

a) What type of defensive strategy is the company trying to follow and why? Justify your answer by giving relevant facts. What are the benefits of adopting such a strategy? (4)

b) In your opinion, how are the competitors going to react, because of BMW adopting such a strategy? What all alternatives are available to the traditional competitors (like Mercedes-Benz and Audi) to deal with this strategy? Also, what type of strategies, new competitors like Tesla Motors Inc. and Apple Inc. can adopt? (5)

c) You have been hired as a consultant by the company to advise it on various alternatives which it can take to protect its market share. What suggestions will you give? (3)

END

Total no. of pages-4

**SEMESTER III
SUPPLEMENTARY EXAMINATION
MGT 33: STRATEGIC MANAGEMENT**

Roll No. _____

**M.B.A.
FEB - 2019**

Time: 3 hours

Max Marks: 60

Instructions: Attempt any 4 questions (from Q.1-Q.5). Question No. 6 is compulsory. All questions carry equal marks.

1(a) "A vision is too abstract to be of any practical value". Do you agree with this statement? Why? What are the essential characteristics of a vision statement? (6)

1(b) The company competes aggressively on price with such rivals as Costco Wholesale, Sam's Club, Walmart, and Target, but it is also known by consumers for its first-rate consumer service and knowledgeable staff. Best Buy consumers also appreciate that demonstration models of PC monitors, digital media players and other electronics are fully powered and ready for in-store use. Best Buy Geek Squad tech support and installation services are additional customer service features that are valued by many customers. How would you characterize Best Buy's competitive Strategy? Explain your answer by giving advantages and disadvantages of this strategy. (6)

2(a) "Good strategy execution requires a team effort. All managers have strategy executing responsibility in their areas of authority and all employees are active participants in the strategy execution process." In the light of the above, discuss in brief, various measures which management should take to execute strategy effectively. (6)

2(b) Assume that you are in-charge of developing the strategy for a multinational company selling the products in some 30 different countries around the world. One of the issues you face is whether to employ a multicountry strategy, a transnational or a global strategy. Explain which strategy would make sense in case of the following products and why?

(i) Mobile phones ii. Footwears iii. Movies (6)

P.T.O.

12

3(a) Why was it profitable for GM and Ford to integrate backward into component-parts manufacturing in the past, and why are both companies now buying more of their parts from outside suppliers? What are the other ways through which a company can overcome limitations associated with vertical integration? (6)

3(b) Explain the kind of corporate level strategies which might be used in the following cases:

- i. A leading producer of tooth paste, advises its customers to brush teeth twice a day to keep breath fresh.
- ii. A renowned auto manufacturing company launches ungeared scooters in the market.
- iii. HCL, Microsoft to launch Internet incubation center in Redmond. (3*2=6)

4(a) Write short notes on the following:

- (i) Blue Ocean and Red Ocean strategy
- (ii) Resource Based View to Environmental analysis (6)

4(b) Identify and explain the business model being adopted by the following companies:

- (i) Walt Disney
- (ii) Quikr
- (iii) Reliance Telecom (6)

5(a) Comment on the following with suitable examples:

- (i) "Even though a distinctive competency is considered to be corporations' key strength, a key strength may not always be a distinctive competency."
- (ii) "Turnaround is all about converting a negative situation into a positive situation." (6)

5(b) As per the Strategic Outsourcing Process suggested by Mark Gottfredson, Rudy Puryear, and Stephen Phillips in their research article 'Strategic Sourcing: From Periphery to the Core', determine whether the following activities can be outsourced or not?

- (i) Steel Manufacturing for Automobile industry
- (ii) Assembling for Electronics industry (6)

6. BMW plans to roll out more electric cars and add self-driving features faster than rivals to help fend off growing threats to its status as the world's biggest maker of luxury vehicles.

The German carmaker will also roll out more SUVs including the full-sized X7 as well as more versions of high-end models like the 7-series sedan, the company said today in a statement. The two-pronged approach is the center piece of a strategy review by CEO Harald Krueger and is aimed at maintaining pre-tax profit margins at a minimum of 10 percent through 2020.

BMW said it will launch a roadster version of its i8 plug-in hybrid sports car, along with a new version of its i3 compact EV with increased battery capacity and a longer range, as well as a plug-in hybrid for its Mini brand.

A decade after taking the top spot in the global luxury-car market, BMW is at a crossroads. Years of rolling out new models ranging from coupe-like SUVs to seven-seat wagons have left the company with few niches that could spur growth. Rival Daimler AG has a chance to reclaim the crown as early as this year after catching up to BMW with a slew of new models and upgrades of its bestsellers.

Unlike rivals Mercedes-Benz and Audi, the owner of the BMW, Rolls-Royce and Mini brands isn't part of a broader group, meaning it has to absorb the costs of developing these new technologies on the strength of its current offering. Growth though is slowing as Daimler AG's Mercedes and Volkswagen AG's Audi push for the No. 1 spot, and brands including Maserati, Jaguar and Alfa Romeo expand to give luxury-car buyers more options.

"There's not much they can do in terms of adding more products," Dominic O'Brien, a London-based analyst with Exane BNP Paribas, said before BMW released the strategy report. "The three key themes of emissions reduction, connected cars and autonomous driving will keep spending on research and development at an elevated level."

In addition to battling its traditional rivals, BMW also faces the emergence of new competitors like Tesla Motors Inc. and potentially Apple Inc. The company outlined its view of future luxury autos last week when it presented a concept vehicle where the steering wheel and center console retract, enabling the driver to turn to face the front passenger.