



RB-1751
Third Year B. B. A. Examination
April / May – 2010
Elements of Strategic Management

Time : Hours]

[Total Marks : 70

Instructions :

(1)

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| <p>नीचे दृष्टावेव निशानीवाणी विगतो उत्तरवडी पर अवश्य कपनी. Fillup strictly the details of signs on your answer book.</p> <p>Name of the Examination : T. Y. B. B. A.</p> <p>Name of the Subject : Elements of Strategic Management</p> <p>Subject Code No. : 1 7 5 1 Section No. (1, 2,.....): Nil</p> | <p>Seat No. : [][][][][][][]</p> <p>Student's Signature</p> |
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- (2) Answer the following questions.
(3) All questions carry **equal** marks.

- 1 Answer the following. Be brief and to the point. 14
- (a) Define the term policy.
 - (b) Draw the Structure of SAP.
 - (c) Explain procedures.
 - (d) Describe Competitive Advantage.
 - (e) Explain SPACE.
 - (f) Discuss the concept of Forward and Backward linkage in strategic implementation.
 - (g) Explain the concept of 'Dogs' and 'Cash Cows'.
- 2 (a) State the features of a good 'Mission' Statement. 7
Construct 'Mission Statement' for an Eye Hospital.
- (b) Illustrate Michael Porter's Five Forces Model of competition. Give an example of entry barriers and strong bargaining power of suppliers and buyers. 7

OR

- 2 Describe the technique of Value Chain Analysis. Design Value Chain of either a service organization or a manufacturing organization of your choice. 14
- 3 (a) Who are called stakeholders? Discuss the importance of internal and external stakeholders towards organizational success. 7

- (b) Explain the concept of 'Industry Attractiveness' and 'Business Strength' with the help of GE Nine Cell Planning Grid. Discuss the advantages of GE Business Screen. 7

OR

- 3 What are the various environmental factors that affect the business? Discuss their relative importance. 14
- 4 Write short notes on any two : 14
- (a) Interdependence of strategy formulation and implementation.
- (b) Advantages and limitations of experience curve.
- (c) Strategic Control Process.
- (d) Parenting Analysis.
- 5 Read carefully the following case and answer the questions following it : 14

Case :

Transformation of Bata India Ltd.

Introduction

Bata India Limited (Bata), the largest footwear retailer in India earned a profit of Rs. 474 mn on a sales turnover of Rs. 8.9 bn for the year 2007. The profit was attributed to the sales growth achieved by the opening of new stores and the restructuring exercises that the company had undertaken.

History

Year 2002-03

The situation was pathetic in 2002. The Co. incurred losses of Rs. 74.1 mn on a turnover of Rs. 7.04 bn. Causes of bad performance during 2002 and 2003 were manifold, including lower consumer demand, an overall slowdown in the footwear industry, high cost of production, weak marketing effort, brand image reflecting value for money instead of fashion or being trendy and over staffing.

Year 2004

In 2004, the Co. carried out Organisational Analysis exercise and many steps were taken.

New retailing formats like Flagship stores, City stores, Family and Bazaar stores were introduced to cater to different market segments.

Accordingly, the product offerings made in different geographic locations were different. The Flagship and City stores sold a large range of brands, along with an array of accessories such as wallets, handbags and shoe-care products.

This was similar to Bata's European retail strategy.

Superstores, a new format were established where around 1,000 different designs of footwear could be displayed. The company also utilized its international technology to enhance the product development capabilities and to create new product portfolios to match a wide range of prices. It focused on some of its brands like Power, Bubble Gummers, Marie Claire and Hush Puppies, to make these brands more appealing to the higher end of the market. Trendy international styles for women, men and children were introduced to build a modern and stylish image for the company.

In a strategic move, the head office operations were relocated from Kolkata (West Bengal) to Gurgaon, as retail boom was occurring in the northern part of India. The Co. focused on market penetration and shifted its orientation from manufacturing to marketing.

To support its focused marketing effort Bata streamlined its distribution network too by converting three of its wholesale depots to 'Cash-n-Carry' formats and developing a state-of-the-art integrated retail management system in partnership with Infosys Technology Ltd. The retail network thus became modernized. Further, investments were made in IT to integrate about 150 stores for real-time information capturing. As a result logistics were improved and new trendy fashionable footwear range could now reach the outlets across the country every week.

Some strong measures were also taken to turn around the company. Sixty unviable stores were closed down and the outstanding payments of the wholesale segment were reduced to 45 days from 126 days. Emphasis was placed on reduction of operational expenses. To reduce costs, manufacturing was outsourced to tax holiday states such as Himachal Pradesh and Uttaranchal.

To deal with the problem of over staffing VRS was offered to its workers and 1468 employees opted for the same.

Year 2006-07

To create its presence in shopping malls Bata went ahead with the 'shop-in-shop' experience in a multi-branded store. A 10,000 sq. ft. Mega store at Vadodara was opened where international fashion footwear was displayed across its four floors and a choice of 800 designs was offered to customers.

The company posted a modest profit in 2006 and the growth trend continued in 2007 also.

Bata was not ready to let anything come in its way. In February 2007, 180 employees and 23 shop managers were suspended in Mumbai because they refused to extend their working hours and keep shops open seven days a week.

Year 2008 and onwards

The company now owned 1,200 Bata stores in the country and crossed Rs. 10 bn turnover mark. In January 2008 Bata and Reliance Industries Ltd. tied-up to retail Reliance Products through all 1,200 Bata stores in the country.

In order to maintain growth momentum, Bata aims to open 200 new stores by 2010 and explore institutional markets such as Hospitals, Hotels and Defence establishments.

Questions :

- (i) Examine the impact of environmental factors on Bata India Ltd.
- (ii) Comment on the Grand Strategies adopted by Bata India Ltd.
- (iii) What is 'Focus Strategy'? How it helped in Bata's transformation?
