

CORPORATE STRATEGY -MBA2025

QUESTION 1

(a) Define Strategic Management – 3 Marks

Strategic Management is the continuous process of analyzing the internal and external environment, formulating strategies, implementing them effectively, and evaluating performance to achieve organizational goals. It helps organizations gain competitive advantage and respond effectively to changes in the business environment.

(b) Discuss the Relationship between Company's Strategy and Business Model – 7 Marks

A company's strategy defines what the organization wants to achieve and how it plans to compete in the market. It focuses on long-term direction, competitive positioning, and achieving sustainable advantage.

A business model, on the other hand, explains how the company creates value, delivers value to customers, and captures value in the form of profits. It describes revenue streams, cost structure, and operational logic.

The relationship between strategy and business model is very close. Strategy provides direction, while the business model acts as a mechanism to execute the strategy. A strong strategy without an effective business model cannot succeed, and a business model without strategic alignment may fail in competitive markets.

(c) Explain Strategic Management Process with Diagram – 10 Marks

The Strategic Management Process is a systematic approach that organizations follow to achieve long-term objectives.

1. Environmental Scanning

This step involves analyzing the internal environment (strengths and weaknesses) and external environment (opportunities and threats). Tools like SWOT, PESTLE, and Porter's Five Forces are commonly used.

2. Strategy Formulation

In this stage, organizations define their vision, mission, objectives, and strategies based on environmental analysis. Decisions are taken regarding corporate, business, and functional strategies.

3. Strategy Implementation

Strategy implementation focuses on putting plans into action through organizational structure, leadership, resource allocation, policies, and culture. Even the best strategy can fail if not properly implemented.

4. Strategy Evaluation and Control

This stage involves monitoring performance, comparing actual results with planned objectives, and taking corrective actions when required.

(Diagram mandatory for full marks)

QUESTION 2

(a) Discuss the Nature of External Audit – 3 Marks

External audit refers to the systematic analysis of the external environment to identify opportunities and threats that affect an organization. It focuses on economic, political, social, technological, environmental, and legal factors. An external audit helps organizations prepare strategies to address uncertainties and environmental changes.

(b) Explain the Types of Key Success Factors – 7 Marks

Key Success Factors (KSFs) are the critical areas that determine an organization's success.

1. Industry Key Success Factors

These are factors essential for survival in a particular industry, such as quality standards or regulatory compliance.

2. Competitive Key Success Factors

These factors help firms outperform competitors, such as cost efficiency or product differentiation.

3. Technological Key Success Factors

Innovation, R&D capability, and technological adaptability fall under this category.

4. Marketing Key Success Factors

Strong branding, distribution network, and customer relationships are marketing KSFs.

5. Financial Key Success Factors

Availability of capital, cost control, and profitability determine financial strength.

6. Human Resource Key Success Factors

Skilled employees, leadership, and training contribute to organizational success.

7. Operational Key Success Factors

Efficient processes and supply chain management improve productivity.

(c) Illustrate Porter's Five Forces Model – 10 Marks

Porter's Five Forces Model analyzes industry competitiveness.

1. Threat of New Entrants

It refers to how easily new firms can enter the industry and increase competition.

2. Bargaining Power of Buyers

Buyers influence prices and quality when they have multiple choices.

3. Bargaining Power of Suppliers

Suppliers can increase costs if they have strong control over inputs.

4. Threat of Substitute Products

Availability of alternatives limits pricing power.

5. Competitive Rivalry

Intensity of competition among existing firms affects profitability.

QUESTION 3

(a) Describe Benchmarking – 3 Marks

Benchmarking is the process of comparing organizational performance, processes, or products with industry best practices. It helps organizations identify gaps and improve efficiency and quality.

(b) What is SWOT Analysis and Why is it Important? – 7 Marks

SWOT Analysis is a strategic tool used to identify Strengths, Weaknesses, Opportunities, and Threats of an organization.

It is important because it:

Helps understand internal capabilities

Identifies external opportunities and risks

Supports strategic decision-making

Improves competitive positioning

(c) Explain Value Chain Analysis of the Firm – 10 Marks

Value Chain Analysis examines how activities add value to products.

Primary Activities

These include inbound logistics, operations, outbound logistics, marketing & sales, and service. These activities directly create customer value.

Support Activities

These include firm infrastructure, human resource management, technology development, and procurement. They support primary activities and enhance efficiency.

QUESTION 4

(a) Define Diversification Strategies – 3 Marks

Diversification strategy refers to the expansion of a firm into new products or new markets to reduce risk and enhance growth opportunities.

(b) Differentiate between Vision and Mission Statements – 7 Marks

A vision statement describes what the organization aspires to become in the future. It is long-term and inspirational.

A mission statement explains the organization's present purpose, core activities, and values. It focuses on current operations and stakeholders.

(c) Explain Porter's Generic Strategies – 10 Marks

Cost Leadership Strategy

The firm aims to become the lowest-cost producer by achieving operational efficiency.

Differentiation Strategy

The firm offers unique products or services to create customer loyalty.

Focus Strategy

The firm concentrates on a niche market using cost focus or differentiation focus.

QUESTION 5

(a) What do you understand by Managing Conflicts? – 3 Marks

Managing conflicts involves identifying and resolving disagreements among individuals or groups in a constructive manner. Effective conflict management improves communication and organizational performance.

(b) Explain the Model of Strategic Implementation – 7 Marks

Strategic implementation involves converting strategy into action through organizational structure, leadership, culture, resource allocation, and policies. Proper coordination among these elements ensures successful execution.

(c) Discuss Linking Performance and Pay to Strategies – 10 Marks

Linking performance and pay means aligning employee rewards with strategic objectives. Performance-based incentives motivate employees, improve productivity, and ensure that individual goals support organizational strategy.

QUESTION 6

(a) What do you understand by Contingency Planning? – 3 Marks

Contingency planning is the process of preparing alternative plans to handle unexpected events or crises. It ensures business continuity and risk management.

(b) Explain Emerging Trends and Issues in Strategic Management – 7 Marks

Emerging trends include digital transformation, sustainability, data analytics, globalization, innovation management, CSR, and agile decision-making. These trends influence modern strategic planning.

(c) Explain Balanced Scorecard – 10 Marks

Balanced Scorecard is a performance measurement framework that evaluates strategy from four perspectives: financial, customer, internal processes, and learning & growth. It ensures balanced organizational performance.

QUESTION 7

(a) What do you understand by Industry Analysis? – 3 Marks

Industry Analysis

Industry analysis refers to the systematic examination of the structure, competitiveness, and dynamics of an industry in which a firm operates. It helps managers understand factors such as competition intensity, customer behavior, entry barriers, and profitability potential. By conducting industry analysis, organizations can identify opportunities and threats and formulate effective strategies to gain competitive advantage.

(b) Explain the Different Levels of Strategies – 7 Marks

Organizations formulate strategies at three distinct levels to ensure proper direction and coordination.

1. Corporate Level Strategy

Corporate-level strategy deals with overall direction and scope of the organization. It focuses on decisions related to diversification, mergers, acquisitions, and allocation of resources among different business units. This level is mainly handled by top management.

2. Business Level Strategy

Business-level strategy focuses on how a firm competes in a particular market or industry. It involves decisions related to competitive positioning such as cost leadership, differentiation, or focus strategy. The aim is to gain competitive advantage over rivals.

3. Functional Level Strategy

Functional-level strategy supports business-level strategy by focusing on specific functional areas like marketing, finance, HR, and operations. These strategies ensure efficient utilization of resources and smooth implementation of higher-level strategies.

(c) Discuss in Detail Resource-Based View (RBV) of the Firm – 10 Marks

Meaning of Resource-Based View (RBV)

Resource-Based View is a strategic approach that emphasizes internal resources and capabilities of a firm as the main source of competitive advantage. According to RBV, firms differ because they possess different resources.

Key Assumptions of RBV

RBV is based on two assumptions:

Resource heterogeneity – firms have different resources

Resource immobility – resources cannot be easily transferred

VRIN Framework

1. Valuable Resources

Resources must help the firm exploit opportunities or neutralize threats in the environment. Without value, resources cannot contribute to competitive advantage.

2. Rare Resources

Resources should be scarce and not widely possessed by competitors. Rarity helps firms differentiate themselves.

3. Inimitable Resources

Resources should be difficult to copy due to factors like unique history, causal ambiguity, or social complexity.

4. Non-Substitutable Resources

Resources should not have strategic equivalents that can be easily substituted by competitors.

Importance of RBV

RBV helps firms achieve sustainable competitive advantage by effectively leveraging unique internal resources rather than only focusing on external factors.

QUESTION 8 – CASE STUDY (COMPULSORY)

Strategic Initiatives at Titan Company Limited

(a) Key Strategic Challenges Faced by Titan – 7 Marks

1. Intense Competitive Pressure

Titan faced severe competition from international and domestic brands offering stylish, premium, and technologically advanced watches. This reduced Titan's market share and forced the company to rethink its competitive positioning.

2. Changing Consumer Preferences

Consumers gradually moved away from traditional watches toward fashion accessories and smartwatches. This change in buying behavior made Titan's existing product portfolio less attractive to younger customers.

3. Market Saturation in the Watch Industry

The Indian watch market reached a maturity stage where growth opportunities were limited. Titan could no longer depend solely on watches for long-term revenue growth.

4. Technological Disruption

The emergence of wearable technology and smart devices disrupted the traditional watch industry. Titan had to invest in new technologies and innovation to remain relevant.

5. Overdependence on a Single Product Category

Titan's heavy dependence on watches increased business risk. Any decline in the watch segment directly affected the company's performance.

6. Supply Chain and Operational Challenges

Expansion into jewellery introduced complexities such as sourcing, inventory management, and quality control. Managing precious metals increased operational risk.

7. Sustainability and CSR Expectations

Modern consumers expected ethical sourcing and responsible business practices. Titan needed to integrate sustainability into its long-term strategic planning.

(b) Explain Titan's Diversification Strategy – 7 Marks

Meaning of Diversification Strategy

Diversification strategy involves entering new business areas or product lines to reduce risk and ensure stable growth. It allows firms to spread risk across multiple markets.

Titan's Strategic Diversification

Titan adopted a related diversification strategy by expanding into jewellery through Tanishq and eyewear through Titan Eye+. These businesses were closely linked to Titan's brand strength and retail experience.

Entry into Wearable Technology

To respond to technological changes, Titan entered the smartwatch segment. This helped the company attract younger consumers and remain technologically competitive.

Strategic Impact

Diversification reduced Titan's dependence on watches and created multiple revenue streams. It also helped Titan reposition itself as a lifestyle and consumer goods company.

(c) How Titan Leveraged Its Brand in Implementing the Strategy – 6 Marks

1. Trust Associated with Tata Group

Titan leveraged the strong reputation of the Tata Group to gain customer trust, especially in the jewellery business where credibility is crucial.

2. Consistent Brand Image

The company maintained consistent values such as quality, transparency, and reliability across all product categories, strengthening brand identity.

3. Strong Retail Network

Titan used its established retail network to quickly expand new businesses and improve market reach.

4. Customer Loyalty

Existing loyal customers of Titan watches were more willing to try new products launched under the Titan brand.

5. Effective Marketing Communication

Titan's branding and advertising positioned it as a modern lifestyle brand rather than just a watch manufacturer.

6. Digital Brand Engagement

Digital platforms were used to enhance customer interaction and personalize the buying experience.