

Jagan Institute of Management Studies
End-Term Examination, September-October, 2017
Trimester IV – PGDM 2016-18

Strategic Management II
ET_PG_SM-II_2509

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

Q 1 **Attempt any FOUR of the following:**

- a) Briefly highlight the competencies the managers must possess as they seek to become strategic leaders.
- b) Taking the retail giant Wal-Mart as an example, Explain the relevance of Vertical Integration.
- c) Why does company need a Strategic decision or direction? What objectives it fulfills and how it helps an organization. Explain with an example.
- d) What are different strategies which company considers while stepping in global scenario
- e) What is a difference between Sustained Innovation and Disruptive Innovation, explain with examples.
- f) How cooperative strategy helps organizing in growing its footprints? Explain three critical aspects which firm considers while evaluating a partnering strategy.

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Q 2 a) Exports are the best method of entering the market. Analyze with reasons whether you agree or disagree with this statement.

6

- b)** Managers today, increasingly interested in long-term planning, are achieving corporate growth by selecting new markets to enter and developing the appropriate entry strategies. Suggest a market entry strategy for electric car maker Tesla for India.

6

Q 3 What are the specific reasons that a firm decides to go for acquisition as a means of achieving strategic competitiveness? Also explain the problems faced by firms while using an acquisition strategy to be successful? Support by taking a specific sector from Indian Economy which has experienced growth through acquisitions in recent past?

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Q 4 a) Recent resignation of the former CEO of Infosys Mr. Vishal Sikka indicates failure of Corporate Governance and Social Responsibility at

- Infosys. Analyze the necessary steps that a firm must take when it attempts to incorporate the interests of various stakeholders?
- b) Discuss the four types of social responsibilities for any one organizations of your choice? 12
- Q 5 Apple is considered to be a leader in Innovation. However there are risks associated with innovation. How does Apple mitigate such risks? Explain the concept and relevance of Balance Scorecard to Apple? 12
- OR
- a) Despite massive investments of management's time and money, innovation remains a frustrating pursuit in many companies. Innovation initiatives frequently fail, do not meet ROI expectations and successful innovators have a hard time sustaining their performance. Why is it so hard to build and maintain the capacity to innovate? Who should be the center point of focus while innovating? 6
- b) The theory of disruptive innovation has proved to be a powerful way of thinking about innovation-driven growth. What is Disruptive Innovation? Who qualifies to be called as Disrupter? 6
- Q 6 a) The corporate Governance, has witnessed a sea change impact in current context with roles of Owners, shareholders, Stakeholders and managers given a load of attention, explain with examples how corporate governance differs from India and Rest of the world (USA, UK, Japan, European Union, etc.). 6
- b) Keeping sustained leadership as an objective for organization growth, Describe with examples the importance of strategic leaders in managing the firm's resources, with emphasis on exploiting and maintaining core competencies, human capital, and social capital. 6
- Q 7 Read the case and answer the questions given at the end of the case.
Master Card CEO Ajay Banga's six lessons on leadership
Edited version of Ajay Banga's speech.
When I graduated, I was all of 21, green behind the ears—if you could find them. And I had no clue what I was going to do with my life: Other than join a great global firm Nestle. That was my grand plan: Get with somebody good. Get with somebody global. Do something that interested me. That's it. So, don't stress if you haven't got a detailed plan for your life. Anyone can have a good idea or plan; what makes it great is execution.
What I want to focus on is leadership. How do you take the leadership potential all of you have and cultivate it? Here are some perspectives around leadership that I can offer.
1. **A sense of urgency:** Today's worlds of rapidly-advancing technology and ever-shortening innovation cycles have no space

for procrastination. It's that urgency that makes me say to colleagues in my company that "if you have good news for me, take the stairs. If you have bad news, take the elevator." I need that information fast, so I can do something about it.

2. **A sense of balance:** A lot of people think that urgency and patience are contradictory. And they could not be more wrong. You need to be patient enough to listen to everybody, but yet, you must have a sense of urgency to take a decision and to execute.
3. **Courage to take thoughtful risks:** Rarely are you going to have perfect information. The willingness to take a decision at that time will depend on your ability to take a thoughtful risk. The thoughtful part depends also on your humility and realizing that you don't have all the answers—that you can learn something from everybody. You get a good dose of humility as soon as you arrive here. You come from a school where you were the top gun. You get here and everybody's a top gun. Humility is practically a rite of passage.
4. **Be competitively paranoid:** I don't mean be fearful. What I mean is constantly ask yourself if you're missing something. Is there more to the problem? If you don't question everything, if you're not competitively paranoid, you will not have the sense of self-introspection that you need to be a real leader.
5. **Develop a global view:** Leadership attributes are tremendously facilitated if you surround yourself with people who don't look like you, doesn't walk like you, don't talk like you, and don't have the same experiences as you. Admittedly, when I'm in the US, I'm suddenly diverse. In India, I'm obviously not. But it's not where you come from or what you look like that matters. What matters is what you do and how you do it. That's the true essence of diversity.

What makes diversity so important? Diversity is essential because a group of similar people tends to think in similar ways, reach similar conclusions, and have similar blind spots. To guard against that, you need to harness the collective uniqueness of those around you to widen your field of vision—to see things differently, to fail harder, to innovate, and to question everything. Widening that field of vision means widening your worldview.

Increase your connectivity to the world around you. For example, once you get acclimated to your new jobs, consider getting involved in organizations outside of your work but that connect back to it as well. Explore avenues like the World Economic Forum. The key is to go beyond looking at the world through the lens of your company or your organisation or even your country.

6. Do well and do good: It's the highest form of leadership. It's the idea that you can pursue what is in your best interest as well as what is in the interest of others. It's the recognition that your success is tied to the success of others. You know the saying; it's lonely at the top? It's only lonely at the top when you don't bring other people along with you.

This principle of doing well and doing good holds true for any one person or organisation, but it's an especially powerful principle for business and the private sector today. In a business sense, it's the idea that the private sector can be a force for growth and a force for good. That business can make money and make a difference.

Both the private and the public sector have a role to play in the following: Bring more people into the financial mainstream—at a time when half the world's adults don't have a bank account, guard against a future where we have the Internet of Everything, but not the Inclusion of Everyone, give women same opportunities as men.

Of course, this very school was founded, not just on the idea of public-private partnerships but literally by public-private partnerships. It was the government of Gujarat, the government of India, local businessmen, Harvard Business School, and the Ford Foundation—all coming together, not only to help build industry in India but to help build India herself.

Questions:

- a) Discuss the salient characteristics of Ajay Banga's leadership style. **8**
- b) MasterCard faces serious challenges from the new generation organizations such as Paytm and other form of digital gateways. Critics are questioning the leadership styles of MasterCard in the changing environment. He needs to bring change to further rebuild the organization. Recommend five steps you would initiate to bring changes in the organizational structure. **10**
