

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER –III-EXAMINATION – SUMMER-2022

Subject Code: 4539201**Date: 12-07-2022****Subject Name: Strategic Management****Time: 02:30 PM TO 05:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q-1** Define the following (14)
- 1 Define: Cost Leadership Strategy
 - 2 Corporate Social Responsibility
 - 3 TBL Approach
 - 4 Jugaad
 - 5 Merger
 - 6 Takeover
 - 7 Blue Ocean Strategy
- Q-2**
- (a) Explain Resource Based Model. (07)
- (b) Develop value chain for a company of your choice. (07)
- OR**
- (b) Write in detail: BCG Matrix (07)
- Q-3**
- (a) What are the reasons for the diversification? (07)
- (b) As the owner of a fast-food enterprise seeking a loan from a bank to finance the construction & operation of three new store locations, you have been asked to provide the loan officer with a brief analysis of competitive environment in fast food with the use of Five-Force model. (07)
- OR**
- (a) Explain the following entry mode of international strategy: (07)
- (1) Exporting
 - (2) Licensing
- (b) Discuss: Management of Change through VUCA. (07)
- Q-4**
- (a) Discuss: McKinsey 7s Model. (07)
- (b) Discuss the three major types of organizational structures. Which structure is required to execute low-cost strategy? (07)
- OR**
- (a) Why is it essential for the firm to audit / investigate another firm before entering into an agreement or contract? What is the role of Due Diligence in it. (07)
- (b) What is cross border acquisition? Explain with suitable example. (07)

Q-5 Case: Incorporating corporate social responsibility into strategy at the Tata Group.

‘In a free enterprise, the community is not just another stakeholder in business, but is in fact, the very purpose of its existence.’ This is a statement of the founder of the Tata group of companies, Jamsetji N Tata. The thinking behind the statement probably drives the corporate social responsibility initiatives at the Tata group of companies.

The Tata group describes itself as ‘India’s oldest, largest and most respected business conglomerates’, a depiction that seems to be quite justifies. The group’s businesses operate globally through 98 companies-27 of them publicly-listed- in seven business sectors. There are nearly 2, 90,000 employees working in these companies that have about 3 million shareholders. The group’s turnover on 2006-2007 was about Rs.130, 000 crore.

There are five core values that guide the Tata group’s business decision: integrity, understanding, excellence, unity and responsibility. The value of integrity means conducting business fairly, honestly and with transparency. Understanding involves caring, showing respect, compassion and humanity for colleagues, customers and community. Excellence denotes striving constantly to achieve high standards in work and quality. Unity implies building strong relationship with colleagues, customers and business partners. Responsibility signifies giving back to the community & society.

The tradition of CSR is embedded in the history of the Tata group. The J. N. Tata Endowment Scheme was established in 1892. Over the years, individual family members have created a constellation of trusts and endowments that contribute to a wide range of CSR activities. In the word of J. J. Irani, ex-managing director of Tata Steel: ‘ Some people consider social responsibility as an additional cost; we don’t. We see it as part of an essential cost of business, as much as land, power, raw materials and employees.’ This is seen in the quantum of funding that is channeled into CSR. The Tata group contributes nearly 30 per cent of its profit after tax, which is an unusually high figure, when other companies or business groups may take pride in putting in just one per cent of profits into CSR. The high social investment come from the Tata trusts that have a controlling interest in the holding company, Tata Sons. This ensures that the dividends paid out are directed to CSR, making the Tata group companies unique in ensuring that personal wealth is converted into social capital.

The Tata group has created a formal structure to direct CSR activities. The Tata Council for Community Initiatives is a centralized agency consisting of the Tata companies’s CEO’s, charged with the responsibility of directing and coordinating the CSR activities across the group. It is headed by a member of the group corporate centre, one of the two top governance bodies, the other being the group executive office. This is an indication of the high priority accorded by the Tata group to CSR. In order to create accountability, the Tata group has a distinctive evaluation system called the Tata Index for Sustainable Human Development. The Index is a set of guidelines for Tata companies looking to fulfill their social responsibilities. In the words of Anant G. Nadkarni, vice president, group corporate sustainability, ‘We have adopted a business model to drive social responsibility efforts within the group because that way, you ensure a huge network. The Index helps structure our efforts and quantify their effect on the communities and people that are aimed at.’

Of significance is the fact that the Tata Index for Sustainable Human Development is built around the Tata Business Excellence Model that drives business decisions of the group

companies. One of the several areas of business performance in the model is of governance and social responsibility, indicating the strategic priority given to this issue by the Tata group. Typically, business organizations have considered social responsibility as far removed from their mainline business activities. Not so at the Tata group where CSR is a key element in the business model. It is the responsibility of every company in the group to make CSR a component of its strategic plan.

Despite having a centralized network and structural arrangements, the individual Tata companies are autonomous to choose whatever CSR initiatives suit the requirements of the communities they work with. The strategy that each company evolves is required to be focused on the needs of the communities in which the company works in. There is a conscious effort to match the strengths & competencies of the company to the developmental of the communities being served. Thus, the company is left free to determine the scope of its CSR initiatives, be it in the area of arts and culture, civic amenities, education, environment, health or infrastructure. For, instance, the Tata Steel Rural Development Society works at Tata Steel for the rural communities around the operational units, while the Tata Chemicals Society for Rural Development does similar work for Tata Chemicals. Voltas for women is an exclusively female society consisting of female employees and wives of employees, who work on health and education issues for women. The Tata family trusts consist of the Sir Dorabji Trust and Sir Ratan Tata Trust besides the J. N. Tata Endowment. Some of the prominent Tata - funded institutions are the Indian Institute of Science, Tata Institute for Fundamental Research and Tata Institute of Social Sciences.

- (a) Collect evidence from the case to support the argument that social responsiveness at the Tata group is social responsiveness at the Tata group is closely aligned with its strategic management. (07)
- (b) How CSR activities have build brand TATA ? (07)
- OR**
- (a) How would you respond to a critic who says that the Tata group engages in CSR activities to enhance the reputation of the Tata brand and thereby, benefit economically from its social responsibility initiatives? (07)
- (b) What lessons other companies should take from the TATA? (07)
