



Course Title: Strategic Management
Final Term Examination
Fall Semester- 2021

Instructor Name: _Naveed Waheed Khan_

Exam Date: Jan _15_, 2022

Faculty of: _Business Administration_

Time: _5 pm to 10 pm_

Program: _BBA/MBA_

Max Marks: 40

Instruction: Please follow the step wise instructions mentioned below:

1. After completion of the assignment, please save your file as a PDF file
 2. Submit your assignment on LMS, in the respective course page
 3. When submitting a pop-up User agreement will appear on your screen. Tick "I Agree" at the bottom of this pop-up sign.
 4. Continue with submission process as always
 5. Submission of assignment will not be accepted after 24 hours
 6. Minimum 1000 to maximum 1500 words
-

Assignment Questions:

Attempt all questions given below. Each question carries equal marks.

Q. No. 1: Discuss the external and internal environment for getting the competitive advantage in the market.

Q. No. 2: Discuss the involvement of BCG and SPACE matrixes for evaluating the position of an organizational performance.

Q. No. 3: Discuss the different strategies involve in strategic management for an organization.

Q. No. 4: Discuss the three broad category of strategic management like formulating, implementing and evaluating.

The End

Name : Kinza Akram
Father Name : Muhammad Akram
Registration NO : BBA/01-17/NO-20
Title of course : Strategic management

Final Exam

Question no 01

Ans :

SWOT is an acronym used to describe the particular Strengths, Weaknesses, Opportunities, and Threats that are strategic factors for a specific company. A SWOT should represent an organization's core competencies while also identifying opportunities it cannot currently use to its advantage due to a gap in resources.

The SWOT analysis framework has gained widespread acceptance because of its simplicity and power in developing strategy. Just like any planning tool, a SWOT analysis is only as good as the information that makes it up. Research and accurate data is vital to identify key issues in an organization's environment.

Assess your market:

- What is happening externally and internally that will affect our company?
- Who are our customers?
- What are the strengths and weaknesses of each competitor? (Think Competitive Advantage)
- What are the driving forces behind sales trends?
- What are important and potentially important markets?
- What is happening in the world that might affect our company?
- What does it take to be successful in this market? (List the strengths all companies need to compete successfully in this market.)

Assess your company:

- What do we do best?
- What are our company resources – assets, intellectual property, and people?
- What are our company capabilities (functions)?

Assess your competition:

- How are we different from the competition?
- What are the general market conditions of our business?
- What needs are there for our products and services?
- What are the customer-market-technology opportunities?
- What are the customer's problems and complaints with the current products and services in the industry?
- What "If only..." statements does a customer make?

Opportunity is an area of "need" in which a company can perform profitably.

Threat

A challenge posed by an unfavorable trend or development that would lead (in absence of a defensive marketing action) to deterioration in profits/sales.

An evaluation needs to be completed drawing conclusions about how the opportunities and threats may affect the firm.

EXTERNAL: MACRO- demographic/economic, technological, social/cultural, political/legal / MICRO- customers, competitors, channels, suppliers, publics
INTERNAL RESOURCES: the firm

Competitor analysis is a critical aspect of this step.

- Identify the actual competitors as well as substitutes.
- Assess competitors' objectives, strategies, strengths & weaknesses, and reaction patterns.
- Select which competitors to attack or avoid.

The Internal Analysis of strengths and weaknesses focuses on internal factors that give an organization certain advantages and disadvantages in meeting the needs of its target market. Strengths refer to core competencies that give the firm an advantage in meeting the needs of its target markets. Any analysis of company strengths should be market oriented/customer focused because strengths are only meaningful when they assist the firm in meeting customer needs. Weaknesses refer to any limitations a company faces in developing or implementing a strategy. Weaknesses should also be examined from a customer perspective because customers often perceive weaknesses that a company cannot see. Being market focused when analyzing strengths and weaknesses does not mean that non-market oriented strengths and weaknesses should be forgotten. Rather, it suggests that all firms should tie their strengths and weaknesses to customer requirements. Only those strengths that relate to satisfying a customer need should be considered true core competencies.

The following area analyses are used to look at all internal factors affecting a company:

- Resources: Profitability, sales, product quality brand associations, existing overall brand, relative cost of this new product, employee capability, product portfolio analysis
- Capabilities: Goal: To identify internal strategic strengths, weaknesses, problems, constraints and uncertainties

The External Analysis takes a look at the opportunities and threats existing in your organization's environment. Both opportunities and threats are independent from the organization. Differentiating between strengths/weaknesses and opportunities/threats is to ask this essential question: Would this be an issue if the organization didn't exist? If yes, it is an issue that is external to the organization. Opportunities are favorable conditions in an organization's environment that can produce rewards if leveraged properly. Opportunities must be acted on if the organization wants to benefit from them. Threats are barriers presented to an organization that prevent them from reaching their desired objectives.

The following area analyses are used to look at all external factors affecting a company:

- Customer analysis: Segments, motivations, unmet needs
- Competitive analysis: Identify completely, put in strategic groups, evaluate performance, image, their objectives, strategies, culture, cost structure, strengths, weakness
- Market analysis: Overall size, projected growth, profitability, entry barriers, cost structure, distribution system, trends, key success factors
- Environmental analysis: Technological, governmental, economic, cultural, demographic, scenarios, information-need areas Goal: To identify external opportunities, threats, trends, and strategic uncertainties

The SWOT Matrix helps visualize the analysis. Also, when executing this analysis it is important to understand how these elements work together. When an organization matches internal strengths to external opportunities, it creates core competencies in meeting the needs of its customers. In addition, an organization should act to convert internal weaknesses into strengths and external threats into opportunities.

Focus on your strengths. Shore up your weaknesses. Capitalize on your opportunities. Recognize your threats.

Identify

- Against whom do we compete?
- Who are our most intense competitors? Less intense?
- Makers of substitute products?
- Can these competitors be grouped into strategic groups on the basis of assets, competencies, or strategies?
- Who are potential competitive entrants? What are their barriers to entry?

Evaluate

- What are their objectives and strategies?
- What is their cost structure? Do they have a cost advantage or disadvantage?
- What is their image and positioning strategy?
- Which are the most successful/unsuccessful competitors over time? Why?
- What are the strengths and weaknesses of each competitor?
- Evaluate competitors with respect to their assets and competencies.

Size and Growth: What are important and potentially important markets? What are their size and growth characteristics? What markets are declining? What are the driving forces behind sales trends?

Profitability: For each major market consider the following: Is this a business in which the average firm will make money? How intense is the competition among existing firms? Evaluate the threats from potential entrants and substitute products. What is the bargaining power of suppliers and customers? How attractive/profitable is the market now and in the future?

Cost Structure: What are the major cost and value-added components for various types of competitors?

Distribution Systems: What are the alternative channels of distribution? How are they changing?

Market Trends: What are the trends in the market?

Key Success Factors: What are the key success factors, assets and competencies needed to compete successfully? How will these change in the future?

Environmental Analysis: An environmental analysis is the fourth dimension of the External Analysis. The interest is in environmental trends and events that have the potential to affect strategy. This analysis should identify such trends and events and estimate their likelihood and impact. When conducting this type of analysis, it is easy to get bogged down in an extensive, broad survey of trends. It is necessary to restrict the analysis to those areas relevant enough to have significant impact on strategy.

This analysis is divided into five areas: economic, technological, political-legal, sociocultural, and future.

Economic: What economic trends might have an impact on business activity? (Interest rates, inflation, unemployment levels, energy availability, disposable income, etc)

Technological: To what extent are existing technologies maturing? What technological developments or trends are affecting or could affect our industry?

Government: What changes in regulation are possible? What will their impact be on our industry? What tax or other incentives are being developed that might affect strategy development? Are there political or governmental stability risks?

Sociocultural: What are the current or emerging trends in lifestyle, fashions, and other components of culture? What are their implications? What demographic trends will affect the market size of the industry? (i.e. growth rate, income, population shifts) Do these trends represent an opportunity or a threat?

Future: What are significant trends and future events? What are the key areas of uncertainty as to trends or events that have the potential to impact strategy?

Internal Analysis: Understanding a business in depth is the goal of internal analysis. This analysis is based on resources and capabilities of the firm.

Resources: A good starting point to identify company resources is to look at tangible, intangible and human resources.

Tangible resources are the easiest to identify and evaluate: financial resources and physical assets are identified and valued in the firm's financial statements.

Intangible resources are largely invisible, but over time become more important to the firm than tangible assets because they can be a main source for a competitive advantage. Such intangible resources include reputational assets (brands, image, etc.) and technological assets (proprietary technology and know-how).

Human resources or human capital are the productive services human beings offer the firm in terms of their skills, knowledge, reasoning, and decision-making abilities.

Question no 02

Ans :

What is the BCG Matrix?

The Boston Consulting group's product portfolio matrix (BCG matrix) is designed to help with long-term strategic planning, to help a business consider growth opportunities by reviewing its portfolio of products to decide where to invest, to discontinue, or develop products. It's also known as the Growth/Share Matrix.

BCG Modelling is not a new phenomenon, but in the changing digital landscape, its meaning for and application to your marketing strategy will continue to develop.

That's why this blog addresses not just how to use the BCG Matrix but also the practical application of this matrix to your strategy, as well as other essential digital marketing matrixes.

Looking for practical marketing strategy solutions?

Want to boost your strategy to win more customers? Our top recommended marketing strategy model is the RACE Framework. This flexible, actionable marketing planning structure empowers marketers and managers to break

down their marketing activities and track their customers' journeys across reach act, convert, and engage, using data.

What's more, all our marketing resources are fully integrated within the RACE Framework so you can confidently prioritize and apply your digital marketing optimizations using customer data and insights to reach your goals.

Members can use our strategic planning and channel-based Learning Paths to apply models and matrixes such as the BCG Matrix to their real-world marketing challenges.

Throughout this article, you will find recommended modules to help you achieve more customer conversions whilst improving your all-important digital marketing return on investment.

How to use the BCG Matrix?

To apply the BCG Matrix you can think of it as showing a [portfolio](#) of products or services, so it tends to be more relevant to larger businesses with multiple services and markets.

However, marketers in smaller businesses can use similar portfolio thinking to their products or services to boost leads and sales as we'll show at the end of this article.

Considering each of these quadrants, here are some recommendations on actions for each:

- **Star products:** Can be the market leader though require ongoing investment to sustain. They generate more ROI than other product categories.
- **Cash cow products:** The simple rule here is to *'Milk these products as much as possible without killing the cow!* Often mature, well-established products. The company Procter & Gamble which manufactures Pampers nappies to Lynx deodorants has often been described as a 'cash cow company'.
 - For example, in the automotive sector, when a car line ends, there is still a need for spare parts. As SAAB ceased trading and producing new cars, a whole business emerged providing SAAB parts.

- **Question mark products:** As the name suggests, it's not known if they will become a star or drop into the dog quadrant. These products often require significant investment to push them into the star quadrant. The challenge is that a lot of investment may be required to get a return. For example, Rovio, creators of the very successful Angry Birds game has developed many other games you may not have heard of. Computer games companies often develop hundreds of games before gaining one successful game. It's not always easy to spot the future star and this can result in potentially wasted funds.

BCG Matrix Example: How it can be applied to digital marketing strategies?

The BCG Model is based on products rather than services, however, it does apply to both. You can use this model for [reviewing and rotating a range of products](#), especially before starting to develop new products.

Looking at the British retailer, Marks & Spencer, they have a wide range of products and many different lines. We can identify every element of the BCG matrix across their ranges:

- **Stars**

Example: **Lingerie**. M&S was known as the place for ladies underwear at a time when choice was limited. In a multi-channel environment, M&S lingerie is still the UK's market leader with high growth and high market share.

You can also apply the BCG model to areas other than your product strategy.

For example, we developed this matrix as an example of how a brand might evaluate its investment in various marketing channels. The medium is different, but the strategy remains the same- milk the cows, don't waste money on the dogs, invest in the stars and give the question marks some experimental funds to see if they can become stars.

Question no 03

Ans :

strategic management

Strategic management is the ongoing planning, monitoring, analysis and assessment of all necessities an organization needs to meet its goals and objectives. Changes in business environments will require organizations to constantly assess their strategies for success. The strategic management process helps organizations take stock of their present situation, chalk out strategies, deploy them and analyze the effectiveness of the implemented management strategies. Strategic management strategies consist of five basic strategies and can differ in implementation depending on the surrounding environment. Strategic management applies both to on-premise and mobile platforms.

Benefits of strategic management

Strategic management is generally thought to have financial and nonfinancial benefits. A strategic management process helps an organization and its leadership to think about and plan for its future existence, fulfilling a chief responsibility of a board of directors. Strategic management sets a direction for the organization and its employees. Unlike once-and-done strategic plans, effective strategic management continuously plans, monitors and tests an organization's activities, resulting in greater operational efficiency, market share and profitability.

Strategic management concepts

Strategic management is based around an organization's clear understanding of its mission; its vision for where it wants to be in the future; and the values that will guide its actions. The process requires a commitment to strategic planning, a subset of business management that involves an organization's ability to set both short- and long-term goals. Strategic planning also includes the planning of strategic decisions, activities and resource allocation needed to achieve those goals.

Having a defined process for managing an institution's strategies will help organizations make logical decisions and develop new goals quickly in order to keep pace with evolving technology, market and business conditions. Strategic management can, thus, help an organization gain competitive advantage, improve market share and plan for its future.

Five stages of strategic management process

There are many schools of thought on how to do strategic management, and academics and managers have developed numerous frameworks to guide the strategic management process. In general, the process typically includes five phases:

assessing the organization's current strategic direction;

identifying and analyzing internal and external strengths and weaknesses;

formulating action plans;

executing action plans; and

evaluating to what degree action plans have been successful and making changes when desired results are not being produced.

Effective communication, data collection and organizational culture also play an important part in the strategic management process -- especially at large, complex companies. Lack of communication and a negative corporate culture can result in a misalignment of the organization's strategic management plan and the activities undertaken by its various business units and departments. (See Value of organizational culture.) Thus, strategy management includes analyzing cross-functional business decisions prior to implementing them to ensure they are aligned with strategic plans.

Types of strategic management strategies

The types of strategic management strategies have changed over time. The modern discipline of strategic management traces its roots to the 1950s and 1960s. Prominent thinkers in the field include the Peter Drucker, sometimes referred to as the founding father of management studies. Among his contributions was the seminal idea that the purpose of a business is to create a customer, and what the customer wants determines what a business is. Management's main job is marshalling the resources and enabling employees to efficiently address customers' evolving needs and preferences.

In the 1980s, a Harvard Business School professor called Theodore Levitt, developed a different strategy with a focus on the customer. This strategy was different from the previous emphasis on production -- i.e., creating a product of high quality ensured success.

Distinctive competence, a term introduced in 1957 by sociology and law scholar Philip Selznick, focused on the idea of core competencies and competitive advantage in strategic management theory. This enabled the creation of frameworks for assessing the strengths and weaknesses of an organization in relation to the threats and opportunities in its external environment. (See SWOT analysis).

Canadian management scientist Henry Mintzberg concluded that the strategic management process could be more dynamic and less predictable than management theorists had thought. In his 1987 paper, "The Strategy Concept I: Five Ps for Strategy," he argued "the field of strategic management cannot afford to rely on a single definition of strategy." Instead, he outlined five definitions of strategy and their interrelationships:

- Plan: Strategy as a consciously intended course of action to deal with a situation.
- Ploy: Strategy as a maneuver to outwit a competitor, which can also be part of a plan.

- Pattern: Strategy stemming from consistency in behavior, whether or not intended and which can be independent of a plan.
- Position: Strategy as a mediating force or match between the organization and environment, which can be compatible with any or all of the Ps.
- Perspective: Strategy as a concept or ingrained way of perceiving the world -- e.g., aggressive pacesetter vs. late mover -- which can be compatible with any or all of the Ps.

SWOT analysis

A SWOT analysis is one of the types of strategic management frameworks used by organizations to build and test their business strategies. A SWOT analysis identifies and compares the strengths and weaknesses of an organization with the external opportunities and threats of its environment. The SWOT analysis clarifies the internal, external and other factors that can have an impact on an organization's goals and objectives.

Question no 04

Ans :

Three Types of Strategy: What Are They & How to Apply Them

Within the domain of well-defined strategy, there are uniquely different strategy types, here are three:

1. Business strategy
2. Operational strategy
3. Transformational strategy

It is worth noting, that a common consideration across all different types of strategy are your people, process, and technology. Without this, strategy is a set of lofty ideas, ungrounded in reality unaccompanied by a plan of action.

Let's look further into each of the three types of strategy that come to mind.

1. Business Strategy: Customer Experience

The first of the three types of strategy is Business Strategy and focuses on how your customer will experience your business. It is primarily concerned with how a company will approach the marketplace - where to play and how to win.

"Where to play" answers questions like:

- Which customer segments will we target?
- Which geographies will we cover?
- What products and services will we bring to market?

How to win answers questions like:

- How will we position ourselves against our competitors?
- What capabilities will we employ to differentiate us from the competition?
- What unique approaches will we apply to create new markets?

Senior managers typically create the business strategy. After it is created, business architects play an important role in clarifying the strategy, creating tighter alignment among different strategies, and communicating the business strategy across and down the organization in a clear and consistent fashion.

Executives are just beginning to bring advanced, highly credible business architecture practices and purpose-driven CX design into the strategy discussions early to provide tools, models, and facilitation that enable better strategy development.

Resource: Check out our ebook "How to Design an Elevated Customer Experience" to discover tools you can apply to your business strategy for a customer-centric business model!

2. Operational Strategy: People & Process

The second of the three types of strategy is Operational focused on your people and your processes. It is primarily concerned with accurately translating the customer-centric business strategy into a cohesive and actionable implementation plan.

Operational strategy answers questions like:

- Which capabilities need to be created or enhanced?
- Which processes need improvement or a complete redesign?
- Do we have the people we need and do they have the right skill base? (Ex: talent retention plans through Strategic Learning and Development programs)

Resource: Interested in employee retention and talent development as a part of your operational strategy? Download our latest ebook "How to Do Strategic Learning and Development"!

The vast majority of business architects are currently working in the operational strategy domain reaching up into the business strategy domain and communicating with leadership for direction.

They work from the middle out to bring clarity and cohesiveness to the organization's operating model typically working vertically within a single business unit while resolving issues at the business unit boundaries.

More mature business architecture practices work cross-functionally and in multiple verticals or move from one vertical to another.

3. Transformational Strategy: Platform Technology

The third of the three types of strategy is Transformational that focuses on how your technology can enable and transform your organization. We aren't talking about automation... we are talking about true digital business model transformation. It is seen less often as it represents the wholesale transformation of an entire business or organization.

This type of strategy goes beyond typical business strategy in that it requires radical and highly disruptive changes in people, process, and technology.

Transformational strategy is generally the domain of the Project Management Office (PMO), organizational development, and consultants. Few organizations go down this path willingly and with reasonable expectation of the resources it takes.

These efforts are incredibly complex and require highly experienced and knowledge technical resources. At Accelare, we called them Platform Design Engineers. There is also significant benefit from applying business architecture discipline though it is rare to see business architects playing a significant role here.