

A BOOK BY JANAV, ANKITHA & SHRAV

strategic MANAGEMENT





A student who scores a 100 is called brilliant



**but one who helps even a single friend pass
is called a "Hero"**





Founder of This SM Book!



**The student who made the terrifying
subject AUDIT easy with his memes**



Amarendra Janavbali



Janavbali

TEAM MEMBERS

Janav



For motu, there's patlu.
For Nobitha, there's Doraemon
And for Janav... there's Ankitha

Ankitha



Some people don't believe
in beautiful girls.....
but they haven't met my friend
"Shravvv"

Shravvv



Stars are many....
but moon is only one
Memers are many....
but Akhila is only one

Akhila



JANAV & ANKITHA

Preface

I'm student - just like you

I've struggled with big words, confusing paragraphs and lengthy pages. So i decided to change that

I prepared this book. That's it.

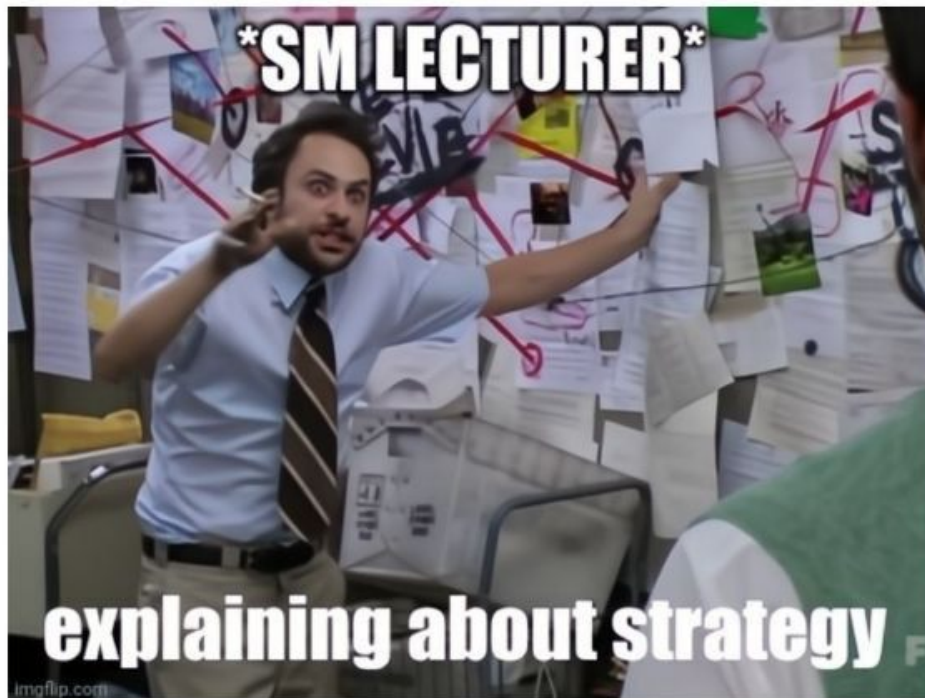
-Janav

Highly dangerous student ever
trained by an Indian lecturer

I N D E X				
NAME		JANAV	ROLL NO.	1
STD.	16	SEC.	A	SUBJECT
				SM
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STRATEGY



- Strategy is actually a **military term** ; It is not a business term. Strategy is something which was used by army/military whenever there was a battle.
- Lately the term '**strategy**' was adopted in business

HOW STRATEGY RELEVANT IN BUSINESS

Friend's just recall what you have learnt in foundation

"Business works in environment where there is competition"

whenever there is a competition, there comes a question of survival in competition.

Hence strategy makes equal sense in the business.



Introduction

Strategy= goal → Action → Win 🚀

- Strategy is goal- directed action a firm takes to gain and sustain superior performance relative to competitors
- To achieve superior performance, companies compete for resources(money, people, tech)
- A strategy is good when it enables a firm to achieve superior performance
- It consists of 3 elements
 - diagnosis (spot the problem)
 - guiding policy (plan to fix it)
 - coherent actions (do steps to execute)
- The term strategy is derived from the Greek word strategia meaning "generalship"
- Although the word is greek, yet the concept has it's origins from the classic, *The Art Of War*, written by SunTzu
- strategy of organisation provides the basic framework through which organisation will achieve mision and objectives
- The sole objective of a strategy is to provide competitive advantage (a unique strength that helps a business outperform competitors)



Characteristics Of Strategy

Janav : Sir, strategy ke ye **characteristics** samajh nahi aaye... can you explain in simple terms?

Lecturer : Bilkul! Chalo, ek-ek point ko break karte hain
Pehla characteristic hai "Long-term direction"

example, a company might say, "We want to be top solar panel seller in India by 2030." That's their long term direction

Shrav : Aur "Scope of activities" ka matlab?

Lecturer : What your business will do and won't do.
Like Dominos sells pizzas, not cars

Janav : Sir, "Competitive advantage" kya hota hai?

Lecturer : It's the "special thing" that **makes you better than rivals**, like Swiggy's fast delivery

Kiran : Ye line samajh nahi aayi: "Stretching resources to create opportunities"?

Lecturer : best use of resources and skills to find new opportunities and take full advantage of them.

Shrav : Aur yeh "Strategic decisions affect operational decisions"?

Lecturer : Socho, tumne decide kiya to become a doctor (strategic). Your daily actions (operational) are: studying biology, attending lectures, and practicing in labs. The big goal shapes your daily actions.

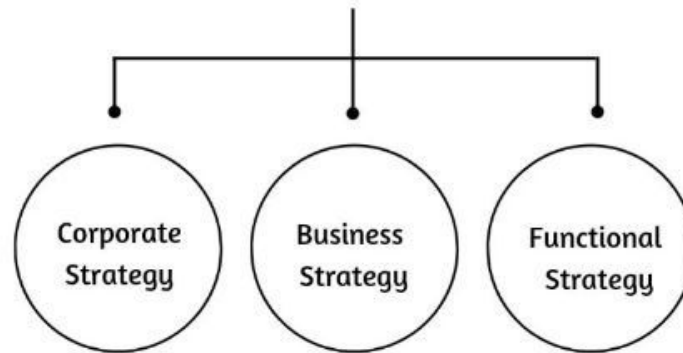


Consequences Of Characteristics Of Strategy

- **Complex** in nature.(highly difficult)
- made in situation of **uncertainty**
eg: Launching a new product (like a smartphone) without knowing if customers will buy it.
- likely to demand an **integrated approach** (Everyone must work together)
- **manage change relationships** outside the organisation (It's like building a house - you need good builders, electricians, and plumbers)
- involve **change in organisation** (Big decisions shake things up - roles, processes, or culture might change.)

Types Of Strategy

3 Types of Strategy

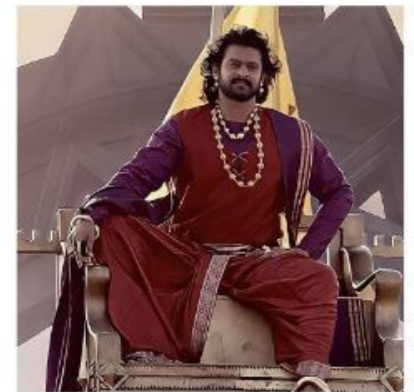


Bahubali"
war scene

Corporate: "Expand the empire!"

Corporate Strategy

- Over all purpose and scope of an organisation
- how value will be added to business units and product lines
- 3 main categories
 - stability = Keep doing what we're doing
 - growth = Expand!
 - Retrenchment = cut back



Business Strategy

- how to compete successfully in particular markets
- improvement of competitive position of an organization product or services

Business: Warriors fighting.



Functional Strategy

- how component part of organisation deliver effectively the business and corporate level strategies

Functional: Kattappa sharpening weapons.





Elements Of SM

Environmental Scanning

- Identity strategic factors both internal and external
- That will shape the future of the organisation

Strategy Formulation

- Development of Long range plan
- It includes  defining the mission
setting objective & setting policy guidelines
developing strategies

Strategy implementation (Plan into action)

- process by which strategies and policies are put into practice through development of programs, budgets, and procedures

Evaluation & Control

- actuals compared to desired
- corrective actions
- Fix gaps
- stimulate entire process again



Strategic Management is like **planting a tree**

scan : check soil and weather

Formulate : choose the best seed and location

Implement : plant, water and fertilize

Evaluate : prune (dig) if needed to help it grow

Alignment Of Strategy With Vision, Mission & Culture



Hi Students
I am Devansh!



VISION

The desired future state
of an organisation

+

vividly descriptive image
what Co. wants to be in
future

Types:

- Product - oriented vision statements define business in term of good or service provided.
- Customer - oriented vision statements define business in terms of providing solutions to customer needs

Examples:

Nike: To bring innovation and inspiration to every athlete in the world

Facebook: To make world more open and connected

BENEFITS Of Vision

Inspiring & exciting
develop risk taking
develop long term thinking
represents discontinuity
represents integrity
competitive, original



WHAT NOT..?

VISION IS EVERYTHING!!!

MISSION

➤ A company's mission describes it's purpose and it's present purpose

- a. who we are ?
(Hum kaun hain?)
- b. what we do?
(Hum kya karte hain?)
- c. why we are here?
(Hum yahaan kyun hain?)

IT DESCRIBES
COMPANY PURPOSE
AND IT'S PRESENT
BUSINESS

MISSION...?



! See next page for English version.

JANAV & SHRAVVV

Organisational Culture



Ankitha



Organizational Culture = "Company ka DNA"

- Organisational Culture means Company beliefs, values, and attitudes that shape employee behavior

Eg: "Customer is God" (Amazon India)

- it influence how employees interact with customers and suppliers (employee ka behaviour)

- it is set by company leader's

Eg: Ratan TaTa= humility+ethics

Layers In Organisation Culture

Values:

The values of Co. state

- how managers and employees should conduct themselves ?
- How should they do business ?
- kind of Co. they should build to achieve mission



Beliefs :

- Beliefs are more specific, but they can typically be discerned in how people talk about issues the organisation faces
- Eg: a belief that Co. should not trade with particular countries

Behaviours:

- The day to day way in which organisation operates and can be seen by people both inside and outside

Paradigm:

- They are the aspects of the organisational life which people find difficult to identify and explain

Goals:

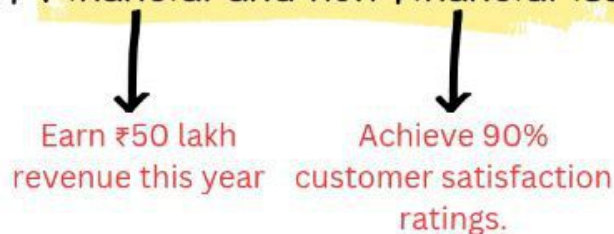


Present efforts



Future Outcome

- Future Outcome of Present Effort.
- The set of goals that organisation sets addresses a wide range of Financial and non financial issues



- Goals are close ended attributes which are precise and expressed in specific terms

Close-ended Goal:

- Increase sales by 15% in 6 months



Clear target(15%)
timeline(6 months)

Open-ended Goal:

- Increase sales



No clear target
No timeline

Objectives:

- Turn Strategic vision into specific performance target
- Shape how org interacts with market/environment
- Guides strategic decisions
- Set performance standards



** Vision without objectives is like a meme without punchline "*

Objectives Should be SMART

Specific: Clear & focused

Making specific objectives involve answering set of questions:

1. What org wants to achieve
2. why org wants to achieve
3. who involved in this process
4. which are resources and constraints to be identified

Understandable: understandable to those who are expected to achieve

Measurable: Objectives should be measurable

eg: Reduce customer complaints by 20%

Attainable:

must be challenging but attainable. If an objective is not attainable in the challenge; it poses employees may give up

Relevant: must be linked to overall vision and mission of org.

Time bound:

must specify time period. It tells employees Objectives to be attained by a given date, not after that date



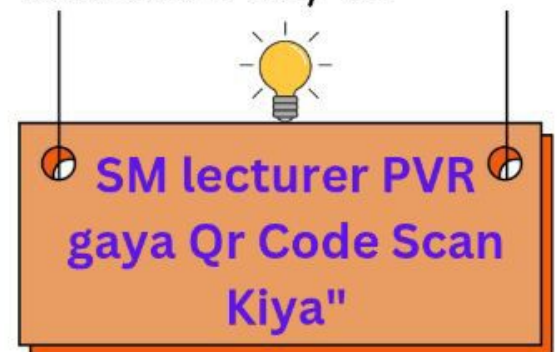
Issues to be kept in mind while setting Objectives

Specificity:

- Specificity is related to the organizational level for which a set of objectives have been stated.
- Objectives may be stated at different levels of specificity.
- At one extreme they might be very broadly stated goals and on the other extreme it may be translated into performance targets.

↓
Increase Sales

↓
Increase Sales by 10%



Multiplicity:

- Organizations rarely have just one objective. They usually work on multiple goals at the same time.

Periodicity:

- Objectives should be set for different time frames: short term, medium term, long term

Verifiability:

- deciding whether an objective has been met or not. It must be measurable so progress can be tracked.

eg: Reduce production defects by 15% by the end of the year" is verifiable, while "Improve product quality" is not

Reality:

- Organizations often have Official objectives(publicly stated goals) & Operational objectives(actual priorities)

Quality: good objective provides clear direction and a way to measure success.

Objectives Of Strategic Management

1. identify opportunities and adapt resources to exploit opportunities created [spot and use opportunities]
2. Create opportunities by stretching resources and competences of the organisation and capitalize them
3. monitor and remain responsive to the demands of key stakeholders [Apple added privacy features to please users and investors]
4. identify the critical success factors and meet the needs and wants of customer [Amazon Prime's 1-day delivery for impatient shoppers; How: identified? speed as a critical success factor.]
5. help an organisation enjoy competitive advantage.



ORGANIZATIONAL GENOMICS



- Study of your genes+ how they interact with each other and with person's environment.
- Organizational Behavior(How to get people to work better together.)

eg: When you encourage and praise your team, they'll work harder and be more motivated!

- Organizational Communication(Getting everyone towards set of common goals). Managers remove communication barriers ;Understand why they happen take steps to prevent them
- The primary responsibility of a manager is to develop and maintain an effective communication system in the organization.

Incorrect self-estimation can result from underestimating people in the following situations: (Don't judge a book by its cover – or a person by their self-doubt or quiet confidence! 📖👁️)

- People with lower qualifications(Assuming less-qualified people can't be skilled)
- People who do not tolerate on a higher social, educational & finance level.(caste feelings)
- People who hold a high opinion of themselves which is not based on facts(overaction fellow - overly confident but not actually capable)
- People who feel inferior(lack of self-confidence)
- People who do a great job even though they conceal their true opinion of themselves.(eg: JANAV)



STRATEGIC LEADERSHIP



The person who is expert in
Environmental scanning
Strategy formulation
Strategy implementation
Evaluation and Control

Lord Krishna

The Greatest Strategic Leader of All Time



➤ It is about how to effectively manage a company's strategy making process to create competitive advantage.

Eg: Apple's CEO Tim Cook makes strategic decisions to innovate and dominate the tech market.

➤ must strive towards Maximizing shareholder value by balancing growth and profitability.

Characteristics Of Strategic Leader:

Visionary → Communicate Vision → Attain Vision → Commitment towards Vision

➤ Visionary

Eg: SpaceX's Mars vision

➤ Capable of communicating the vision

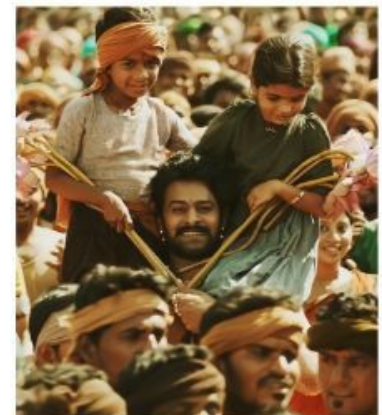
➤ Ability to identify and explain how organisation will attain it's vision.

➤ Should demonstrate a sense of commitment towards the vision

Eg: Ratan Tata leading Tata Nano despite setbacks

➤ should develop a strong network of both formal and informal sources

Eg: Chats with junior staff (informal) & CEO attends board meetings(formal)



EMOTIONAL INTELLIGENCE

To estimate someone's psychological capabilities, Daniel Goleman (1998) used a term called emotional intelligence

Self-awareness :

ability to understand one's own moods, emotions, and drives as well as their effect on others.

Self-regulation :

Ability to control their moods when working in work place

Motivation :

A passion for work that goes beyond money or status and a desire to pursue goals with energy and persistence.

Empathy :

Ability to understand feelings and viewpoints of subordinates

Social skills :

friendliness with a purpose (skills that u need in order to successfully communicate and work with others)

Organisational Change

In any business change should happen

1. Introducing new software
2. Updating marketing practices and/or business processes
3. A full-on restructuring and Leadership changes,(ATMs)
4. Budget constraints and Shifts in strategy.



Performance Objectives:

- Performance Objectives set for employees to guide their work
 - so that they can know what is expected of them
 - understand what they are accountable for.

some of the examples of performance objectives for employees:

Productivity (How much work, how fast)

Eg: A bank employee serving 50 clients/day

Quality and Efficiency (Work done well+fast)

Eg: software developer fixing bugs quickly without crashing the app.

Education & Self-development (Learning new skills to grow)

Eg: A salesperson takes a digital marketing course to boost sales.

FAST Framework

Frequently discussed

Regularly review progress, allocate resources, prioritize initiatives, and provide feedback.

Eg: Weekly team meetings to discuss goal progress.

Ambitious

Set challenging but achievable goals.

Eg: Increase sales by 15% in 6 months (challenging but possible).



Specific

Define Specific metrics for success

Eg: Reduce project timeline by 30% (specific and measurable).

Transparent

Share goals and progress openly.

Eg: Display company-wide goals and progress on a shared dashboard.

why aligning individual goals to organizational goals is important.



Employee: Naa Goal - 10 projects/month complete cheyyadam

Company: Maa Goal - Industry lo No. 1 avvadam

Individual and Organization sync ayithe...

Naatu Goals, Naatu Wins

1. **Accountability:** When individual goals are aligned, employees take ownership of their tasks and measure their success.

2. **Prioritisation:** Aligned goals help employees focus on what's truly important.

3. **Collaboration:** When employees understand how their goals fit into the bigger picture, they work better together.



Jab har employee
ka goal company ke
DNA se milthe hai
zinda banda company banegi

Balance Score card

A framework to translate a strategy into operational terms.

The sole purpose of setting objectives is to convert the vision and mission into specific measurable targets.



Finance Team: Paisa Kamao

Strategy Team: 'Supply Chain control karo

Pushpa: 'Flower nahi,

Balanced Scorecard hai main

There are two types of objectives

Financial Objectives:

Financial performance targets(fpt) that MGT has established for organisation to achieve

Eg: Increasing annual revenue, annual increase in EPS

Strategic Objectives:

relate to target outcomes that indicate whether a company is strengthening its market standing, competitive position and future business prospects.

Eg: Winning certain % market share, achieving lower overall cost

So to balance financial objective with strategic objective balance score card concept emerged

The balance score card model requires an evaluation of organizational performance from "four different perspectives"(viewpoints)

Financial : Money matters (revenue, earnings, cash flow)

Customer: Customer satisfaction (quality, delivery, loyalty)

Internal Business: How we work (processes, efficiency, productivity)

Learning & Growth: Innovation and adaptation (training, innovation, change management)

EVA DRIVEN RESPONSIBILITY ACCOUNTING

Profit = Total Money Earned (Revenue) - Total Costs Spent

2 Types of Profit

1. **Accounting Profit**: What you see in financial statements.

$$[\text{Revenue} - \text{Explicit Costs}]$$

Explicit cost

These are direct costs that are incurred by business.

Eg: business pays its employees salary 50000
business buys R/M 10000 to produce products

Implicit Cost

They represent the value of resources that could have been used elsewhere.

Eg: business owner works in the company without taking a salary. The implicit cost is the salary they could have earned if they worked elsewhere.

Eg: A bakery earns ₹1 lakh in sales and spends ₹60k on ingredients, rent, etc.

$$\text{Accounting Profit} = ₹40,000. [1L-60k]$$

2. **Economic Profit**: Real profit after considering both explicit costs + implicit costs

$$[\text{Revenue} - (\text{Explicit Costs} + \text{Implicit Costs})]$$

Eg: Same bakery Owner could earn ₹20k/month working elsewhere

$$\text{Economic Profit} = ₹40k - ₹20k (\text{lost salary}) = ₹20k.$$

➤ **EVA** is popular way to measure economic profit.

$$\text{EVA} = \text{NOPAT} - \text{Cost Of Capital}$$

Eg: Janav Ltd. makes ₹10 lakh profit but used ₹50 lakh capital. Investors expect 10% return (₹5 lakh)

$$\text{EVA} = 10L - 5L = 5L$$

While opening the
Book



After seeing
the concept
with visuals



After
understanding
the concept



After
Reading
the whole book



STRATEGIC ANALYSIS & STRATEGIC PLANNING



Business Environment

Trick : ICE

- Business environment refers to the sum total of all the conditions, events, and influences in and around of an organization that affects the organization.
- Organisation survival depends Environment.
- Environment Change can bring oppurunities or threats



Characteristics Of Business Environment



Complex

- Made up of many interconnected factors (conditions, events, influences) that interact, creating new outcomes.
- Easier to analyze individually than as a whole

Dynamic

- Change is the only constant
- Constantly changing due to numerous factors shaping its character.

Multi-faceted

- People see changes in environment differently - as opportunities or threats.

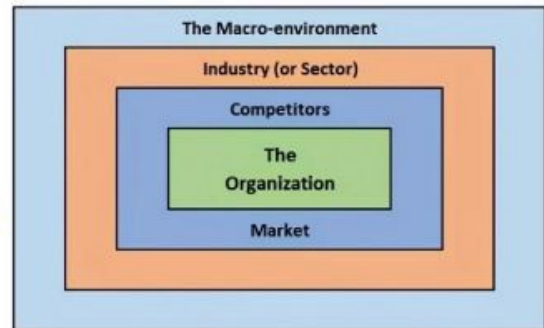
Far-reaching impact

The impact of the environment on an organization is huge. It critically underpins growth & profitability of organisation

LAYERS OF BUSINESS ENVIRONMENT

- The macro-environment is the outermost and the highest-level

Here, **PESTEL** framework can be used to identify future trends might having effect on organisation



- Industry/Sector (Companies selling the same products/services)



- Competitors - some are close rivals(same strategy)others are remote(different game)

Strategic Groups - Classify competitors by traits (price, quality).



PESTLE ANALYSIS



POLITICAL

- Government shapes society's laws which limits organisations to operate

➤ **Political Instability = Bad for Business**
(Wars, protests, or frequent government changes)

➤ **Political stability = Good for Business**
(tax breaks, subsidies, infrastructure)

ECONOMIC (related to money)



a. Growth rate of economy:

Economic Growth ↑ more income ↑ more spending ↑ Expenditure ↑

Economic Growth ↓ less income ↓ less spending ↓ Expenditure ↓

b. Interest rates

Impact on Customers

Loans are cheaper → people borrow more → buy cars, homes, gadgets → demand increases.

Impact on Companies

Low Interest Rates → Borrowing money is cheaper → companies invest in expansion, tech, hiring.



c. Currency exchange rates

When a country's currency value changes compared to other currencies, it directly impacts how competitive a company's products are globally

SOCIAL FACTORS

Changing Culture(shifts in what people value like)

Ignoring trends (e.g., not going digital) → businesses lose customers 😞.

Demographics(Changes in a population's age, gender, income, ethnicity)

Aging population → demand for healthcare, retirement homes

Young population → demand for tech gadgets, education

Technological Factors (AI , Nano Technology, composite materials)

Environmental Factors focus on eco-friendly issues like pollution, climatic change. Businesses must adapt to these to survive

LEGAL FACTORS

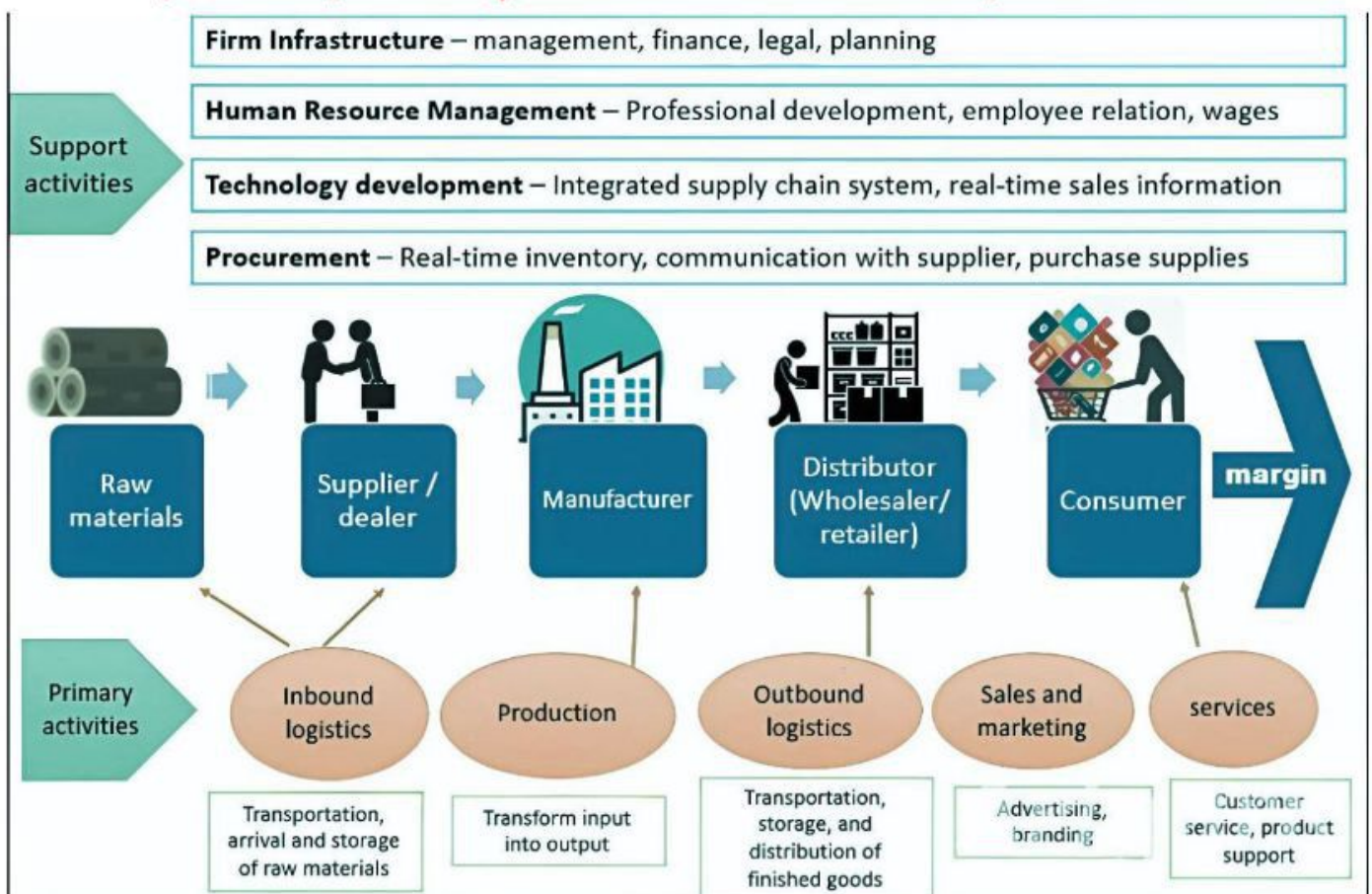
Health and safety legislation

Restrictions on company mergers and acquisitions

VALUE CHAIN ANALYSIS

- Set of activities involved in delivering a final product or service to a customer.
- It explores where more value can be added and where value is not being added in chain of activities.
- It is a useful tool for internal analysis of strengths (activities that add value) and weakness (activities that do not add value)

This picture perfectly illustrates the concept of a value chain



WHAT IS PORTER'S FIVE FORCES MODEL?

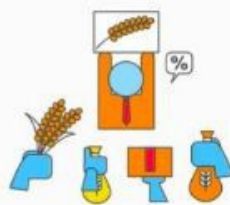
Porter's Five Forces Framework helps to identify the sources of competition in an industry or sector



PORTER'S FIVE FORCES



Threat of new entrants



Bargaining power of suppliers



Bargaining power of buyers



Threat of substitute products



Intense rivalry among competitors

ee 5 sources ni
identify cheste
business ki ekkada
strength ekkada
weakness unnayo
telstundi.

a. The bargaining power of buyers

➤ how much influence customers (buyers) have to force companies to lower prices & Improve product quality/service

Customer: Lower the price or
I'll go to your competitor

Shopkeeper: Buyers these days...

Lower Prices: If Samsung, Apple, and Xiaomi all sell similar phones, buyers compare prices and demand discounts.

Raise Costs: Buyers expect better cameras or battery life → companies spend more on R&D.

Result: Profits shrink because prices drop and costs rise.

b. Bargaining Power Of Suppliers

➤ ability of suppliers to raise input prices & lower quality to increase costs for companies

➤ Strong Suppliers = Threat

Suppliers can squeeze profits by charging more

Eg: If oil prices rise, airlines' fuel costs shoot up → lower profits.

➤ Weak Suppliers = Opportunity

Companies force lower prices or better quality

Eg: Many cotton suppliers → textile companies demand discounts.

Bro, why hike prices? You're killing my business

Supplier : I'm the only one... you've no option

c. Substitute Products

➤ Products from different industries that fulfill the same customer need

Eg: Coffee vs. Tea vs. Energy Drinks → all solve the "need for caffeine"



d. Rivalry among established companies

➤ Rivalry means companies in the same industry fighting to gain market share from each other.

➤ They compete using price cuts, better product designs
Ads & promotions

4 Factors That Make Rivalry Intense

1. Industry Competitive Structure

- Many similar-sized competitors → More rivalry.

Eg: Coca-Cola vs Pepsi vs Thums Up (all similar soda brands fight for market share)

2. Demand Conditions

- Low demand → Companies fight harder for fewer customers.

Eg During a recession, car companies (Toyota, Ford) offer big discounts to sell cars.

3. Cost Conditions

- High fixed costs → Sell more to cover expenses → Price wars.

Eg: Airlines (IndiGo, Air India) slash ticket prices to fill seats.

4. Exit Barriers

- Hard to leave the industry → Companies stay and fight even if losing money.

Eg: Steel plants with expensive machinery can't shut down easily → Keep competing.

5. Risk of entry by potential competitors:

- Potential competitors are companies not currently in your industry but could enter if they want to. If they join, they become rivals, threatening your profits

Barriers to block potential new entrants

1. Economies of Scale

- Big companies produce more → cheaper per unit cost.

Eg : D-mart buys products in bulk → gets discounts → sells at lower prices than small shops

Effect: New entrants can't match prices unless they're BIG

2. Brand Loyalty

- Customers love established brands.

Eg : Coca-Cola vs. a new soda brand → people stick to Coke even if cheaper options exist.

Effect: New entrants struggle to win trust.

3. Absolute Cost Advantage

- Existing companies have cheaper resources/tech

Eg: Tata Steel owns iron ore mines → new steel companies pay more for raw materials.

Effect: New entrants can't compete on cost.

4. Customer Switching Costs

- cost for customers to switch to a new brand.

Eg: iPhone users won't switch to Android (lose apps, data, ecosystem).

Effect: New entrants must offer HUGE benefits to convince customers

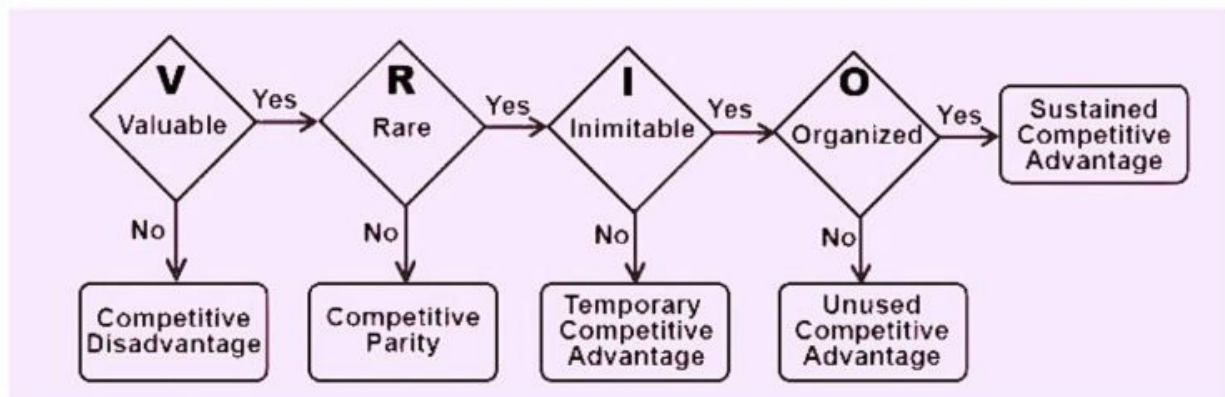
5. Government Regulations

- Licenses, permits, or rules block new players.

Eg: Telecom licenses in India → Airtel/Vodafone dominate due to strict rules.

Effect: Deregulation (e.g., allowing Jio telecommunications) → more competition → lower profits.

VRIO Framework



The Framework to identify competitive advantage

Valuable

Does your resource (skill, tech, etc.) give customers something they actually want?

Eg: Amul's distribution network → Delivers fresh milk everywhere (valuable to customers).

Rareness

Is your resource rare (competitors don't have it)?

Eg: Netflix's exclusive shows → Rare content others can't offer.

Imitability

Can competitors copy your resource easily?

Easy to Copy: Factories, trucks (tangible).

Hard to Copy: Brand trust (Ambani's Reliance), culture (Infosys).

Organisation

Is your company organized to use resources well?

Eg: Google's employee freedom → Drives innovation

SWOTC analysis

-SWOT analysis helps generate strategic options and assess future actions,

-An Effective Organisational strategy, therefore,

Capitalize on Opportunities Using Strengths

Opportunities = External chances to grow.
Strengths = Internal advantages

Eg: A Tech Startup

Strength: Talented AI developers(Internal)

Opportunity: Rising demand for AI tools in healthcare(External)

Neutralize Threats by Minimizing Weaknesses

Threats = External risks.

Weaknesses = Internal flaws.

Steps involved in SWOT analysis application



SWOT analysis has several benefits along with that it has some dangers also.



- Sometimes it is very difficult for organisations to separate opportunities and threats. sometimes, one thing can be both Opportunity and threat.

Eg: Nuclear plant - low cost power (opportunity), but has safety risks (threat)

- People often list too many things instead of focusing on what really important

Eg: Listing 20 strengths, but only 3 actually help the business grow

- Relying on existing strengths instead of developing new ones

Eg: Focusing on existing strengths in traditional marketing, while ignoring emerging opportunities in digital marketing

- People might mix up strengths with opportunities or weakness with threats

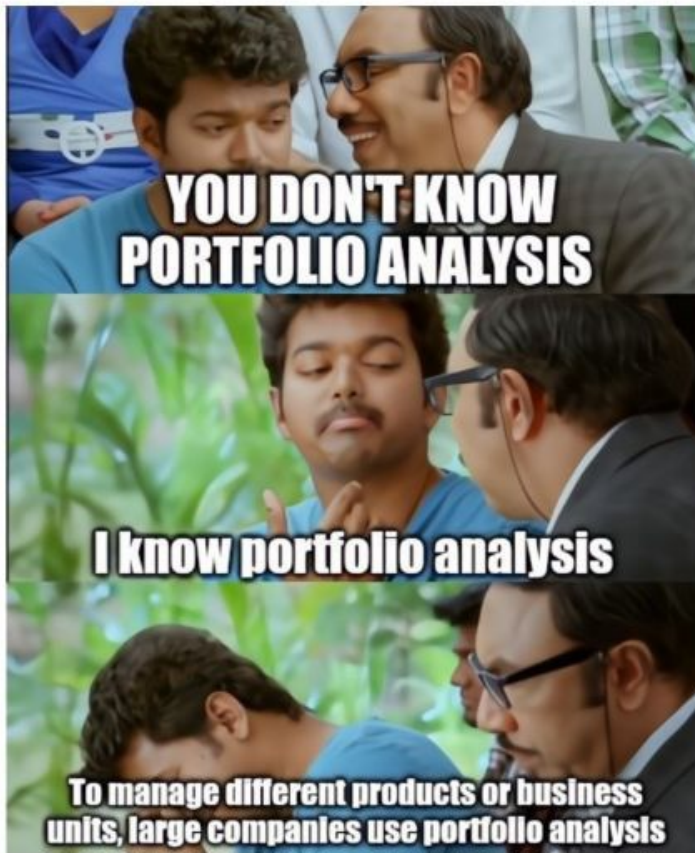
Eg: we have few customers - is that a weakness or a threat?

- Missing underlying reasons for strength or weaknesses

Eg: Saying "Good service" as a strength without explaining why it's good.

- SWOT can make complex situations look too simple

- Justifying pre conceived decisions instead of exploring new options



Portfolio Analysis

- It looks at the company like a basket of different products or business or businesses, and helps decide which ones to grow, maintain, drop to get best returns
- Top MGT sees each product or business like an investment. The goal is to earn most profit from each one
- Two of the most popular portfolio techniques are
 - BCG MATRIX
 - GE Business Screen

Objectives ↔

- Analyze current business mix for investment decisions
- Develop strategies for adding new businesses for growth
- Decide which businesses to retain or exclude

Advantages:

- Focus on Individual Units & allocate resources for each
- Cash Flow Management
Eg: Profits from a stable product (like laptops) fund new projects (like AI tech).
- Its graphic depiction facilitates communication.
- External market data informs decisions on whether to invest in or divest a particular business unit.

Limitations:

- Defining product/market segments is difficult
- It suggests use of standard strategies that can miss opportunities or be impractical
- It's hard to determine industry attractiveness or product life cycle stage.
Eg: when new technology introduced to market, it's challenging to forecast it's success or failure

BCG Matrix

Small brain Give all products the same budget		when a company has lots of products, it's hard to decide where to spend money
Bigger brain Focus only on new products		➤ some products look exciting but might fail ➤ some are old but still bring in steady money
Galaxy brain Use the BCG Matrix to invest smartly		➤ To figure out which product deserves how much money



Companies use the **BCG Matrix** -it helps them decide smartly

- Here market share and market growth are critical variables for determining attractiveness and balance.
- The market growth / market share axes of the BCG matrix define four sorts of business:

Market Growth: is market growing fast or slow?

Market Share: How much of the market does company control?

Stars (High Growth - High Market Share)

- A Star is a business unit which has high market share in a growing market
- They need more investments to keep up with growth, so they use their surplus profits to invest and make it self-sufficient
(ne meeda nuvve nilabadi...ni money ni nuvve use chesko)

Question Marks (High Growth - Low Market Share)

- A Question mark is a business unit which has low market share in a growing market

- Developing Question marks into stars, with high market share, takes heavy investment

Eg: Electric vehicles are growing, but in rural areas, market share is still low and uncertain

Cash Cows (kamadhenuvu)

- A cash cow is a business unit with a high market share in mature market
- However, because growth is low, investment needs are less

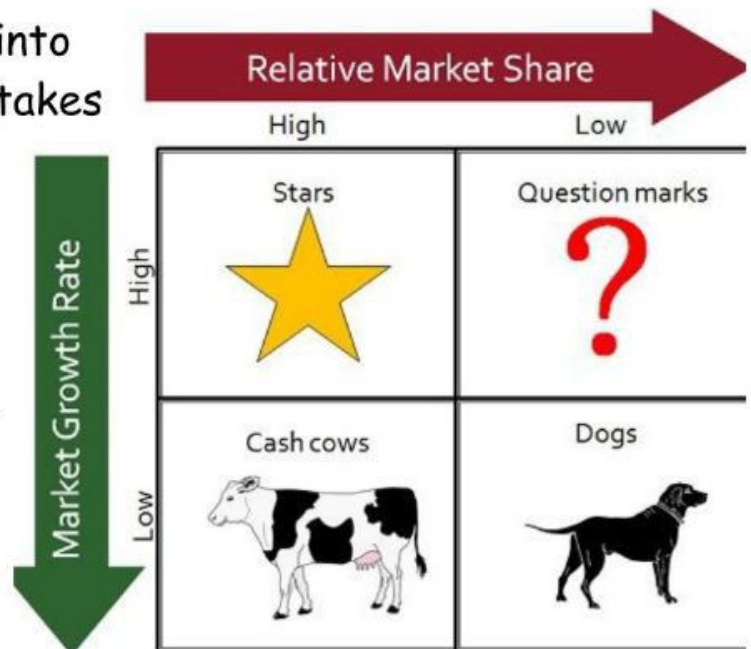
- The cash cow should then be a cash provider, helping to fund investments in question marks

Eg: Microsoft Windows almost every office uses it. low growth, High share, and very profitable

Dogs (Low Growth - Low Market Share)

- Market is not growing, and company also has very few customers
- There may be a cash drain
- usually better to divestments (partial closure) or closure

Eg: DVD Players, Blackberry phones, CD players, Fax machines



Quick Summary Table

Type	Market Growth	Market Share	Simple Meaning
Star	High	High	Great opportunity, but needs money to grow
Cash Cow	Low	High	Steady business, brings in profit
Question Mark	High	Low	Needs investment, uncertain future
Dog	Low	Low	Poor performance, often a loss

Examples of the BCG Matrix

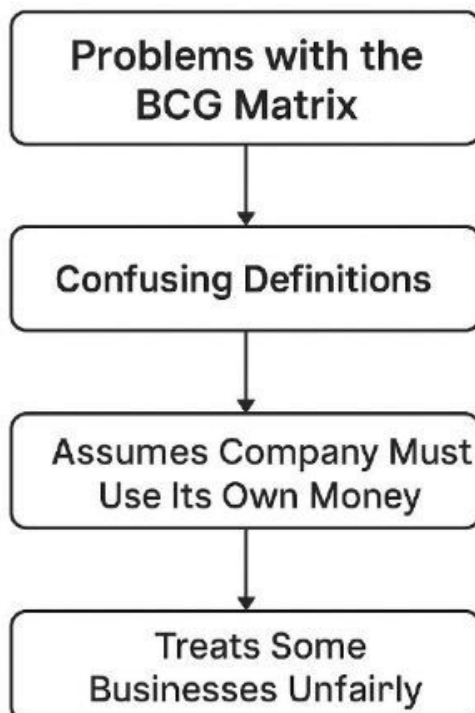
Type		Example	Why it fits
	Star	AI Tools (like ChatGPT, Midjourney, etc.)	The AI market is booming, and top tools are leading — but require ongoing R&D.
	Cash Cow	Coca-Cola (Classic)	Market is mature, but brand loyalty is strong. Brings steady profit.
	Question Mark	Electric Two-Wheelers in Rural India	EVs are growing, but in rural areas, market share is still low and uncertain.
	Dog	BlackBerry Phones	Once popular, now mostly forgotten. Small market.

Advantages of the BCG Matrix

- It provides a good way of visualising the different needs and potential of all diverse businesses (you can quickly understand which ones need money, which ones bring profit, and which ones may be weak)
- High - growth products may look exciting but they often need big investments to keep up
- It also reminds corporate parents that stars are likely eventually to wane (A product doing great today can slow down tomorrow)
- Main Company decide how to use profits made by some businesses to support others that help to grow. It reminds Managers that they are part of team - the money they earn can be used where it's best for the whole company, not just for their own department

[ఒక చోట వచ్చిందంటే, మరో చోట పెట్టాలి!" 😊]

Problems with the BCG Matrix



Definitional Vagueness:

- It's not always clear what "high" or "low" market growth or share really means
- some managers may cheat a little by saying their product is "high share"- just by comparing it to a small part of the market (and ignoring global)

Capital Market Assumptions:

- Companies must use their own profits (cash cows) to invest in growing business (stars or question marks)

- But in reality, companies can also get money from outside sources - like banks or by selling shares
- So, this idea of using only internal funds may not always be necessary - especially in countries with strong financial systems



In short: The BCG Matrix forgets that external money is also an option

Unkind to animals: (cash cows & dogs)

- Cash Cows are only used to make money. They don't get much support or care . Dogs are often seen as useless - so they are ignored or shutdown
- This can make the people working in those business units feel demotivated and uninterested to work hard.

The Big Risk: if you don't invest in cash cow, it can slowly lose value and become a dog faster than expected..



Book prepare pannradhu oru kala na,
Janav dhaan andukku picasso maari

Stages in Strategic Planning

1. Select the corporate mission and major corporate goals
2. Analyze the organization's external competitive environment to identify opportunities and threats
3. Analyze organization's internal operating environment to identify organization strengths and weaknesses
4. select strategies
5. Implement the strategies

Feedback Loop

- Strategic Planning is never ending process. planning doesn't stop after making one strategy. It's a continuous cycle - always thinking, improving, adapting
- To know if the company is reaching it's goals and staying better than competitors, we must monitor the strategy regularly (plan sariyaa velai seyyudha nu nithyam paaka vendiyathu)
- The results (success or failure) are sent back to company's top MGT through feedback loops. This feedback becomes input for next plan (result feedback mela top MGT kitta pogum, adhu next strategy - ku use pannuvanga)
- They choose whether to keep the current strategy or make changes(old plan continue pannalama?illa change panna vendiyatha?)

feedback loop > Plan > monitor > feedback > Improve > Repeat

Alternatives For Strategic Planning

Scenario Planning

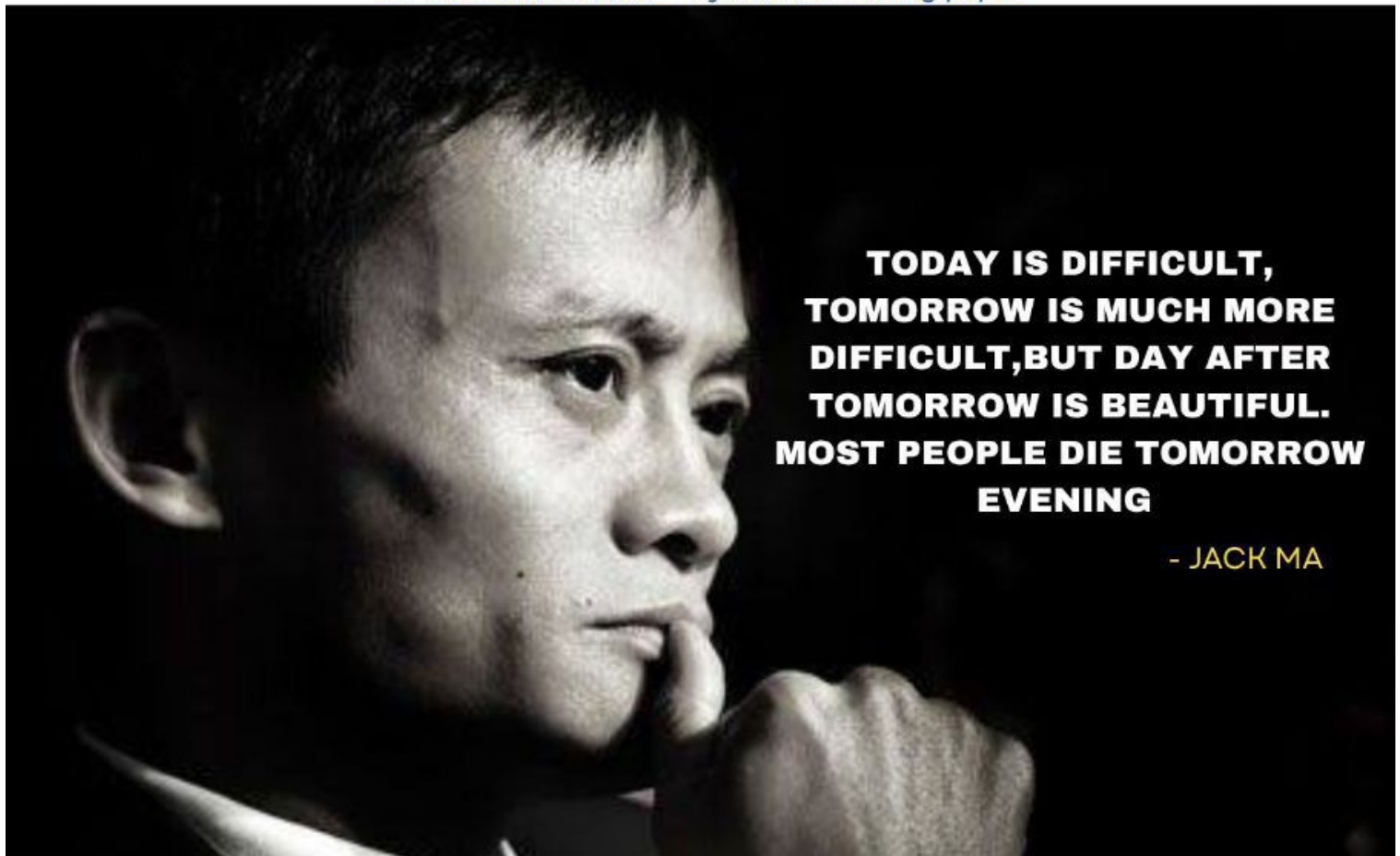
- Scenario Planning means creating different future scenarios and preparing plans for each one.
- some scenarios are optimistic and some are pessimistic. managers make a strategy for each of those possible futures.
- use indicators to track trends and identify the probability that particular scenario is coming to pass
- Helps understand a changing World

it's like carrying sunglasses and umbrella - because you're ready for sun or rain.

Decentralised Planning:

- In some companies, only top bosses do the planning
- This is called **Ivory Tower** approach - where top Managers make decisions without knowing ground reality
- They may Sit in a fancy office, far away from day-to-day business
- As a result plans don't work, waste money - because they are out of touch
- To fix this, companies need to involve all levels of managers, not just the top people
- Local and department -level managers know the real problems and customer needs. they are closer to actions and facts
- So, planning should be decentralised - done with input from everyone, not just from top.

I'm not motivator, bro - i just hate wasting paper



METHODS TO IDENTIFY STRATEGIC ALTERNATIVES BY MEDIUM AND LARGE ORGANIZATIONS

BRAINSTORMING SESSIONS



SPECIAL MEETINGS



OUTSIDE CONSULTANTS



JOINT MEETINGS



Mechanisms Employed For Identifying Strategic Alternatives

Brainstorming Sessions

- Top bosses and key team members sit together and throw out ideas
- In the beginning, they don't judge any idea
- Later, they check which ideas are good or practical
- The best ones are selected for deeper analysis

Special Meetings

- held at resorts or hotels - away from regular office
- Executive come prepared with future scenarios and what to in each case
- They discuss, argue, and try to pick best paths for company's future

Outside Consultants

- Sometimes, a company brings in outside expert to help
- They give fresh, unbiased views
- Their new perspective can open up surprising opportunities

Joint Meetings

- Both company staff and external consultants work together
- It mixes fresh outside ideas with inside experience

Critical Success Factors (CSF)

CSFs are the key areas where a business must perform well to achieve it's goals, satisfy customers, stay head of competition.

Ye wahi kaam hain jo kisi bhi company ke liye safal hone ke liye bahut zaroori hote hain.

Where do CSFs come from?

WHAT IT MEANS	EXAMPLE	WHY MATTERS
1 Industry Structure	Some CSFs are based on your business goals, 	You must meet industry-specific expectations to stay relevant and competitive
2 Strategy, Market Position & Location	CSFs also depend on your business goals, where you operate, and your market stance  India's BP industry thrives due to English-speaking talent and time zone	Smart choices on strategy and location can create unique strengths
3 Environmental Factors	External factors like laws, politics, and economy shape CSFs  When telecom in India was deregulated, companies had to act fast to grab opportunities	Being quick to adapt to change can create a big edge
4 Short-Term Situations (Temporal)	Sudden changes may create temporary but critical focus areas  if a CEO quits suddenly, the CSF could be leadership or brand recovery	Temporary challenges can make or break a company's momentum

Techniques for Improving Decision Making

DEVIL'S ADVOCACY

First, the team comes up with a plan.



Their job is to challenge the plan and point out everything that could go wrong.

This helps the team think about risks and avoid bad surprises later.

DIALECTIC INQUIRY

This one's a bit deeper.

The team creates two plans:

- One is the main plan (thesis)
- The other is a counter-plan (antithesis) that goes in a different direction.

Two groups argue for each side.

The decision-makers watch the debate and pick the plan they believe will work better for the company.



THE OUTSIDE VIEW

Instead of guessing, the team looks at similar past projects to learn what worked and what didn't



This avoids being too optimistic or or unrealistic.
This avoids being too optimistic.

GROUPTHINK

Coined by psychologist Irvin Janis.

This happens when a group just goes along with an idea without really questioning it

Usually, they rally behind a strong leader or one popular opinion.



After the decision, they try to justify it, even if it wasn't the best one.

DEVIL'S ADVOCACY : let someone poke holes in the plan

Dialectic Inquiry : Let's hear both sides

Outside View : check what happened to others

Groupthink : Everyone agrees, but no one actually thinks

FORMULATION AND IMPLEMENTATION OF STRATEGY



Introduction:

Strategic Capability : When a company plans it's strategy, it also needs to decide how to handle different areas like :



Production : How products are made

Supply Chain : How products reach customers

Marketing : How to promote and sell the product

Human Resources : How to manage people

All these areas need proper planning

PRODUCTION STRATEGY MADE SIMPLE!

What is it about?

How a company makes its products or services – where it's made, how it's made, what machines or workers are needed, and how much work is done by the company vs, by others (outsourcing).



Why is it important?

Decisions made about production last a long time! So these choices directly impact how well the company runs in the future.



Key Areas in Production Strategy:

- Location
- Layout
- Automation
- Vertical Integration
- Design & Resources

Life Cycle Connection:



The way a company makes its product depends on its stage in the product life cycle – New? Growing? Mature? Declining?

What's changed now?

- Focused on making lots of the same product at low cost
-
- **Workers did** repetitive jobs
 - **Management made** all decisions. Workers just followed instructions

Mass Production

What's changed now?

- Continuous improvement
- Reducing waste
- Improving quality
- Adapting fast

Technology Use



Continuous Improvement Production

Automation : Using machines vs manual work

Vertical Integration : Doing all work in-house or depending on suppliers



materials from suppliers → production → customers.

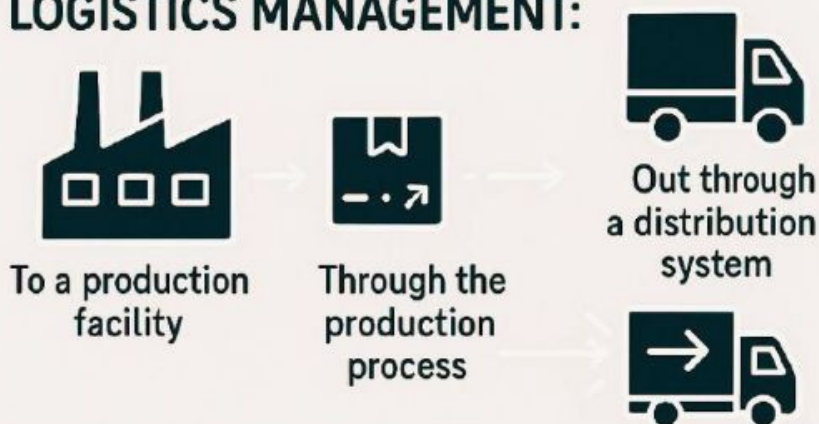
SUPPLY CHAIN STRATEGY

Supply chain management refers to managing the flow of inputs and components from suppliers into production processes

Minimize inventory holding

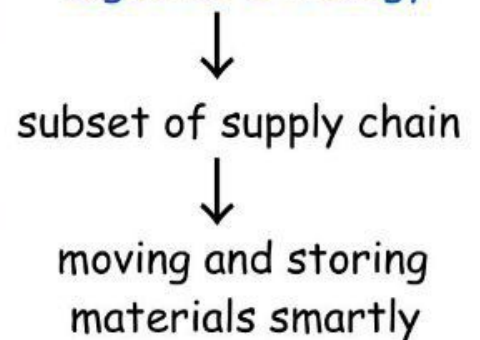
Maximize inventory turnover

LOGISTICS MANAGEMENT:



Reducing materials costs by 3% is generally easier than increasing sales revenues by 30%.

Logistics Strategy



JUST-IN-TIME

a) JIT a system that helps save money by reducing storage costs



a) Materials arrive just when needed for production



b) Products arrive at store only when stock is about to run out

LIMITATIONS OF JIT

JIT doesn't keep extra stock (buffer stock)



There are risks if a supplier goes on strike



Also if there's a sudden demand increase

OVERCOMING LIMITATIONS OF JIT

a) Buy from multiple suppliers instead of just one



b) Make solid plans for production, material supply, inventory cost and maintenance



MARKETING STRATEGY



A marketing strategy can impact efficiency and costs



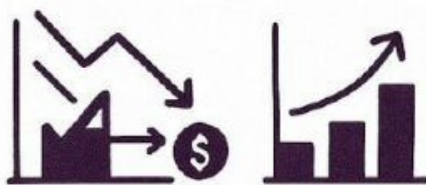
It is important to track customer defections



Lower defections = Greater profits



Long-time customers lower acquisition costs



There is a positive relationship between customer duration and profit



Customer loyalty provides free advertising



Loyal customers provide referrals



"Marketing Strategy" means how a company decide things like pricing promotion, product design, distribution, market segmentation(who they want to sell to)

Defection Rate : The % of customers who stop buying from Co. every year and switch to another Company

Longer customer stays → more they buy again & again → Co. make more profit

HUMAN RESOURCES STRATEGY



Productive employees reduce costs and increase returns

Eg : If McDonald's staff can serve customers faster during lunch hours, the company can handle more customers in the same amount of time — with the same staff. That increases sales without raising costs.

Some HR strategies to boost productivity

1. Hiring Strategy
2. Employees Training
3. Self managing teams
4. Pay for Performance

Hiring Strategy

- Hire people with positive attitude
- The people a company hires should have skills must match with strategic objectives of the company.
- Training → upgrade employee skill → boost productivity

Self - Managing Teams

- Team of 5-15 members manage their own hiring, training, reward decisions
- Team members learn all team tasks and rotate from job to job
- So fewer supervisors(managers) = lower costs
- In MFG Companies, perhaps the most potent way to lower cost structure is to combine self-managing teams with flexible manufacturing cells
- The effect of Self Managing Teams

Productivity(30%) ↑ Quality ↑

Pay For Performance

- Linking pay to the work performed
- Some of most efficient companies in world, link pay to team performance



LIFE IS VERY SHORT NANBAA

**ALWAYS
BE HAPPY**

The People Side of Strategy: Three Important Issues

People as Resource



Harder Issues

- Identifying skills needed
- Setting goals, checking performance
- Reward systems
- Hiring and retaining talent
- Encouraging creativity

Softer Issues

- Motivating and valuing employees
- Creating a positive work environment

People and Behavior



- Attitudes, teamwork, company culture
- Culture may align with or oppose strategy
- Changing behavior and culture takes time

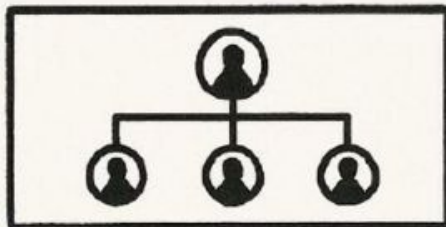
Organizing People



- Human Resources (HR)
- Line managers
- In-house vs, external consultants

STRUCTURING AN ORGANIZATION is for IMPLEMENTING = STRATEGIES

a) Managers often draw organization charts to show who does what



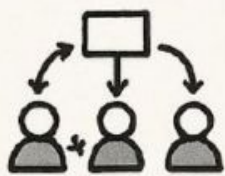
b) These charts make clear responsibilities



d) 5 common types of organizational structure



Functional



Multidivisional



Matrix



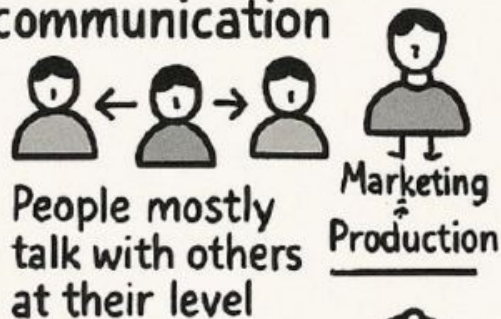
Transnational



Project-based

c) But there's more to structure than just roles:

i) Placement affects communication



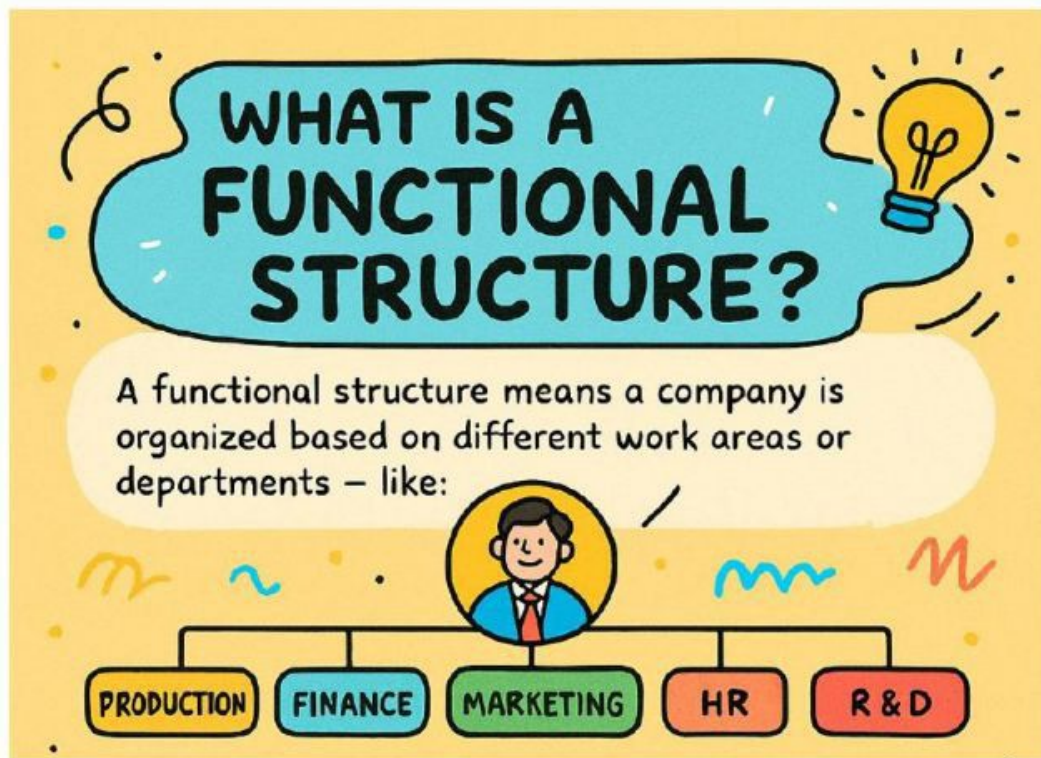
ii) Top positions reflect valued skills



Specialist knowledge is emphasized

There's no one-size-fits-all structure

The structure supports the strategy



A functional Structure means a company is organised based on primary activities such as production, finance, marketing, HR, R&D

- Usually found in smaller companies
- In multidivisional structure, each division might also have it's own functional departments

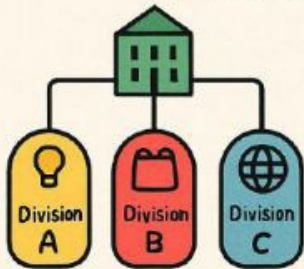
ADVANTAGES

- Top Managers closely involved in day to day operations
- Clear roles and tasks (everyone knows exactly what they're supposed to do)
- Experts work together
- Efficient use of talent (managers can better assign skilled people to right tasks, boosting productivity)

DISADVANTAGES

- Too focus on specific tasks
- Conflicts and Inconsistency
- Departments don't talk much (they often work in silos and don't share knowledge easily)
- Top managers got overloaded because they have to solve every problem between departments

MULTIDIVISIONAL STRUCTURE



- Company split into divisions
- Each with its own functional departments
- Similar to some public services



Advantages

- Flexible (you can add,close, combine divisions easily when needed)
- Control divisions from far away just by checking how they are performing
- Each division manager feels responsible for their success
- less conflicts across functional areas because each division manages it's own work with clear goals

➤ Each division focus on one thing (like product, service)

Running a whole division helps managers learn big picture thinking

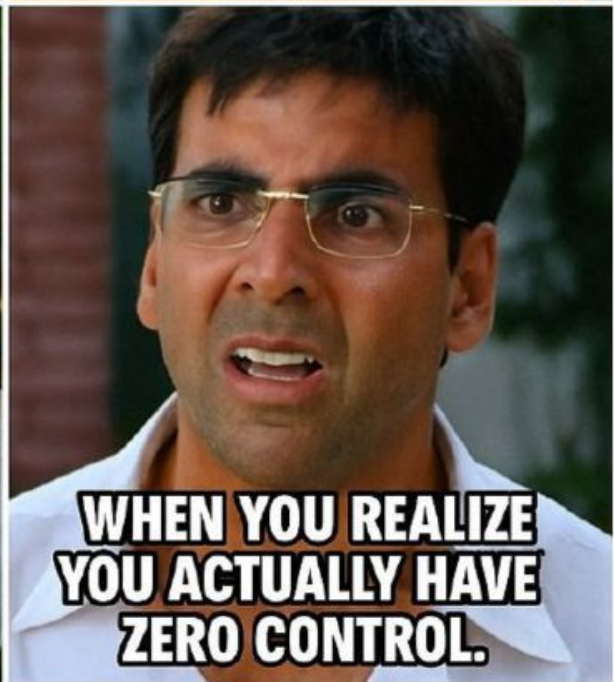
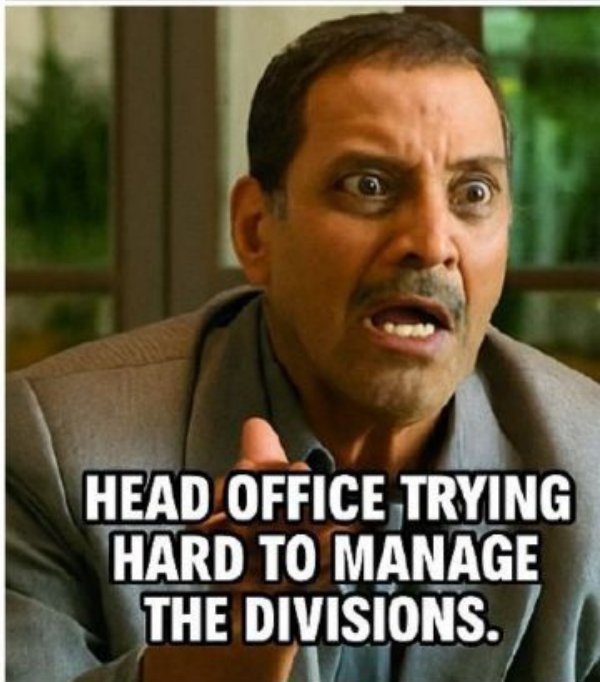
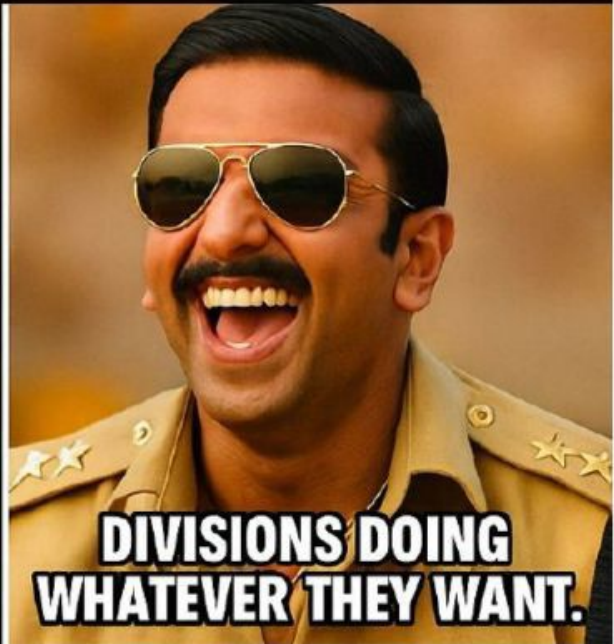
Typical multi-divisional structure



Disadvantages

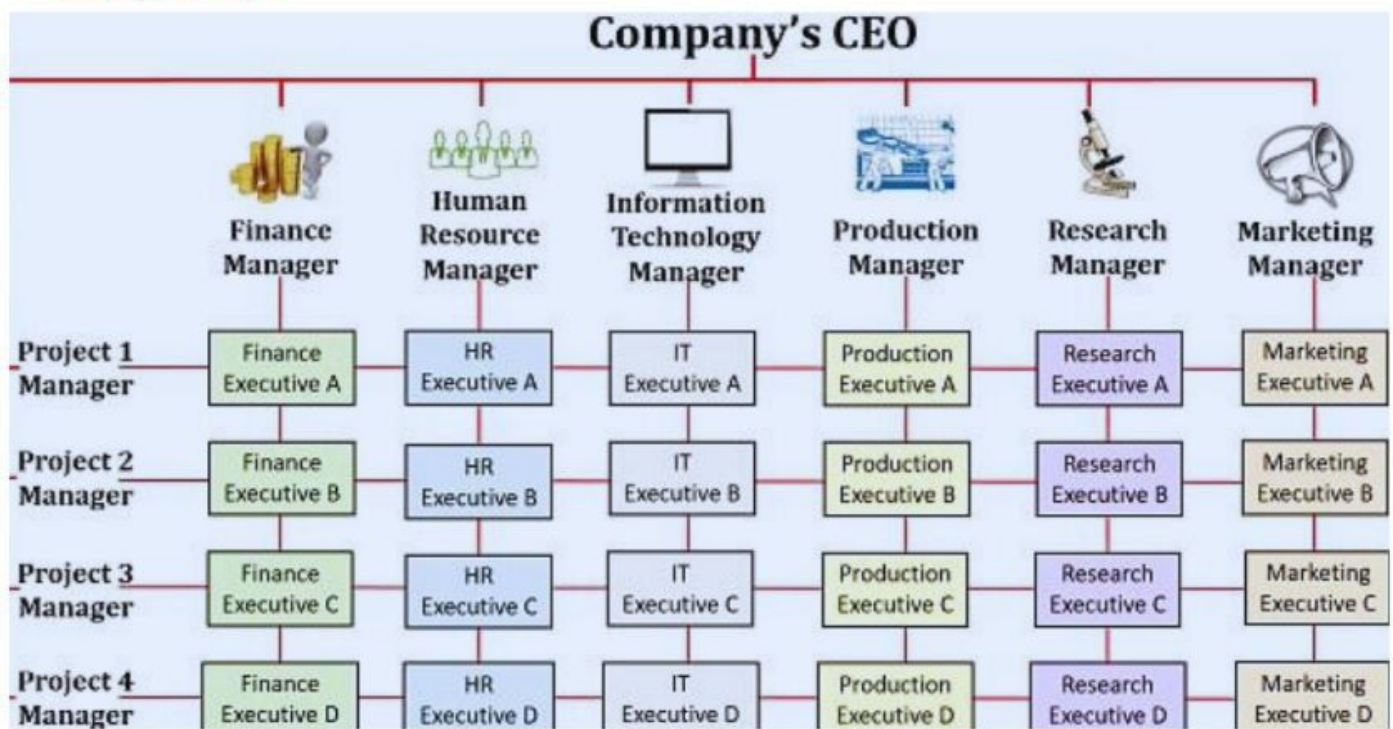
- Divisions may act like separate companies, causing duplication of work and costs
- Division might become too free, and the head office may have little power
- Each division could have different quality and image issues
- Divisions might not share ideas or help each other

WHEN HEAD OFFICE TRIES TO CONTROL DIVISIONS



MATRIX STRUCTURE

- Matrix structure is combination of 2 structures at same time - usually functional(finance, marketing,HR) and project based
- It's like working for two bosses; one boss is from your department(finance,marketing,HR) other is from project you're assigned to



ADVANTAGES	DISADVANTAGES
✓ Knowledge Sharing: Combines different expertise across teams.	✗ Slow Decisions: Multiple managers = more discussion before acting.
✓ Efficient Use of Resources: People and tools are shared smartly across projects.	✗ Confused Roles: Employees might not know which manager to follow.
✓ Broader Responsibilities: Employees get to work on varied, interesting tasks.	✗ Conflicts Possible: Managers from different areas may clash over priorities.
✓ Flexible Structure: Can quickly adapt to new projects, clients, or needs.	✗ Hard to Control: Too many reporting lines make monitoring tricky.
✓ Supports Innovation: Multiple perspectives lead to fresh ideas and creative solutions.	✗ Team Overload: Too many meetings and group decisions slow things down.

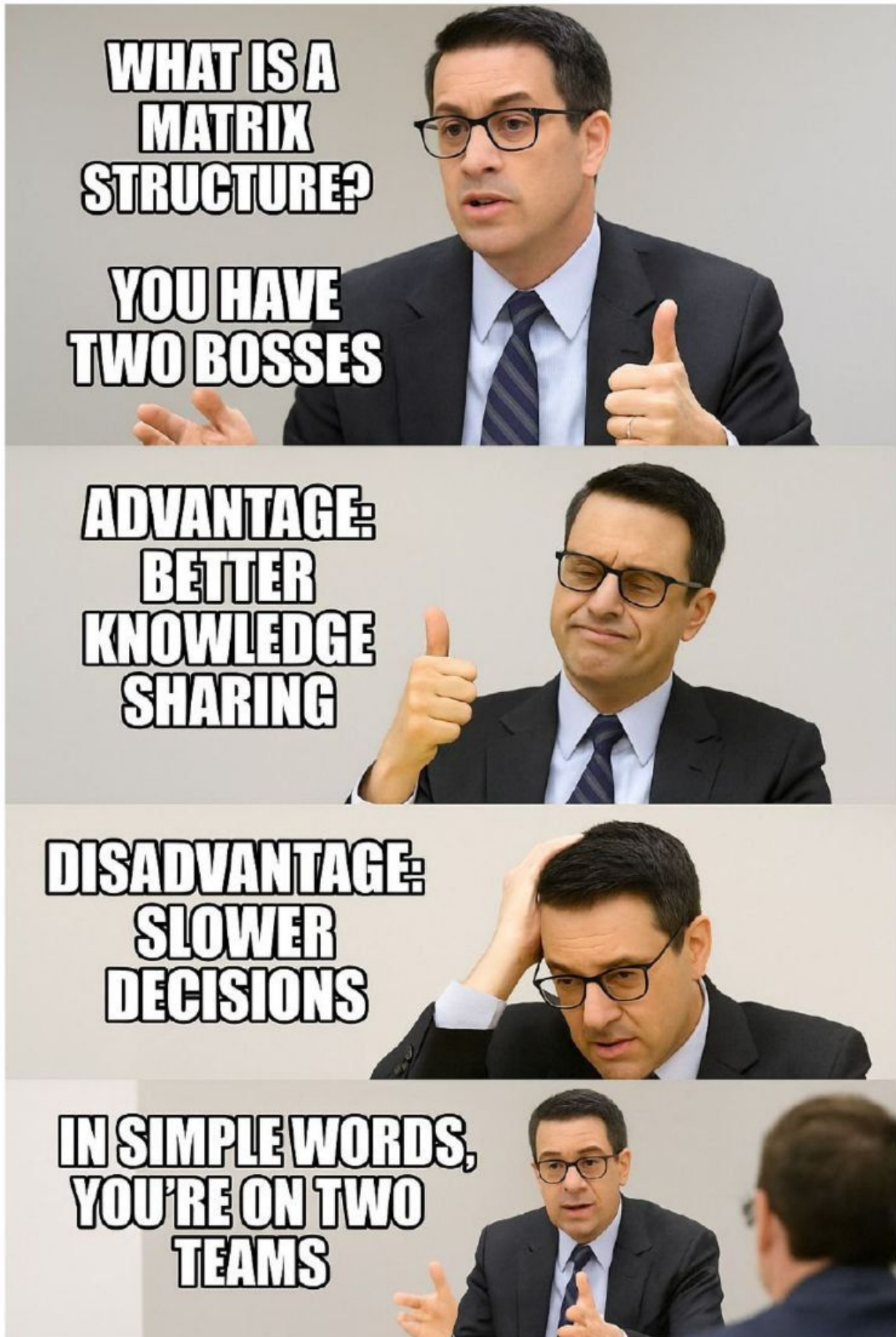
**WHAT IS A
MATRIX
STRUCTURE?**

**YOU HAVE
TWO BOSSES**

**ADVANTAGE:
BETTER
KNOWLEDGE
SHARING**

**DISADVANTAGE:
SLOWER
DECISIONS**

**IN SIMPLE WORDS,
YOU'RE ON TWO
TEAMS**





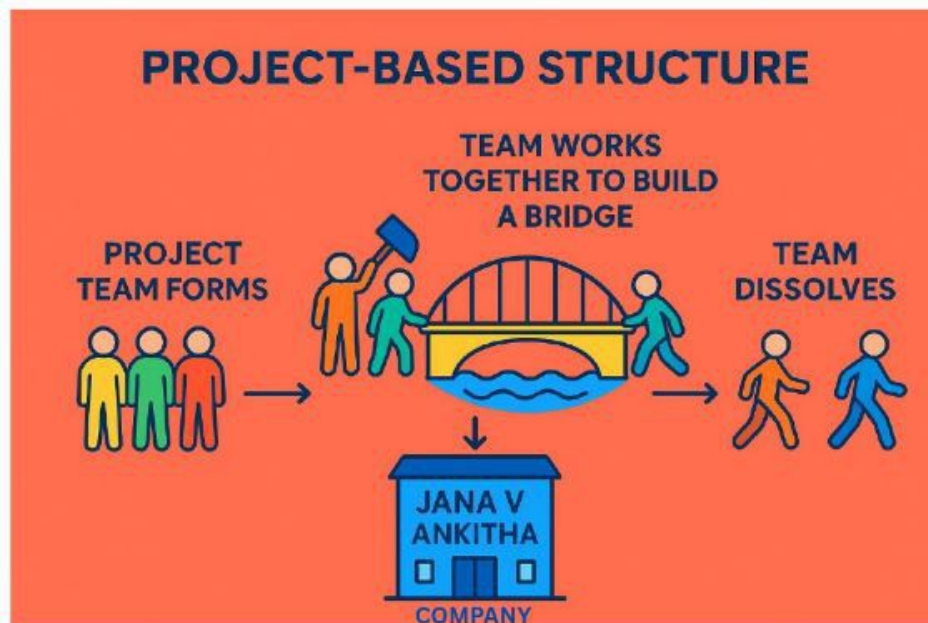
Transnational Structure [Think global, act local]

- Company can respond to local needs in each country (Local responsiveness) while also working together globally like one big team (global coordination)

characteristics

- Each country unit works independently, but share ideas with whole Company
- Some units focus on specific things (R&D ,MFG) to serve entire company
- Corporate head office sets roles and build systems to keep all parts of company working together
- Global managers make sure the company stays competitive worldwide
- Country Manager have 2 roles
 - share local market needs
 - Develop strengths that help global economy
- functional managers (IT, finance) ensure knowledge and innovation shared globally
- Head office managers connect all other managers and roles

PROJECT-BASED STRUCTURE



- Teams are formed → work on a project → dissolve after it's done
- Suitable for Big things (bridges, IT systems) & Short events (conference, sports, consulting)
- Time Limited Events

Advantages

- Highly Flexible (easy to start and stop teams)
- knowledge Sharing (people from different areas work together)
- Global talent (teams can include international members willing to work temporarily)

Disadvantages

- Without a strong boss, projects can be messy
- When teams break up after each project, Important experience and lessons can be lost over time

Tailor - Made Structural Solutions

Goold and Campbell suggest 9 tests if a company's structure is the right fit

First 4 tests - Focus on fit with Organisations Needs

Market-Advantage Test

Check if the structure keeps managers focused on what the company does best in each market

Parenting Advantage Test

Check if the company's head office is doing things that really help it's different Businesses

People Test

Check if the structure makes good use of employees skills and strengths

Feasibility Test

Check if the plan is realistic given things like budget, people, or rules that might get in the way

Next 5 steps focus on good design principles

Specialised Culture Test

Check if any team needs a unique culture or special skills has enough protection from the main company culture

Difficult Links Test

Check if the structure includes ways to handle any tricky connections between different parts of the company

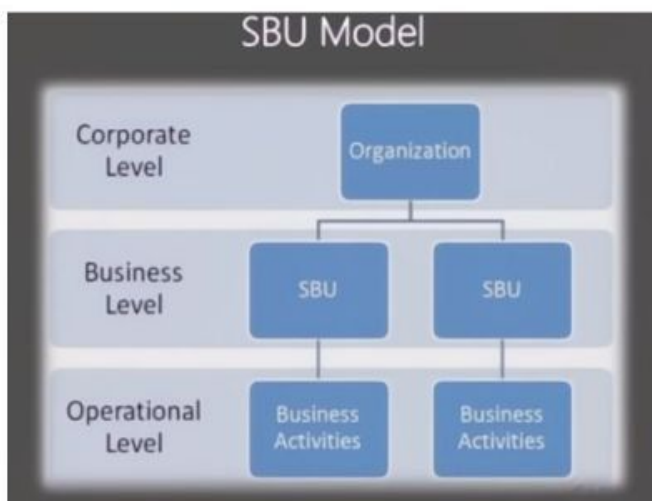
Redundant Hierarchy Test

Check if there are any extra layers of management that do not add value

Strategic Business Unit (SBU)



A SBU is basically a mini-company inside a larger company. it has it's own products or services and it's own customers. in other words , it's own separate market . Each SBU acts almost like an independent divison: it sets it's own goals, budget, and strategy, even though it belongs to same company



Areas Of Concern

- The company might not already be set-up like SBUs , so it may need to reorganize
- too many SBUs can make managing the company very complicated
- Each SBU need different strategy each market is different .

JANAV & AKHILA

How to identify SBUs

Market based: same customer's + same channels + same competitors regarded as same SBU

Capabilities based: same skills + same strengths regarded as same SBUs



Strategy in Baahubali:

From Trishula Vyuh to Battlefield Victory



**Strategy Formulation
(Baahubali)**



**Strategy
Implementation
(Kattappa)**

DIFFERENCES

STRATEGY FORMULATION	STRATEGY IMPLEMENTATION
Involves positioning forces before the action	Involves managing forces during the action
Focus is on effectiveness	Focus is on efficiency
Primarily an intellectual process	Primarily an operational process
Requires good intuitive and analytical skills	Coordination among many individuals
Coordination among few individuals	Coordination among many individuals

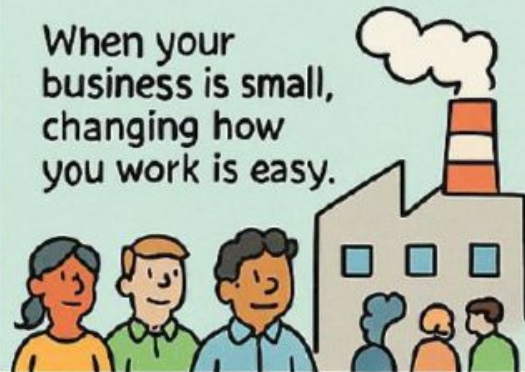
BUSINESS PROCESS REENGINEERING

IS YOUR COMPANY HITTING ITS GOALS—but you feel it could be doing even better?



→ The problem might not be your team—it might be how you're doing things.

When your business is small, changing how you work is easy.



At that point, fixing small things won't cut it. You might need a big change.

IN SIMPLE WORDS:



It's not about fixing little problems. It's about rethinking everything so your

That's where **Business Process Reengineering (BPR)** comes in.



Put it back together in a faster, smarter, better way.



BUSINESS PROCESS RE-ENGINEERING (BPR)

WHAT IS BPR?

A COMPLETE REDESIGN OF BUSINESS PROCESSES TO CUT COSTS AND IMPROVE PERFORMANCE
(HAMMER AND CHAMPY (1993))

“RETHINKING AND RADICALLY REDESIGNING BUSINESS PROCESSES TO ACHIEVE BIG IMPROVEMENTS IN COST, QUALITY, SERVICE, AND SPEED



WHY DO COMPANIES NEED BPR

ALREADY IN TROUBLE

Company is facing big problems
→ Use BPR to fix and survive



GOING TO FACE TROUBLE

Problems are coming soon →
Use BPR to prepare

NO TROUBLE, BUT WANT TO IMPROVE

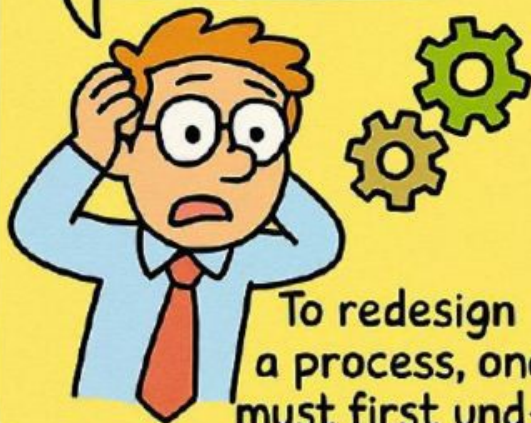
Everything is fine →
Use BPR to become even stronger and better



Concerns in BPR

These concerns are reasons why BPR fail or cause problems.

Most business processes are complex.



To redesign a process, one must first understand it

Even basic tasks like buying office supplies involve many people and steps,



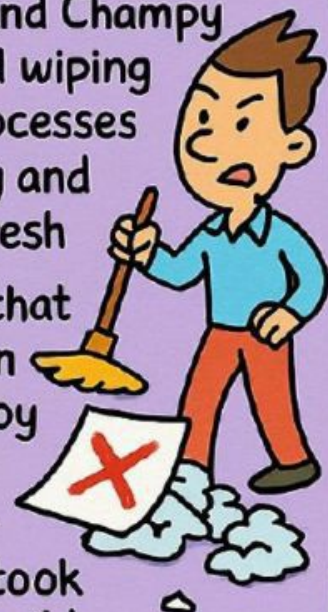
making them hard to change easily.

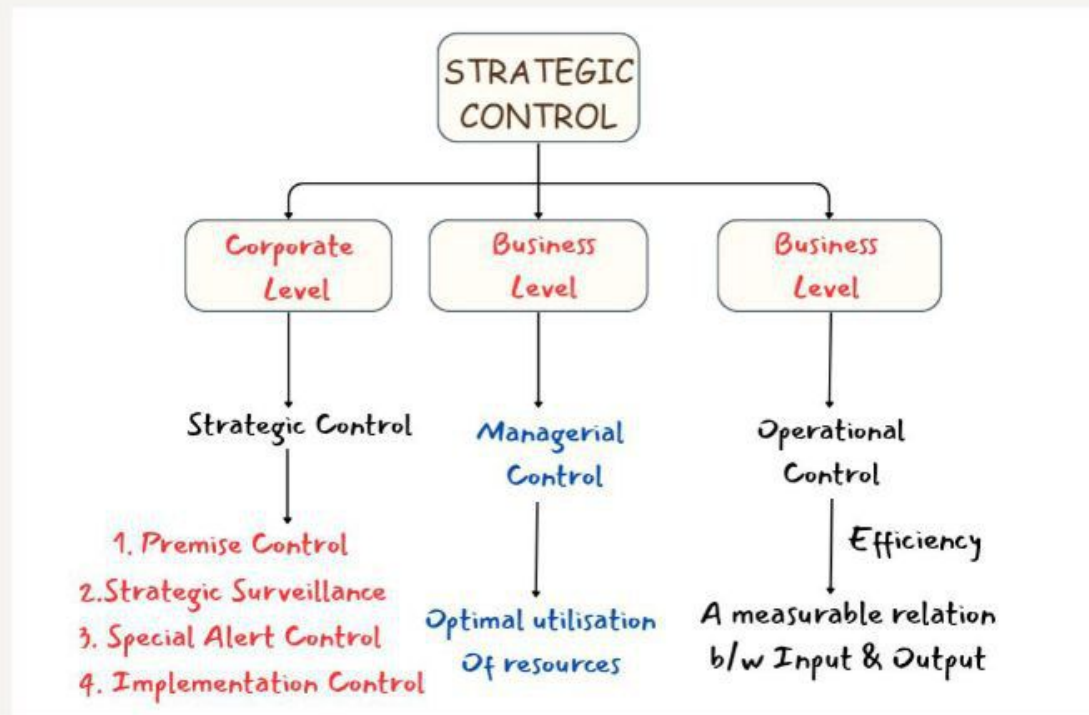
Many routines in a company run on "auto-pilot", and no single person fully understands how they work.



Hammer and Champy suggested wiping out old processes completely and starting fresh

But doing that can accidentally destroy important skills and-how that took years to build





Controls are basically making sure people are doing the right things in right way at right time and moving towards company targets. In addition to Balance Score Card approach, organisation use 3 types of control

THREE TYPES OF CONTROLS

PERSONAL CONTROL



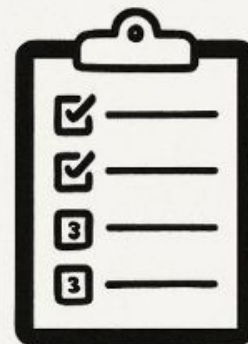
MANAGER/TEAM
CHECKING IN
FACE-TO-FACE

OUTPUT CONTROL



SETTING TARGETS
AND
REWARDING
RESULTS

BEHAVIOR CONTROL



FOLLOWING
FIXED RULES
AND
PROCEDURES

PERSONAL CONTROL

Let's discuss your projects..



Manager meets weekly with each team member

OUTPUT CONTROL

We did it! Bonus time



Sales team has a target of 1000 units

BEHAVIOR CONTROL

Thank you for contacting customer service.



Agents must follow a script on calls

STRATEGIC CONTROL

Strategic control helps improve efficiency, quality, innovation, and responsiveness to customers.

CONTROL AND EFFICIENCY



Helps managers track resource use and avoid waste

CONTROL AND QUALITY



Gives feedback to maintain high-quality products or services

CONTROL AND INNOVATION



Creates an environment that encourages new ideas

CONTROL AND RESPONSIVENESS TO CUSTOMERS



Helps ensure better customer service

strategic control acts as a system that keeps everything in check—efficiency, quality, innovation, and customer service—all of which are crucial for long-term success

Strategic controls = Monitoring + Checking + Adjusting strategy if needed.

Types of Strategic Controls

Premise Control

Checks if assumptions on which strategy is based are still valid.



Strategic Surveillance

Broad monitoring of internal and external events



Special Alert Control

Responds to sudden, unexpected events



Implementation Control

Monitors the execution of strategic plans through milestones



Premise Control:

- When Company makes a strategy, it is based on assumptions (Economy will stay strong, customer preference won't change, new laws won't hurt business)
- Premise control keeps checking continuously whether those assumptions are still true
- If an important assumption goes wrong, the company needs to change it's strategy quickly

Strategic Surveillance:

- It is broad, general monitoring - not checking one assumption specifically, but keeping eye on everything inside and outside of company
- It catches unexpected threats or opportunities early.
- Sources of Surveillance include reading business journals, attending trade shows, having casual conversations.

Special Alert Control:

- It is activated when sudden, shocking events happen (natural disaster, political crisis, big competitor entering your Market)
- Company usually prepare contingency plans and Crisis teams for such emergencies
- when "special Alert" situation arises, the company must reconsider its entire strategy immediately

Implementation Control:

- checking if the actions and steps taken to put the strategy into action are working properly and moving company towards its goals
- It catches mistakes early before they cause big problems

2 ways to do this

Monitoring Strategic thrusts (MST like MSD >_<)

- Focus on small, critical projects (thrusts) that are essential for success of overall strategy

Milestone Review

- Set checkpoints for important targets (milestones) along the way
- Review progress at each milestone to ensure everything is on schedule
- Tools like PERT or CPM help track timelines and delays



APPROACHES TO STRATEGIC CONTROL

TRADITIONAL APPROACH

CONTEMPORARY APPROACH

Traditional Approach

1. TOP MGT set the goals
2. Strategies are formulated and implemented
3. performance is measured against goals
4. corrective actions are taken if there are deviations

Contemporary Approach

1. Adapting to and anticipating changes in both internal and external environment is an integral part of this approach
2. This approach addresses the assumptions and premises that provide the foundation for the strategy
3. The key question addressed here is *Do the organisation goals and strategies fit within context of current environment*
4. This involves 2 key actions namely
 - a. *Managers must continuously scan and monitor the external and internal environment*
 - b. *Managers must continuously update and challenge the assumptions underlying the strategy*
5. Strategic Control → needs the Contemporary Approach
Operational Control (daily tasks) → usually follows the Traditional Approach

Operational Control = Setting of Standards → Measurement Of Performance → Identifying deviations → Taking Corrective Action

OPERATIONAL CONTROL

It provides post-action evaluation and control over short periods

Setting of Standards (First Step)

Quantitative Standards

They are expressed in precise physical or monetary terms with respect to production, marketing, finance, etc.

Standards may relate to time, cost productivity, and revenue standards



Qualitative Standards

Human factors such as high absenteeism and turnover rates, poor production quality or low employee satisfaction can be the underlying causes of declining performance



OPERATIONAL CONTROL: STEP 2 & 3

MEASUREMENT OF PERFORMANCE (SECOND STEP)



- Timing of measurement is important

Figure out how often to measure

IDENTIFYING DEVIATIONS (THIRD STEP)



matching standards



exceeding standards



falling short



Taking Corrective Action (Last Step):

• Corrective action is initiated by MGT to rectify shortfall in performance. There are 3 courses for corrective action

a. **Checking performance:** it can be affected adversely by many factors (inadequate resource allocation, Faulty programs)

b. **Checking Standards:** A manager should not mind revising the standards when standards set are reasonably low or high level

c. **Reformulating Strategies:** A more radical and infrequent corrective action is to reformulate strategies, plans and objectives.

- KRAs enables you to **take ownership** of your job and to accept responsibility for those areas in which achieving results are your responsibility
- When KRA is large, it is broken into **manageable areas** for managing/evaluation. The sub-section of KRAs are called KPA

Eg: KRA= Recruitment/selection

KPA 1 = Recruitment

KPA 2 = Selection

- To manage each KRA/KPAs , a set of KPIs are set

KEY RESULT AREAS (KRAs)

KRAs are a short list of main goals that guide how a person does their job or how an organization tracks progress. They define what a job, department, or organization aims to achieve through daily work. KRAs are the most important goals that help ensure success.

KEY PERFORMANCE AREAS (KPAs)

KPAs are broad areas of responsibility for an employee, department, or organization. These areas can differ based on the job, company, or industry.

Examples include:

- Improving safety and accident prevention
- Better risk management and compliance
- Maintaining good working conditions
- Using resources effectively
- Enhancing business processes
- Improving service level agreements

KPY PERFORMANCE INDICATORS (KPIs)

KPIs are specific measurements that show if goals and objectives are being met. They can include sales numbers, product results, or returns on investments. KPIs are often used to measure progress in the KRAs.

Goal Congruence



Individual Goals & Organisation Goals → Should Coincide

- The achievement of goal congruence is essential to increase the profitability of the organization and to achieve its goals.
- It is very important that the individual goals are consistent with the organizational goals.
- However, it is rarely the case as employees have both personal as well as organizational goals.
- One way of to achieve goal congruence between shareholders and managers is by carefully **designing remuneration packages** for managers which would **motivate managers** to take decisions which were consistent with the objectives of shareholders(owners)

Agency Theory (WHY conflict of interests happen between Managers And Shareholders?)

1. Agency Theory views company as connection(nexus) of contracts between people (like shareholders ,managers , employees)
2. Problems arise when someone (shareholder) gives power to someone else (Manager) to make descisions for them
3. It offers a way of understanding WHY managers do not act in best interest of shareholders, and why they might sometimes behave unethically
4. According to Agency Theory everyone in company(managers, employees, departments) has their own objective. When all these objectives leads to achievement of Objective of Organisation, there is said to be Goal Congruence.

Achieving Goal Congruence = Communication & Understanding → Create direction → Motivation → Incentives → Connection

- a. Communication and Understanding (Clear communication and how people understand goals are Key to achieving goal Congruence)
- b. Direction (one reason for lack of goal alignment is when employees don't have clear guidance on how to behave or what to focus on)
- c. Motivation (Highly motivated employees are more likely to help the company reach it's goals)
- d. Incentives (To help employees work toward their goals, Companies offer incentives)
- d. Incentives (To help employees work toward their goals, Companies offer incentives)
- e. Connection (It is important to connect 3 things > Goals, Performance Measurement, Incentives. when incentives are linked to performance and goals, employees focus more on what truly matters)



DIGITAL STRATEGY



Evaluation Of Digital Strategy

1947 – Transistor Invented



1950s–1970s – Rise of Digital Tech

(Transition from mechanical and analog to digital)

1970s – Computers for All

(Governments adopt computers; personal computers enter homes)



Digital Norm Established

(Digital computing & record-keeping revolutionize communication)

Job Creation

(Digital tech opens new employment opportunities)



Digital Era Sets the Stage

(Debate on whether revolution continues)

Robotic Manufacturing Rises

(Technology boosts output; robots replace humans in factories)



Breaking Barriers

(Digital revolution opens new frontiers with incredible speed)

DIGITAL MEDIA STRATEGY vs. **TRADITIONAL IT STRATEGY**



Digital strategy is a plan to use tech and data to boost business results.



It needs teamwork across departments—leaders, marketing, and IT



The goal is to break silos and give customers a smooth digital experience



A key challenge: decide what to do in-house, outsource, or customize

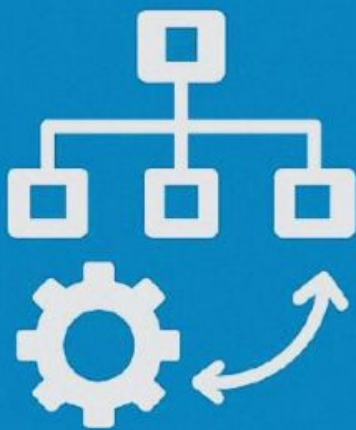


Traditional IT strategies plan for years ahead; digital strategies focus on monthly goals and quick actions



A strong digital strategy also protects the business from disruption and helps it adapt faster

DIGITAL TRANSFORMATION vs. **DIGITAL STRATEGY** (NEW STRATEGIC MANAGEMENT)



DIGITAL TRANSFORMATION

changes the whole organization — customer experience, operations, and business models
It also involves cultural change across teams

Cultural Change



DIGITAL STRATEGY

focuses mainly on technology
It helps shape new business models and builds the tech needed to become a digital business

Strategic Enablement

The five following questions become relevant for an organisation's digital transformation

1. Does digital technology **change your business?**
2. How does digital technology **improve the way we do business?**
3. Could digital technology change our **target customer?**
4. Does digital technology affect the **value proposition** to your target customer?
5. How digital technology helps in **gaining a competitive advantage?**

Common elements of Digital Strategy

1. Choose a Leader

- Appoint a leader (Chief Digital Officer) who matches the company's structures and priorities
- Their influence should align with scale of strategy

2. Attack vs. Defend

- Identify digital threats and opportunities
- Decide if your approach should be proactive (attack) or defensive (protect existing value)

3. Take a Measured Approach

- Evaluate if new tech fits your business
- Avoid rushing into digital projects without alignment to goals
- By taking measured approach, you can avoid wasting resources or initiatives that don't align with business goals

4. Future Proof

- The goal isn't just adopt current digital tools, but to build the organisation that can keep adapting as technology and customer expectations evolve
- Keep evolving with tech and customer expectations

7 LAYERS OF DIGITAL TRANSFORMATION



DATA AGGREGATION

- Collect business-relevant data from reliable sources
- Convert analog to digital and store for easy access



DATA MANAGEMENT

- Organize and categorize data
- Prepare it for use in digital processes



WORKFLOW AUTOMATION

- Use algorithms to streamline business tasks
- Start automating routine processes



PROCESS COMPONENT

- Apply algorithms to actively run business processes
- Begin using data in real operations



PLATFORM INTEGRATION

- Connect digital tools with core systems
- Ensure smooth internal operations



END-TO-END PROCESSING

- Complete digital processes from start to finish
- Aim for accuracy and efficiency



FRONT-END SOFTWARE

- Link to users' devices
- Deliver smooth, tech-enabled services to customers

Key tactics that are required for successful digital transformation in an organization for achieving Competitive Advantage

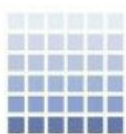
- Innovation New methods of doing things
ground breaking
- Digitization Convert physical (analogue) into digital form
- Digitalisation Use of digital technologies
- Digital Transformation Application of digital technologies



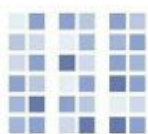
- **Big data** is collection of data that is huge in volume and is growing exponentially with time
- It is a data with so large size and complexity that none of traditional data management tools can store it or process it efficiently
- Big data is also a data but with huge size

Eg: Stock Exchange, Social networking site

Types of Big Data



Structured Data



Semi-Structured Data



Unstructured Data

A **structured data** is any data that can be stored, accessed, and processed in the form of fixed form

Eg: Database

An **unstructured data** is one with unknown form or structure. Eg: PDFs, images

A **semi-structured data** can contain both the forms of data.

Eg: XML files, Spreadsheets

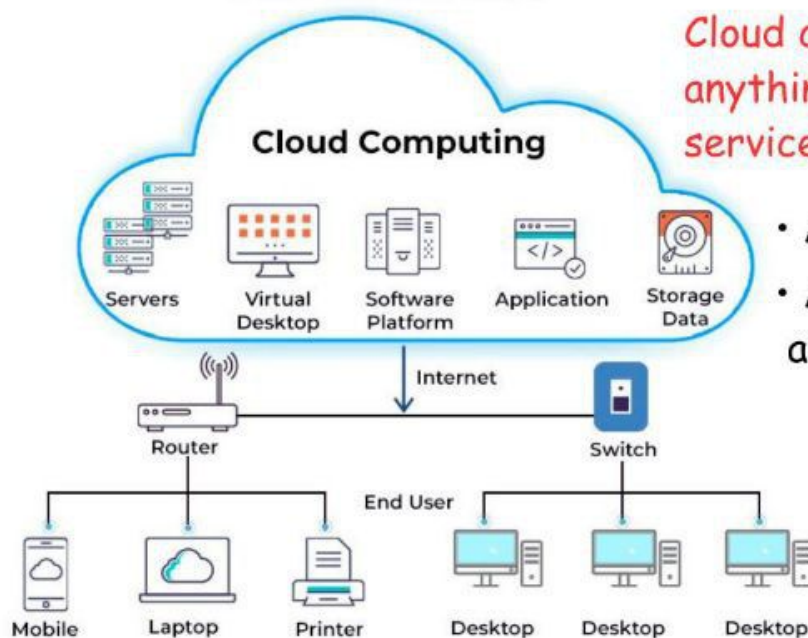
Characteristics Of Big Data(4V's)

1. Volume (size of the data)
2. Variety (type of data)
3. Velocity (speed of generating and processing of data to be responsive to needs of customer)
4. Variability (data flow inconsistency)

Benefits of Big data processing

1. Businesses can utilize outside intelligence while taking decisions.
2. Improved customer service.
3. Early identification of risk to the product/services, if any.
4. Better operational efficiency.

CLOUD COMPUTING ARCHITECTURE



Cloud computing is a general term for anything that involves delivering hosted services over the internet

- A cloud can be private or public
- A **public cloud** sells services to anyone on the internet

- A private cloud is a proprietary network or a data centre that supplies hosted services to limited number of people, with certain access and permissions settings.

- Private or public, the goal of cloud computing is to provide easy, scalable access to computing resources and IT services. Examples of cloud computing include Google Docs, Microsoft 365, Email services, Google Calendar, Skype, Wats App, Zoom, etc

Type	What You Get	What You Do	Real-Life Example
SaaS (Software as a Service)	Ready-made software	Just use it	Gmail, Zoom, Netflix
PaaS (Platform as a Service)	A platform to build apps	You write the code	Google App Engine, Heroku
IaaS (Infrastructure as a Service)	Servers and storage	You set up everything	AWS, Microsoft Azure

Benefits Of Cloud Computing

1. **Cost saving** (No need to buy or maintain hardware; Reduce downtime costs)

2. **Easy Access Anywhere** (Access your data from any device, anytime, with internet)

3.**Business Continuity and disaster recovery [BCDR]**

Organisations can quickly recover their data in event of emergencies such as natural disasters or power outages

Demerits Of Cloud Computing

1. **Security Risks** (Sensitive data may be exposed to breaches and hacking)

2. **Unpredictable Costs** ("pay as you go" model- you only pay for what you use. This pricing can lead unexpected expenses

3. **Skill shortage** (Lack of trained staff to manage and use cloud systems)

4. **IT governnce** (Harder to control cloud resources and infrastructure)

5. **Compliance with industry laws** (when T/F data from on premises local storage into cloud storage,it can be difficult to manage compliance with industry regulations through 3 rd party

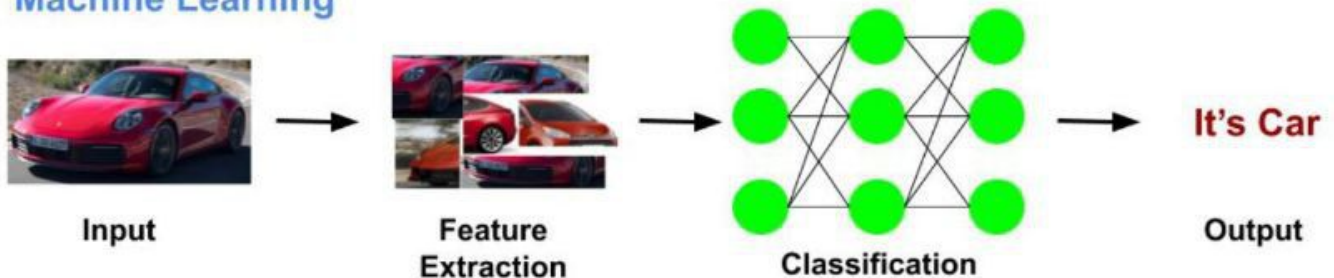
Trick: Seven Clever Students In Trouble Could Make Difficult Projects Cause Violence)

JANAV & SHRAVVV

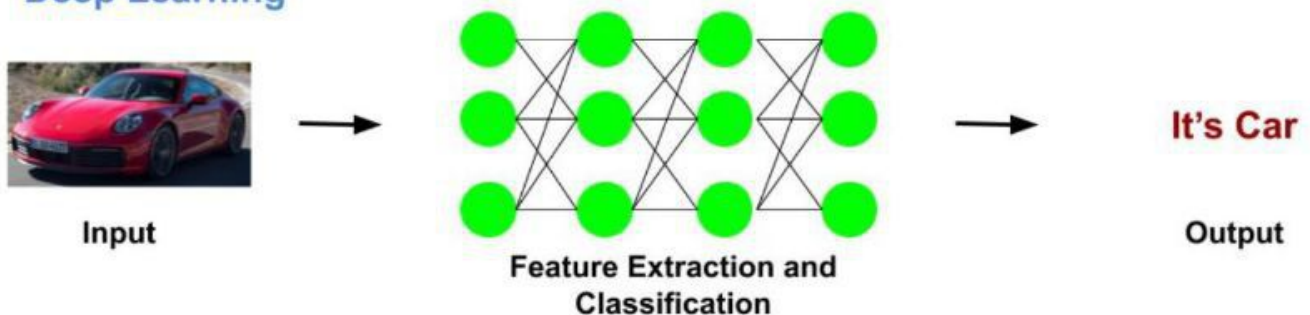
6. **Multi - cloud problems** (Using different cloud services can create confusion)
7. **Downtime Risks** (outage can disrupt business activities)
8. **Private cloud** (Building and managing private clouda is challenging)
9. **Cloud Migration** (Moving to cloud is often slow, complex and expensive)
10. **Vendor Lock-In** (Switching providers can cause significant issues - technical incompatibilities & substantial costs)

Machine Learning vs Deep Learning

Machine Learning



Deep Learning



Artificial Intelligence (AI) : Any technique that enables computer to **mimic human intelligence** . It includes machine learning

Machine Learning (ML) : A subset of AI that includes techniques that enables machines to improve at tasks with experience . It includes deep learning

Deep Learning : A subset of machine learning based on **neural networks** that permit a machine to train itself to perform a task.

LEVELS OF AI



NARROW AI

It refers to the current state-of-the-art with existing software that automates a traditionally human activity and often outperforms humans in one specialized area, e.g., forecasting the weather, autonomous driving, etc.

Current Level of AI in use



GENERAL AI /HUMAN-LEVEL AI

Describes the capacity of machines to understand their environment and reason and act accordingly, just as a human would in all activities across all dimensions, including scientific creativity, general knowledge, and social skills.

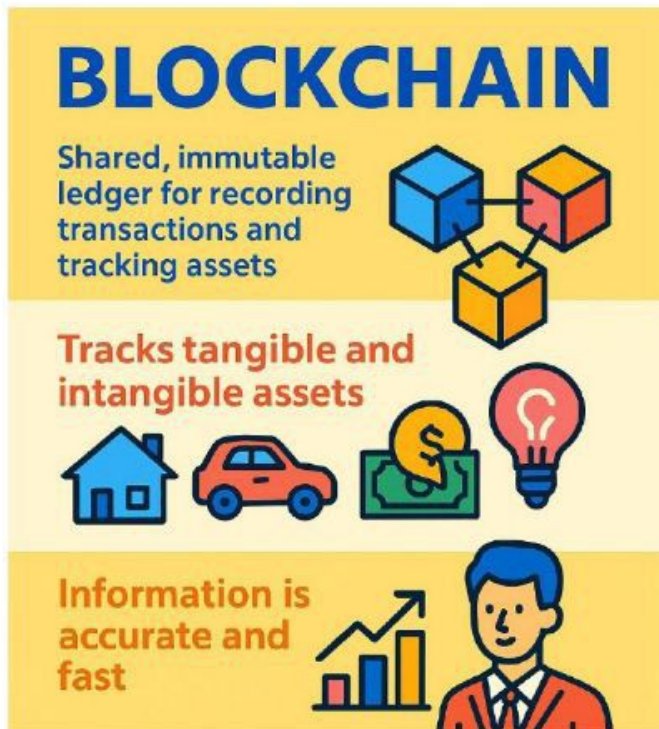
Not Yet Achieved



SUPER AI

It is the highest level of AI, reached when AI becomes much smarter than human brains in practically every field. Super AI systems can make deductions about unknown environment.

Future Concept



- The importance of Blockchain network stems from the fact that business runs on information. The information should be accurate and recieved fast.
- Blockchain is ideal for delivering that information because it provides shared, immediate and transparent information stored on an immutable ledger that can accessed only by permissioned network members
- A block chain network can track orders payments, accounts, production and much more. As members share a single view of truth,one can see all details of txn end to end, giving greater confidence.

Components Of Block Chain

1. **Distributed Ledger** (All members share a single, secure record of transactions-no duplication)
2. **Immutable Recors** (Once a transaction is recorded, it can't be changed. corrections require a new entry)
3. **Smart Contracts** (self - executing rules stored on the Blockchain that automate actions like payments or transfers)
4. **Increased Trust** (only authorised network members can access accurate and timely data)
5. **Greater Security** (Transactions need group validation and can't be deleted - even by admins)
6. **More Efficiency** (with distributed ledger that is shared among members of network, time-wasting record conciliations are eliminated.)

Robotic Process Automation(RPA)



- RPA is a robot that follows instructions to perform business processes automatically
- RPA bots mimic human interactions on a computer
- RPA is not physical Robot; it's software that uses automation+computer vision+machine learning
- suitable for rule -based , repetitive, high volume tasks
- Best for predicable processes with routine IT system interactions.
- End to end processes can be handled by bots, with little human interaction

Benefits Of RPA

1. Reduce costs (bot typing data instead of hiring someone)
2. Decreased Cycle Times (bot sending 100 emails in minutes instead of hours)
3. Flexibility (easily add or remove bot)
4. Improved accuracy (bots don't make typing errors)
5. Improved employee morale
6. Detailed data capture (tracks every step of process)

IOT means normal objects becoming "smart" by connecting to the internet.



INTERNET OF THINGS (IoT)



IoT is a network of smart devices that collect and share data without human help



Any "thing" – watch, car, cow – can be part of IoT if it connects to the internet and has a unique ID



Industries use IoT to improve efficiency, make better decisions, and serve customers smarter



Devices use sensors and processors to gather data from their surroundings



They send the data to the cloud or nearby devices for analysis



The devices can talk to each other and act automatically



Humans can still interact when necessary – like setting preferences or viewing data



Key Technologies Making IoT Possible



Low-cost Sensors

Sensors are now super affordable and reliable, so more devices can 'sense' stuff.



Better Connectivity

Fast internet and smart protocols help devices talk to each other easily



Cloud Computing Platforms

Cloud platforms let us store and process tons of data without buying big servers



ML + Analytics

Devices can learn from data and improve decisions using machine learning



Conversational AI

Assistants like Alexa & Siri use smart AI to understand and talk like humans, making IoT devices more user-friendly

REAL-WORLD APPLICATIONS OF IoT



SMART LIGHTING

Bulbs and battens connected to Wi-Fi can be turned on and off remotely



SMART PARKING

IoT is used to count cars entering and exiting parking facilities



MEDICAL FRIDGES

IoT sensors enable remote monitoring of fridge temperatures

Types Of Digital Marketing Strategies

Email Marketing

- Brands send customised emails like offers , updates or newsletters
- Messages are based on what the customer likes or bought before

Pay-per-click

- Brands pay everytime someone clicks on their ad.
- Ads show on Google or other websites

EDI SOCIAL MEDIA MARKETING

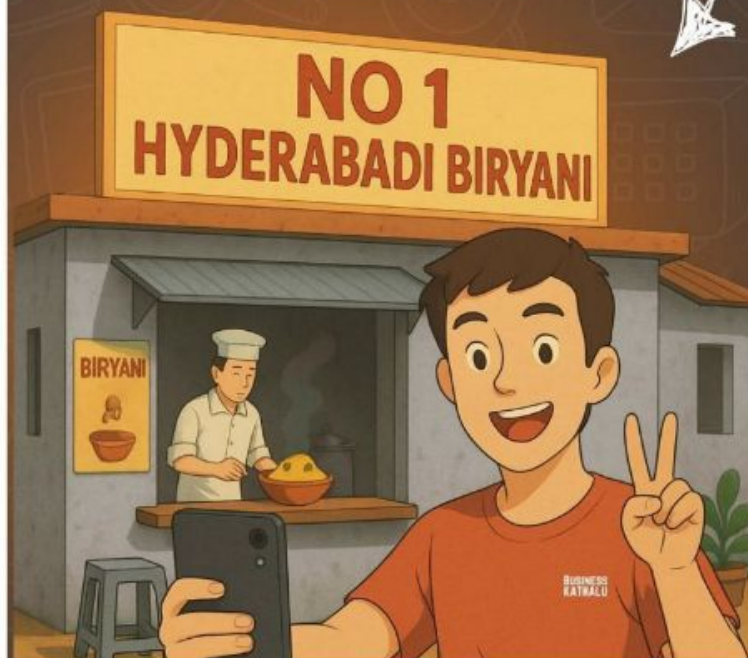
Social Media platforms lo posts or ads use chesi janalani attract cheyadam



- platforms like Instagram, Facebook, LinkedIn, and Snapchat are where people hangout
- Brands use these to show ads and posts on the right audience

EDI INFLUENCER MARKETING

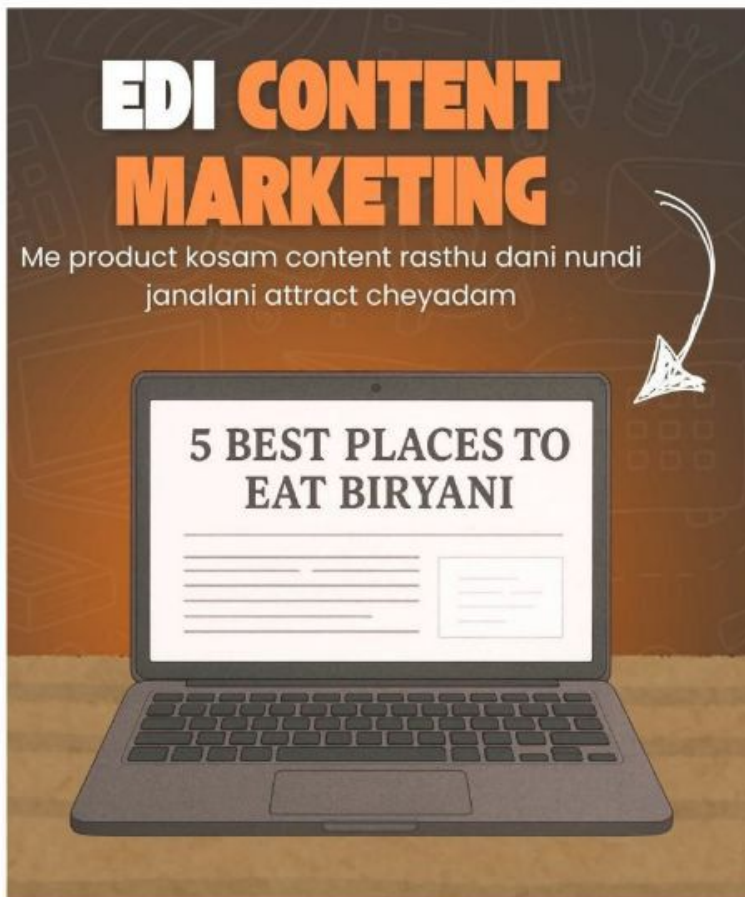
Influencers dwara product ni promote cheyadam



- Brands team up with popular people or experts
- These influencers promote products to their followers



- Makes sure your content shows up on Google when people search
- Top search results get more clicks



- Brands make useful blogs, videos, to answer customer questions.
- Helps at every stage
 - Awareness (i think i have problem)
 - Consideration (what can i do about it?)
 - Decision (This is product I'll buy!)

Affiliate Marketing

- Brands give commission to others who promote their products
- Like a referral program -more sales = more commission

Mobile Marketing

- Reaches users on their phones through texts, apps, emails, or social media
- almost everyone shops using mobile now

THE END



Point	MISSION	VISION
1. Meaning	Why the organization exists (its purpose)	What the organization wants to become in the future
2. Focus	Present actions and behavior	Future goals and dreams
3. Time	Talks about the present	Talks about the future
4. Message	Usually stays the same	Can change after achieving the goal
5. Nature	"This is who we are and what we stand for"	"This is what we want to be someday"

The Red Ocean Strategy	The Blue Ocean Strategy
Business is done in the existing market space	The idea is to create a new, uncontested market space
Focus is on beating the competition	Competition is totally irrelevant
Using the existing demand	Creating the new demand
Value-cost trade-off is important	Value-cost trade-off is not so relevant
The whole system of company activities focused on the strategic choice between products differentiation or low cost	The whole system of company activities aimed at the pursuit of products differentiation and low cost

CMA INTER SM IMPORTANT QUESTIONS

INTRODUCTION



- Strategy [characteristics; levels; role]
- Strategic MGT [elements; objectives]
- Vision [Elements; benefits]
- Balance Score Card
- Objectives [characteristics; issues; FAST]
- Genomics

STRATEGIC ANALYSIS & STRATEGIC PLANNING

- Business Environment [layers: PESTEL; SWOTC]
- Strategic planning
 - Porter 5 Forces
 - Value chain, BCG, VRIO, CSF
 - Portfolio Analysis
 - Strategic decision making techniques

STRATEGY FORMULATION & STRATEGY IMPLEMENTATION

- *HR Strategy
- Matrix, Multi divisional, SBU
- Types of controls (3 types)
- Strategic Controls (4 types)
- KRA's KPA's KPI's
- Goal congruence aspects

DIGITAL STRATEGY

- Bigdata
- cloud computing ; Block chain
- Digital marketing strategies
- RPA ; IOT ; AI
- Elements Of Digital Strategy
- Digital Transformation Layers

Education is about learning, not memorizing



Understand & apply your concepts!

