



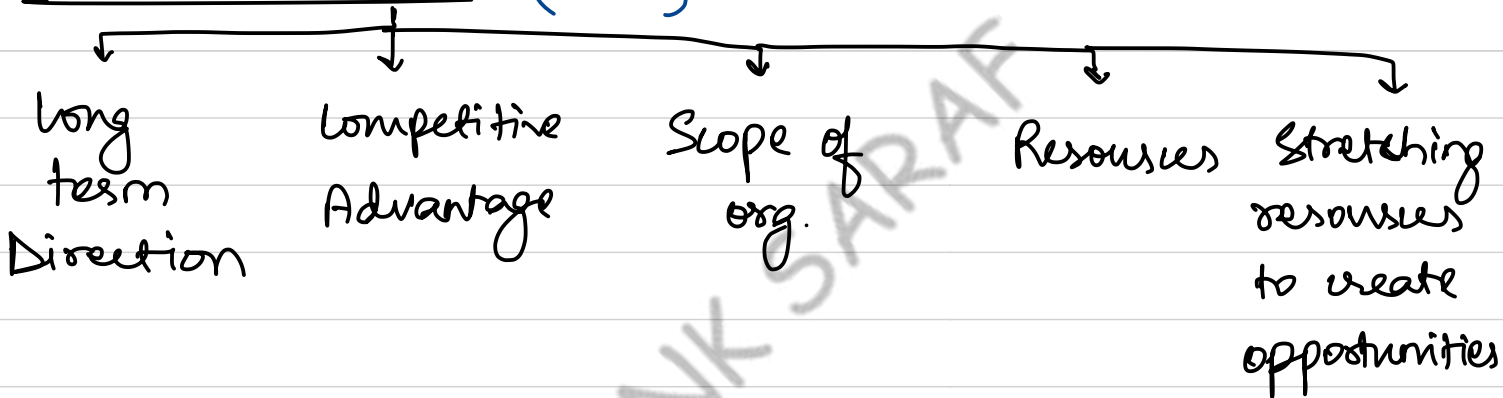
Ch 1 → Introduction

Strategy (Uoi & Jio)

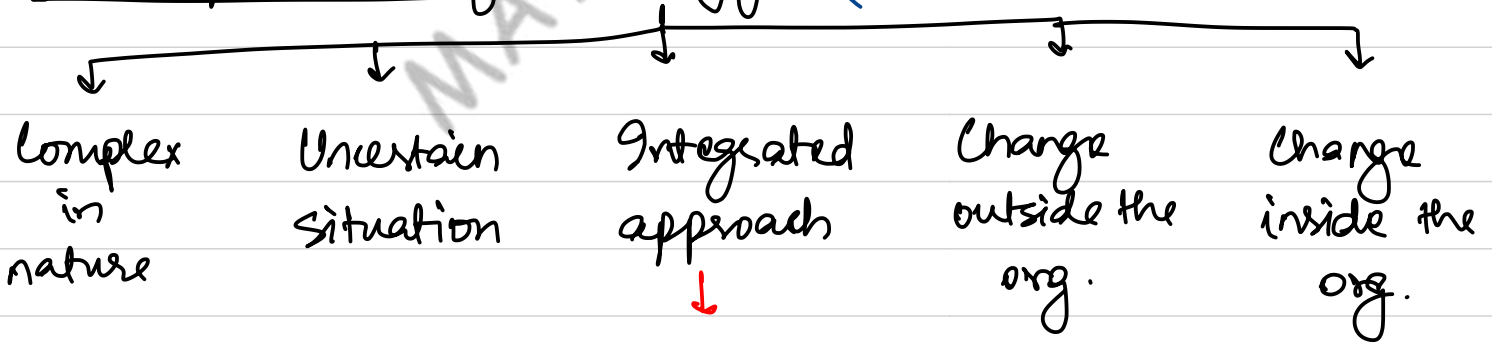
It is a plan of action to achieve goals & objectives.

It helps in achieving competitive advantage.

Characteristics (Jio)



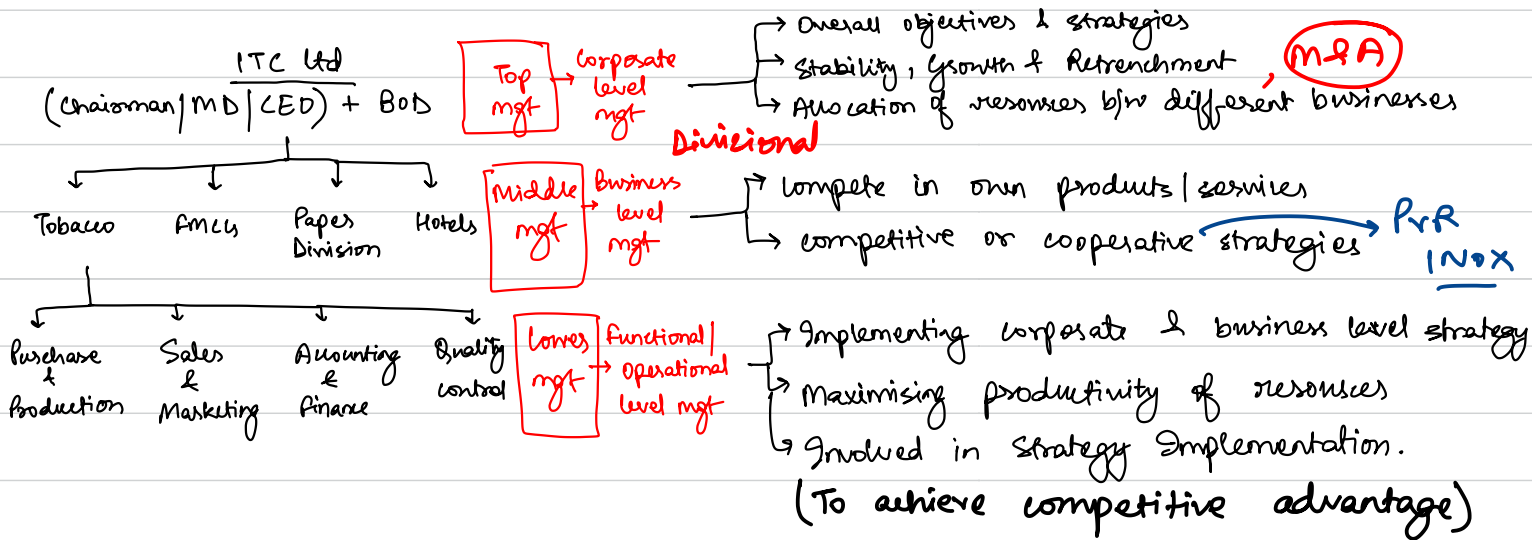
Consequences of Strategy (Aistel)



Involves everyone in the org.

[Top mgt, Middle mgt, Lower mgt, Emp]

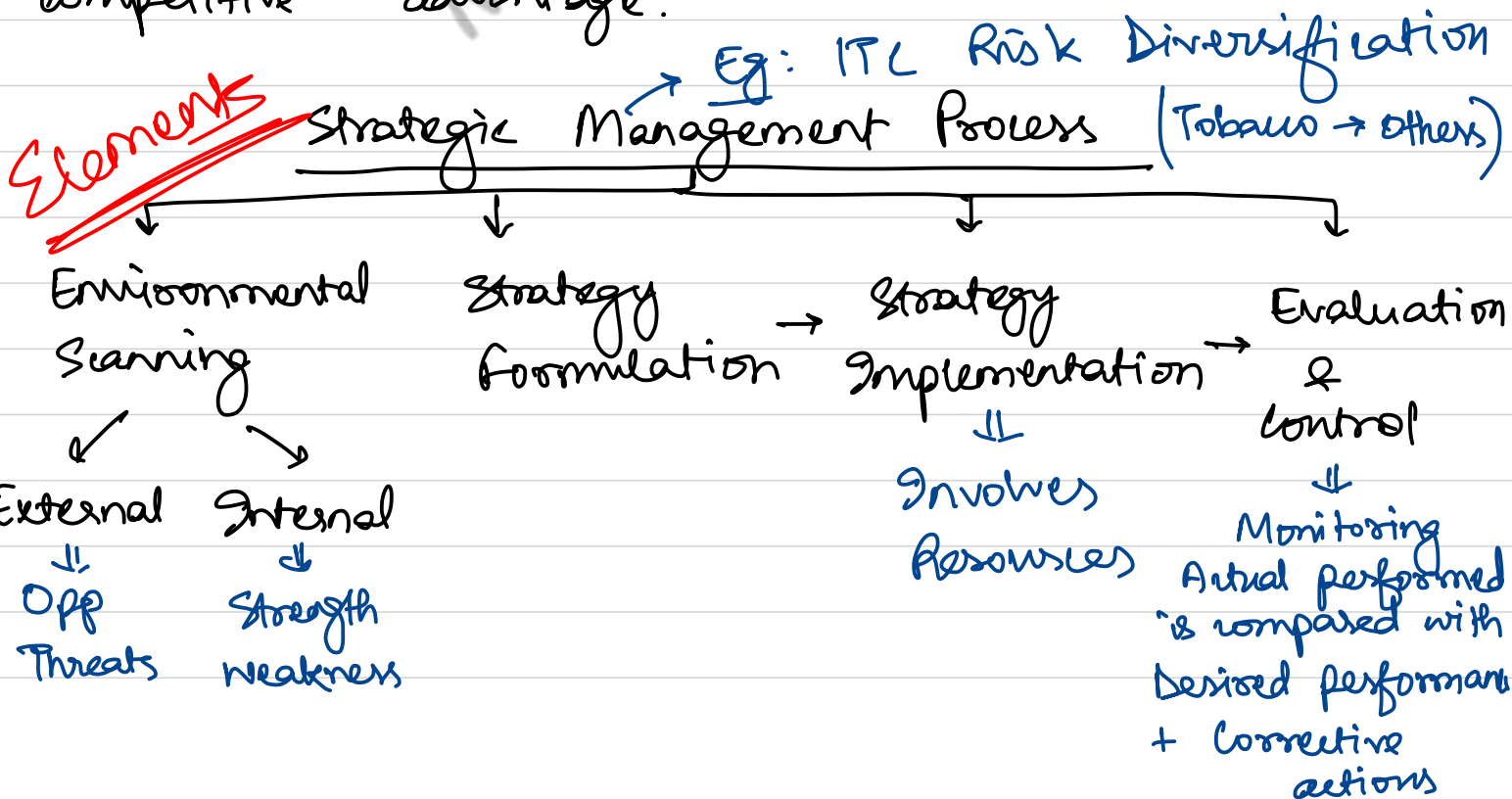
Types of Strategies



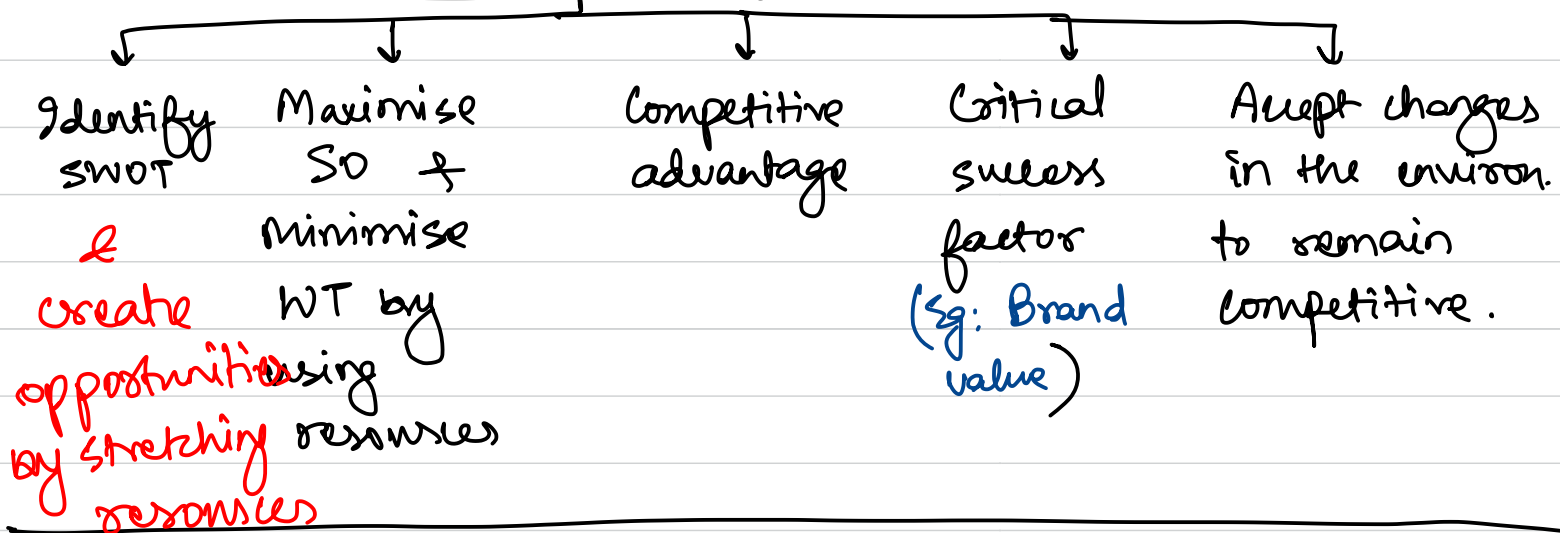
Strategic Management



Strategic Management is the process through which strategies are formulated to achieve competitive advantage.



Objectives of SM (Pg 404)



Vision, Mission, Goals & Objectives

Eg for Self understanding

- Vision** - WHERE? the co. wants to go
- Future statement
 - Provides direction
 - Long term

Jio

Digital India
(Has Ghas Jio)

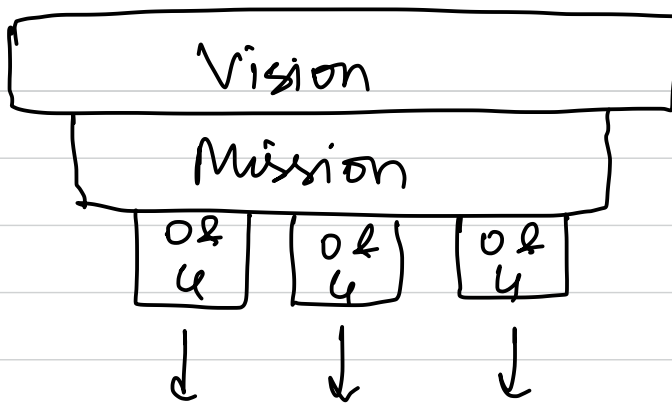
Products & Services

- Mission** - WHO? & WHAT? are we doing
- Present business scope

Jio voice, Jio fiber,
Jio phone, Jio Cinema,
Jio mart - - - - -

- Goals & Objectives**
- Targets to achieve
 - Benchmark
 - Serve as performance measurement tools.

Market share ~~uptake~~
increase by 30%.



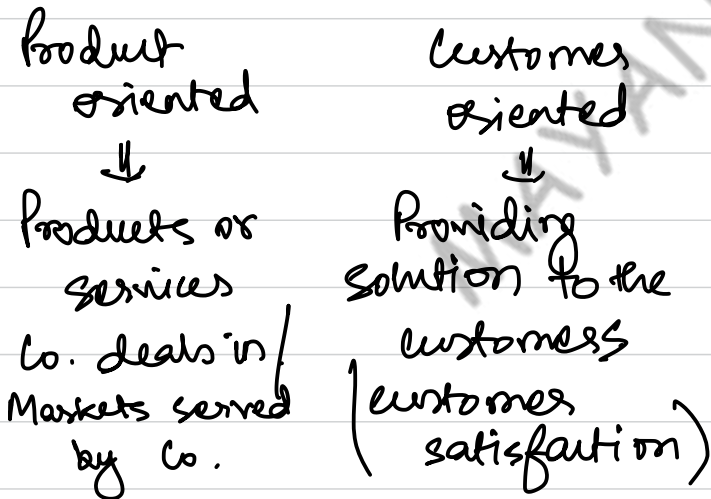
Strategies to achieve O & U

Resources are required to implement strategies

If LIC does not have a good vision, usko IGV mein bhanti hona padega.

Vision (Pg 392)

Types of Vision & Mission



Benefits of good vision

- Inspiring (Motivating)
- Common identity
- Original & Unique
- long term
- Integrity (Benefit of people)
- Customer oriented or Product oriented

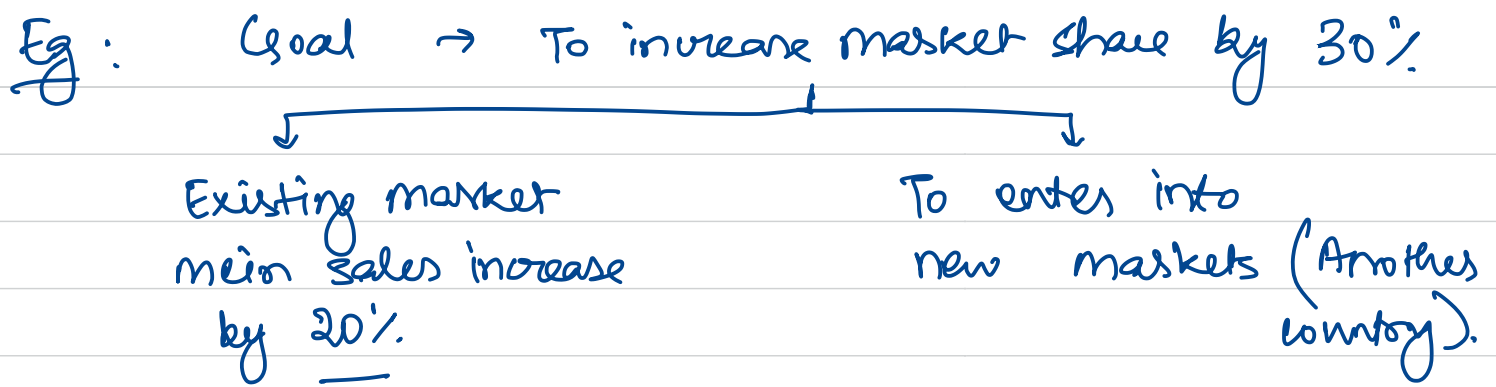
Goals & Objectives (Pg 399)

- More specific
- Close ended

Objectives

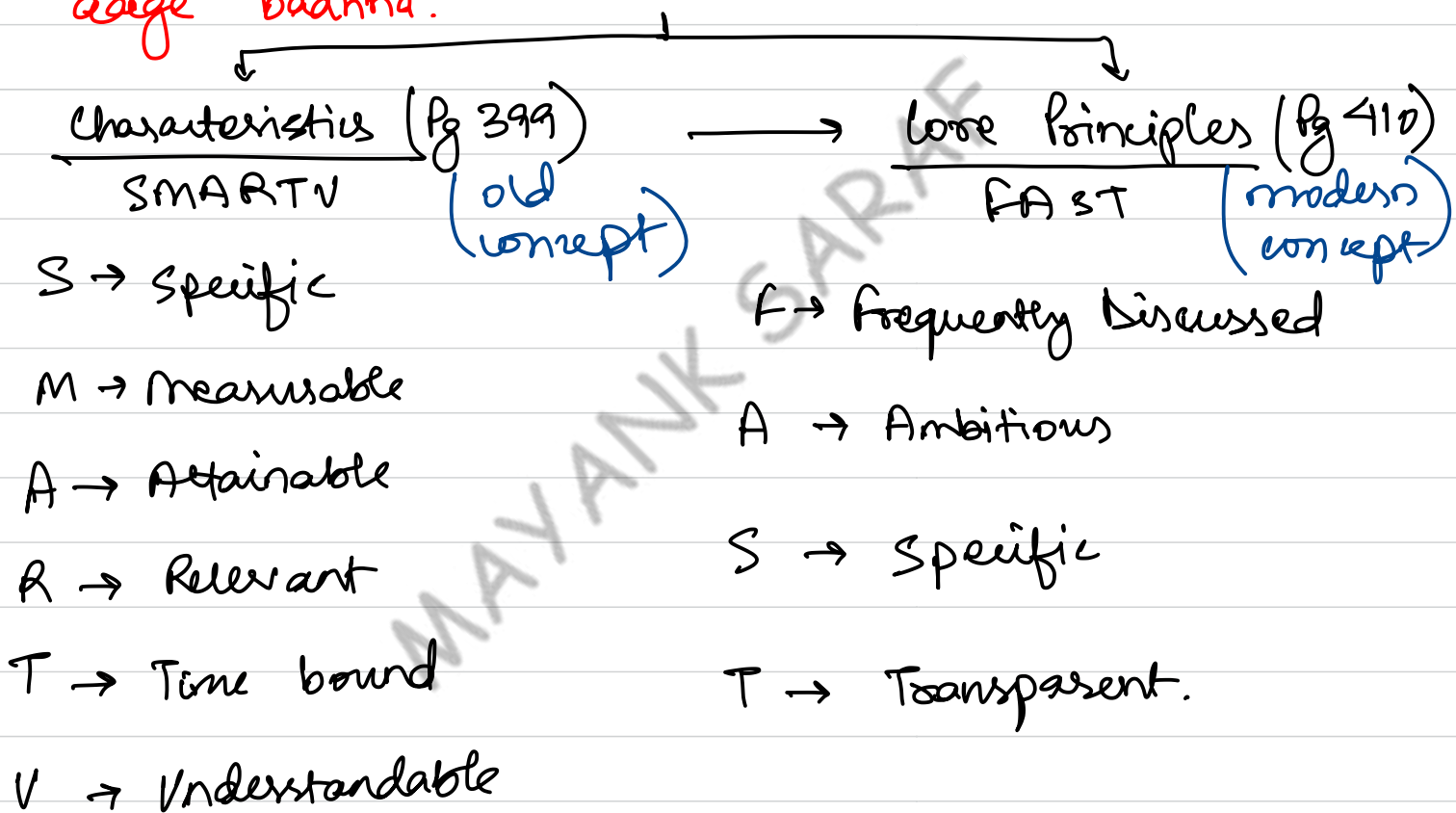
Goals

- Broader
- Open ended.



Characteristics of G.O:

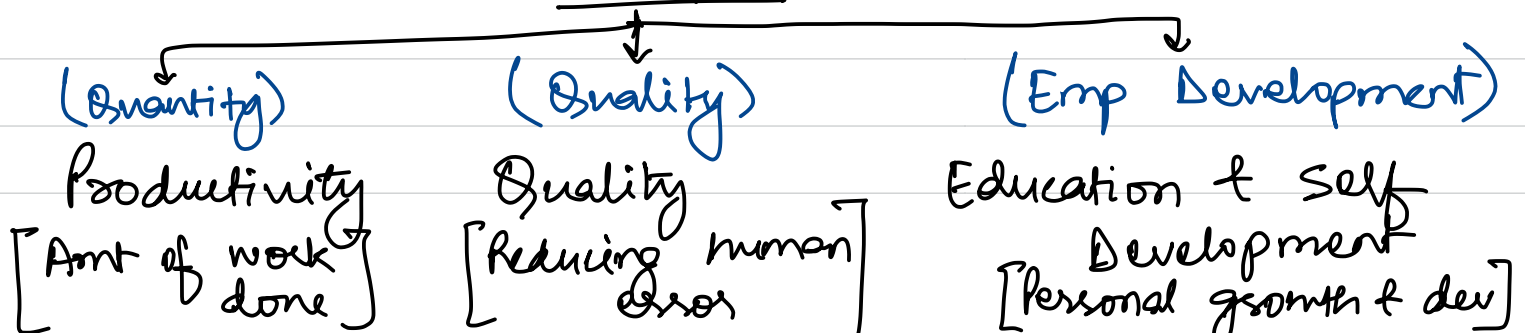
Zindagi ka Objective hai SMARTU banna + FAST rone badhna.



Performance Objectives (Pg 411)

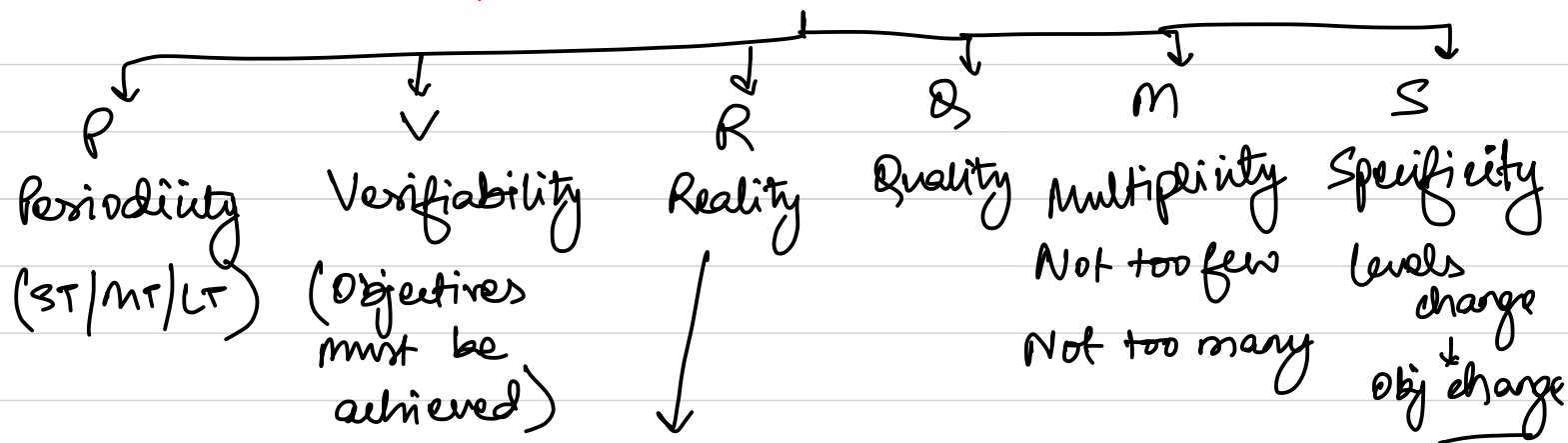
Performance objectives are set for Employees.

Examples



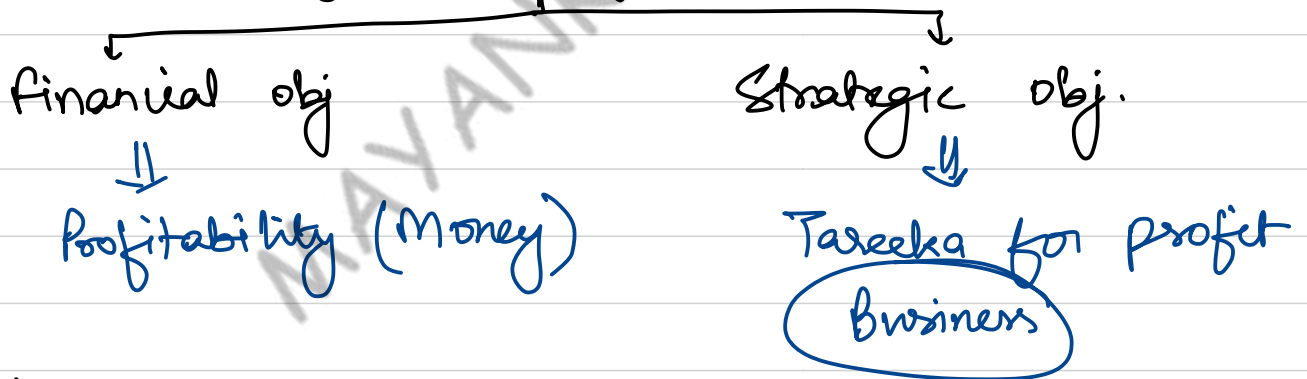
Issues to be kept in mind while setting objectives

PvR mein QMS ka issue hai.



Official obj + Resources = Operative obj
(get) (meet)

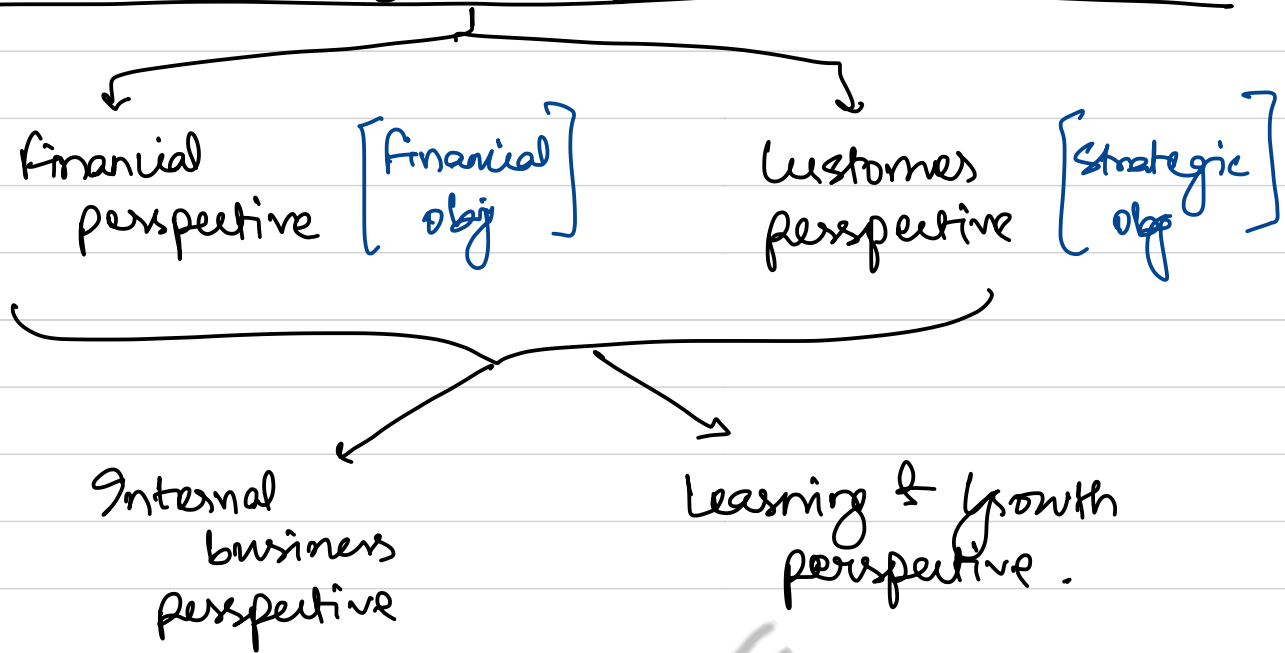
Types of Objectives



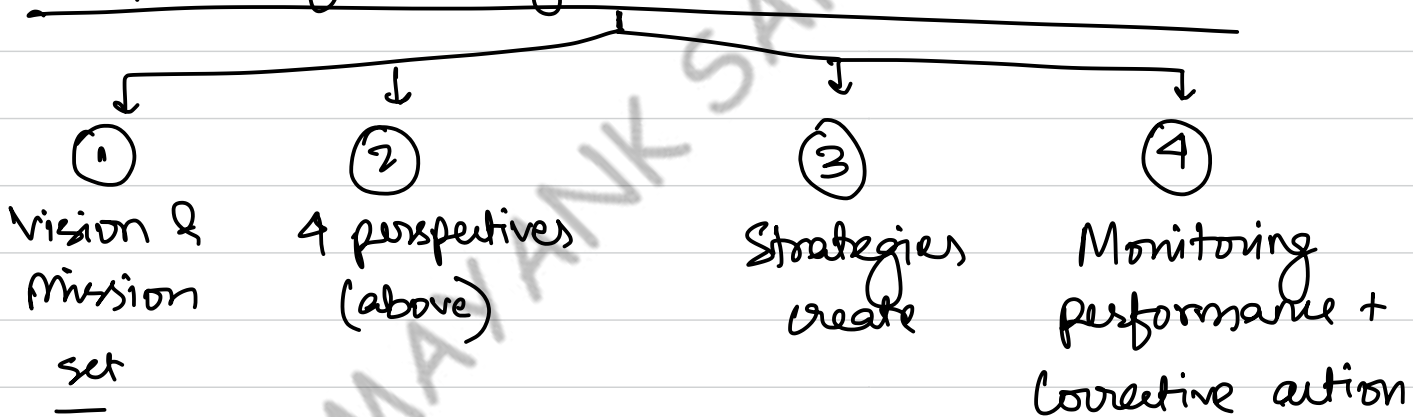
Balance b/w the 2 objectives

↓
Balanced Score card (Pg 412)

Perspectives while formulating Balanced score card:

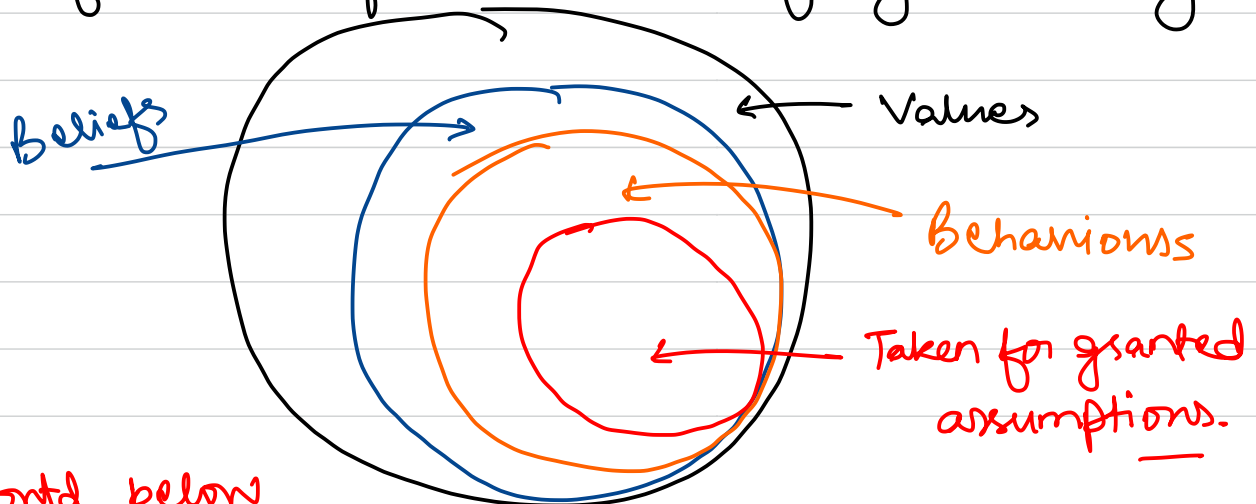


Steps in formulating Balanced score card:



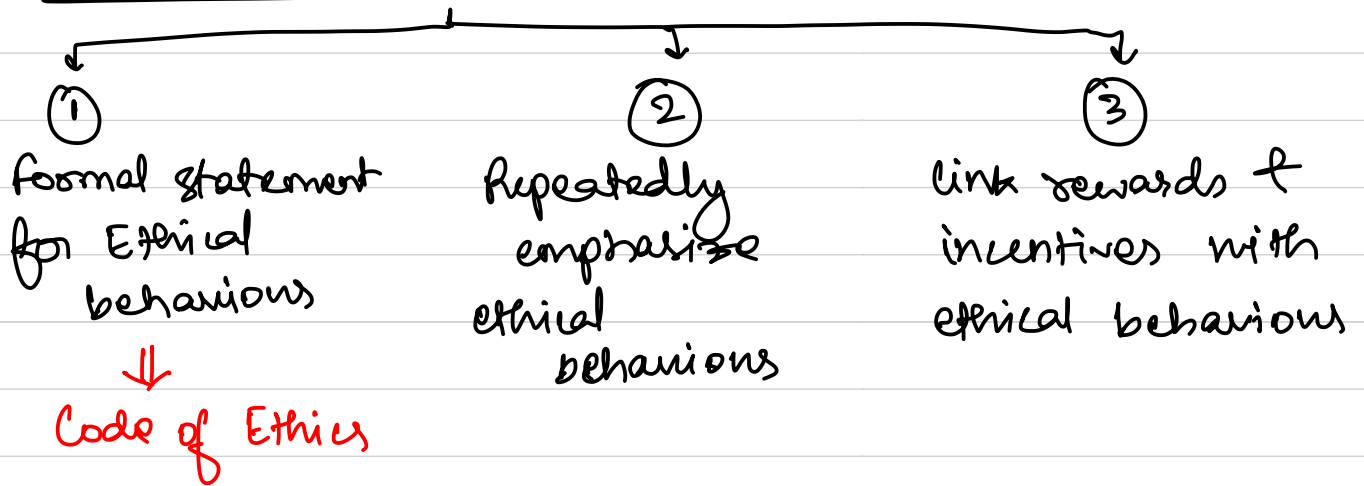
Organisational culture (Pg 397)

Beliefs & assumptions + taken for granted ways

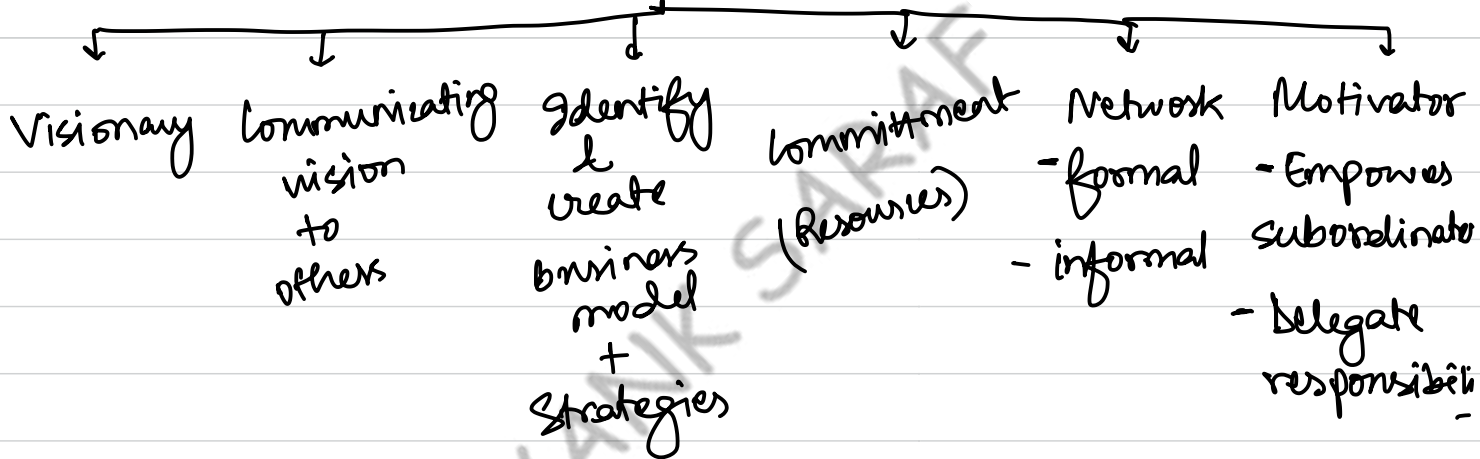


* contd below

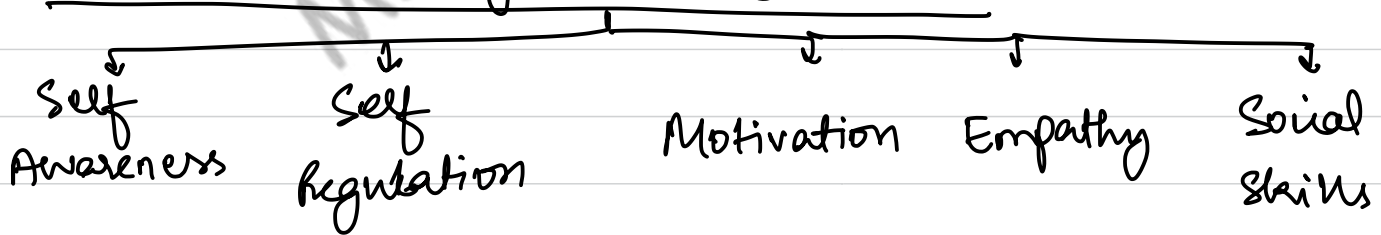
Ethical Behaviours (Pg 399)



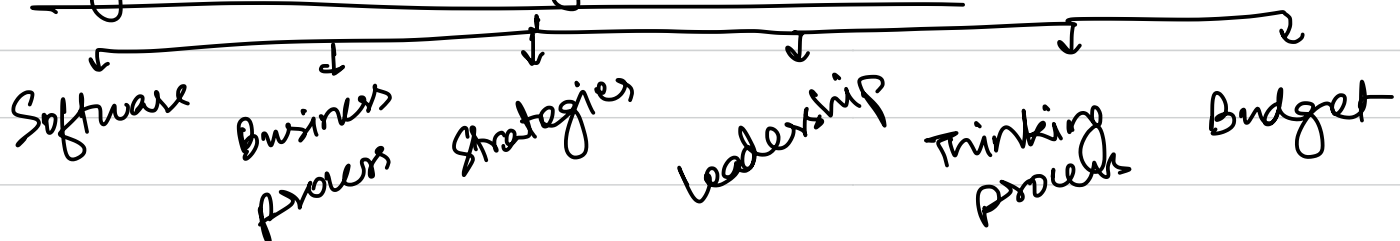
Strategic Leadership - Qualities (Pg 406)



Emotional Intelligence - (Pg 406)



Organisational Change (Pg 407)



* Continuation of culture (Pg 399)

Culture's influence on Strategy:

Culture must be in alignment with Strategy
If not



Managing Culture

Changing the culture to be in alignment with Strategy

Modify Strategy

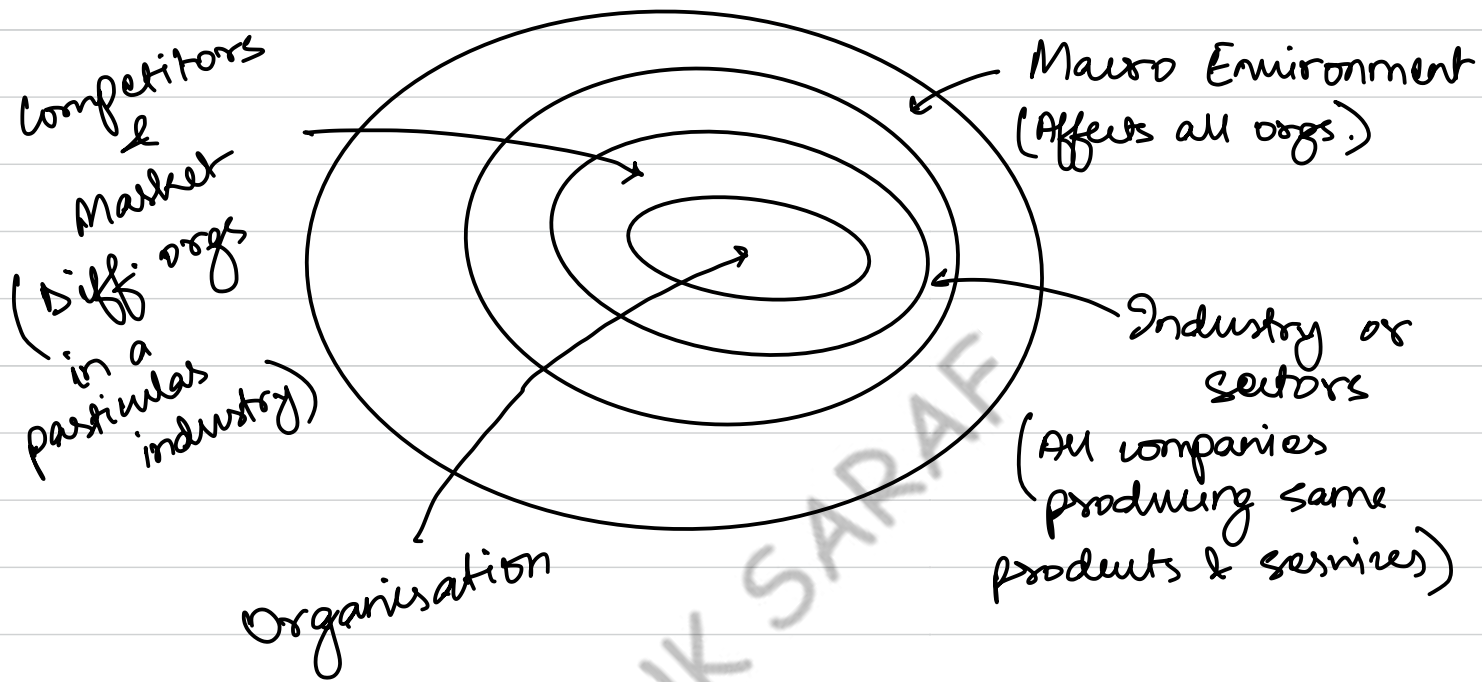
Modify the strategy to be in sync with culture.

MAYANK SARAF

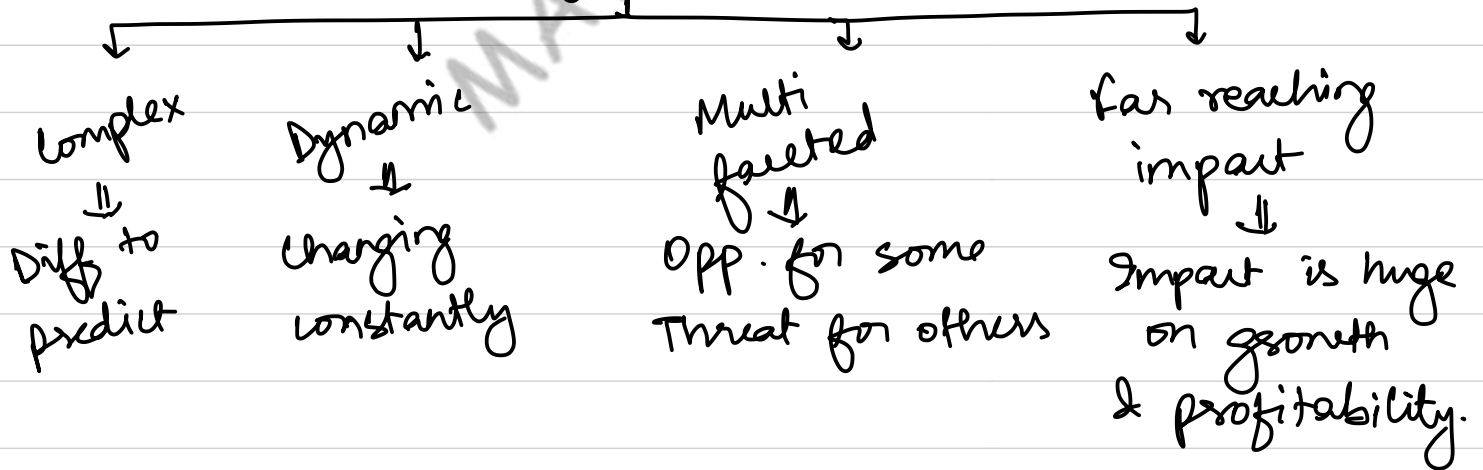
Ch 2 → Strategic Analysis & Strategic Planning

Business Environment

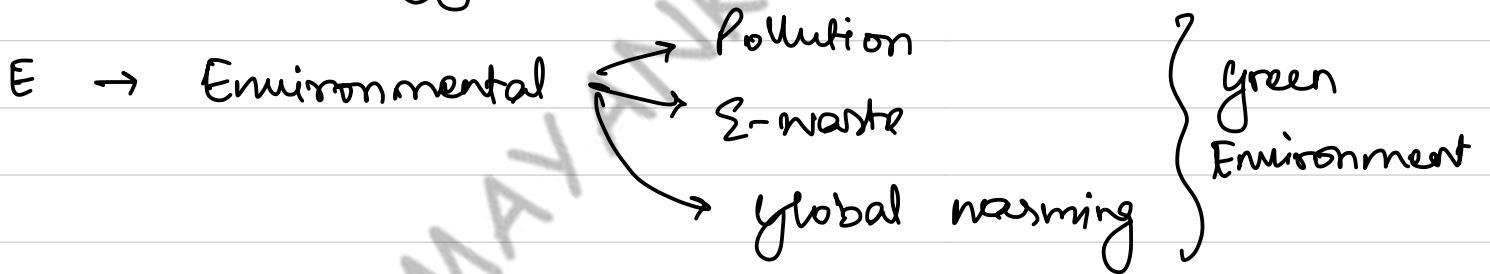
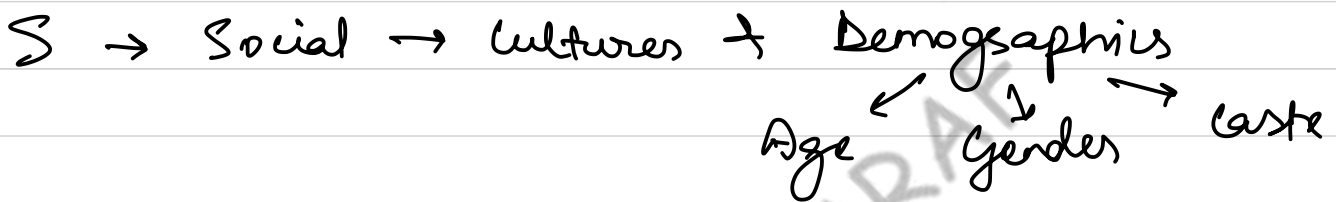
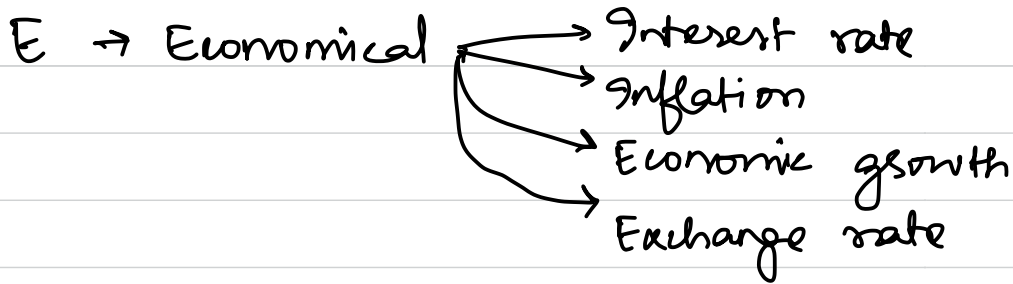
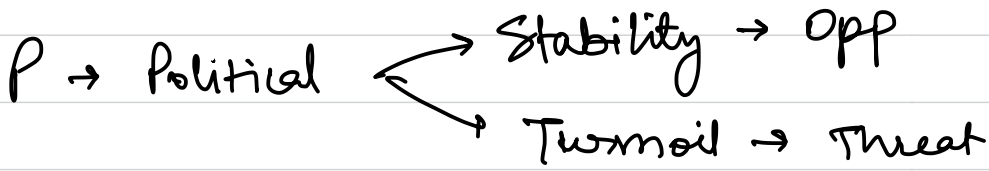
Layers of Environment (Pg 428)



Characteristics of Business Env.



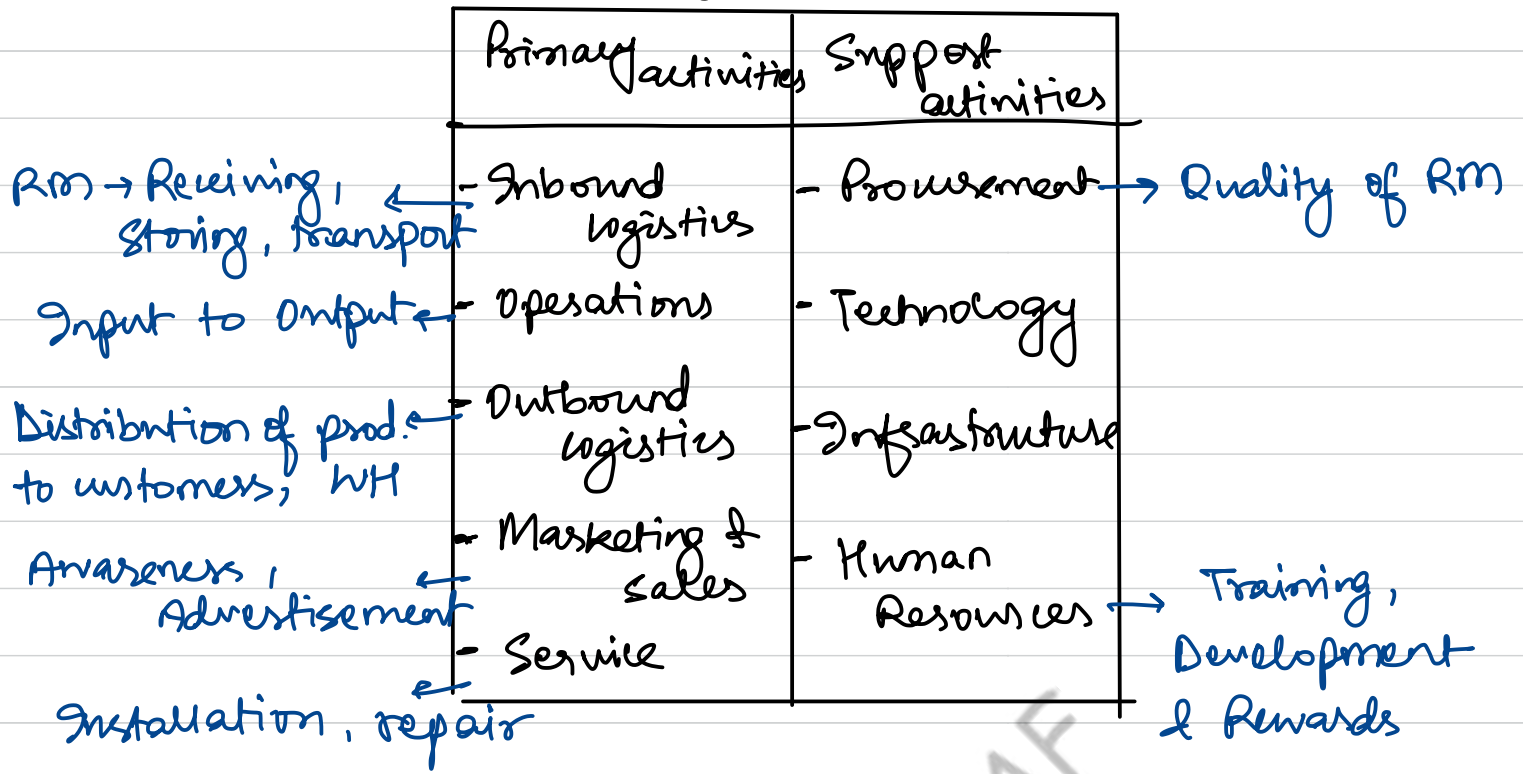
PESTEL framework



Value Chain

chain of activities which connects inputs to outputs

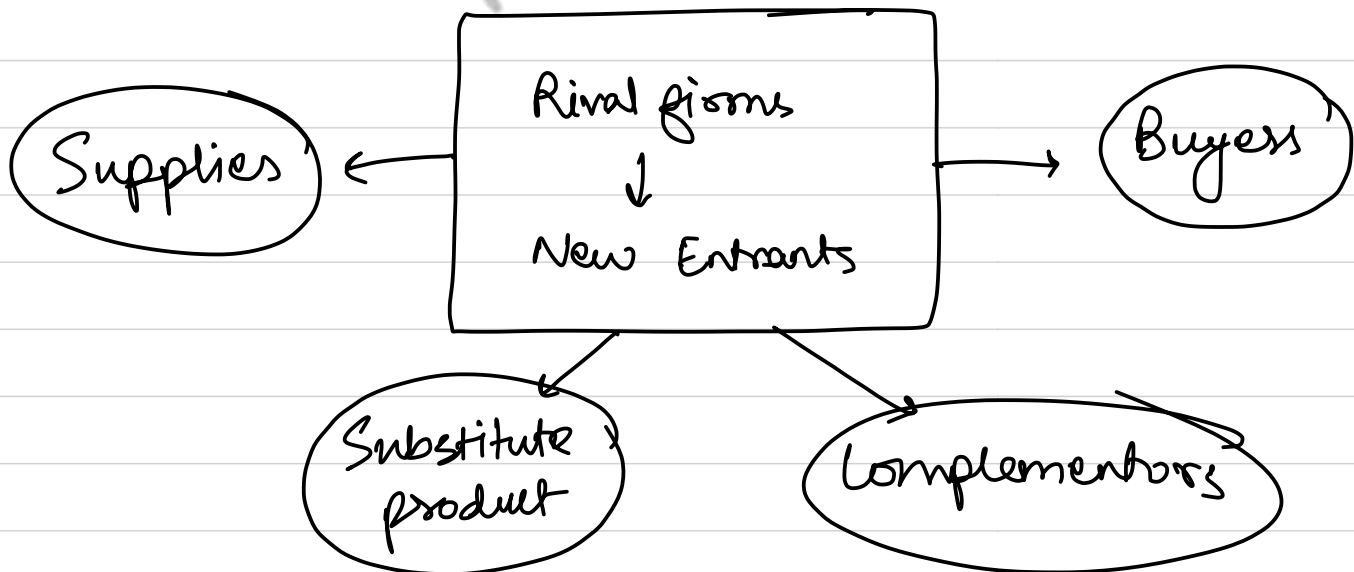
Organisation



Porter's 5 forces model

Competition

→ Michael Porter



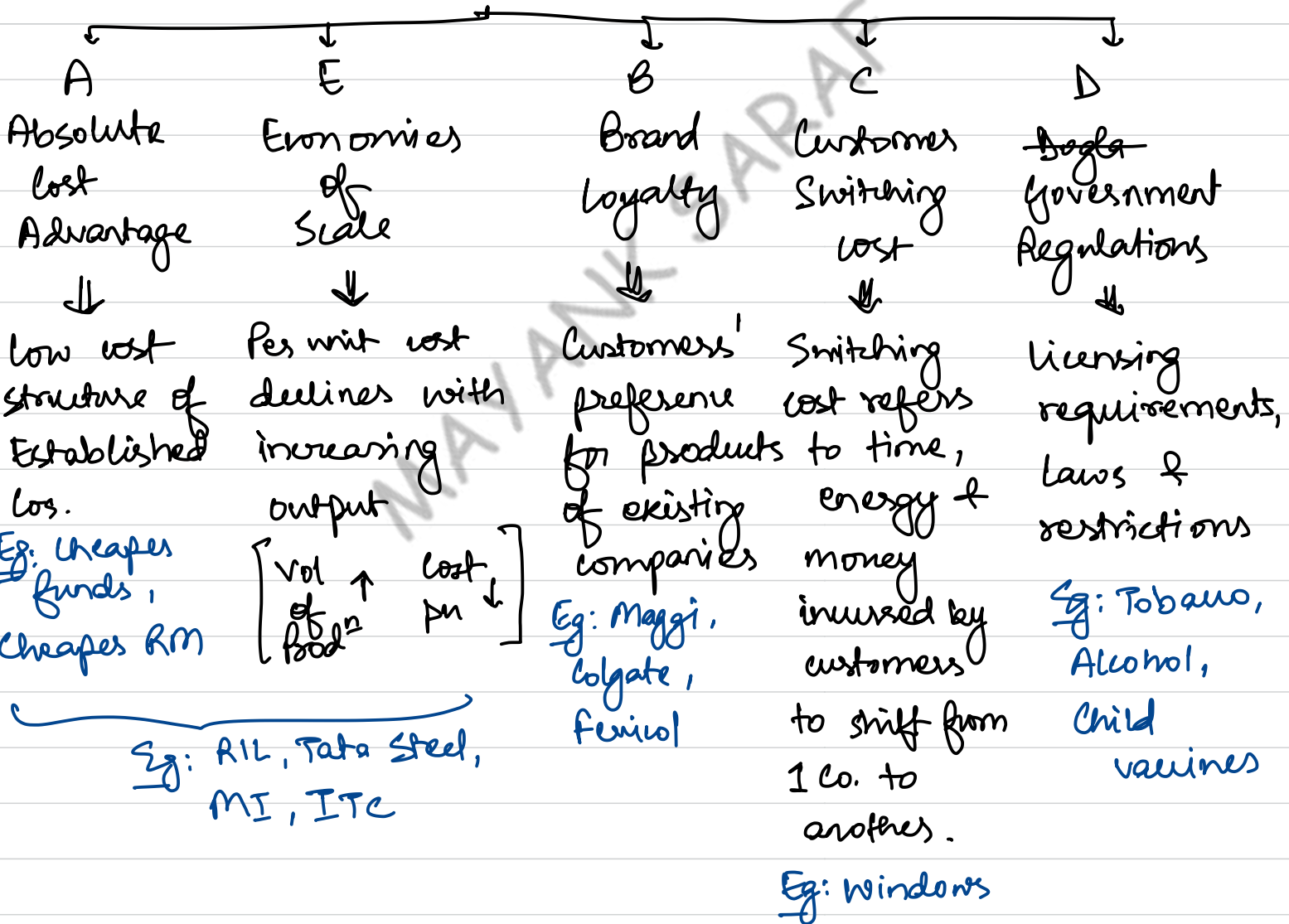
New Entrants $\Rightarrow$ Barriers to Entry

↓
Potential competitors

High Barriers to entry $\Rightarrow$ Risk of Potential Competitors low $\Rightarrow$ Competition low

Factors affecting Barriers to Entry:

A B C D E



Rivalry Among Established Companies

Competition between existing companies in a particular industry to gain market share.

Factors

(a) Industry Competitive Structure

No. of sellers in an industry

Fragmented
(No. of sellers ↑)

↓
Competition is high

Eg: Petrol Diesel vehicles
Retail Shops

Consolidated
(No. of sellers ↓)

↓
Competition is low

Eg: Indian Railways
Telecom industry

(b) Industry Demand

Stagnant or Declines

↓
Competition is high

Growing

↓
Competition is low

Turn bhi
kamao, hum
bhi kamaye

(c) Cost conditions

Fixed cost high

↓
Competition is high

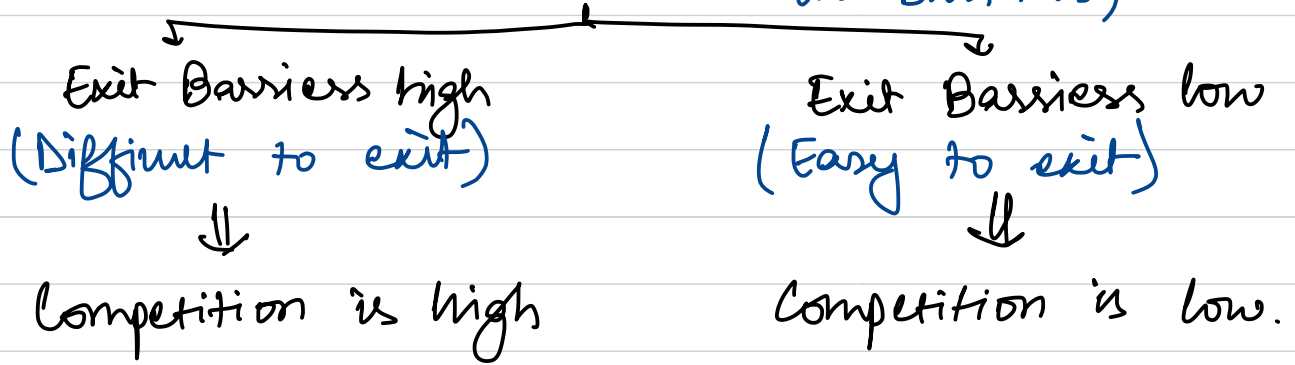
Fixed cost low

↓
Competition is low

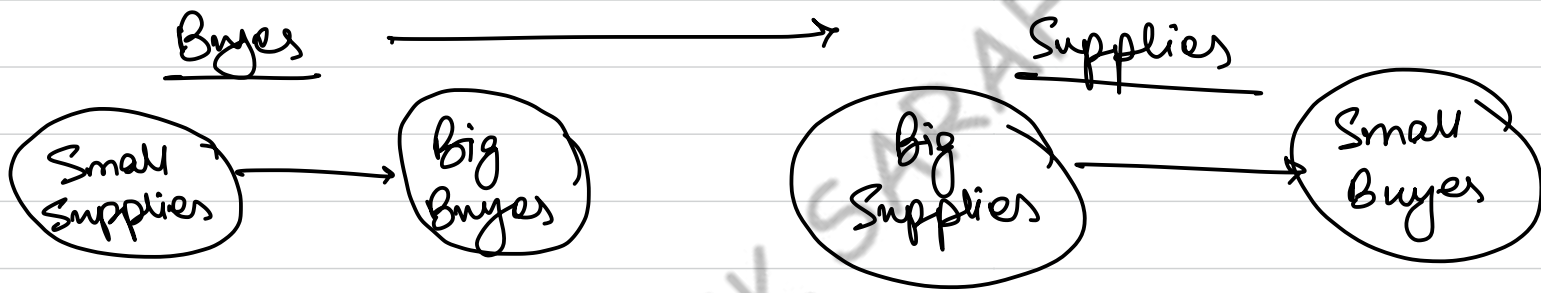
FC Recovery
is diff.
∴ Price ↓

(d) Exit Barriers (Jaane nahi denge tujhe)

(It refers to selling assets & shutting down the business)



Bargaining power of Buyers & Suppliers

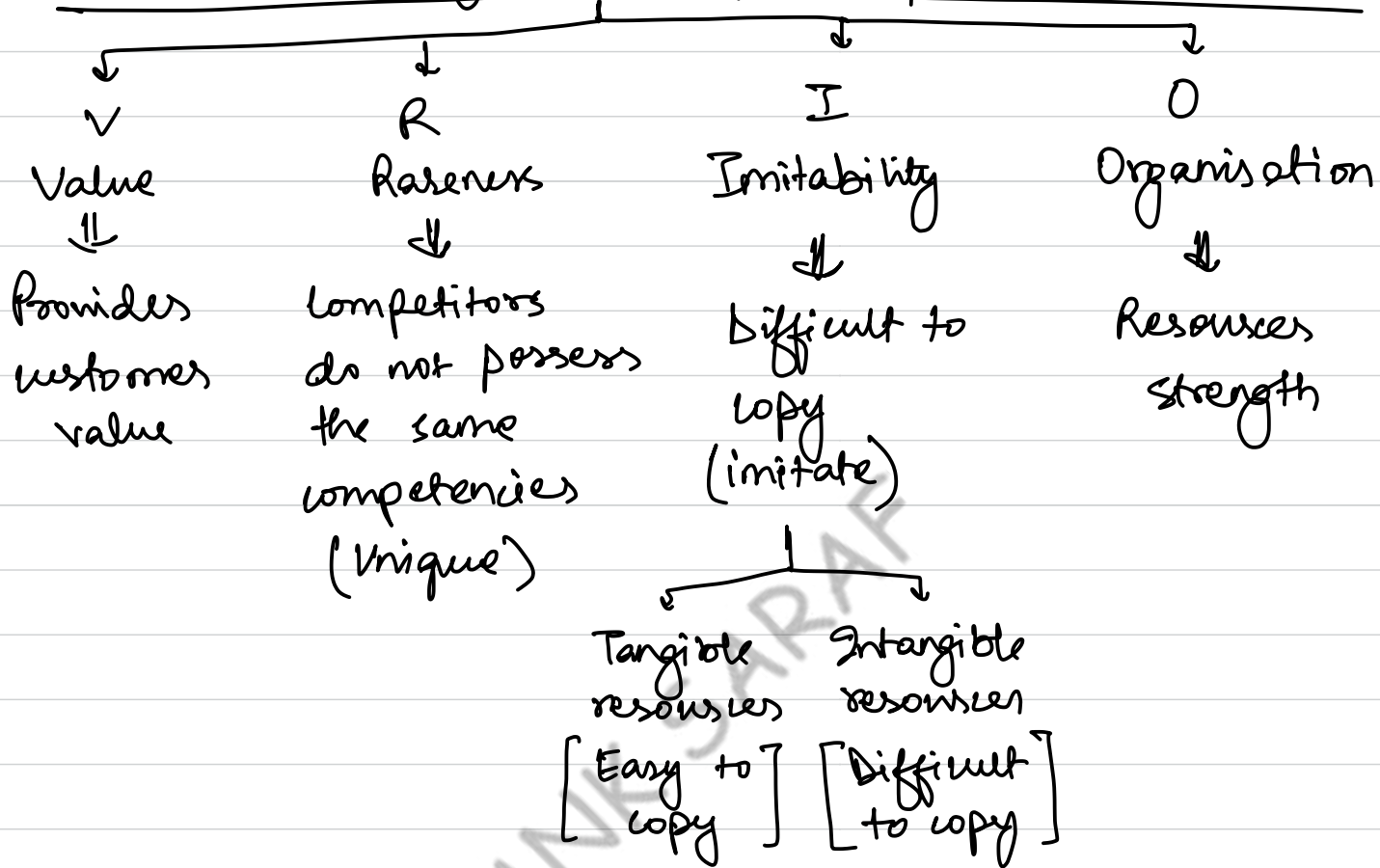


- (i) Buyers purchase in large quantities → (i) Buyers purchase in small quantities.
- (ii) B2B → Buyer constitutes a large portion of supplier's total sales → (ii) B2C Buyer constitutes a small portion of supplier's total sales.
- (iii) Buyers have a choice → (iii) Buyers don't have a choice
- Large no of sellers Availability of substitutes Less no. of sellers (monopoly) Non availability of substitutes
- (iv) Buyers can enter into Sellers industry → (iv) Sellers can enter into Buyer's industry
- (v) Buyer switching cost is low (v) Buyer switching cost is high.

VRIO framework

Eg: Apple / Tesla / Google / SII

Characteristics of Core Competence | Competitive Adv.

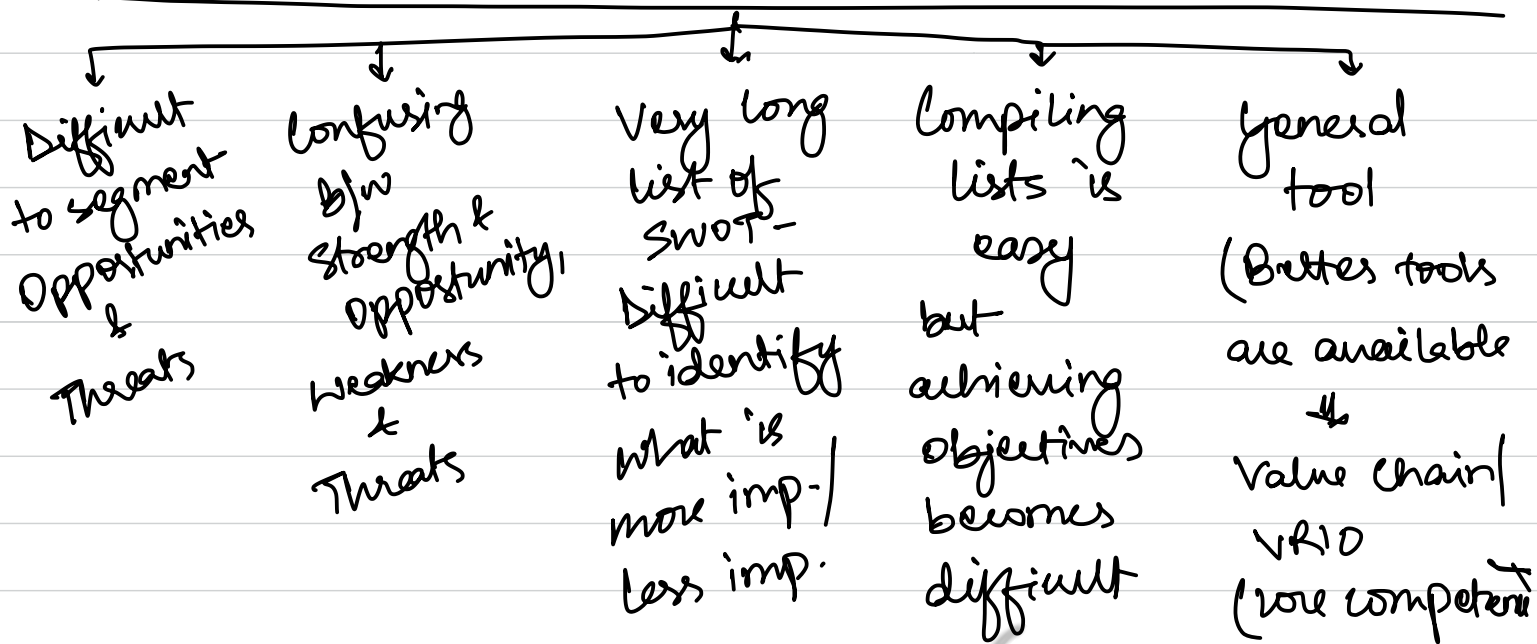


SWOT Analysis

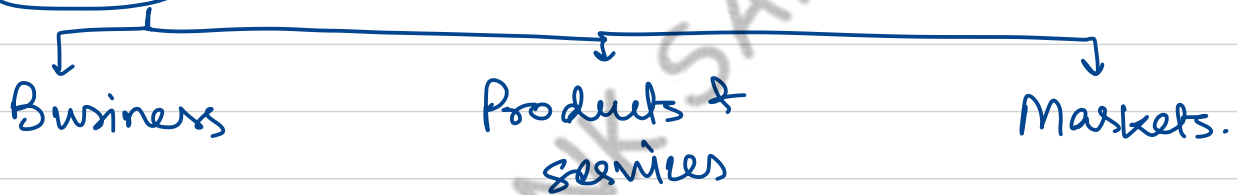
Steps in SWOT Analysis

- (i) Setting objectives & Goals
- (ii) Identify SWOT
- (iii) Maximize Strength → Eg. (low pu cost / funds)
- (iv) — Opportunity → Eg. (Export / Demand ↑)
- (v) Minimize Weakness → Eg. (Efficiency ↓ / Opposite of Strength)
- (vi) — Threats → Eg. (Cheap imports, Tax rate ↑)
- (vii) Formulate Strategies.

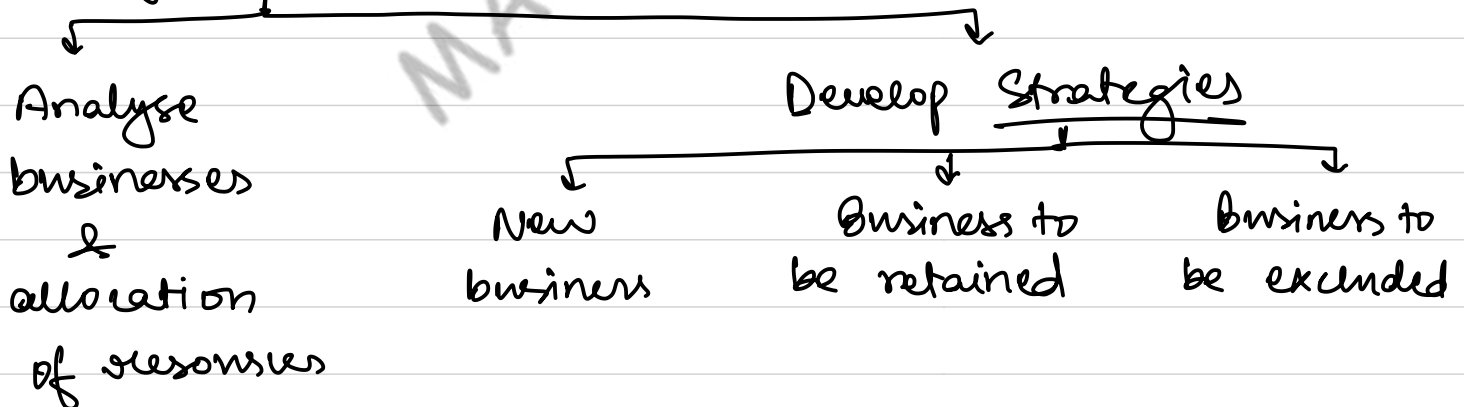
Dangers | Drawbacks | Limitations | Disadv of SWOT



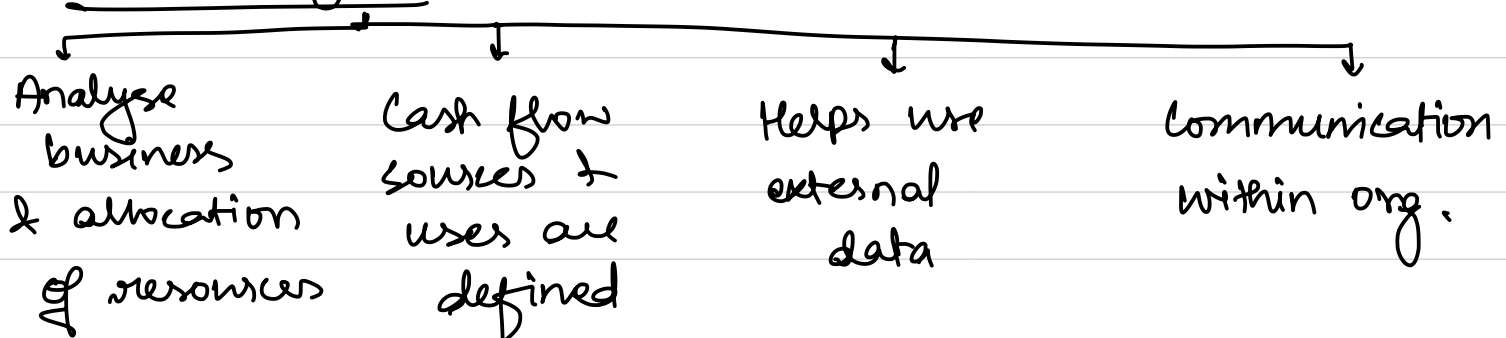
Portfolio Analysis



Objectives



Advantage



Disadvantage / Limitation

Defining products & markets is difficult

Subjectivity is involved
(varies person to person)

Standard strategies are available (common)

Cash cow, Dog, Star, Question mark

BCG Matrix

OPP $\Leftarrow$ High

Market Growth

QUESTION MARK Apple watch / Yippee <u>Disinvest</u> <u>Invest</u>	STAR iPhone / Amli Hotels <u>Invest/grow</u>
DOG iPod / John Player Wills lifestyle <u>Liquidate</u> <u>Disinvest</u>	CASH COW iPAD / tobacco <u>Harvest</u>

Aaj ka Star, kal ka Cash Cow

Threat $\Leftarrow$ Low

Low
 $\Downarrow$

Weakness

Market Share

High
 $\Downarrow$

Strength

Advantages

Helps in defining diverse businesses

Identifying financial demands of each

Star products will eventually become cash cows

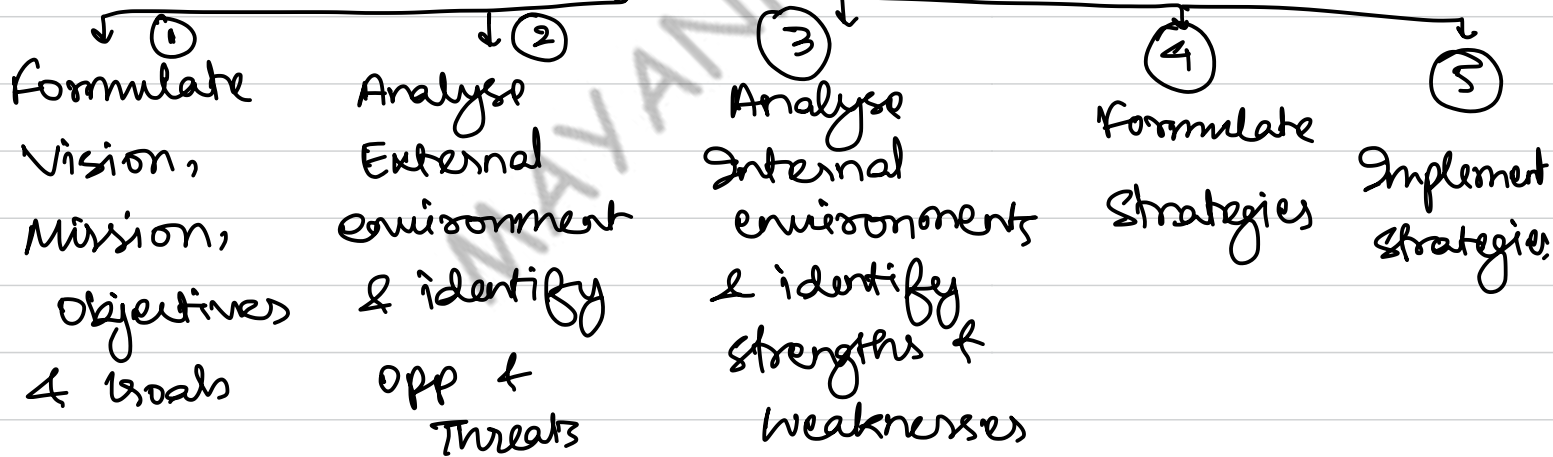
Cash cows must not hoard profits
 $\Downarrow$
Reallocate to other products & businesses

Disadvantages



* Co's with low market share are Dogs / Question Marks as per BCG

Strategic Planning (Steps)



Feedback loop

Alternatives in Strategic Planning (Pg 443)

Scenario Planning



- Future uncertain
- what if scenarios
 - Optimistic
 - Pessimistic
- Strategic Options (alternatives)
- Suitable for large cos.
- Strategy is formulated for each alternative

Decentralised Planning



- Traditional ⇒ Ivory Tower (Top mgt formulates strategies)
- Planning by business & functional managers (closer to customers/markets)
- Corporate level will act as facilitators.

Pg 450

Mechanisms for Identifying Strategic Alternatives

Brainstorming sessions

Special meetings (place is defined)

Outside Consultants



Joint meetings



- Alternatives identified
- Merits & Demerits of each
- Best alternative selected

Engage outside consultants in strategic planning

Internal members + outside consultants.

Critical Success Factors (Sources)

Structure of industry (Diff CSFs for diff. industries)

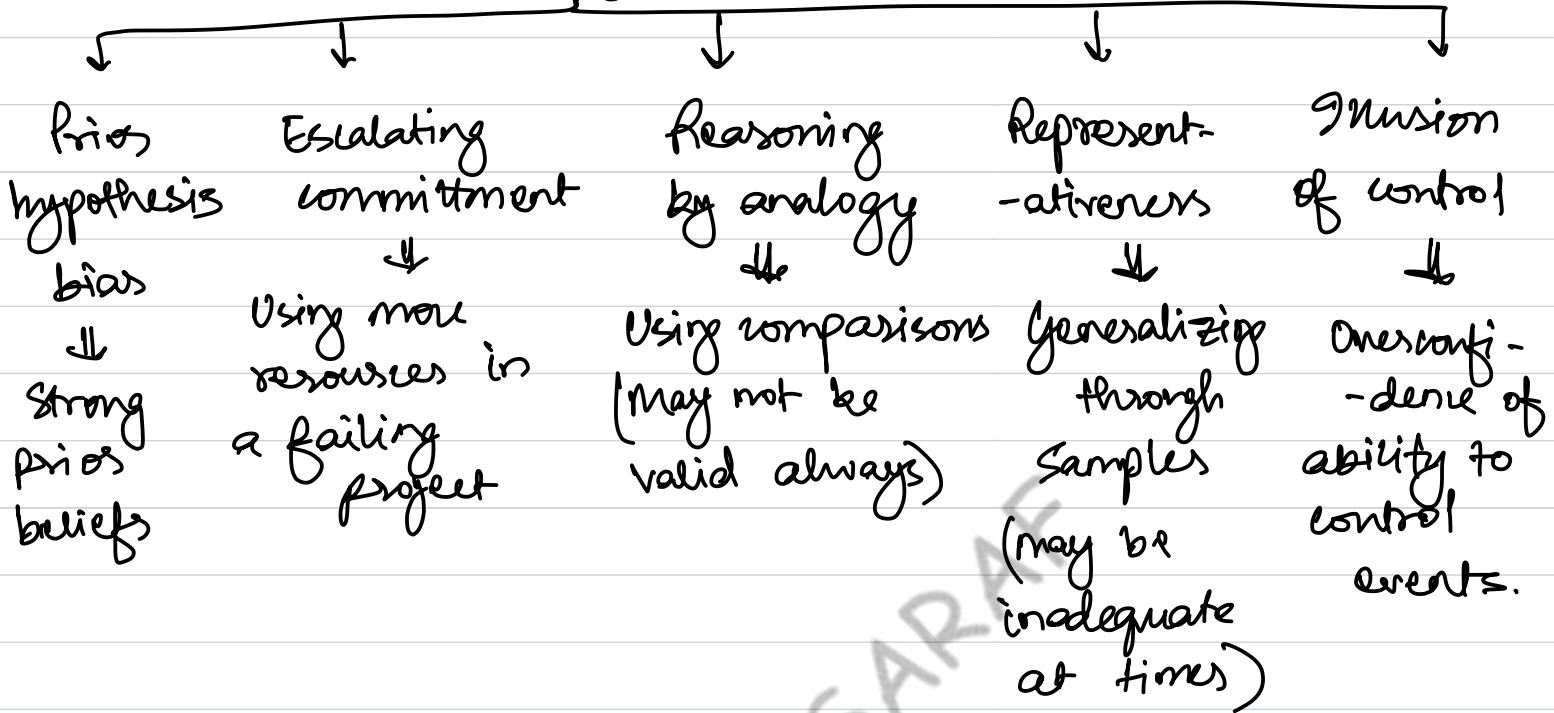
Geographical location (Eg: English speaking cheap manpower in India)

Environmental factors
Eg: Privatisation

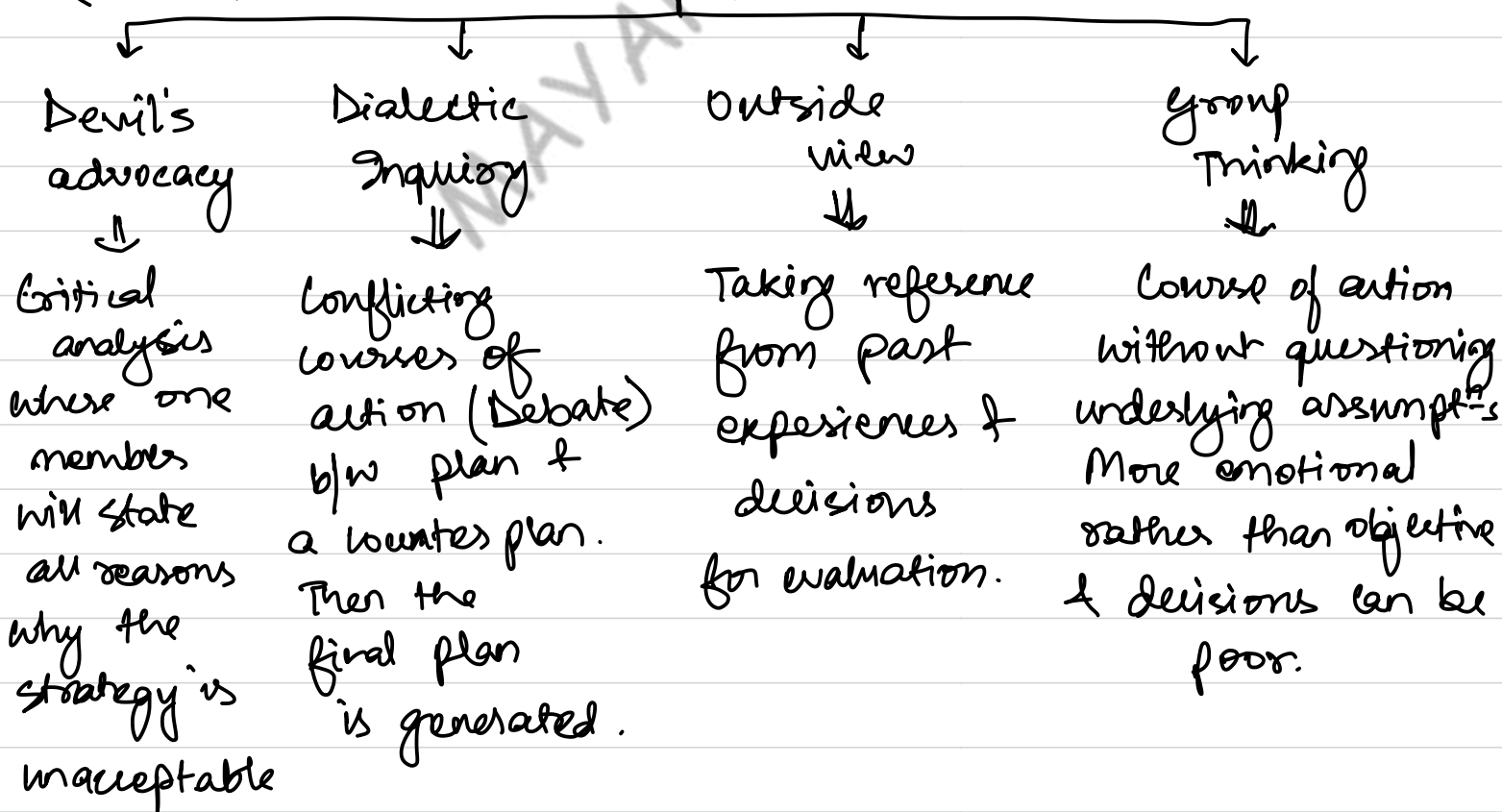
Temporal factors
Eg: loss of CEO

Strategic Decision making

Biases ^{Hurdles} in Strategic Decisions



Techniques for Improving Decision making



Ch 3 → Strategy Formulation & Strategy Implementation

Strategy Formulation

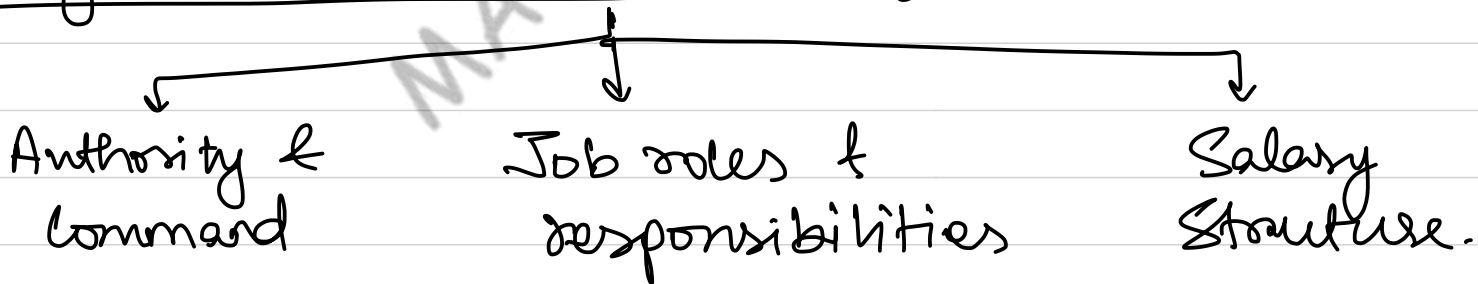


(covered at the end)

Strategy Implementation



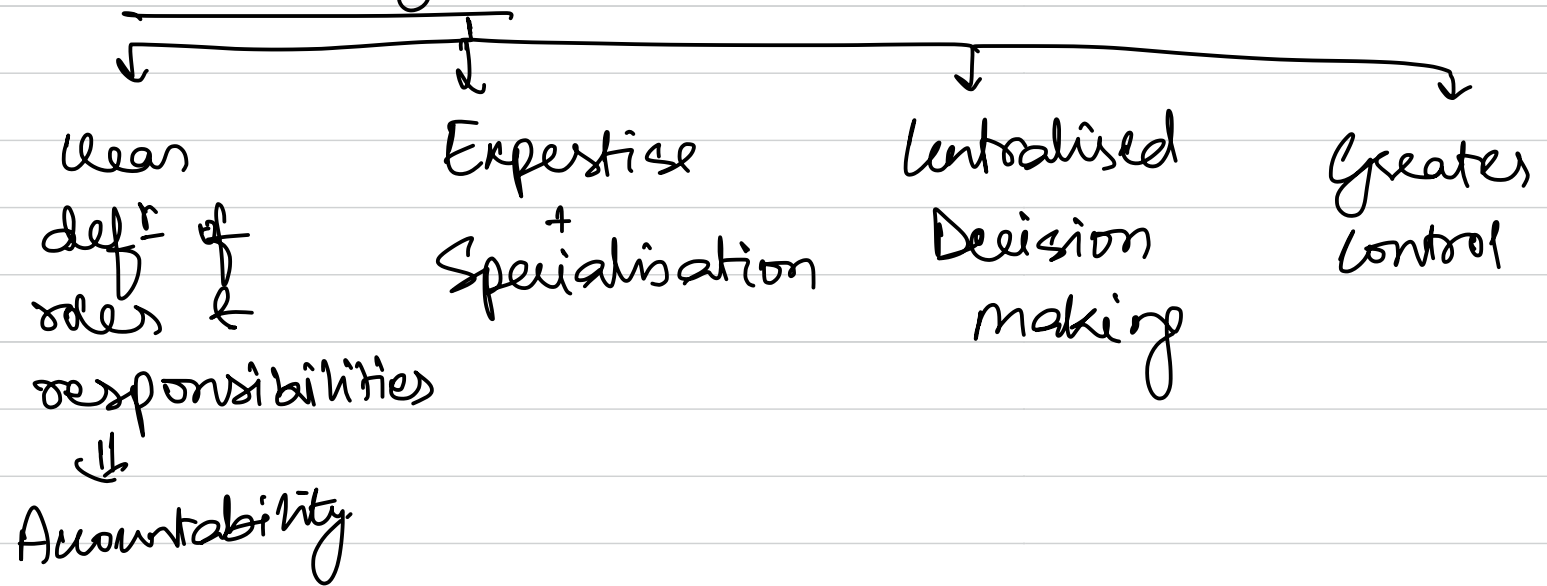
Organisation Structures (Pg 468)



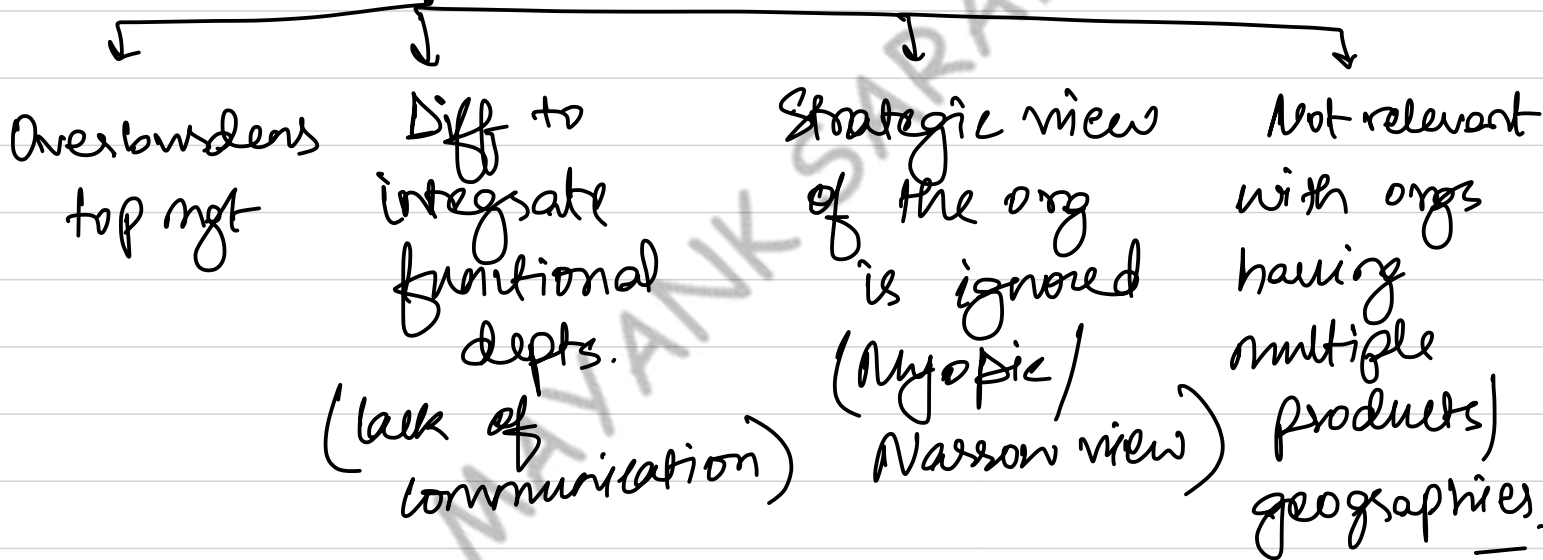
① functional Structure

Diagram + Explanation from book (Pg 468)

Advantages



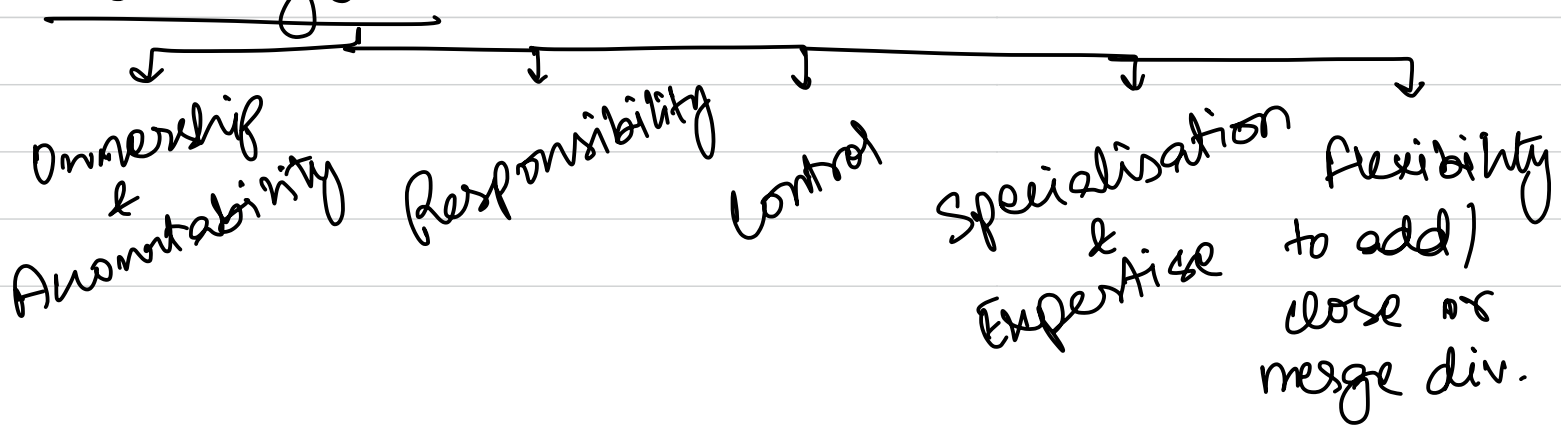
Disadvantages



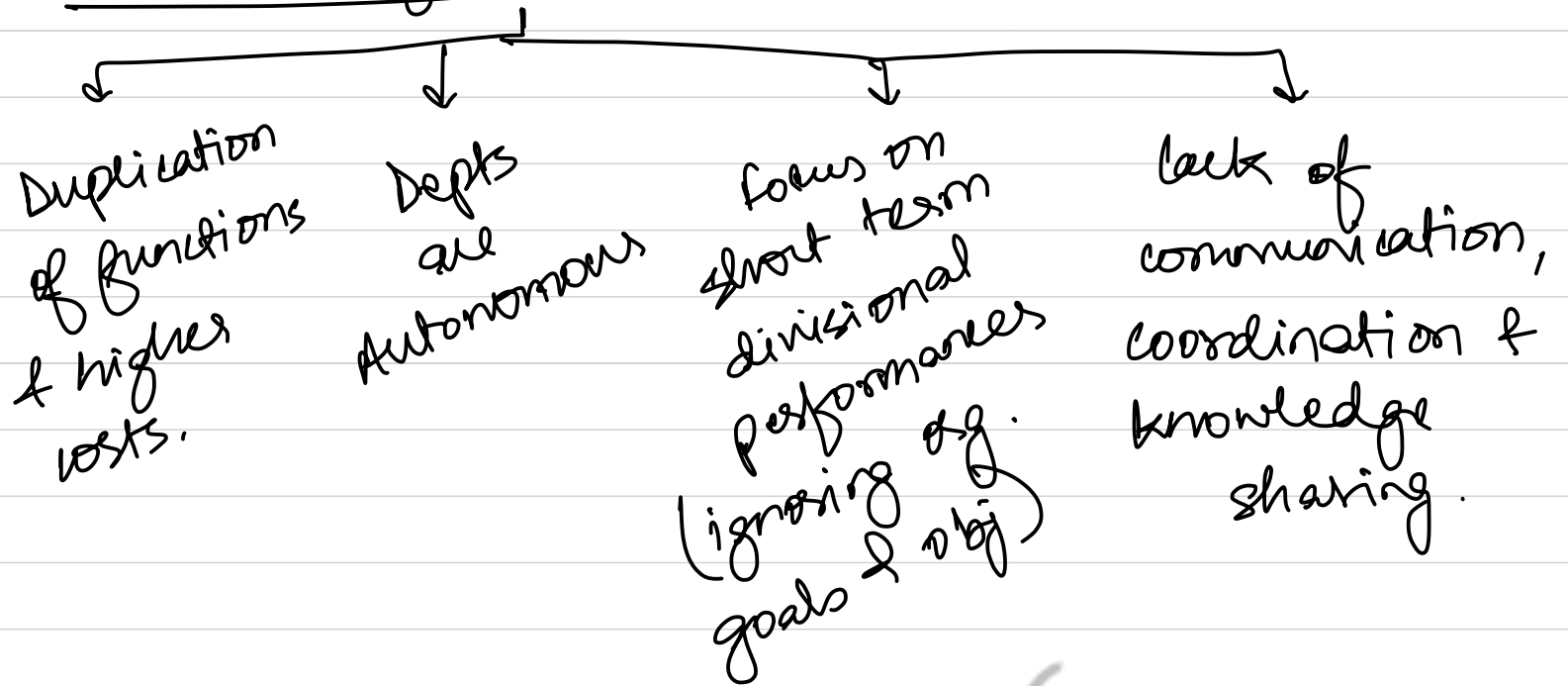
② Multi Division Structure

Diagram → Pg 470

Advantages



Disadvantages



③ Transnational Structure

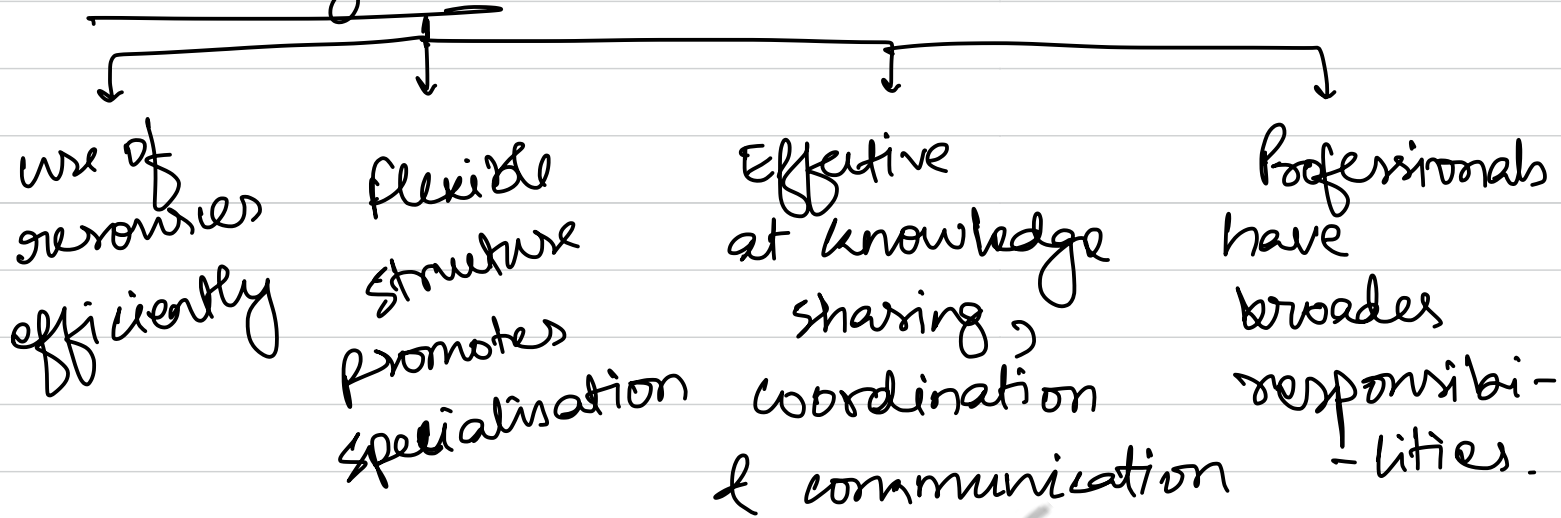
Relevant for global product companies.

Characteristics

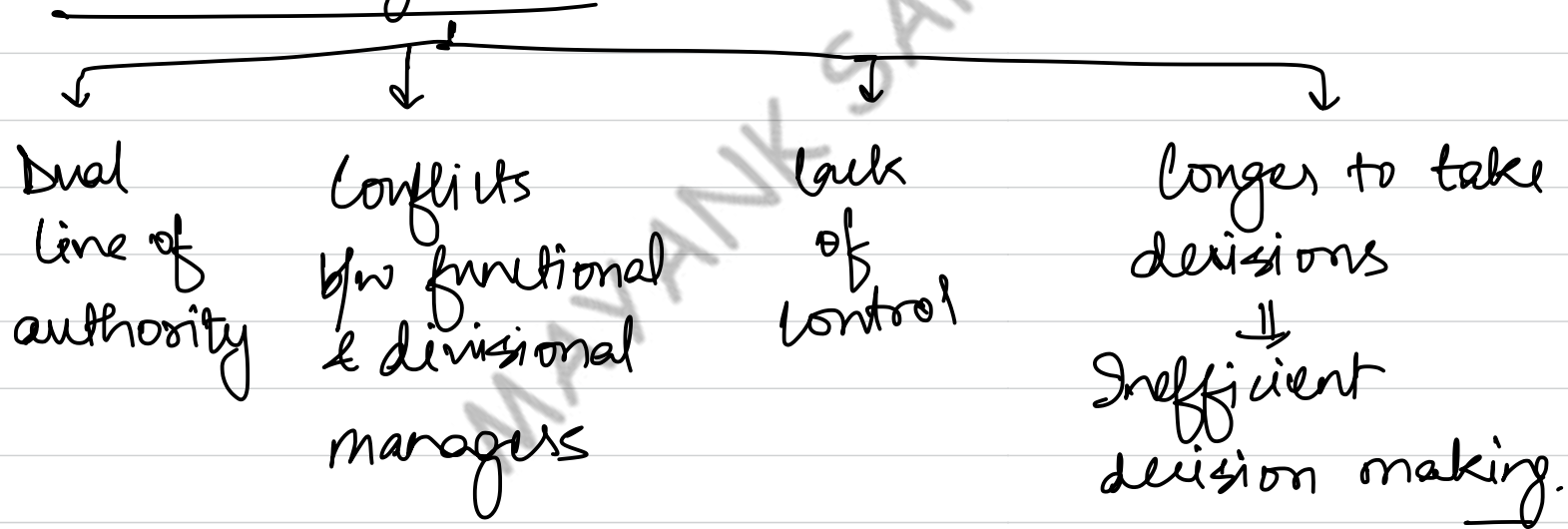


④ Matrix Structure (Pg 471) ← Diagram

Advantages



Disadvantages

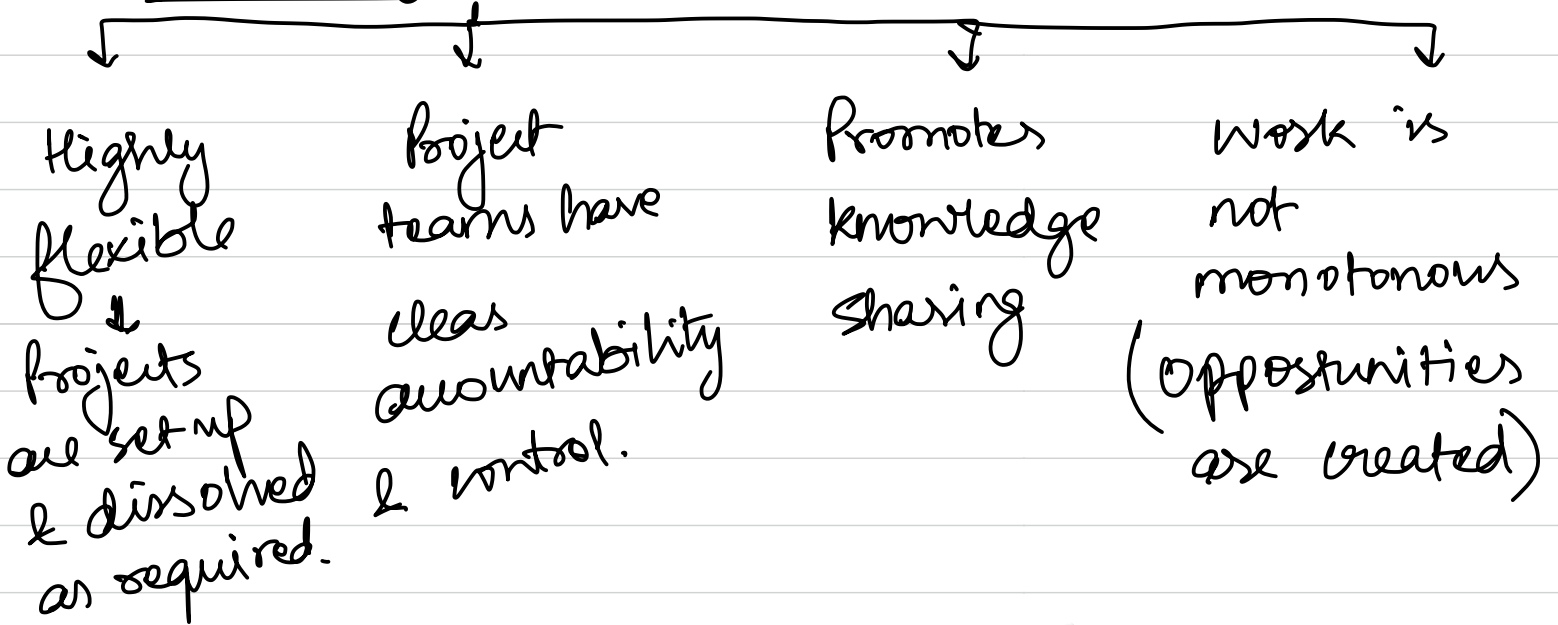


⑤ Project Structure

Taskforce is created, work is done & dissolved.

Eg: Construction companies

Advantages



Disadvantages - similar to Matrix structure

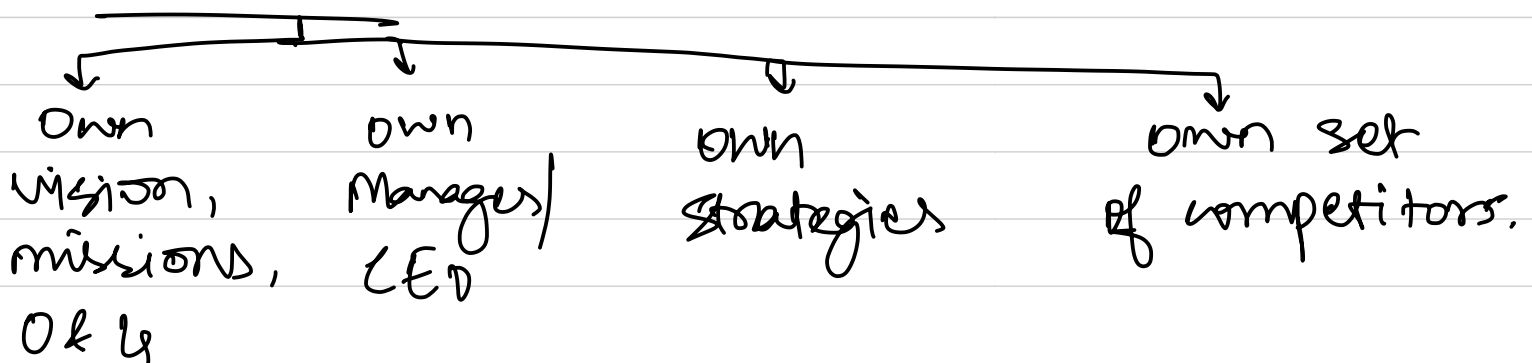
6) Strategic Business Unit

Diagram → Pg 476

A Business within a business.

Each business is different from the others in terms of products, services, markets, etc.

Features



Identification of SBU

Market based

Capabilities based

Same SBU for similar customer types.

Same SBU for similar strategic capabilities

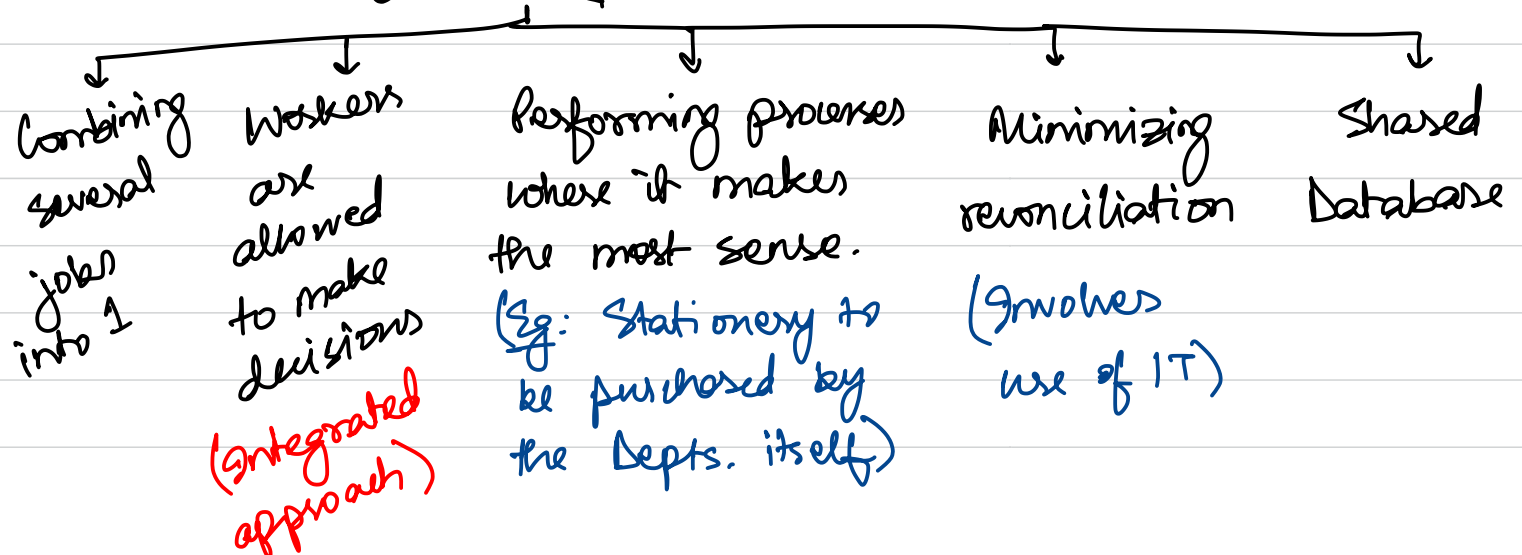
Eg: ITC Tobacco & Hotel SBU

Eg: Pantaloon's own brands & outsourced brands.

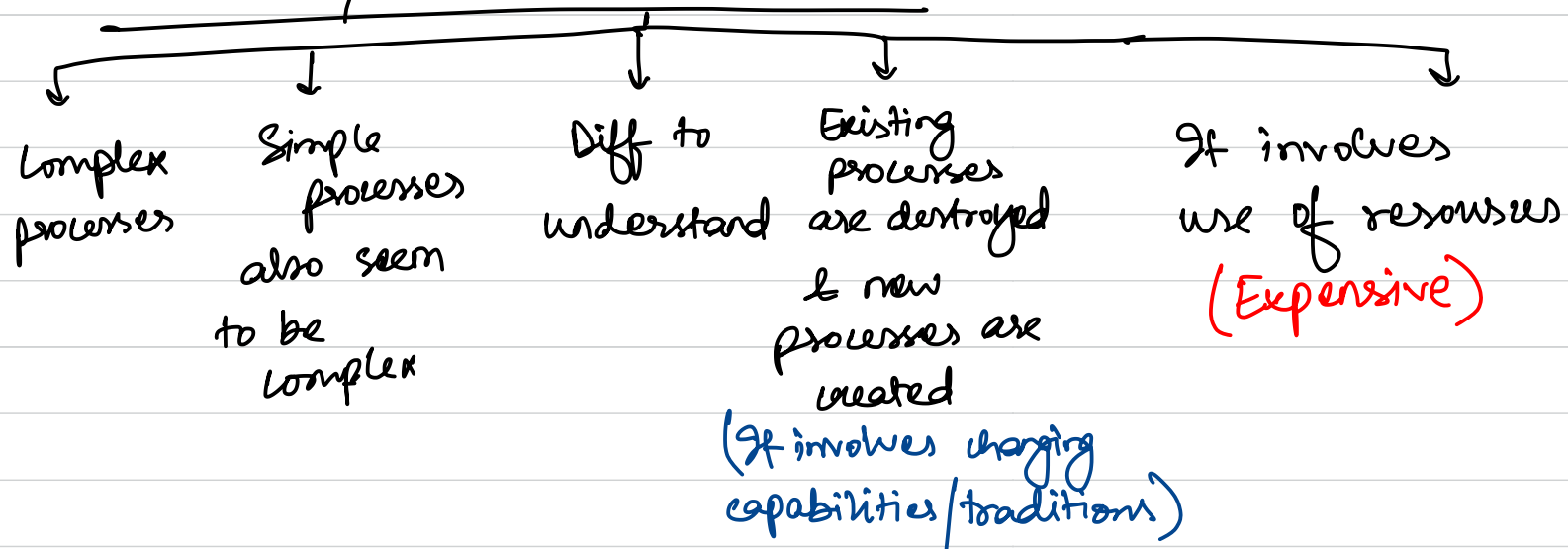
Business Process Re-engineering (BPR) Pg 478

It involves fundamental rethinking, radical redesign of business processes to achieve dramatic improvement.

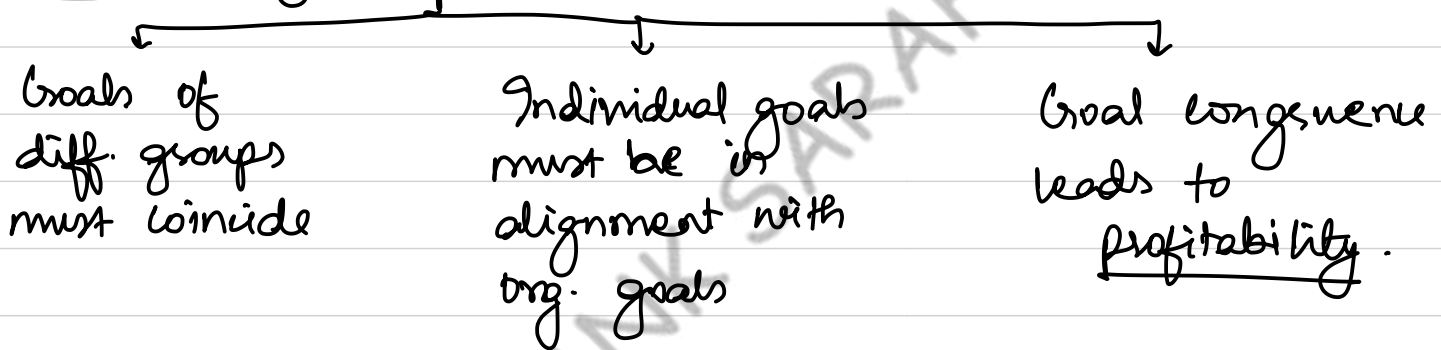
Examples of BPR / Characteristics



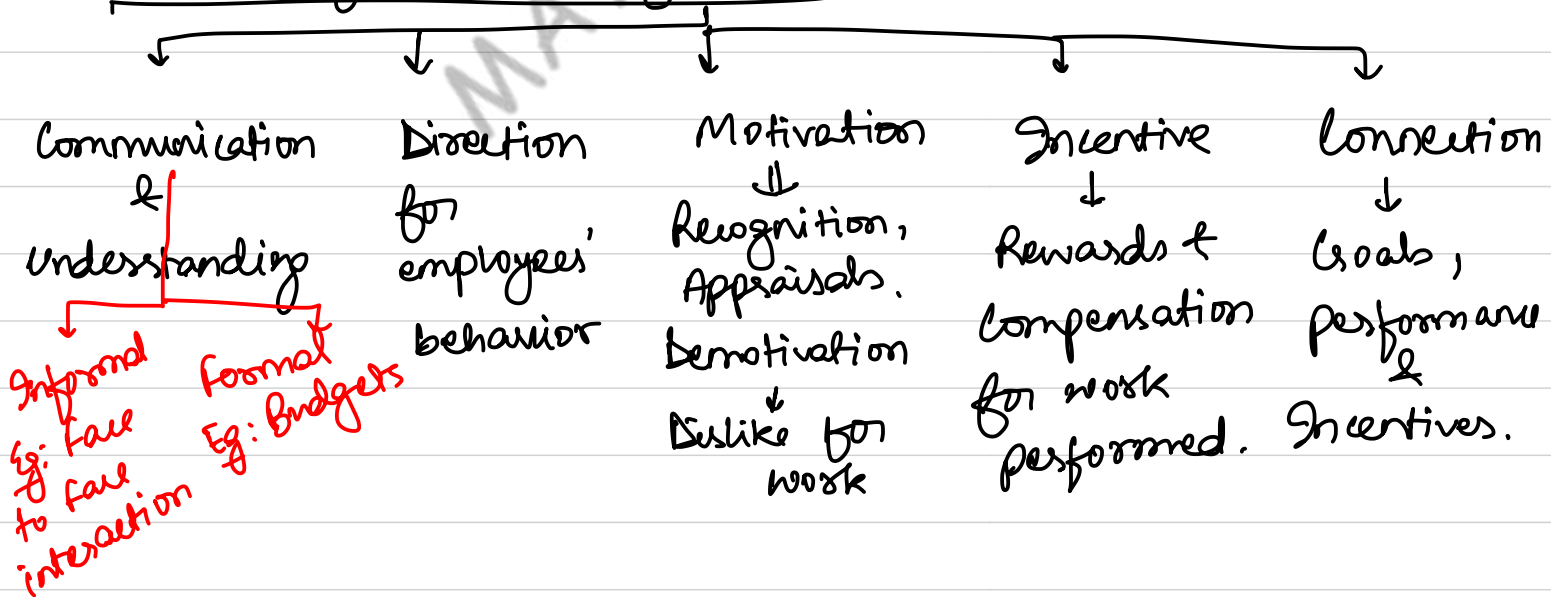
Concerns / Drawbacks in BPR :



Goal Congruence

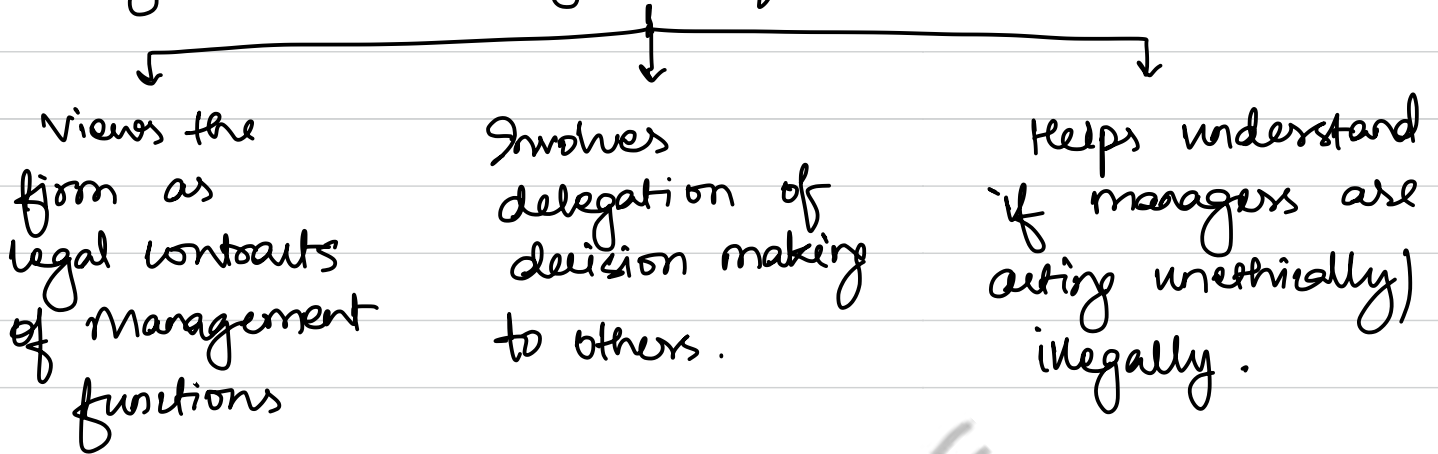


Aspects of Goal Congruence

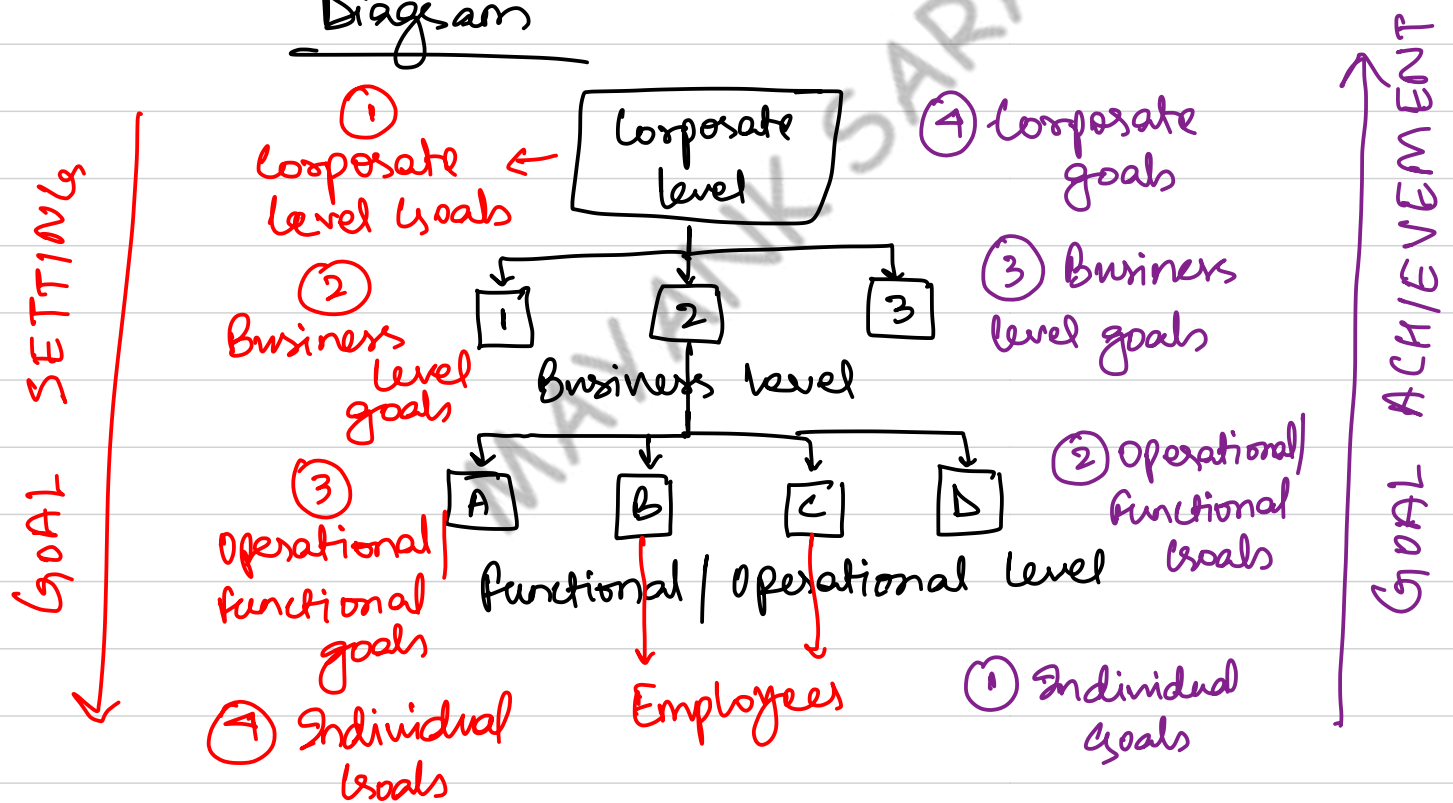


Agency Theory

It means to achieve good consequence where Managers act as agents of the Co.



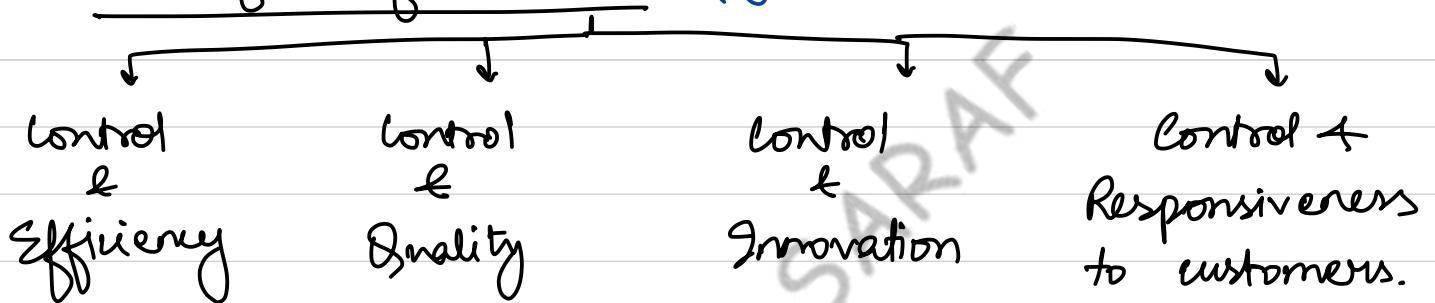
Diagram



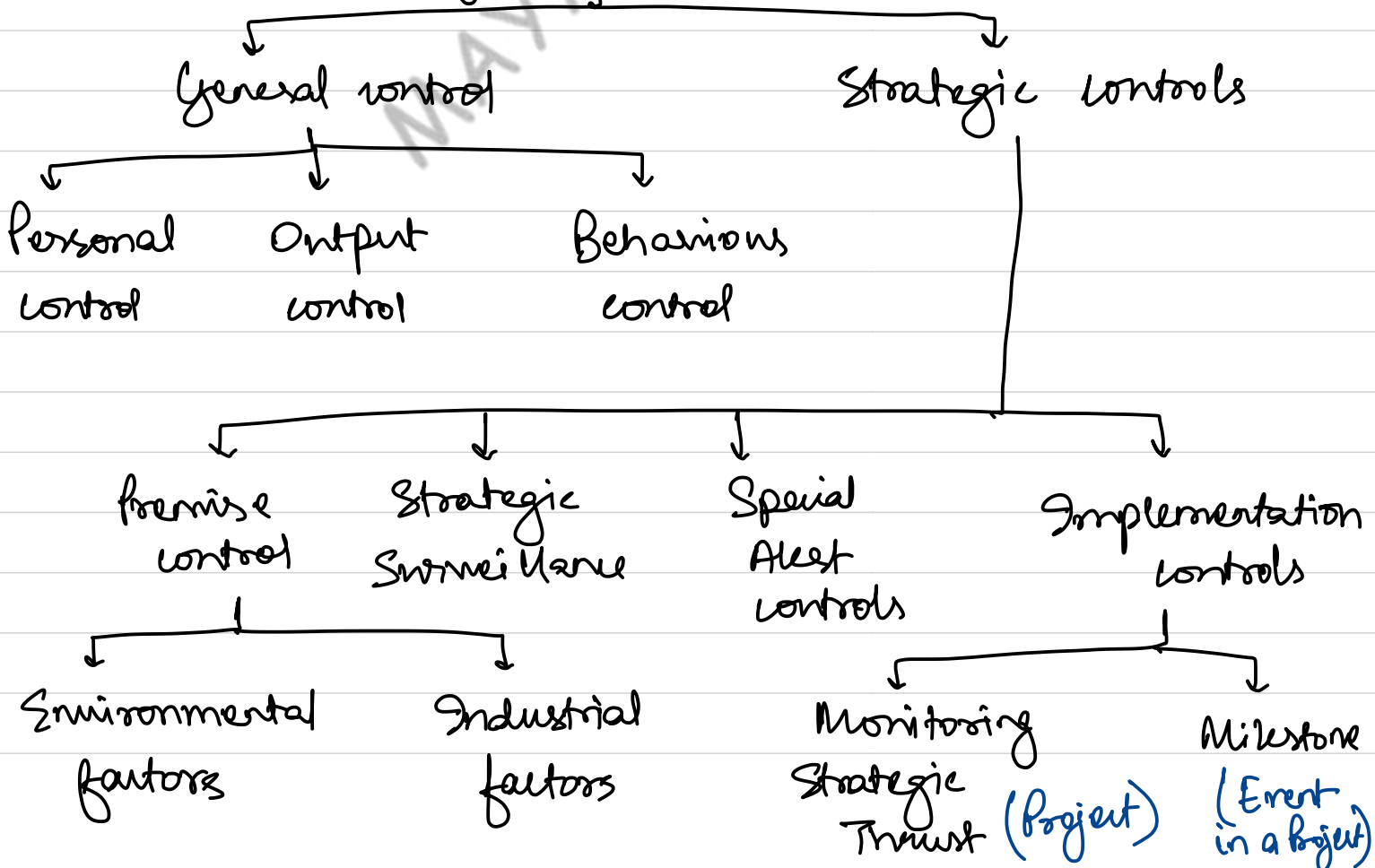
Control

It refers to the deviation between actual results & desired results (planned) & taking corrective action. (Eg: Standard Costing / Budgeting)

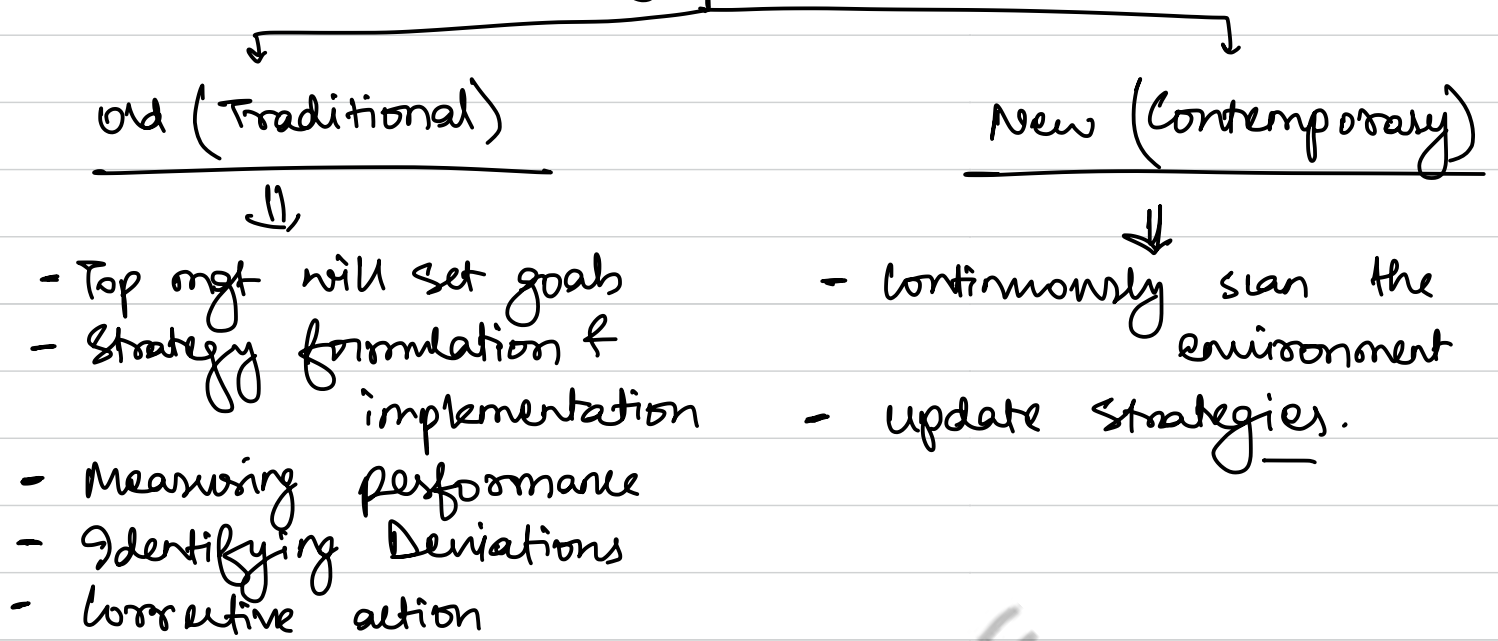
Benefits of control (Pg 480)



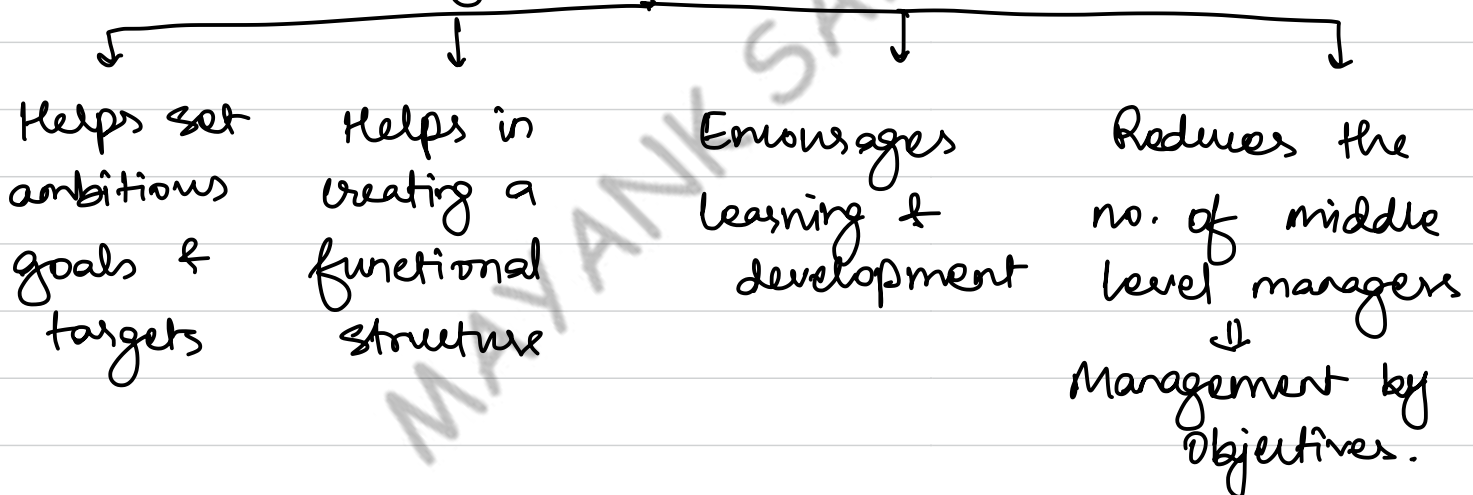
Types of Control Systems (Pg 481)



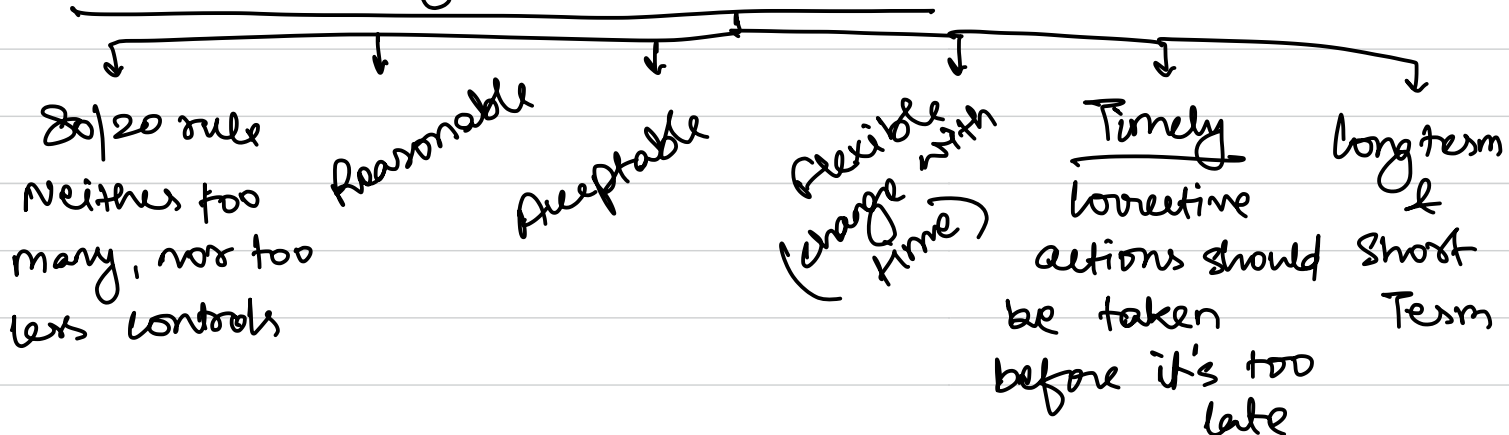
Approaches to Strategic Control



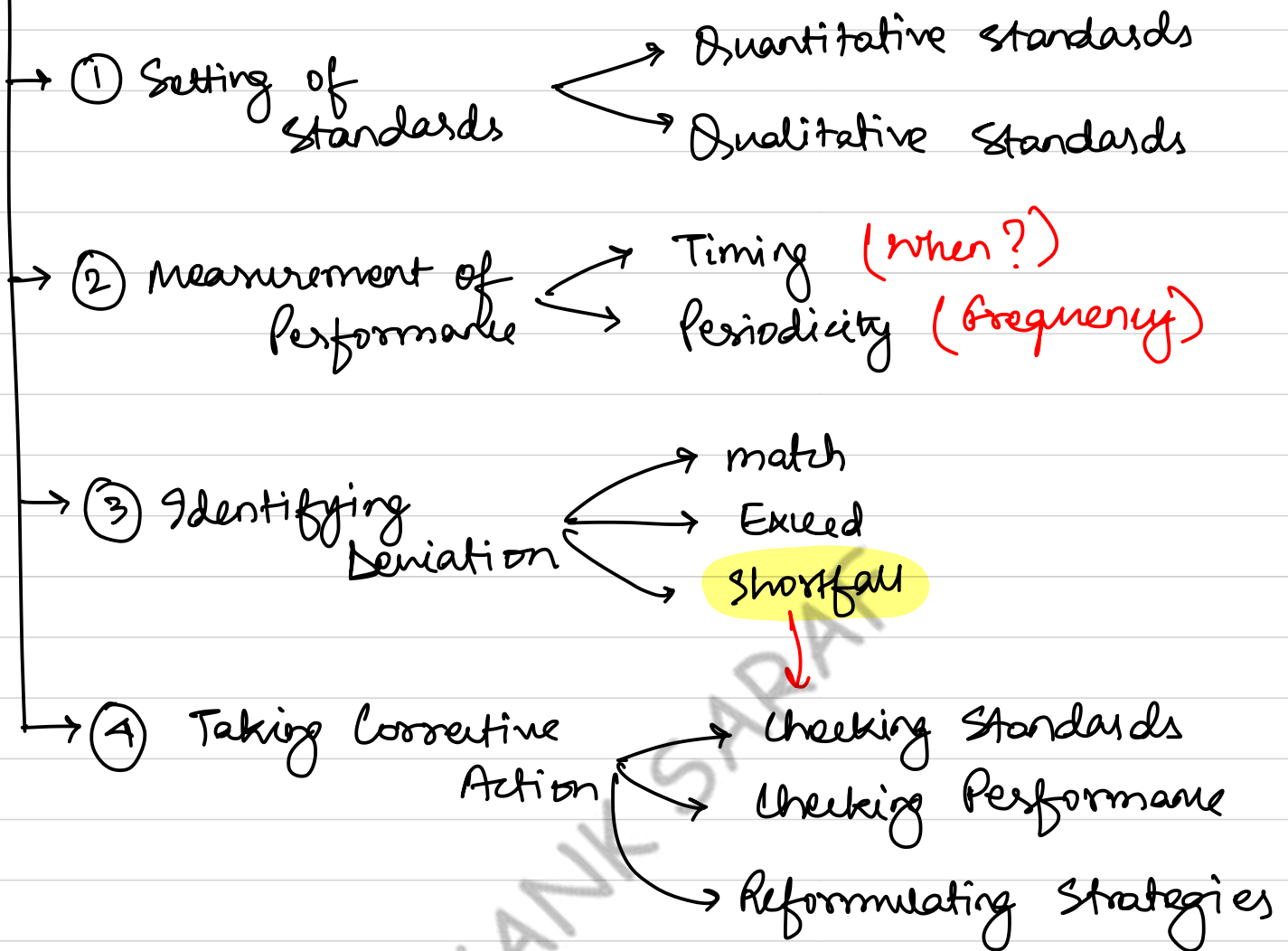
Role of Strategic Control



Guidelines for Proper Control (Pg 485)



Steps to set/create effective controls:



KRA	KPA	KPI
-----	-----	-----

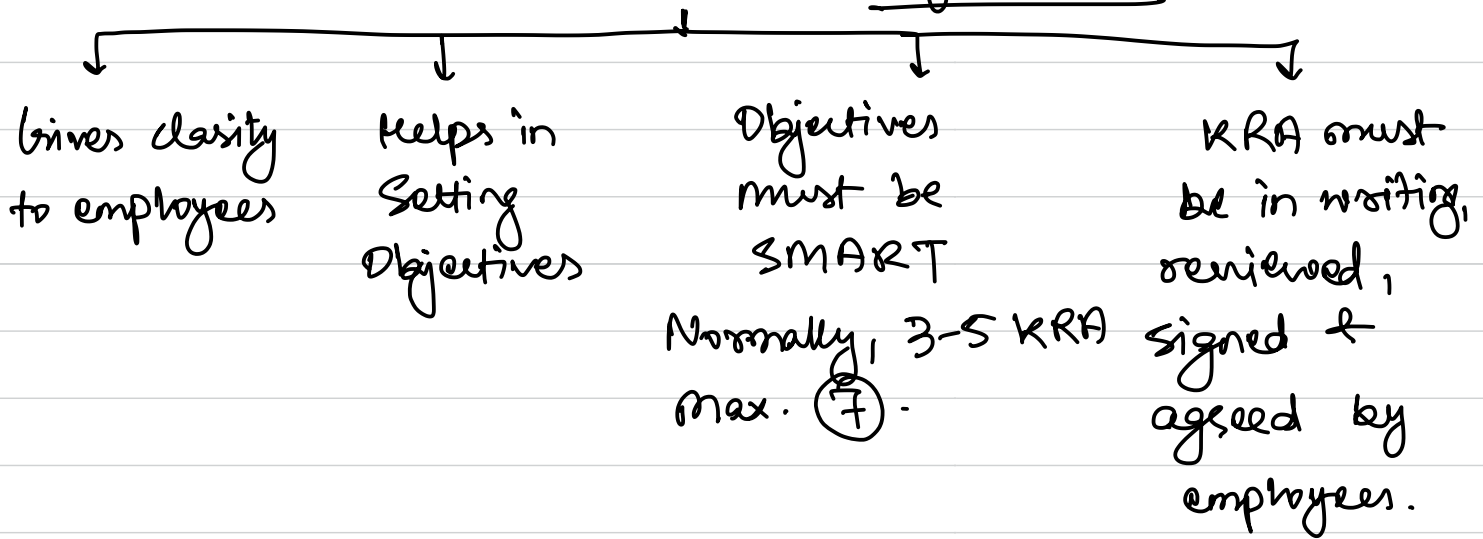
KRA = Key Result Area

KPA = Key Performance Area

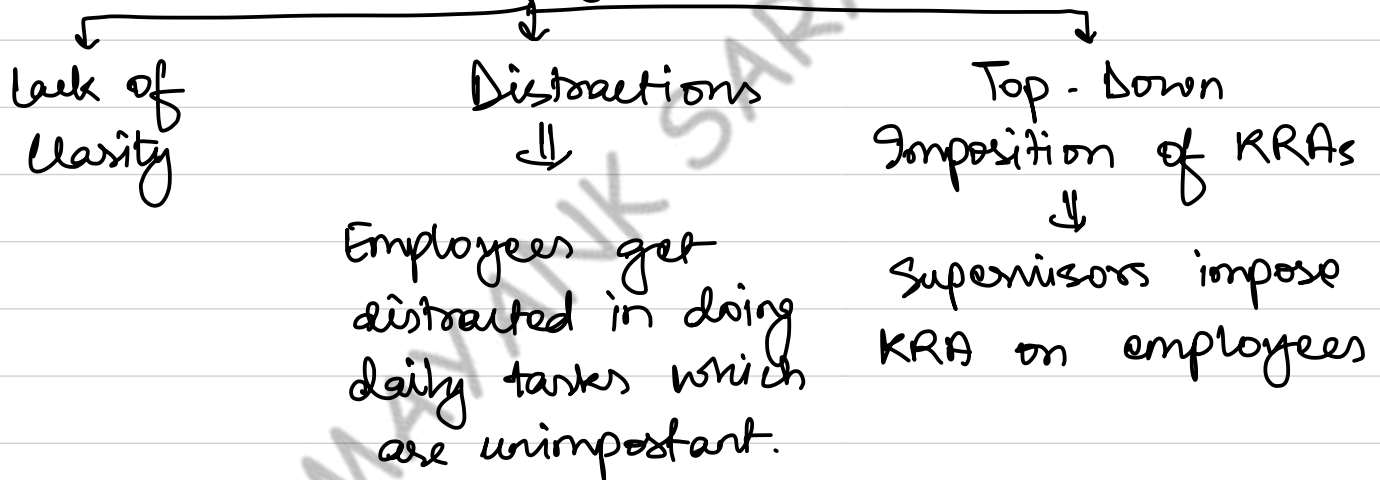
KPI = Key Performance Indicator

KRA involves use of Pareto principle → 80/20 rule
focus on 20% customers which results in 80% sales.

Features | Characteristics | Attributes in development of KRA :



Problems in Developing KRA



Ch 4 - Digital Strategy

Technology + Resistance (Culture)

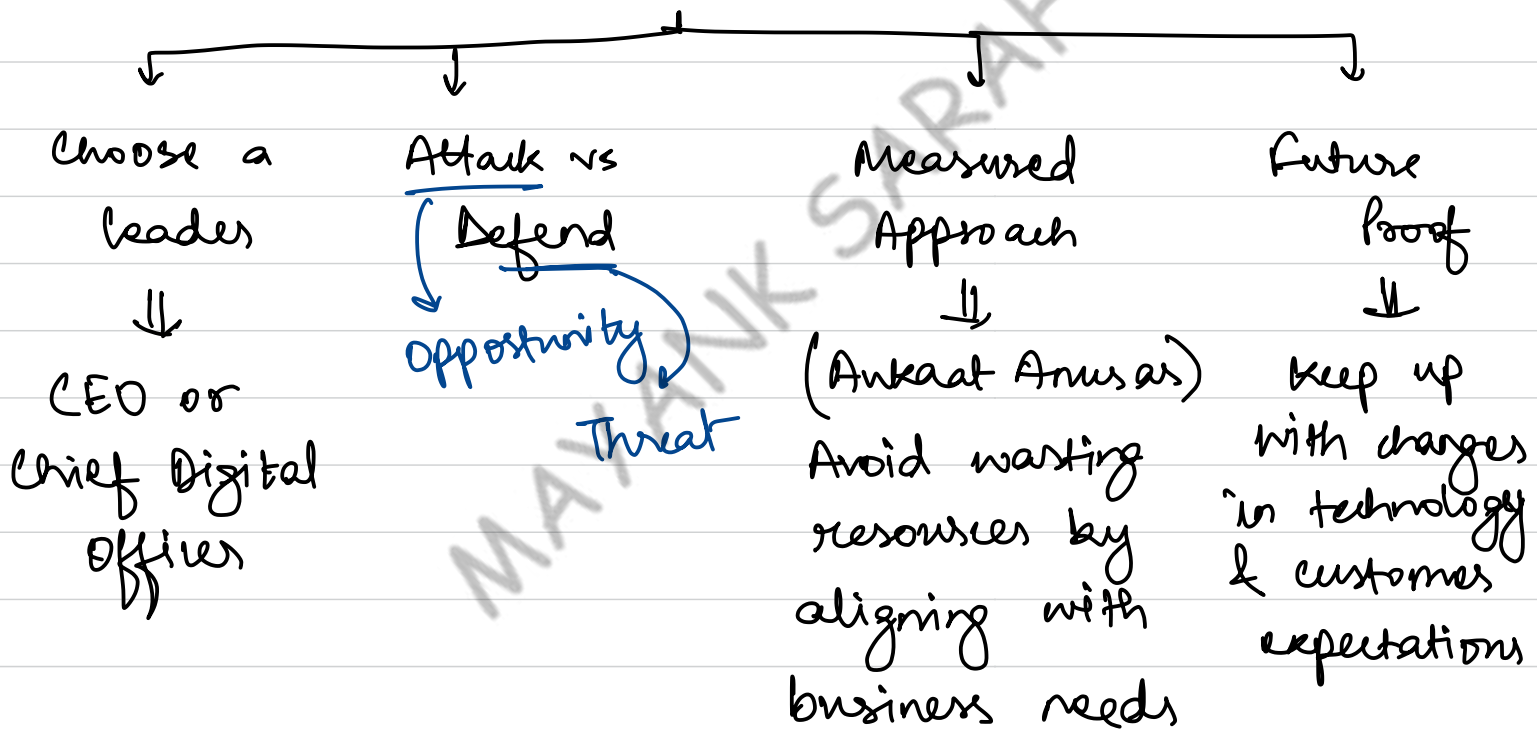


Digital Strategy

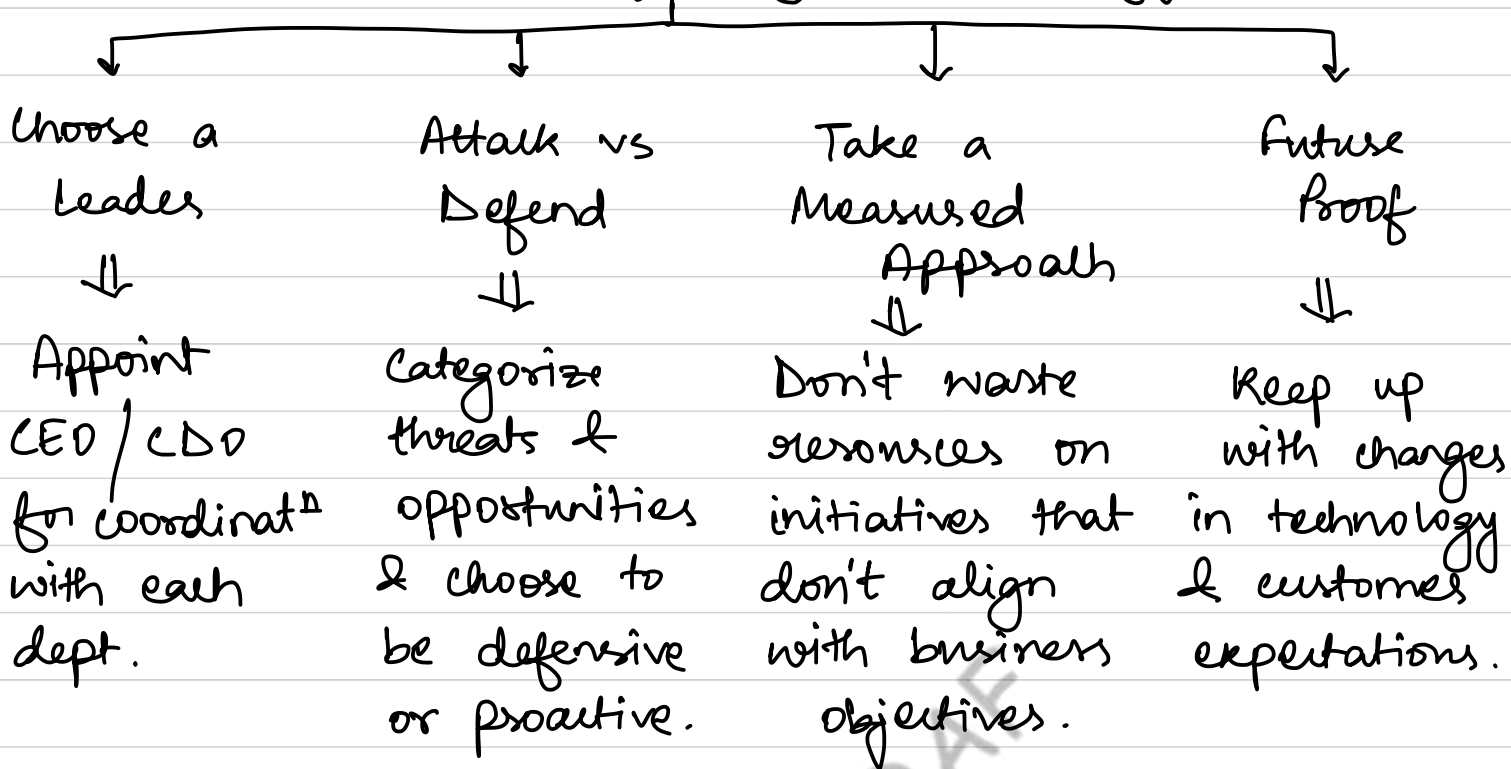


Digital Transformation

Common Elements of Digital Strategy:



Common Elements of Digital Strategy :

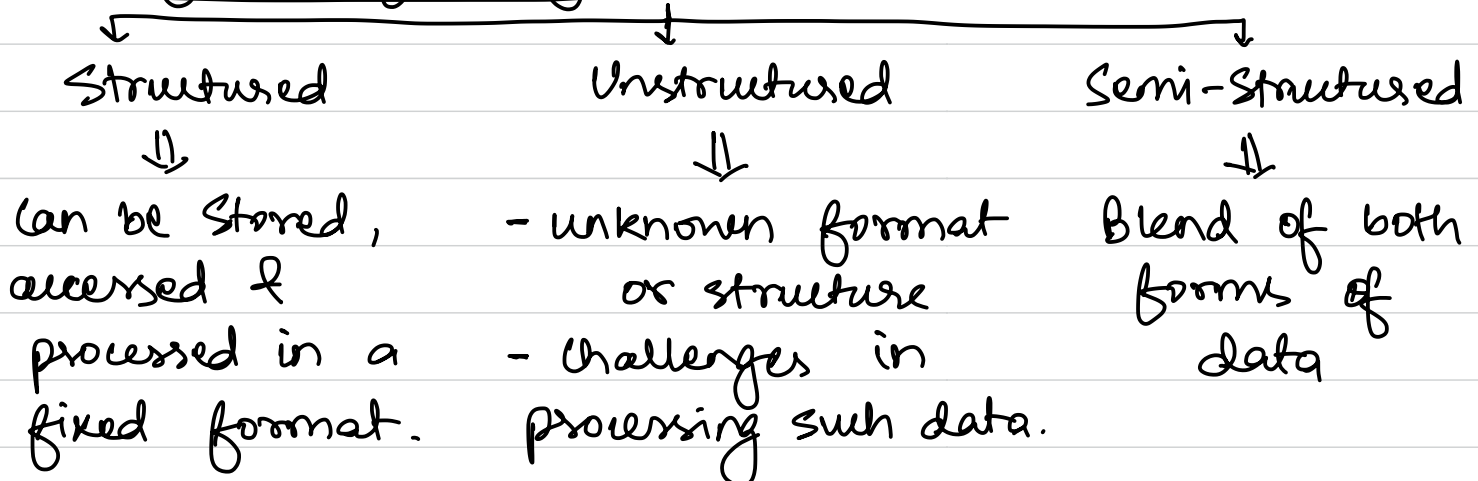


Various concepts related to technology :

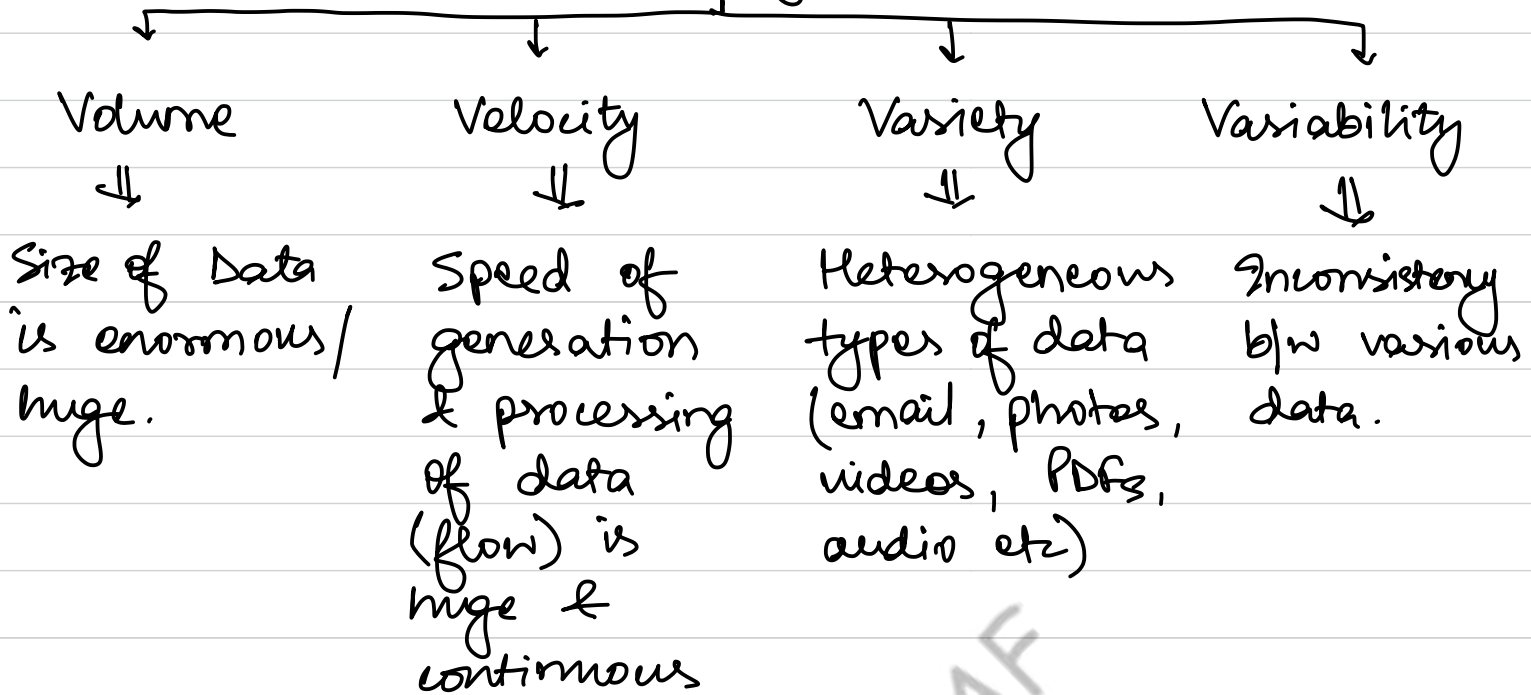
Big Data

- Collection of Data
 - Huge in volume (large size)
 - Grows exponentially over time.
- Complex for traditional data management tools.

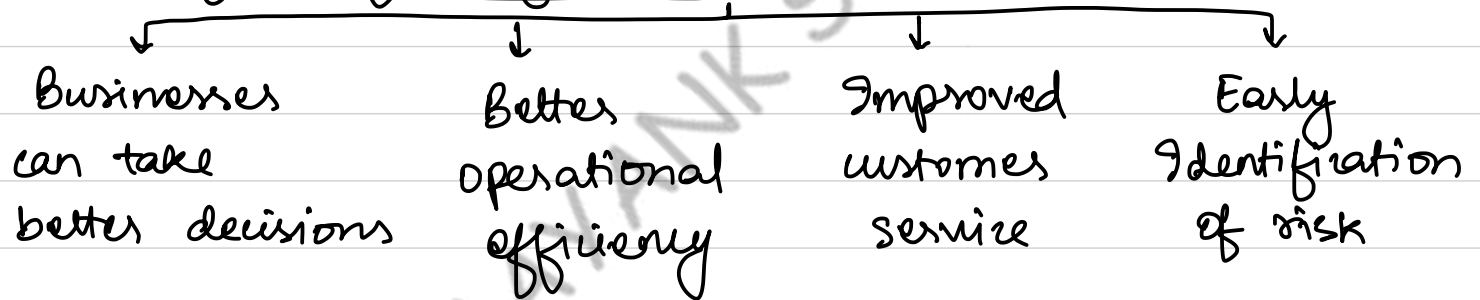
→ Types of Big Data



→ Characteristics of Big Data



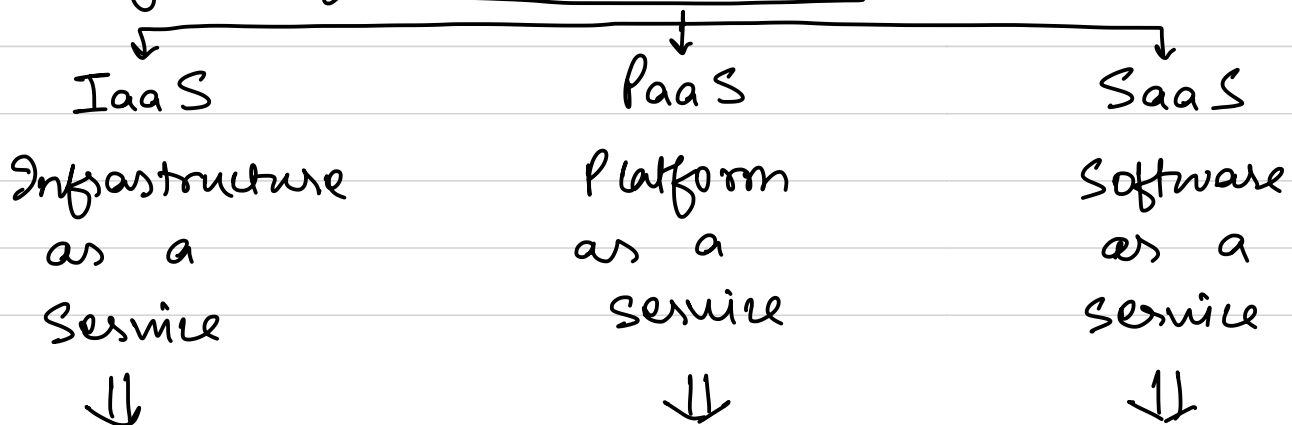
→ Benefits of Big Data



Cloud Computing

→ Delivering services over the Internet.

→ Types of cloud services :



Infrastructure
(i.e. storage & servers) are
supplied.

Eg: AWS

Development
tools are
supplied for
general software
development

Eg: Shopify /
Google App
Engine

Software
services are
supplied (web
services) which
can be accessed
from anywhere
Eg: Gmail

→ Types of Cloud :

Private Cloud



A proprietary network
which supplies services
to a limited number
of people with limited
access & permissions.

(Eg: Internal network
of a Co. like Reliance)

Public Cloud



Services are supplied
to anyone on the
internet.

(Eg: Gmail / Whatsapp /
Youtube)

→ Benefits of Cloud Computing

Cost
management



Data & workload
mobility



Business Continuity
& Disaster Recovery



Cloud computing helps in reducing capital costs, expertise cost & downtime cost

Allows users to access data from anywhere with any device having an internet connection.

Users can always access data even if their devices (laptops / smart phones) are inoperable.

Data is available even if business suffers damage or disruption.

→ Demerits / Limitations of Cloud Computing

Cloud security



lack of transparency (sensitive info. is trusted with cloud providers.)
Data breaches & Hacking risk.

Cost unpredictability



Pay as you go plans (fluctuating workload demands make it difficult to predict final cost)

Lack of capability & expertise



lack of employees with proper skill sets

Cloud performance



Network outages / Internet failure disrupt business

Cloud migration

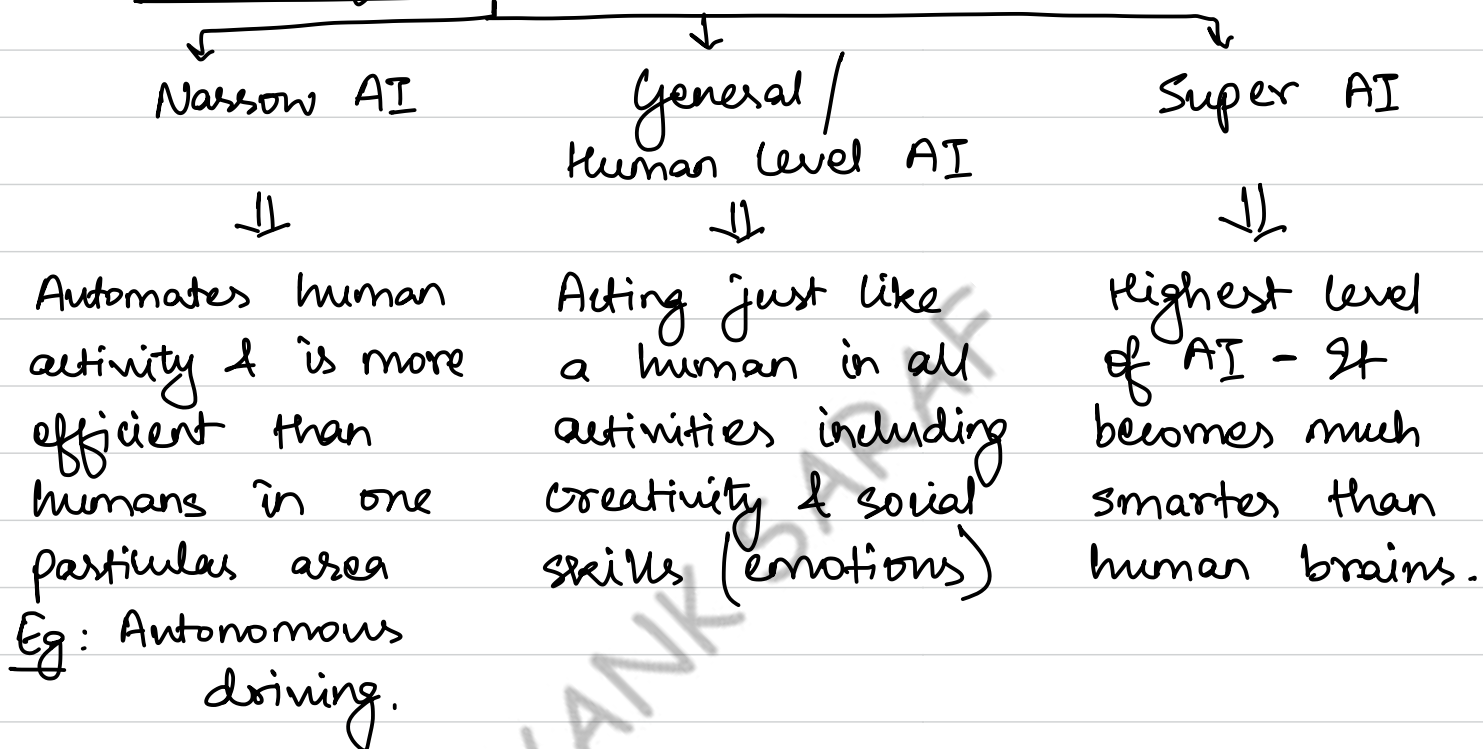


Moving application & data from one cloud to another is difficult

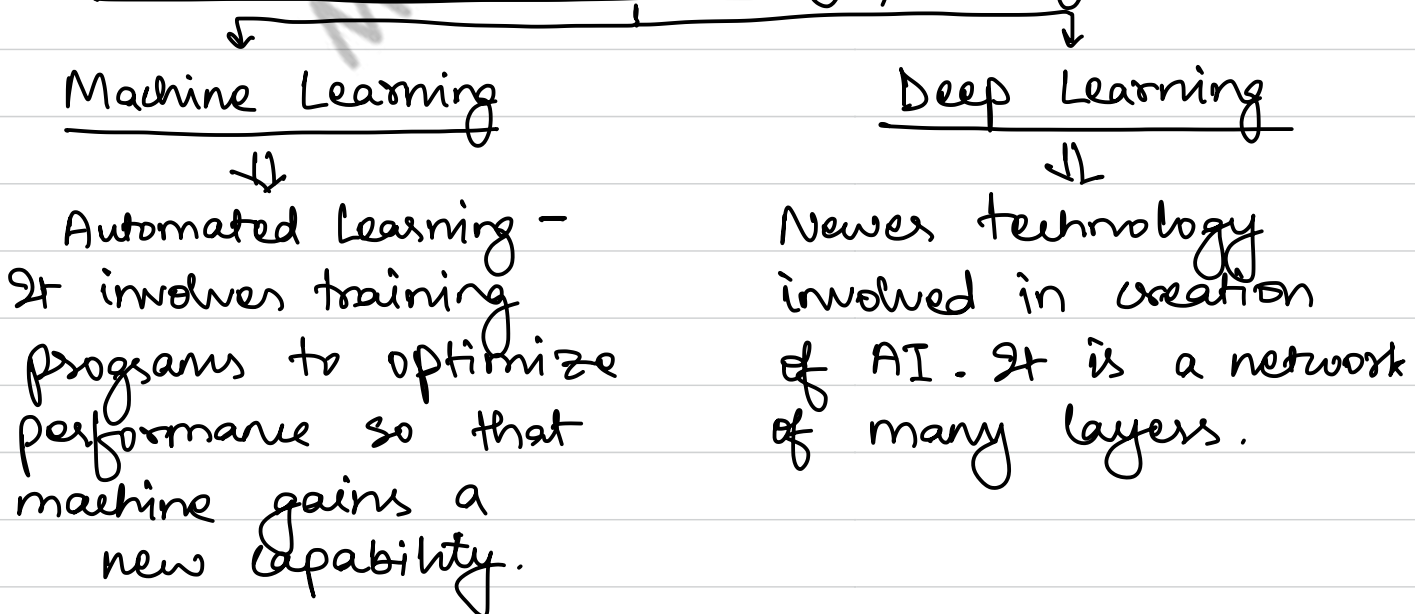
Artificial Intelligence

→ Intelligence exhibited by machines & systems imitating human functions.

→ Levels of AI



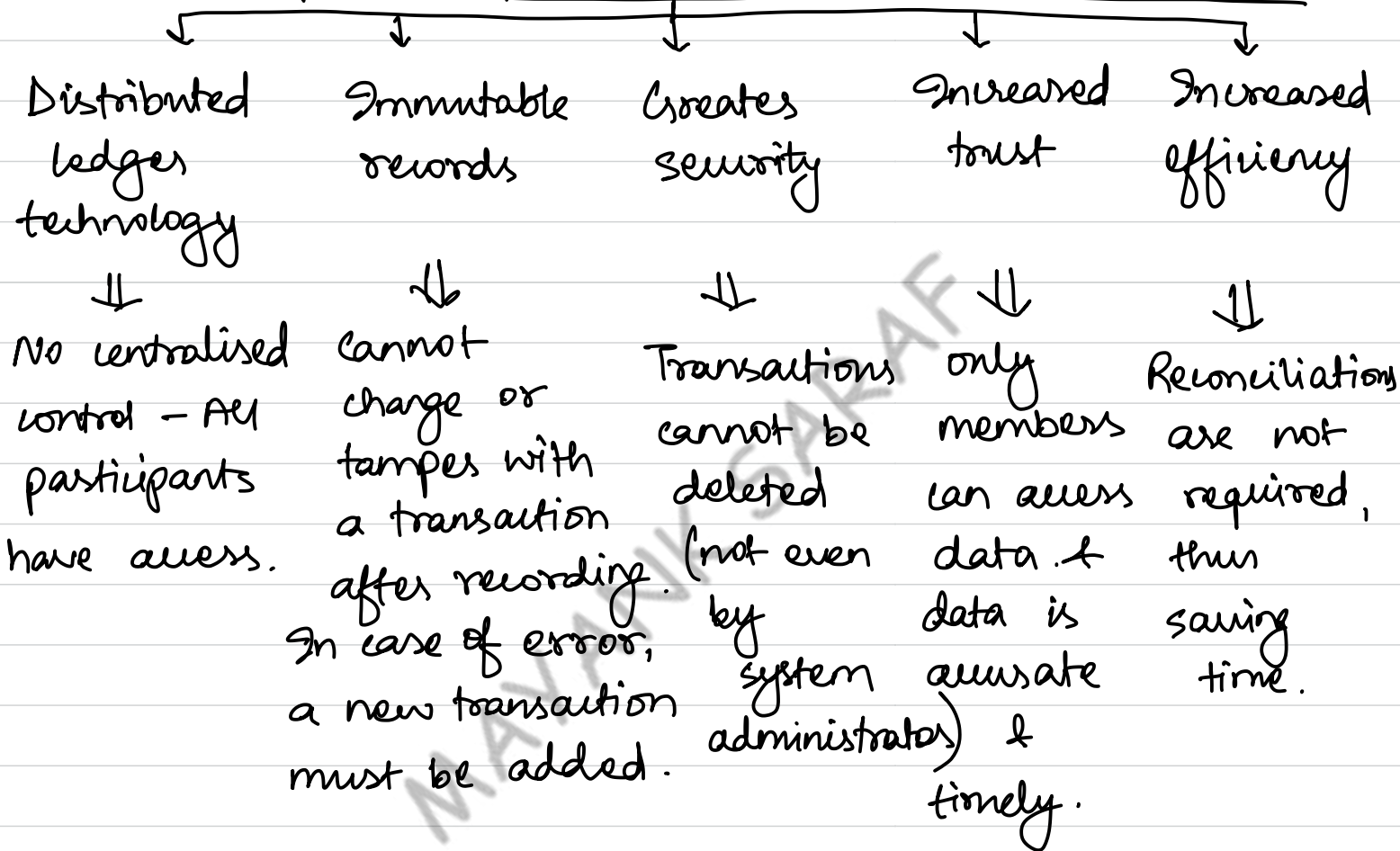
→ Approaches to implementing / creating AI



Blockchain

→ It is a shared ledger which facilitates recording transactions & assets.

→ Components / Characteristics of Blockchain



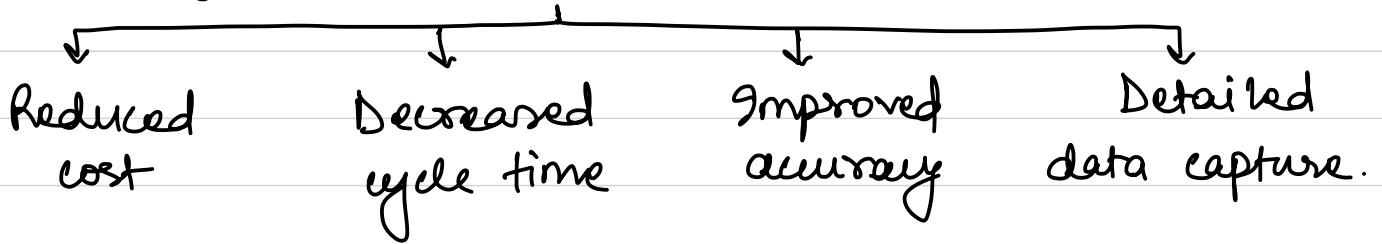
Robotic Process Automation

→ It is a form of BPA which allows anyone to define set of instructions for robot/bot to perform.

→ Helps in carrying out huge volume of error-free tasks at high speed.

(Eg - ATM, Ticket Vending machines)

→ Benefits of RPA :

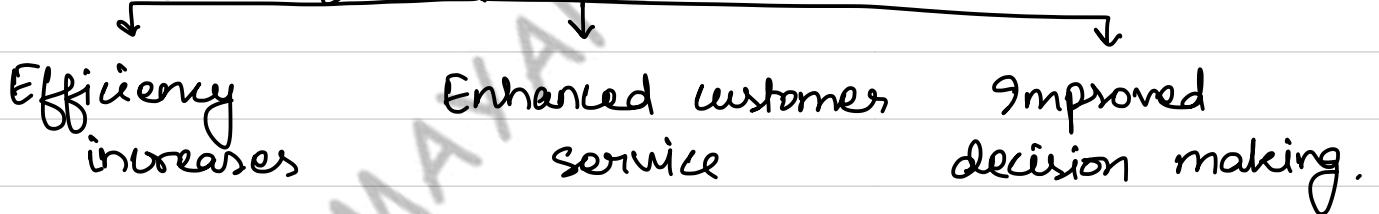


Internet of Things

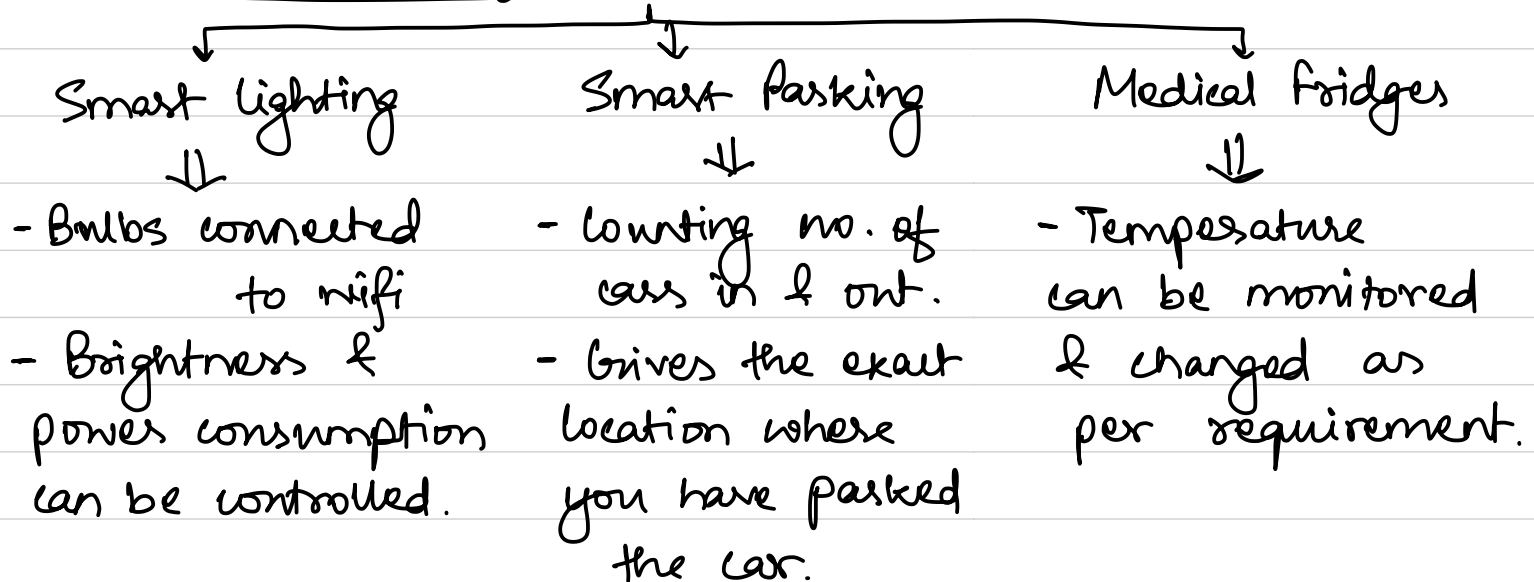
→ System of inter-related computing devices & objects.

→ Every device has a unique identifier (IP address) through which data can be transferred over a network.

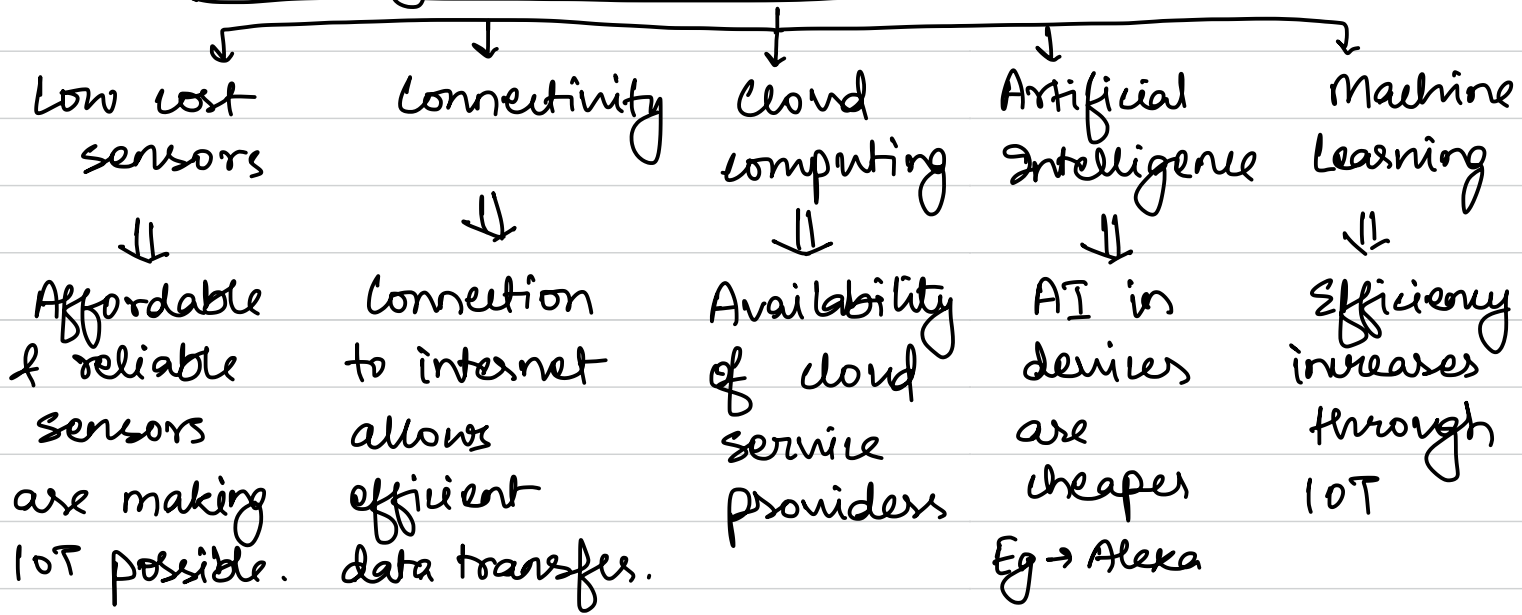
→ Benefits of IoT



→ Application of IoT



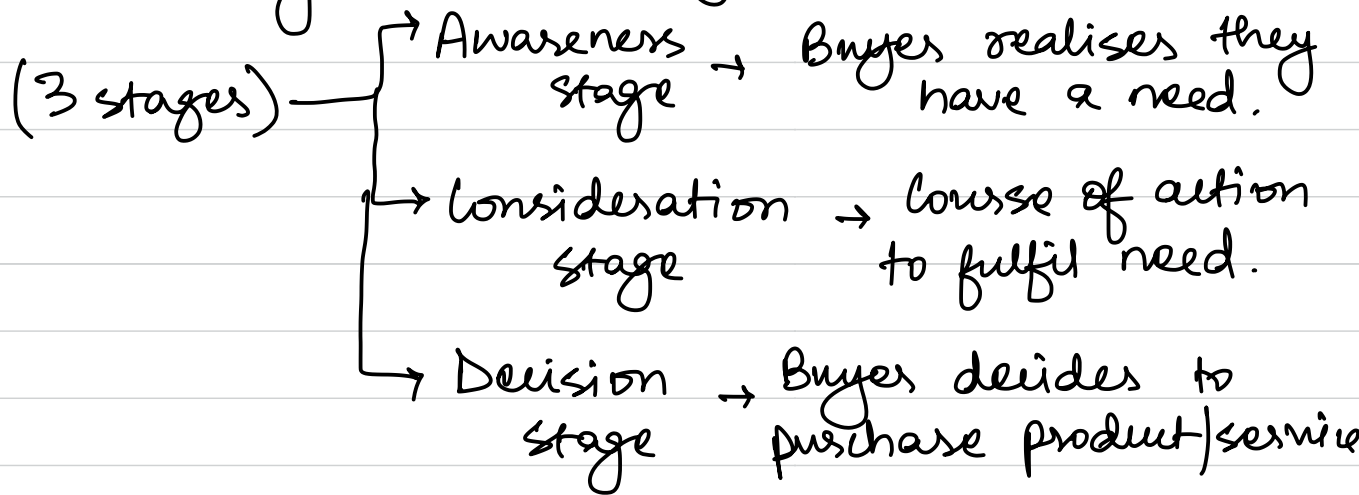
→ Technologies related to IoT :



Digital Marketing Strategies

- ① Social Media Marketing platforms ⇒
 - Instagram, Fb, LinkedIn, Snapchat
 - Products & services are promoted through paid ads + sponsored content.
- ② Influencer marketing ⇒
 - Brands partner with celebrities, sites & experts in their fields
 - Goal is to reach Influencer's followers & promote products
- ③ Email marketing ⇒
 - Customised offers & newsletters are sent based on past shopping history.
 - Eg: 10% off or free shipping.

→ ④ Content marketing ⇒ - User's questions are answered through content



→ ⑤ Search Engine Optimization (SEO) ⇒ - Trying to be on top of buyer's search results to be their first choice.

→ ⑥ Pay per click ⇒ Ads on websites / search engines & a fee is charged each time the ad is clicked.

→ ⑦ Affiliate marketing ⇒

- Referral programs
- Agreement with individuals / companies for promoting products or services in exchange for a commission

→ ⑧ Mobile marketing ⇒ Push notifications on mobile devices (usually through apps)

MAYANK SARAF