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Internal Assessment Test - II

Sub:	**Corporate Strategy**							Code:	**MBA205**
Date:	**09/08/2025**	Duration:	**90**	Max Marks:	**50**	Sem:	**II**	Branch:	**MBA**

SET- I

		Marks	OBE CO	OBE RBT
	Part A - Answer Any Two Full Questions (2* 20 = 40 marks)			
1 (a)	Define vision and mission statements and explain their role in strategic management. Answer: **Vision Statement**: A future-oriented declaration of what an organization aspires to become. It gives direction and inspires stakeholders. **Mission Statement**: A present-oriented statement describing the organization's purpose, core values, and primary objectives. **Role in Strategic Management**: 1. Provide a sense of purpose and direction. 2. Align strategies with long-term goals. 3. Guide decision-making and resource allocation. 4. Inspire and unify employees and stakeholders.	[03]	CO1	2
(b)	Compare and contrast integration strategies and intensive strategies with examples. Answer: **Aspect** — **Integration Strategies** — **Intensive Strategies** **Definition** — Strategies aimed at gaining control over suppliers, distributors, or competitors. — Strategies to improve ma sales in current products/ma **Types** — - Forward Integration (control over distributors) • Backward Integration (control over suppliers) • Horizontal Integration (control over competitors) | - Market Penetration (more share in existing market) • Market Development (new markets) • Product Development (new products for existing market) | | **Focus** | Control across value chain. | Growth within existing domain. | | **Example** | Reliance Retail acquiring Netmeds (Forward) | Amul introducing new dairy-based snacks (Product Development) |	[07]	CO3	2
(c)	Evaluate the role of defensive strategies in protecting a firm's market position. Provide examples of how firms implement these strategies Answer: **Role**: Defensive strategies safeguard a firm's current competitive position, reduce the risk of being attacked by competitors, and minimize market share loss. **Types**:	[10]	CO4	5

	1. **Retrenchment** – Reduce operations in unprofitable areas. Example: Tata Motors exiting certain car models. 2. **Divestiture** – Selling non-core business units. Example: ITC selling its financial services arm. 3. **Liquidation** – Closing down business units. Example: Kingfisher Airlines ceasing operations. □ **Implementation Examples**: • Price matching to deter competitors (e.g., Flipkart matching Amazon discounts). • Improving customer loyalty programs (e.g., Starbucks Rewards). • Cost leadership to remain competitive (e.g., D-Mart's low-cost model).			
2 (a)	Define resource allocation and its significance in strategy implementation. Answer: **Definition**: Process of distributing an organization’s resources—financial, human, physical, and technological—to execute strategic plans. • **Significance**: 1. Ensures availability of resources for priority projects. 2. Prevents wastage and duplication. 3. Aligns resource use with strategic objectives.	[03]	CO3	2
(b)	Explain the role of restructuring and reengineering in effective strategy implementation. □ **Restructuring**: Redesigning the organizational structure to match the strategy (e.g., merging departments, decentralization). Helps improve efficiency and coordination. □ **Reengineering**: Rethinking and radically redesigning processes to achieve dramatic performance improvements. Focus on workflows rather than hierarchy. □ **Roles in Implementation**: • Aligns structure with strategic goals. • Eliminates redundant processes. • Improves speed, cost efficiency, and adaptability. □ **Example**: IBM restructuring into smaller units; Ford reengineering procurement to reduce supplier base	[07]	CO3	4
(c)	Evaluate the relationship between strategy and performance-linked pay systems. □ **Link**: Performance-linked pay aligns employee incentives with strategic objectives. □ **Advantages**: 1. Motivates employees to achieve strategic goals. 2. Encourages focus on key performance areas. 3. Promotes accountability. □ **Risks**: May lead to short-termism or unethical practices if poorly designed. □ **Examples**: • Infosys linking bonuses to digital transformation targets. • Sales incentives tied to new market penetration.	[10]	CO3	5

3 (a)	Define the balanced scorecard. • **Definition**: A strategic performance management framework that measures organizational performance using four perspectives: Financial, Customer, Internal Processes, and Learning & Growth.	[03]	CO3	2
(b)	Explain the characteristics of an effective strategy evaluation system. **Consistency with Strategy** – Measures aligned with goals. **Simplicity** – Easy to understand and apply. **Timeliness** – Frequent enough to catch issues early. **Flexibility** – Adaptable to change. **Reliability & Validity** – Accurate and meaningful data. **Comprehensiveness** – Covers all critical performance areas. **Action-oriented** – Leads to corrective measures.	[07]	CO3	4
(c)	Discuss emerging trends in strategic management and their implications for multinational firms. **Trends**: 1. ESG (Environmental, Social, Governance) integration. 2. Digital transformation & AI adoption. 3. Sustainability & circular economy models. 4. Geopolitical risk management. 5. Data-driven decision-making. **Implications**: • Need to adapt products and operations to sustainable practices. • Greater investment in digital capabilities. • Agility to respond to global supply chain disruptions. • Ethical compliance and stakeholder engagement across markets.	[10]	CO4	4
4	AgroNova Ltd. is a mid-sized Indian agribusiness company known for its affordable fertilizers and hybrid seeds. Over the years, it built a loyal customer base in rural India. However, with shifting global demand towards sustainable farming, increased government push for organic agriculture, and rising digitalisation in agritech, AgroNova found its traditional model under threat. In 2023, a new CEO redefined the company's vision and mission to position it as a technology-driven partner for sustainable farming. The company conducted an internal and external audit, which revealed that while it had a strong R&D foundation, it lacked digital capabilities. Externally, competitors like Mahindra Agritech and Bayer India were already integrating AI and IoT in their services, increasing the pressure to adapt quickly. AgroNova formulated a multi-pronged strategy—pursuing intensive growth by entering seven new states, diversifying into precision agriculture tools such as sensor-based soil testing, and adopting a Blue Ocean Strategy by launching a mobile app to assist farmers with AI-powered crop planning and weather updates. For implementation, cross-functional teams were created, budgets reallocated, and employees were trained in digital tools. However, some traditional sales managers resisted these changes. Leadership tied incentives to digital adoption to encourage change. Eight months later, the mobile app had over 5 lakh downloads, and the company had secured partnerships with state governments. But internal surveys showed declining employee morale in the field force, and a Balanced Scorecard	[10]	CO4	4

assessment indicated low scores in the internal processes and learning dimensions—highlighting the need for strategic refinement

Questions:

a. What steps can be taken to overcome resistance from employees during digital implementation?

(a) Steps to overcome resistance from employees during digital implementation:

1. **Communication & Transparency** – Explain reasons for digital shift and its benefits.
2. **Training & Support** – Hands-on workshops to build digital skills.
3. **Involve Employees Early** – Take input from field sales managers in design and rollout.
4. **Incentives & Recognition** – Link rewards to successful digital adoption.
5. **Change Champions** – Appoint early adopters to mentor others.
6. **Address Concerns** – Provide platforms for feedback and problem resolution.

b. Suggest a Balanced Scorecard with one metric under each of its four perspectives.

Perspective	**Metric**
Financial	% revenue growth from digital-enabled products/services
Customer	Farmer satisfaction score from app users
Internal Processes	Average time to respond to farmer queries via app
Learning & Growth	% employees trained in digital tools