

Code No: MB1330/R13

MBA III Semester Regular/ Supplementary Examinations, November-2016

STRATEGIC MANAGEMENT

Time: 3 Hours

Max. Marks: 60

*Answer Any FIVE Questions
All Questions Carry Equal Marks
Question No. 8 is Compulsory*

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|----|---|--|-----|
| 1. | a | What is strategic management? Where can it be applied? | 6 |
| | b | How Industry and Competitive analysis is conducted? | 6 |
| 2. | a | What do you understand by the term “Value chain”? How do you evaluate a firm’s value chain? | 6 |
| | b | Explain key leadership actions of a Corporation. | 6 |
| 3. | a | What are the business strategies open for corporate turn around? | 6 |
| | b | Explain Competitive advantages in diversified companies and how can they be evaluated? | 6 |
| 4. | a | What are the strategic developments that take place in an organization as the company pursues improvement of customer value? | 6 |
| | b | What are the different levels at which strategies are formulated? | 6 |
| 5. | a | What are the barriers to strategic control? How can you get over them? | 6 |
| | b | Explain the following | 3+3 |
| | | i. Resource allocation | |
| | | ii. Vision and Mission | |
| 6. | a | What are the problems in measuring performance of an organization? | 6 |
| | b | What are the roles of a strategist? | 6 |
| 7. | a | ‘A Company cannot become competitive if it is not strategic’ Do you agree? Reason out. | 6 |
| | b | Explain briefly the following | 3+3 |
| | | i. SWOT | |
| | | ii. Balanced Scorecard. | |
| | | iii. | |
| 8. | | Case study | 12 |

The Bloom Moon Company was a fairly large company producing cosmetics, dyestuffs, adhesive and agro-chemicals. Each of these products was marketed and controlled by different divisions under a Divisional Manager. These Divisional Managers are assisted in their work by product managers whose duty was to travel with the sales supervisors, study the market, survey the competitive position and to audit dealer and consumer relationships. Their findings were incorporated into regular monthly reports which were submitted to the Divisional Managers who then took the necessary action.



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One of the major products of Blue Moon was an adhesive named 'STICK-WELL'.

This was trade name of a foreign adhesive and catered to the needs of the wood, plastics and plywood industries. Stick well had been very popular for the past seven years since its introduction. This was due to the fact that its sole competitor was a small one which, although it sold at a lower price than that of Blue Moon, its market segment was geographically limited to the area surrounding the factory. Blue Moon's market share was 90% and sales seemed to be increasing.

The company, however, after a few years, started facing serious problems in the form of its once negligible competitor. Since the competitor expanded its territory of distribution and began to get a stronger hold on the market by emphasizing on service and additional facilities for the consumers. Besides, the competitor offered credit facilities whereas the Blue Moon insisted on cash payments within a week. Thus the Blue Moon's sales curve started to fall alarmingly bringing forth such problems as under utilization of capacity, adverse impact on the solve or other products of the company etc.

The management decided that the only way of working their way out this depression was to study the exact position of their competitor. Market survey was conducted and the following information flowed from it:

1) The raw-material being used by the competitor for manufacturing the product was found in abundance in India. This meant that the quality of their product was inferior to that of Blue but since the price was low, it was preferred by the consumers.

2) Most of the customers did not plan their production schedule and requirements of raw-material in advance.

3) Blue Moon's product was more popular among the higher class of customers. Also they quality was superior.

In the light of the above research findings, the Blue Moon Management considered the following alternatives to solve their pressing problems:

1) To open up centres at different places and stock them well in order to enable quick release whenever desired by customers.

2) To give demonstrations and guarantees of excellent performance.

3) To market another product in the same product line.

The marketing Director wondered which of the above alternatives he should choose for his new marketing strategy.

QUESTIONS

1. In your opinion, what are the advantages of the small competitor's marketing strategy over that of Blue Moon?
2. Which of the alternatives suggested by the management to you consider most likely to succeed?
3. What marketing strategy would you suggest for recapturing the lost market?

