

# MBA 10

M.B.A. DEGREE EXAMINATION, JUNE 2007.

Second Semester

(Common for HRM/Marketing/Finance/International  
Business)

Paper X — STRATEGIC MANAGEMENT

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE out of the following.

1. Discuss the evaluation and control techniques in strategy management.
2. Explain the link between structure and strategy.
3. Why joint venture is adopted as the best tool for reaching new market? Elaborate.
4. How do mission and objectives differ? How are they formulated? Give some real examples.
5. Explain the concept of portfolio analysis.

6. What are the elements in strategic management process?

7. Explain the significance of rationality in strategic decision making.

8. What are the factors which influence strategic choice?

**SECTION B — (5 × 10 = 50 marks)**

**Answer any FIVE questions.**

9. Explain SWOT analysis and its relevance to strategy formulation.

10. Discuss different types of diversification. What are their advantages and disadvantages?

11. Write a note on turn around strategy.

12. Define functional strategy. Explain various functional strategies adopted in organisations.

13. How would you implement retrenchment strategy?

Says a P & G employee : "Initially, when the global changes were announced, we were a little skeptical as to what will be its impact on the Indian operations. Now after so much communication and interaction at all levels, we are confident and look forward to this change.

Questions :

- (a) Comment on whether the cultural changes at P & G are supportive of the strategy being implemented.
- (b) What, in your opinion, are the chances, of the cultural change being successful?
- (c) What needs to be additionally to ensure success?

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14. Write a short note on the following :

- (a) Cost leadership
- (b) Focus
- (c) Differentiation.

15. Explain the three generic strategies adopted by firms.

16. Discuss the suitability of matrix structure in complex organisation and its disadvantages.

SECTION C — (1 × 20 = 20 marks)

Case-Compulsory.

17. Managing cultural changes at Procter and Gamble

In September 1998, the Procter & Gamble Company, Cincinnati, U.S.A., announced a major global structural change programme. "Organisation 2005". The mission of the programme was to take V & G's global turnover from \$ 38 billion to \$ 70 billion by 2005. The objective was to raise profitability by changing the work culture at P & G. The change drivers Identified were the attributes of Stretch, Innovation, and Speed (SIS). The



structural changes to be initiated included setting up of four global business units based on product lines, eight market development organizations based on regions, and one global business service centre. A 14-member cross-functional team was setup to oversee the management of change.

The achievements of the Organisation 2005 programme were to be seen in terms of :

(a) Changing P & G from being a misaligned organisation to one aligned on common goals, with trust as the foundation.

(b) Evolve from an intense inspection — led organisation where everything is kept under control to one that is a team-collaborating unit.

(c) Shift from a risk-avoiding culture to a stretch-taking one

(d) Move from running down on complexities to taking of challenges

(e) Heave from a slow-moving organisation to one which hurtles through goals.

As the news of Organisation 2005 programme reached the P & G Hygiene and Health Care headquarter a Mumbai, India, there was a lot of apprehension amount the employees. Uncertainty and suspicion arose with regard to their own future and related to the continued existence of the business division they worked in. It took about a year for the apprehensions to fade away and be replaced by clarity and confidence.

P & G, India adopted the global motto of SIS of its parent. A cultural team was set up to communicate the goals of SIS internally to the employees and to seek their involvement in creating a new P & G. The team set out to identify projects to help achieve the goals of SIS and to get employee feedback periodically. Outdoor meetings of all P & G India employees were conducted to drive home the SIS message. Weekly Indoor meetings were held both department — wise and across hierarchies and categories. Team members were made responsible for communicating formal and informal feedback to and from their department. Monthly updates and communication through newsletters were extensively used. Question-and-answer session were held to clarify doubts of employees. Reassurance of employees thus became an ongoing continual process.