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2876

Your Roll No.

M.Com. (NC)/ Sem. III

F

Paper No. 4301 : Global Strategic Management

Time : 3 Hours

Maximum Marks : 100

*(Write your Roll No. on the top immediately
on receipt of this question paper.)*

Attempt All questions.

All questions carry equal marks.

1. (a) "Some decisions are made in a flash by one person (entrepreneur or CEO) who has brilliant insight and is quickly able to convince others to adopt his idea, Other decisions develop out of a series of small choices that over time pushes an organization move in one direction," In view of this statement, describe the various modes or strategic decision-making process and identify the modes adopted by the following organizations:

(i) Delhi University

(ii) Flipkart

(iii) Hewlett-Packard

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(iv) Facebook (10)

(b) Discuss Porter's five forces model with reference to any industry. What does the model tell you about the level of competition in this industry?

(10)

OR

(c) What are the elements of the strategic management process? How are they interrelated? (10)

(d). How can each one of the business level strategies be used to position the firm relative to the five forces of competition in a way that helps the firm earn above-average returns? (10)

2. (a) Identify and explain the kind of *corporate level strategies* which might be used in the following cases:

(i) McDonald's starting a new coffee chain McCafe.

(ii) Bank of America Corp cut 16,000 jobs as it speeds up a company-wide cost-cutting initiative amid declining revenues.

(iii) In order to protect the quality of burgers in India, McDonalds source the potatoes used in the burgers from Punjab.

- (iv) Larsen & Toubro will reorganise its operation into 9 business verticals as the conglomerate seeks to simplify its structure to better manage growth;
- (v) Compaq acquired DEC and itself was acquired by HP, (5×4=20)

OR

(b) Comment on the following

- (i) "Even though a distinctive competency is considered to be corporations' key strength, a key strength may not always be a distinctive competency,"
- (ii) "Emergent strategy can be more successful than intended strategies"
- (iii) "It is possible for a company to be the lowest cost producer in its industry and simultaneously have an output that is valued by customers."
- (iv) "Without a vision, an organization structure fails," (4×5=20)
3. (a) Stihl is the worlds leading manufacturer and marketer of chain saws with annual sales

exceeding \$2 billion. With innovations, the company holds over 1,000 patents related to chain saws and outdoor power tools. The company's products are sold at price points well above competing brands and are sold only by its network of 8,000 independent dealers. How would you characterize Stihls competitive strategy? Also, has the company chosen to concentrate on a narrow market or does it appear to pursue a broad market approach? Explain your answer by giving advantages and disadvantages of such a strategy. (10)

(b) In managing their growth through the life cycle. What strategies should be made by

(i) corporations in a strong competitive market position and

(ii) corporations in a weak competitive position? Elucidate with the help of real life examples.

(5×2=10)

OR

(c) "A brilliant strategy can put a firm on the competitive map, but only solid execution can keep it there." In the light of the statement, explain the difference between strategy formulation and strategy implementation? (10)

- (d) An old established company in the tea industry having nation-wide marketing outlets and creditable export performance recently decided to follow a combination strategy of internal growth with diversification by adding a new product line consisting of processed food items, State and explain the possible reason that prompted the company to adopt the strategy. (5)
- (e) What is the effect of strategic leadership on determining the firm's strategic direction? (5)
4. Write short notes on the following (any **two**):
- (a) Balanced Scorecard
 - (b) BCG Matrix
 - (c) Business Model
 - (d) Vision and Mission (10×2=20)
5. Read the following case and answer the questions that follow:

MTV Networks

MTV networks has become a symbol of globalization. Established in 1981, the United States based TV

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network has been expanding outside of its North American base since 1987 when it opened MTV Europe. Now owned by media conglomerate Viacom. MTV Networks which includes Nickelodeon and VH1; the music station for the aging baby-boomers, generates more than \$2 billion in revenues outside the United States. Since 1987, MTV has become the most ubiquitous cable programmer in the world. By the late :2000s, the network reached some 450 million households, some 300 million of which were in 140 countries outside the United States. Despite its international success. MTV's global expansion got off to a weak start. In 1987, when most of MTV's fare still consisted of music videos, it piped a single feed across Europe almost entirely composed of American programming with English speaking hosts. Naively, the networks American managers thought Europeans would flock to the American programming. But while viewers in Europe shared a common interest in a handful or global superstars, who at the time included Madonna and Michael Jackson. their tastes turn out to be surprisingly local. What was popular in Germany might not be popular in Great Britain. Many staples of the American music scene left Europeans cold. MTV Networks suffered as a result. Soon local copy cat stations were springing up in Europe that focused on the music scene in individual countries. They took viewer and advertisers away from MTV.

In 1995 MTV changed its strategy and broke Europe into regional feeds. There are approximately 25, including feeds for the United Kingdom and Ireland; another for Germany, Austria, and Switzerland; one for Italy; one for France; one for Spain; one for Holland; and one for Russia. The network adopted the same localization strategy elsewhere in the world. For example in Asia it has 10 feeds: an English-Hindi channel for India; separate Mandarin feeds for China and Taiwan; a Korean feed for South Korea; a Bahasa-language feed for Indonesia and so on. Digital and satellite technology have made the localization of programming cheaper and easier. MTV network can now beam a half dozen feeds off one satellite transponder.

Although MTV Networks exercises creative control over these different feeds, and all the channels have the same familiar frenetic look and feel of MTV in the United States, a significant share of the programming and content is now local. When MTV opens a local station, it begins with expatriates from elsewhere in the world to do a "gene transfer" at company culture and operating principles. Once these are established, however, the network switches to local employees and the expatriates move on. The idea is to produce programming that matches with the tastes of consumers. Although many of the programming ideas still originate in the United States,

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with staples such as *The Real World* having equivalents in different countries, an increasing share of programming is local in conception. In Italy. *MTV Kirchen* combines cooking with a music countdown. The Indian channel produces 21 homegrown shows hosted by local veejays who speak “Hinglish”, a city-bred breed of Hindi and English. Hit shows include *MTV Cricket in Control*, appropriate for a land where cricket is national obsession; *MTV Housefull*, which hones in on Hindi film star : and *MTV Bakra*, which was modelled after *Candid Camera*. This localization push reaped big benefits for MTV, allowing the network to capture viewers back from local imitators. In India, for example, ratings increased by more than 700% between 1996, when the localization push began, and 2000. In turn, localization helps MTV to capture more of those all-important advertising revenues, even from other multinational such as Coca-Cola, whose own advertising budgets are often locally determined.

- (a) What strategy did MTV pursue when it initially started to expand internationally? What assumptions were managers at MTV making about foreign markets at that time? (10)
- (b) Which strategy does MTV pursue in current scenario? What are the benefits and costs of this strategy? (10)