

Code: BA3T1

II MBA - I Semester-Regular Examinations - JANUARY 2016

STRATEGIC MANAGEMENT

Duration: 3hours

Max. Marks: 70

SECTION-A

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

- a. Characteristics of strategic management
- b. Strategic vision
- c. SWOT analysis
- d. Balanced score card
- e. Defensive strategy
- f. Horizontal diversification
- g. Strategic information systems
- h. Strategic audit

SECTION – B

Answer the following: 5 x 10 = 50 M

2. a) Discuss the nature and process of strategic management.

OR

b) What is mission? Explain the key elements, characteristics and functions of mission statements.

3. a) “Control Systems help in achieving competitive advantage”. Discuss the statement with four types of control systems.

OR

b) Explain the BCG matrix with a suitable example

4. a) Explain with examples Michael Porter's value chain analysis.

OR

b) Discuss the key factors involved in strategy formulation.

5. a) Examine the different systems in strategy implementation.

OR

b) Explain the role and importance of cultural aspects in strategy choice.

6. a) Why is there a need for strategy evaluation? What factors should be taken into account for evaluating strategy?

OR

b) Discuss the role of qualitative and quantitative benchmarking in performance evaluation.

SECTION – C

7. Case Study

1 x 10 = 10 M

Rajaram represents a typical Indian who has created success out of sheer hard work and commitment through his education and expertise. At the age of 23 years, Rajaram, after graduating in Pharmacy from Osmania University, Hyderabad went to pursue higher studies in the U.S. He completed his Master's and Ph.D. in industrial chemistry. Armed with high qualifications, he became a Research Pharmacist and eventually, as most expatriate Indians do,

set up his own company, Sabinsa Corporation. Experiencing difficulties with the long-drawn drug approval process of the US Food and Drug administration and his own dwindling savings, Rajaram focused on ayurvedic products based on natural extracts. He returned to India in 1991 (incidentally, the year when Liberalization started in India) and set up Sami Chemicals and Extracts Limited. Later, renamed as Sami Labs Ltd., (SLL) at Bangalore.

SLL has over three dozen products and seven US patents. There are 25 European and other country patents pending approval. SLL has four manufacturing units all based in Karnataka. The sales are Rs.44.5 crores and the profit-after-tax is 5.89 crores. It has pioneered specialized products based on Indian herbal extracts relying on the principles of Ayurveda. The major thrust is on remedies for cholesterol control, fat reduction and weight management. As against several Indian companies exporting raw herbs, SLL specializes in value-addition through extraction. The result is encouraging, SLL products typically fetch an export price that is more than double the price of raw herbs

SLL thinks of its business as “manufacturing and Selling traditional standardized extracts and nutritional and pharmaceutical fine chemicals”. Sabinsa, its US based company, sources contracts from the US companies to manufacture certain chemicals in India. It’s business plans are quite ambitious. Setting up a product management team, assisting farmers in cultivation of pharmaceutically useful herbs and international collaborations for

developing research based intellectual property and its commercialization are some of the strategic actions on the anvil.

SLL looks forward to being a Rs.500 crore company by 2020.

Question:

How will you define the business of SLL? Comment on the business plan of SLL and state your opinion on the likelihood of its success.