



PAP-161100020301

Seat No. _____

M. B. A. (Sem. III) (CBCS) Examination

October / November - 2018

Strategic Management

(New Course)

Time : 3 Hours]

[Total Marks : 70

Instruction : All questions carry equal marks.

- 1 Define term Strategic Management. Explain process of Strategic Management.

OR

- 1 (a) Define Mission. Explain the characteristics of Good Mission Statement.
(b) Explain term Goals and Objectives. Explain the Roles that Objectives Play in Strategic Management.

- 2 Select the Organization of your Choice and Analyze it with Michel Porter's Five Fore Model.

OR

- 2 Compare and Contrast BCG Matrix and GE Nine Cell Matrix of Portfolio Analysis with appropriate illustration.
3 What is SWOT Analysis? Discuss its utility. Make a SWOT analysis of organization of your choice.

OR

- 3 Discuss Balanced Score Card as Tool for Performance Measurement.
4 Discuss different types of Grand Strategies with illustration.

OR

- 4 (a) Discuss long term objective of your Business that Exhibits the Seven Qualities of Long-term Objectives.
(b) Do Value Chain Analysis in Organization of Your Choice.

5 Read the following case and answer the questions.

The Kalyani Group is a large family-business group of India, employing more than 10000 employees. It has diverse businesses in engineering, steel, forgings, auto components, non-conventional energy and specialty chemicals. The annual turnover of the Group is over US\$2.1 billion. The Group is known for its impressive internationalisation achievements. It has nine manufacturing locations spread over six countries. Over the years, it has established joint ventures with many global companies such as ArvinMeritor, USA, Carpenter Technology Corporation, USA, Hayes Lemmerz, USA and FAW Corporation, China.

The flagship company of the Group is Bharat Forge Limited that is claimed to be the second largest forging company in the world and the largest nationally, with about 80 per cent share in axle and engine components. The other major companies of the Group are Kalyani Steels, Kalyani Carpenter Special Steels, Kalyani Lemmerz, Automotive Axles, Kalyani Thermal Systems, BF Utilities, Hikal Limited, Epicenter and Synise Technologies.

The emphasis on internationalisation is reflected in the vision statement of the Group where two of the five points relate to the Group trying to be a world-class organisation and achieving growth aggressively by accessing global markets. The Group is led by Mr. B.N. Kalyani, who is considered to be the major force behind the Group's aggressive internationalisation drive. Mr. Kalyani joined the Group in 1972 when it was a small-scale diesel engine component business.

The corporate strategy of the Group is a combination of concentration of its core competence in its business with efforts at building, nurturing and sustaining mutually beneficial partnerships with alliance partners and customers. The value of these partnerships essentially lies in collaborative product development with the partners who are the original equipment manufacturers. The foreign partners are not intended to provide expansion in capacity, but to enable the Kalyani Group to extend its global marketing reach.

In achieving its successful status, the Kalyani Group has followed the path of integration, extending from the upstream steelmaking to downstream machining for auto components such as crankshafts, front axle beams, steering knuckles, cam-shafts, connecting rods and rocker arms. In all these products, the Group has tried to move up the value chain instead of providing just the raw forgings. In the 1990s, it undertook a restructuring exercise to trim its unrelated businesses such as television and video products and concentrate on its core business of auto components. Four factors are supposed to have influenced the growth of the Group over the years. These are mentioned below :

Focussing on core businesses to maximise growth potential
Attaining aggressive cost savings

Expanding geographically to build global capacity and establishing leading positions

Achieving external growth through acquisitions

The Group companies are claimed to be positioned at either number one or two in their respective businesses. For instance, the Group claims to be number one in forging and machined components, axle aggregates, wheels and alloy steel. The technology used by the Group in its mainline business of auto components and other businesses, is claimed to be state-of-the-art. The Group invests in forging technology to enhance efficiency, production quality and design capabilities. The Group's emphasis on technology can be gauged from the fact that in the 1990s, it took the risky decision of investing Rs. 100 crore in the then latest forging technology, when the total Group turnover was barely Rs. 230 crore. Information technology is applied for product development, reducing production and product development time, supply-chain management and marketing of products. The Group lays high emphasis on research and development for providing engineering support, advanced metallurgical analysis and latest testing equipment in tandem with its high-class manufacturing facilities.

Being a top-driven group, the pattern of strategic decision-making within seems to be entrepreneurial. There was an attempt to formulate a five-year "strategic plan in 1997, with the participation of the company executives. But no much is mentioned in the business press about that collaborative strategic decision-making after that.

Recent strategic moves include Kalyani Steels, a Group company, entering into a joint venture agreement in May 2007, with Gerdau S.A. Brazil for installation of rolling mills. An attempt to move out of the mainstream forging business was made when the Group strengthened its position in the prospective business of wind energy through 100 per cent acquisition of RS Bconsult GmbH (RSB) of Germany. Prior to the acquisition, the Group was just a wind farm operator and supplier of components.

Questions :

- (a) What is the motive for internationalisation by the Kalyani Group? Discuss.
 - (b) Which type of international strategy is Kalyani Group adopting? Explain.
-