- **Lack of Understanding:** Individuals may resist change if they don't fully understand why the change is necessary, what the goals are, or how it will be implemented. Clear communication and education can address this.
- **Past Negative Experiences:** If individuals have experienced poorly managed changes in the past, they may be skeptical of new change initiatives. Overcoming resistance requires addressing these past experiences and demonstrating that this time will be different.
- **Cultural and Behavioral Norms:** Existing cultural norms and behaviors can create resistance if they are inconsistent with the desired changes. Overcoming resistance may involve aligning cultural values with the change objectives.

At the Organizational Level:

- **Achieving Strategic Objectives:** Organizations initiate change to achieve strategic goals and objectives. Overcoming resistance is essential to ensure that the organization can realize these objectives and stay competitive.
- **Effective Implementation:** Change initiatives require the cooperation and commitment of employees and stakeholders. Overcoming resistance is necessary to ensure the effective implementation of change plans.
- **Employee Productivity and Engagement:** Resistance to change can lead to decreased employee productivity and engagement. Overcoming resistance helps maintain a motivated and engaged workforce.
- **Reducing Costs and Improving Efficiency:** Many change initiatives aim to reduce costs and improve operational efficiency. Resistance can hinder these efforts, making it essential to overcome it for financial reasons.
- **Adapting to Market Dynamics:** Markets and industries are constantly evolving. Overcoming resistance to change allows organizations to adapt to changing customer demands and market conditions.
- **Competitiveness:** Organizations need to innovate and adapt to remain competitive. Overcoming resistance enables organizations to stay ahead of competitors and seize new opportunities.
- **Sustainability and Longevity:** Sustainable organizations are those that can evolve and adapt over time. Overcoming resistance to change helps build a culture of adaptability and longevity.
- **Organizational Learning:** Successfully managing change initiatives can contribute to the organization's learning and development, making it more agile and capable of addressing future challenges.

Q25 **Explain the aspects of strategy implementation?**

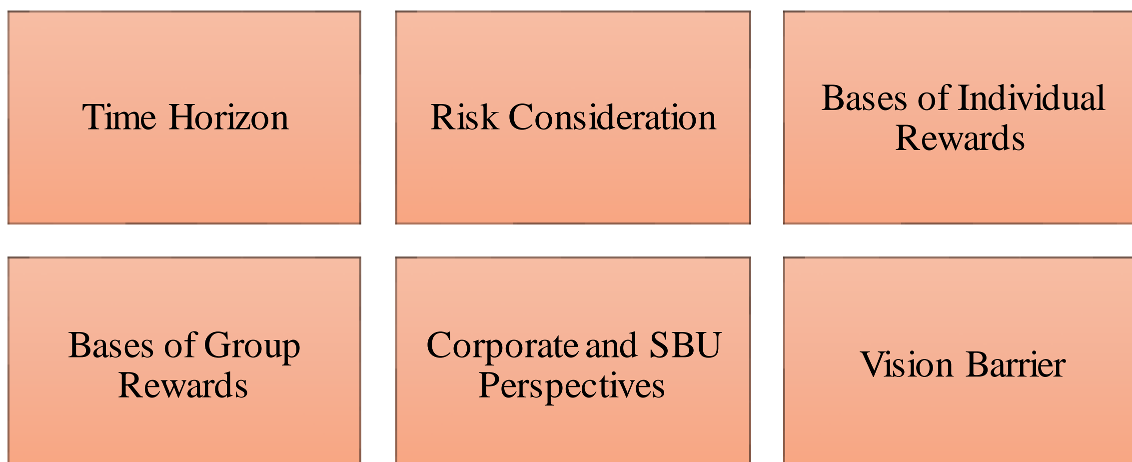
- **Resource Allocation:** it involves assigning of organisational resources to different departments, SBU's and divisions. It is mainly concerned with securing and assuring physical, financial as well as the human resources as per the strategic tasks for the purpose of attaining organisational goals. Allocation of resources can be regarded as an efficient device for the purpose of communicating strategy as it gives much needed indication to the people involved.
- **Project Implementation:** it involves the actualization of plans and vision of an

organisation. It is a logical conclusion drawn after evaluation of decision making, visualizing, scheduling, applying for the capital and finally deciding about the financial resources for a project.

- **Procedural Implementation:** execution of the strategy is required on the basis of set rules and regulations and procedures as directed by the government. Despite the simplification of process done by liberalization, globalization and privatization. Many of the procedures are yet applicable in the process of implementation of strategies.
- **Organisational Structure:** Built on the basis of their strategies. The Organisations can be structured in several ways or methods. The simple structure is required for the simple strategies. While flexible structure is required for the growth strategy and matrix.
- **Behavioral Implementation:** it affects the Behaviour of the person's in organisation dealt through behavioral implementation. The Behaviour and activities of the personnel has to be directed in the desired direction.
- **Functional Policies and Implementation:-** the development of plans and policies related to various areas or functions undertaken by the organisation deals with the functional implementation. The key functions of the firm include – production, marketing, finance, personnel.

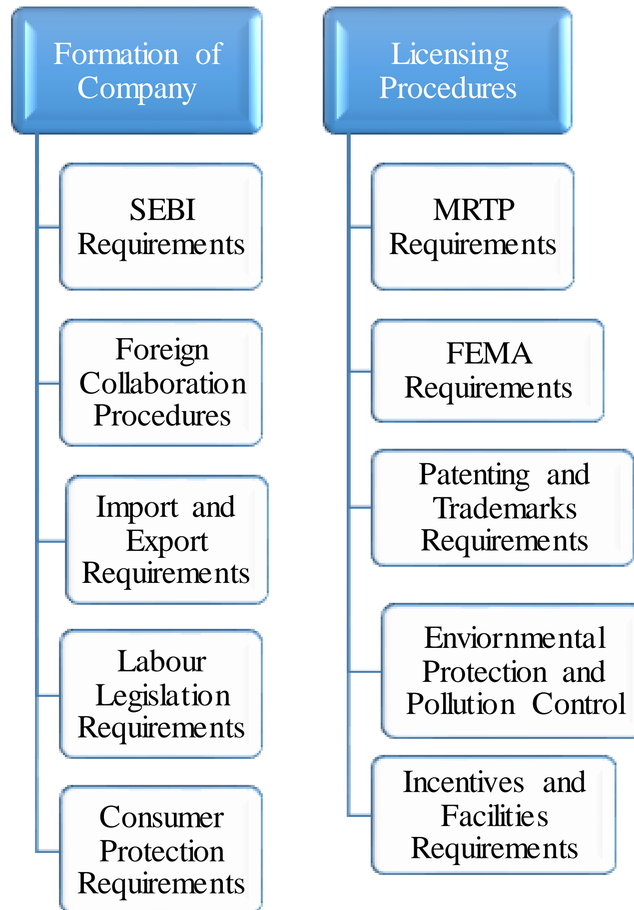
Q26 **what are the barriers and guidelines to overcome the barriers in strategy implementation?**

Ans

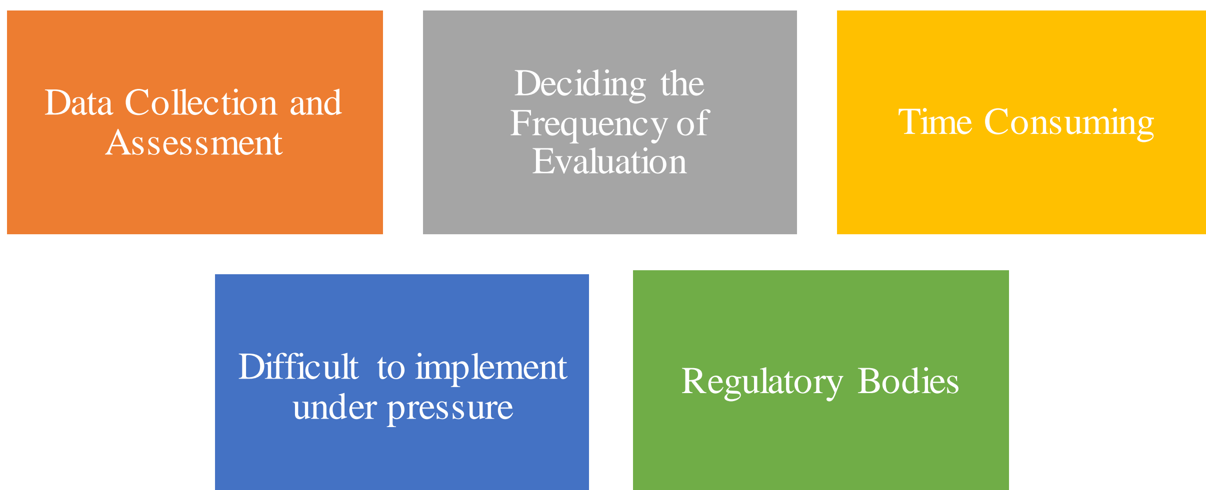


Q27 **what are the Regulatory Elements in Procedural Implementation?**

Ans



Q28 **what are the limitations of Procedural Implementation?**



Q29 **Write a short note on resource allocation?**

Ans It deals with the procurement and commitment of financial, physical and human resources to strategic tasks for the achievement of organisational objectives. It is a continuous process and major management activity that allows strategy execution. Resource allocation helps the organisation to allocate the resources according the priorities.

❖ Factors affecting Resource Allocation

❖ Approaches to Resource Allocation

UNIT 5

Q30 what do you understand by the strategic evaluation and control?

Ans Strategic evaluation and control are essential components of the strategic management process in an organization. They involve assessing the effectiveness of the strategies that have been implemented and ensuring that the organization is moving toward its goals. Let's break down the meanings of strategic evaluation and control:

Strategic Evaluation:

Strategic evaluation is the process of assessing how well an organization's strategies and plans have been implemented and whether they are achieving the desired results.

The main purpose of strategic evaluation is to determine the effectiveness of the strategies in meeting the organizational objectives. It involves reviewing the outcomes, measuring performance against set benchmarks, and identifying areas for improvement. Evaluation may include a variety of aspects, such as financial performance, market share, customer satisfaction, internal processes, and the organization's overall competitiveness.

Strategic Control:

Strategic control involves monitoring and adjusting the strategic direction of an organization to ensure that it stays on course toward its goals. It is the ongoing process of tracking the execution of the strategy and making necessary adjustments in response to changes in the internal and external environment.

The primary purpose of strategic control is to ensure that the organization's strategies remain relevant and effective in the face of changing circumstances. It helps prevent deviations from the strategic plan and allows for timely corrective actions.

Types: There are two main types of strategic control:

Premise Control: Involves monitoring the assumptions and conditions upon which the strategy is based to ensure they remain valid.

Implementation Control: Focuses on tracking the actual implementation of the strategy to identify any discrepancies between planned and actual performance.

Q31 what are the criteria and techniques of strategic evaluation and control?

Ans **Evaluation techniques for strategic control**

1. **Strategic Momentum Control:** Strategic momentum refers to the speed and direction at which an organization executes its strategies. It involves maintaining a steady and forward-moving pace to achieve strategic objectives. While not a standard term, strategic momentum control could imply the deliberate management and adjustment of the speed and direction of

strategic initiatives. Purpose: The purpose of strategic momentum control could be to ensure that the organization maintains the right balance between consistency in execution and adaptability to changes in the business environment.

2. **Strategic Leap Control:** it assists the organisation by helping to define the new strategic requirement and to cope with emerging environmental realities.

- Strategic issue management it is aimed at identifying one more strategic issues and assessing their impact on the organisation.
- Strategic field analysis is a way of examining the nature and extent of synergies that exist or are lacking between the components of the organisation.
- System modelling is based on the computer based models that simulate the essential features of the organisation and its environment

Evaluation Techniques for Operational Control

1. **Internal Analysis:**

- **Value chain analysis:** it is essential to identify and evaluate the competitive potential of resources and capabilities. By studying the skills which are related or associated with the primary and support activities.
- **Quantitive Performance Measurement:** most firms prepare the formal reports of quantitive performance measurements that managers review at regular intervals.
- **Qualitative Performance Measurement:** it includes those aspects which is not feasible to measure on the basis of the figure and numbers.

2. **Comparative Analysis:** it compares the performance of the firm with its own past performance or with other firms:

- **Historical Analysis:** this method has the added benefit of enabling a firm to note how the performance has taken place over a period of time and to analyses the trend of pattern.
- **Industry Norms:** it is a comparative method for analyzing the performance that has the advantage of making a firm competitive in comparison to its peers.
- **Benchmarking:** it is a method of finding a best practice in an area and then attempts to bring its own performance in that area or in line.

Q32 Sate the importance and limitations of strategic evaluation and control?

Ans Importance of Strategic Evaluation and

- **Performance Assessment:**

Strategic evaluation allows organizations to assess the actual performance of implemented strategies against predefined objectives. It provides a basis for determining the success or failure

of strategic initiatives.

- **Alignment with Objectives:**

  Evaluation ensures that the organization's strategies are aligned with its overall mission, vision, and objectives. It helps in maintaining focus on key priorities.

- **Adaptability to Change:**

Continuous strategic control enables organizations to adapt to changing internal and external conditions. It ensures that strategies remain relevant and effective in dynamic environments.

- **Resource Optimization:**

  Through evaluation, organizations can identify areas where resources are being optimally utilized and areas that may require adjustments. This aids in resource allocation for maximum efficiency.

- **Decision-Making Support:**

  Strategic evaluation provides management with valuable insights for decision-making. It helps leaders understand the impact of strategic choices and guides adjustments based on performance data.

- **Risk Management:**

  Evaluation and control processes help identify and mitigate risks associated with strategic initiatives. This proactive risk management contributes to the overall resilience of the organization.

- **Continuous Improvement:**

  By identifying strengths and weaknesses in strategies, organizations can learn from their experiences and continuously improve their strategic planning and execution processes.

- **Stakeholder Confidence:**

  Regular evaluation and control mechanisms contribute to transparency and accountability. This, in turn, enhances stakeholder confidence, including that of investors, employees, and customers.

Limitations of Strategic Evaluation and Control:

- **Subjectivity and Bias:**

  Evaluation processes may be influenced by subjective opinions and biases, impacting the objectivity of performance assessments.

- **Complexity of Measurement:**

  Some aspects of strategic success, such as organizational culture or brand image, can be challenging to quantify, making measurement and evaluation complex.

- **Time and Resource Intensive:**

Comprehensive strategic evaluation and control require time and resources. Small and resource-constrained organizations may find it challenging to implement elaborate evaluation processes.

- **Resistance to Change:**

Employees and stakeholders may resist continuous evaluation and control measures if they perceive them as disruptive or excessive, affecting the effectiveness of these processes.

- **Limited Predictive Power:**

While evaluation provides insights into past performance, it may have limitations in predicting future success. External factors and uncertainties can impact outcomes.

- **Overemphasis on Short-Term Results:**

A focus on short-term results may lead to decisions that sacrifice long-term strategic goals for immediate gains. Balancing short-term and long-term considerations is crucial.

- **Inability to Capture External Factors:**

Evaluation processes may not fully capture the impact of external factors such as changes in the competitive landscape, regulatory environment, or technological advancements.

- **Lack of Standardization:**

There may be a lack of standardized metrics for evaluating certain strategic aspects, making it challenging to compare performance across organizations or industries.

PAST YEAR QUESTIONS

2019

Q1 Define Strategic Management? Why it is important for all business managers to study strategic management?

Q2 How a 'Mission' of an organisation differ from its 'vision'? State the main characteristics of a good mission?

Q3 what is "Environmental Scanning"? Discuss in brief the major factors of environmental Scanning?

Q4 Distinguish between "core competence" and "competitive advantage". What are the routes which a firm can use to build competitive advantage?

Q5 define the concept of 'corporate strategy"? Discuss its nature and scope?

Q6 what are the 5C's of effective strategy implementation? Discuss the inter relationship between strategy formulation and strategy implementation?

Q7 what is meant by corporate culture? State its kinds? How does it develop?

Q8 Give the meaning and objectives of strategic evaluation and discuss the steps in the process of evaluation?

Q9 explain the different techniques of strategic control in brief?

2018

Q1 what do you mean by Strategic Management? Discuss its role in present global scenario?

Q2 Describe the process of strategic management? And why it is important for all the business managers to study strategic management?

Q3 what do you mean by external environment? Why external environment appraisal is important?

Q4 what do you mean by organisational appraisal? How does it help in strategy formulation?

Q5 Define the concept of corporate strategy? Discuss its nature and scope clearly?

Q6 write a short note on functional level strategy?

Q7 what do you mean by strategy implementation? What are the major issues involved in it?

Q8 what do you understand by organisational change? What are the major internal and external factors including the change?

Q9 what is meant by strategic evaluation and control? Explain the different technique of strategic control?

Q10 Evaluation of strategy is a difficult exercise. Explain and discuss the major elements in the strategic evaluation process?

2017

Q1 what do you understand by strategy? Discuss the process of strategic management?

Q2 Define and Differentiate between

- Organisation Mission and Vision
- Organisation objectives and goals
- Organisation mission and vision

Q3 Discuss the relation between organisation and their external environment. How Organisations strategically respond to their environment?

Q4 Why Scanning of internal environment is necessary before strategy formulation? How an organisation may convert its competencies and core competencies?

Q5 Strategy is party proactive and party reactive Comment. Discuss various stages in strategic formulation?

Q6 what is human resource management? Discuss its role in implementation of strategy?

Q7 Discuss the issues in strategy implementation?

Q8 Write a note on organisational design and change

Q9 Difference between strategic control and operational control?

Q10 Explain the techniques of strategic evaluation and control?