GL BAJAJ
Institute of Management & Research
Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No…………

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2019-21)
END TERM EXAMINATION (TERM -III)

Subject Name: Strategic Management	Time: 02.30 hrs
Sub. Code: PG25	Max Marks: 60

Note:
1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.
2. All questions are compulsory in Section A & C. Section A carries 10 questions of 2 marks each, Section B carries 5 questions of 04 marks each and Section C carries 1 Case Study of 20 marks.

SECTION - A

Attempt all multiple choice questions. All questions are compulsory. 02×10 = 20 Marks

Q. 1 (A): In the case where an organization acquires its supplier, this is an example of…?

a) Horizontal integration
b) Forwards vertical integration
c) Backwards vertical integration
d) Downstream vertical integration

Q. 1 (B): In the context of strategic management, stakeholders can be defined as…?

a) An individual or group with a financial stake in the organization
b) An external individual or group that is able to impose constraints on the organization
c) Internal groups or individuals that are able to influence strategic direction of the organization
d) An individual or group with an interest in the organization's activities and who seeks to influence them

Q. 1 (C): McDonalds is deciding whether to expand into manufacturing kitchen equipment in China. At what level is this decision likely to be made?

a) Business
b) Corporate
c) Functional
d) International

Q. 1 (D): Diversification into many unrelated areas is an example of…?

a) Risk management
b) Good management
c) Uncertainty reduction
d) Sustainability

Q. 1 (E): In terms of the PESTLE analysis, the liberalizing of international trade and tariff regimes could go in which section or sections?

a) Political
b) Legal

c) Political and economic and legal
d) Political and environmental

Q. 1 (F): In Porter's Generic Strategies model, a focus strategy involves…?

a) Selling a limited range of products
b) Selling to a narrow customer segment
c) Selling to one region only
d) Selling simple products that are cheap to produce

Q. 1 (G): A joint venture can be defined as:

a) Two firms collaborate together on a specific project
b) One firm licenses its intellectual property to another firm
c) Two firms merge together
d) Two firms come together to form a third, legally separate firm

Q. 1 (H): The balanced scorecard approach is a framework for measuring performance based on four factors. These are 'Organizational Capacity-learning and growth', 'the customer perspective', 'the business process- internal perspective' and:

a) The financial perspective
b) The external perspective
c) The operation perspective
d) The helicopter perspective

Q. 1 (I): Which of the following is NOT a strategic issue for a typical not-for-profit organization/ Non-Government Organization (NGO)?

a) Developing a broad portfolio of products and services
b) Stakeholder management
c) Sustaining the organization's values
d) Sustaining a flow of donations

Q. 1 (J) The stages in a turnaround process are…?

a) Realignment, retrenchment, recovery
b) Realignment, stabilize, recovery
c) Reassess, stabilize, survival
d) Reassess, retrenchment, survival

SECTION– B

Attempt any five out of six questions (Practical Approach) **04×05 = 20 Marks**

Q. 2: What are the possible applications of Ansoff's growth matrix? Explain with example of Samsung or Mi (Xiaomi Corporation).
Q. 3: Explain about virtual organizations? What are the advantages and challenges for these type of organizations especially in the current situation due to Covid-19?
Q. 4: Discuss and explain the three phases of strategic management process-strategy formulation, implementation, and evaluation and control with example for Jio Telecom?
Q. 5: Recently Hinalco completed $2.8-billion acquisition of US-based Aleris. Aleris has long-term supply contracts with aircraft makers Boeing, Airbus and Bombardier? Discuss the possible reasons and advantages in this deal for Hinalco?

Q. 6: What is the role of Balance Score Card (BSC) in implementing and evaluating the objectives at the operational level of the organization?
Q. 7: Animesh, Management Graduate from prestigious B-School wanted to start up his quick service food chain venture- This will serves large variants of delicious momos and Tibetan cuisine in a dine-in, delivery and takes away format. Design and discuss Strategic Formulation for his venture Plan before launch.

SECTION - C

10×02 = 20 Marks

Q. 8: Read the case and answer the questions

Dabur: Gained back lost ground

Dabur India Ltd. (Dabur), a leading Indian fast moving consumer goods (FMCG) company, was established in 1884 as a small pharmacy based in Calcutta (now Kolkata). Since then, it had gone on to become a Rs. 77 billion company (as of 2017). A decade into liberalization in 2002, the FMCG industry saw competition intensify, with deep-pocketed multinational companies (MNC's) trying every trick in the book to capture market share. The demand for consumer products was rising. But Dabur despite strong brand recall and trust was having trouble cashing in.

After analyzing the challenging and competitive environment, the core group in Dabur decided on a multipronged growth strategy. As the first step, Dabur decided to outsource non-core businesses like IT, and to concentrate on making quality consumer products. Simultaneously, Dabur decided to refurbish the product portfolio and entered into several emerging and sunrise categories such as skin care, packaged fruit juice and toothpaste.

In addition, Dabur drew up a rapid expansion plan which also included taking the inorganic route to grow business. Dabur recognized - much ahead of the competition - that rural India would become a key growth driver.

In addition, Dabur expanded their horizons and took on the MNCS on their home turf and in overseas markets and established a manufacturing facilities abroad, rather than ship products from India, as that would make them more nimble in addressing the changing needs of consumers, and provided them a leaner and quicker supply chain. This decision paid off and their products soon became favorites with Arab consumers, and their international business became a strong growth engine for the company, helping it tide over the recession in onwards, when it hit the domestic market. Today, their overseas business accounts for nearly 30 per cent of consolidated turnover. Another measure of our international success is that our premium skin and hair care brand, Vatika, is probably the only Indian FMCG brand to report equal turnover from both Indian and overseas sales.

Towards the end of 2016-17 and early 2017-18, due to a number of factors such as subdued demand, demonetization and rapid expansion from Patanjali and macro-headwinds, ayurveda major Dabur is pull up its socks. With better sales and improved margins, the firm took leverage the popularity of ayurveda, mostly ignited by rival Patanjali. The size of the ayurveda market has increased, which has aided their growth. Dabur are now getting traction for ayurvedic products across categories like never before. This factor is perhaps playing a biggest role in their performance. But in the long run Patanjali entry expanded the size of the market.

Dabur wanted to reach out to more entities in rural markets. Thus, pulled money from everywhere - cut down advertisement and promotions, cut down on bonuses - for infrastructure building. In rural market, Dabur divided the portfolio and team into health care and personal care and put in massive infrastructure to increase the density. Dabur also added 400 people. These measures have earned them rich dividends.

Operating margins have improved by 300 to 400 basis points due to continued low inflation and benefits from the GST. Half of their portfolio is home and personal care but their dependence on oil derivatives is much low as compared to many other firms. Only 30 per cent of their portfolio is facing the issue of inflation but other areas prices are downwards. Thus, rising oil prices or depreciating rupee is a lesser concern

Minimum support price (MSP) hikes for farmers in last few years was one of the favourable factor for Dabur. Higher MSPs mean higher disposable income in rural households. While it would increase the cost of raw materials to a certain extent but incremental sales would be much higher. Thus, inflation is not a concern as long as it boosts demand.

The regulatory framework of the Government of India is favorable with relaxation in license rules that permits tremendous opportunities in the rural market. The major players in the Indian FMCG market have foreign connections like Hindustan Unilever, Nestlé India, and Procter & Gamble and are market leaders. Among the truly Indian players are Dabur, Britannia, ITC (Indian Tobacco Company) and Marico. It is imperative that Dabur stands out among the Indian players and provide a stiff competition to capitalize on the large market opportunity in the FMCG market.

Dabur India stressed that it is looking to shift its focus back to its core strength, which is Ayurveda. The company will increase its focus on nine power brands from its product categories, which constitute about 65-70% of its sales. Dabur created a separate team for e-commerce channel six months ago. By 2020-21, it expect e-commerce could be up to 5 per cent of their sales. Dabur is accelerating product innovation and brand renovation which will ensure scalability of under indexed brands. Dabur’s 5 strategies are (1) Scaling up brands, (2) Driving innovation and renovation for market leadership, (3) Distribution expansion, (4) Operational excellence and (5) Capability improvement.

Currently country grapples with the Covid-19 pandemic, Dabur India looking forward to take key measures to meet the growing need for immunity-boosting products. This is in line with the company’s strategy of focusing on the consumer health division with stepped up investments on the brand and continued innovation.

Questions:

8 (A) Critically evaluate the FMCG industry using PESTEL framework in today’s business environment? What strategic actions Dabur should take to resolve the challenges and capture opportunities in current Covid19 situation?

8 (B) Explain the corporate and business level strategy for Dabur? Which strategies were responsible for its sustainable long term performance?

Question Number	**CLO**
Q1A,B,D,E,F,G,H,I	CLO1
Q2,Q5, Q7, Q1C	CLO2
Q8A,B	CLO3
Q3, Q4, Q6,	CLO4