

**Jagan Institute of Management Studies**  
**End-Term Examination, April, 2017**  
**Trimester III – PGDM 2016-18**

***Strategic Management I***  
***ET\_PG\_SM-I\_2004***

Time: 3 Hrs.

M. Marks: 70

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

- Q 1** Comment on any **FOUR** of the following:
- a) Support activities of the Porter's value-chain provide inputs that allow the primary activities to take place.
  - b) Strategy is the outcome of a formal planning process.
  - c) Harvesting is the best choice when a company wishes to get out of declining industry.
  - d) Mission and Vision mean the same things.
  - e) Strategic-grouping helps companies in an industry to better understand their competitive positioning. **20**
- Q 2** The domestic aviation space is dominated by low cost airlines such as Indigo, Spicelet, Vistara with little differentiation and non-attractive loyalty programs. Despite having low prices as its competitive advantage, Spicejet has enjoyed very limited success in India. This means competitive advantage has very little relevance in building successful strategy. Do you agree or disagree with this assessment. Give reasons for the same. What could be other possible competencies which can help Spicejet build Competitive Advantage? **10**
- Q 3** Reliance Jio aims to become Market Leader in the Indian mobile services market and topple Airtel from its leadership position. As reported, Reliance Jio is targeting acquisition of 50% of revenue market share by 2021. And for that it has to chase targets for industry revenue and market share rather aggressively. As witnessed, Jio has already launched a tariff war by offering free promotional services thereby disrupting the industry revenue model. Recommend strategies you would propose Jio to gain leadership position in telecom industry. **10**
- Q 4** The BCG analysis helps in deciding which entities in the business portfolio are actually profitable, which are not going to be, which you should concentrate on and which gives you a competitive advantage

over others.

Explain the matrix and the strategy adopted by firms in each segment with the help of an example. 10

**Q 5** The Blue Ocean Strategy Four Actions Framework (also called Eliminate Reduce Raise Create Grid – ERRC Grid) is a complementary tool to the strategy canvas. It provides guidelines to identify new competing factors and design a new buyer value curve. Indian Premier League, by applying ERRC grid has revolutionized the way Indian cricket was viewed. Discuss. How did it convert non-customers to customers? 10

**Q 6** Sale of iPad for 12 consecutive quarters and in FY16, Apple sold the fewest iPads. As claimed by Apple it is a ‘temporary sales’ lull which is contrary to what sales data indicate (ref figure below). Can we conclude that growth stage of iPad is over? How can Apple realign its strategy for iPads in a declining tablet industry? (Worldwide sale of tablets fell 15.6% in 2016 as reported by IDC).



Source: Livemint, March 2017

OR

Snapdeal the online retailer is struggling to survive despite carrying out a fair amount of strategic planning and hiring professional managers to run the organization. This means that strategic planning has very little relevance in shaping the future course of the organization.’ Analyze whether you agree or disagree with the statement with reasons. 10

**Q 7** Please go through the case carefully and answer the questions given at the end of the case study.

**Tata, VW, Skoda ink deal for car launches in 2019**

Tata Motors, struggling to be number three in the fiercely competitive car market led by Maruti Suzuki and Hyundai has joined hands with the world’s biggest carmaker Volkswagen and its premium brand Skoda to roll out new cars for the Indian market in 2019. Tata Motors and Skoda

will start joint development work and joint value-chain activities based on which Tata Motors plans to launch products in the Indian market, starting calendar year 2019.

Volkswagen's archrival Japanese Toyota Motor Corp, the world's second biggest last month inked a partnership agreement with Suzuki Motor Corp. Auto analysts said this alliance could speed up introducing new green cars, reduce costs and protect and increase their respective market share in India, Asia's third big car market. Top executives at Toyota and Suzuki in Japan and India are exploring the possibility of cooperation in shared procurement, green vehicles, IT and safety technologies.

India is touted to be world's third-largest car market by 2020. According to Society of Indian Automobile Manufacturers (SIAM), car sales jumped 7.2 per cent to 2.79 million in fiscal 2016, up from 2.6 million sold in the previous year. The auto major on Friday announced signing of MoU with Volkswagen Group and Skoda for exploring strategic opportunity for long-term partnership for joint development of products. It includes developing innovative solutions for Indian and overseas market, evaluating combined value chain activities to create synergies, the company said in a joint statement.

Moreover, the partnership will "help Tata Motors become 'Futuristic' by embracing new technologies" it said. Škoda, which is also struggling to sell its premium cars in India despite a long inning, will take the lead on behalf of the Volkswagen Group to drive forward work towards development of vehicle concepts in the economy segment.

The agreement was signed by Guenter Butschek, CEO and MD of Tata Motors, Matthias Mueller, CEO of Volkswagen AG and Bernhard Maier, CEO of Skoda Auto. "We strongly believe that both the companies, by working together, can leverage from each other's strengths to create synergies and develop smart innovative solutions for the Indian and overseas market," Guenter Butschek, CEO and managing director at Tata Motors, who is trying to turn around the fortune of the company said.

"Our aim with the envisaged strategic partnership with Tata Motors is to lay the foundations in the Group and the brands that will enable us to offer customer-oriented mobility solutions in the emerging, fast-growing automobile markets, as elsewhere," Matthias Müller, CEO at Volkswagen, said.

By offering the appropriate products, the alliance intends to achieve sustainable and profitable growth in very different parts of the world, he said. “That is why we are systematically pursuing our regional growth strategy,” Muller said.

Volkswagen will use Tata Motors’ new advanced modular platform (AMP) development which has a distinct cost advantage and a flexible architecture to spawn a wide range of products. Under the partnership, Volkswagen will make use of Tata’s AMP chassis system developed by Germany’s EDAG firm, while Tata is keen on using Volkswagen’s electrical architecture, which is better and more economical than that of Tata.

Tata Motors as well as Volkswagen and Skoda have been struggling to find a right product to succeed in a very price-sensitive market like India despite the German brands being in the market for more than a decade. Volkswagen and Skoda have not yet produced the volume driving affordable compact car for the price conscious Indian market. This alliance could become a win-win situation for both.

### Questions:

- a) Write a Mission statement and briefly explain the considerations in writing such statement.
- b) Analyze the nature of competition in the Indian passenger car market.
- c) Tata Motors plans to have an alliance with other players in the industry. Analyze the benefits and challenges of carrying out the same.
- d) Recommend steps you would initiate to achieve its mission.

20

\*\*\*\*\*