

Code: BA3T1

PVP 12

**II MBA-I Semester-Regular Examinations FEBRUARY 2014**

**STRATEGIC MANAGEMENT**

Duration: 3hours

Max. Marks: 70

**SECTION-A**

**1. Answer any FIVE of the following: 5 x 2 = 10 M**

- a. Critical Success Factors
- b. Policies
- c. Focus strategy
- d. Strategic Control
- e. Core Competency
- f. Balanced Scorecard
- g. Strategic Surveillance
- h. Entry Barriers

**SECTION – B**

**Answer the following: 5 x 10 = 50 M**

2. a) Compare and contrast Vision and Mission statements in terms of composition and importance.

OR

b) Describe various methods relevant for understanding Industry Environment?

3. a) Discuss Porter's five forces model with reference to Indian Airline Industry. What does the model tell you about the level of competition in this industry?

OR

b) Compare and critic BCG matrix with GE model.

4. a) Describe Value Chain Analysis? How is it relevant for Strategic Management?

OR

b) Is it possible for a company to follow Cost Leadership and Differentiation at the same time? Explain in detail why or why not?

5. a) Why is resource allocation so important? How are strategy, structure, and resources related?

OR

b) What are some ways to implement a retrenchment strategy without creating a lot of resentment and conflict with labour union?

6. a) What are some examples of behavior controls, Output Controls and Input controls?

OR

b) What are problems in measuring Performance? Explain Guidelines for proper control.

## SECTION – C

### 7. Case Study

1 x 10 = 10 M

Playbook turned out to be disappointing which was supposed to rival Apple's iPad. Having failed to reverse its fortunes as a public company, BlackBerry announced that it had struck a preliminary deal with a group of investors who want to take it private, at a value of \$4.7 billion. This is only slightly above its market value just before the bid, and a massive comedown from the \$83 billion Sales of BlackBerrys have been battered by competition from sleeker devices using Apple's iOS and Google's Android operating systems. The firm's latest effort to create a hip handset of its own, the Z10, has also flopped. BlackBerry says it is writing down inventory it had valued at up to \$960m in its latest fiscal quarter, largely due to poor sales of the Z10, and cutting 4,500 jobs, or 40% of its workforce.

Prem Watsa, the boss of Fairfax Financial Holdings, a Canadian insurer and investment firm that is leading the investor group, knows BlackBerry well. Fairfax owns about a tenth of its shares and Mr Watsa was one of its directors until he resigned from the board to avoid a conflict of interest when it set up a committee to review options for BlackBerry's future.

Dubbed Canada's Warren Buffett because of his appetite for contrarian bets, Mr Watsa will be making a big one if the deal for BlackBerry goes ahead. The firm has announced that it is abandoning the consumer market. Instead it will focus on the

corporate one, where it also offers software for businesses to manage and secure their workers' mobile devices.

But even there its prospects look grim. A survey of North American and European companies by Forrester, a research firm, shows that BlackBerry's share of mobile devices used by their employees plummeted from 57% in 2009 to 21% today.

BlackBerry's fundamental problem is that companies are now buying the same smartphones and tablets that their employees use at home. So, by losing in the consumer arena, BlackBerry will find it even harder to win in the workplace. It also faces stiff competition from the likes of MobileIron and AirWatch, whose device-management software has adapted far more swiftly to a world in which BlackBerrys are being squashed by iPhones and Android handsets.

There is speculation that Fairfax's move for BlackBerry is designed to flush out a higher offer. Tech giants such as Microsoft and Cisco are being whispered as potential bidders.

- i) Analyze the issues faced by BlackBerry using one of the techniques studied in Strategic Management.
- ii) Explore all the strategic options available to turn-around BlackBerry.