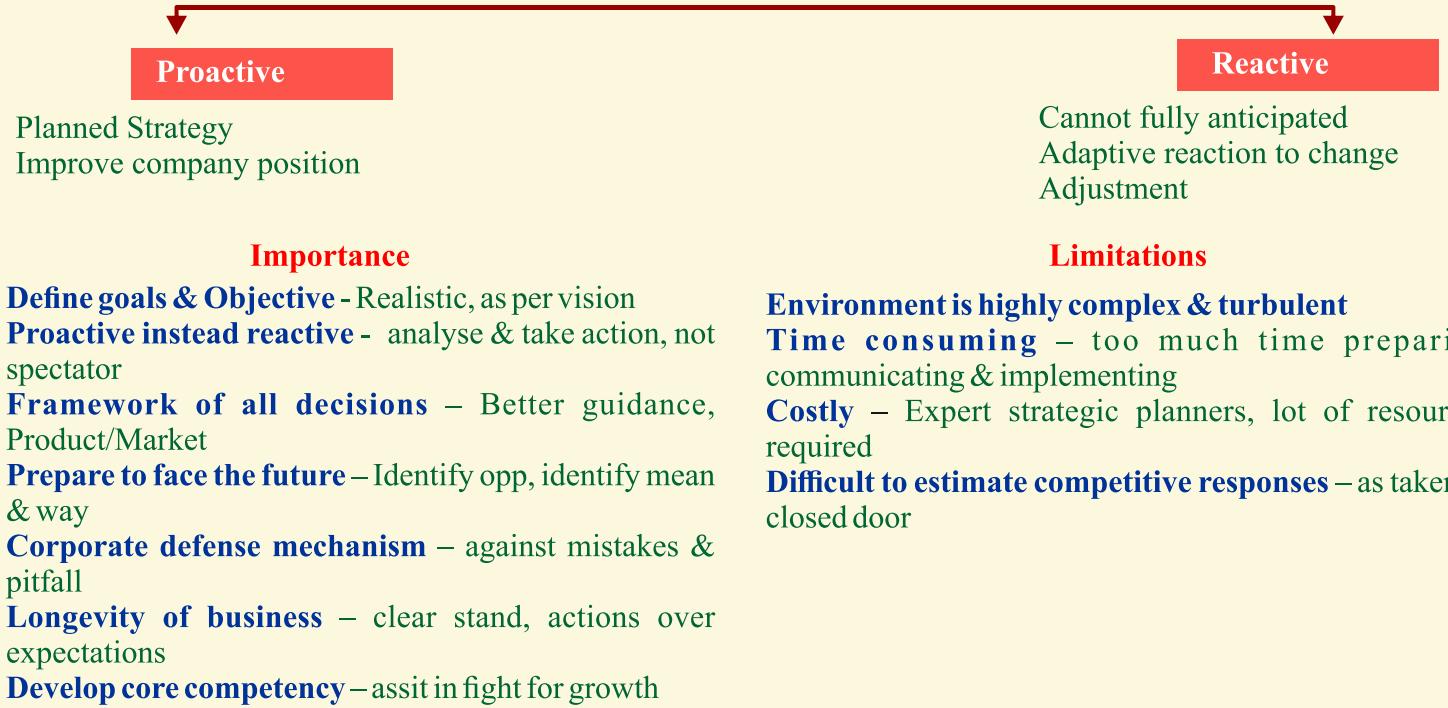


Strategy (unified, comprehensive & integrated)

**Vision****About the vision**

- Blueprint of company future
- organization aspirations
- subsystem follow its vision where we are to go

Mission**About the mission****What business are we in & what we do**

Present capabilities, activities, customer focus & role in society

Goals & objectives

Goals - Open ended attributes
- End result

Objectives

- Close ended attributes
- More specific
- Translate goals into Short & long term

Essentials of a strategic vision

- Think creatively to prepare for future
- exercise in intelligent entrepreneurship
- create enthusiasm among the members
- illuminates the direction

Mission is

- Grand design of firms future
- Legitimizes the firms presence
- Production v/s market orientation

Writing the mission

- Gives a special identify
- Unique to the organization
- What need, it is trying to satisfy

Characteristics of objectives

S – specific
M- measurable
A – achievable
R – relevant
T – time
D – Decision
A – Appraisal
C – challenging
U – understandable

Long term objective

Normally 2 to 5 years

- Profitability
- productivity
- competitive position
- employee development
- employee relations
- technological leadership
- public responsibility

Values**Examples**

Integrity, trust, accountability, humility, innovation & diversity

Role of values

Set the tories for the people think & behave
sense of shared purpose,
Employees resonate with value
customer prefer organisation that reflect value

Levels of management

Corporate level

Consist of CEO, BOD, senior executive, corporate staff

Role

- development of strategy
- defining missions & goals
- divestment & acquisition
- guardian of shareholder welfare

Business level

Business level manager, head of division

- Translate general statement to concrete strategies
- Strategies specific to a business

Functional level

Functional level manager
Marketing, production etc.

- Responsibility for a business function
- Develop strategy in their area
- Provide information required to formulate realistic strategy

Relationship between these levels

Functional & divisional

- Independent relationship
- Each division/function lead by division/function head (business level manager)
- & reporting to corporate level manager

Horizontal

- Top management to staff level, same hierarchical position
- Openness & transparency
- Idea sharing & innovation
- Mainly for startups

Matrix

- Gridline structure of levels
- People from various dept. built for temporary task
- Manage huge conglomerate
- Impossible to track every single member individually

Meaning	Limitation	Issues to consider	Strategic Analysis
<ul style="list-style-type: none"> Methodical approach Right resource investment Think about rivals Evaluation of business plan 	<ul style="list-style-type: none"> Time consuming Lot of options 	<ul style="list-style-type: none"> Evolves over a period of time Balance of internal & external factor Risk 	<p>External Analysis</p> <p>Customer Analysis: Segments, motivations, unmet needs.</p> <p>Competitor Analysis: Strategic groups, performance, objectives, strategies, culture, cost structure.</p> <p>Market Analysis: Size, growth, profitability, entry barriers.</p> <p>Environmental Analysis: Technological, government, economic, cultural, demographic.</p> <p>Internal Analysis</p> <p>Performance Analysis: Profitability, sales, customer satisfaction, product quality, relative cost, new products, human resources.</p> <p>Determinants Analysis: Past and current strategies, strategic problems, organizational Capabilities and constraints, financial resources, strengths, and weaknesses</p>

Advantages of interaction b/w strategy & business environment

- Determine opportunities & threats -Apple
- Give direction for growth
- Continuous learning -AI
- Image building -tata
- Meeting competition -Airtel

Micro Environment

Meaning – 1) Immediate periphery 2) Influence regularly & directly
Consists of – suppliers, consumers, marketing intermediaries, competitors, etc.

Major Issues To address –

- Employees characteristics
- suppliers & links
- existing customers base
- Local community
- Raise its finance
- Direct competition

Macro environment (Pestle)

Political	Economic	Social	Technological	Legal	Environmental
<ul style="list-style-type: none"> Political stability Political principles and ideologies Current and future taxation policy Regulatory bodies and processes Government policies Government term and change Trust areas of political leaders 	<ul style="list-style-type: none"> Economy situation and trends Market and trade cycles Specific industry factors Customer/end-user drivers Interest and exchange rates Inflation and unemployment Strength of consumer spending 	<ul style="list-style-type: none"> Lifestyle trends Demographics Consumer attitudes and opinions Brand, company, technology image Consumer buying patterns Ethnic/religious factors Media views and perception 	<ul style="list-style-type: none"> Replacement technology/solutions Maturity of technology Manufacturing maturity and capacity Innovation potential Technology access, licensing, patents, property rights and copyrights 	<ul style="list-style-type: none"> Business and Corporate Laws Employment Law International Regional 	<ul style="list-style-type: none"> Ecological/environmental issues Environmental hazards Environmental legislation Energy consumption Waste disposal Legislation

Internationalisation of Business

Characteristics

- Conglomerate of multiple units
- Common pool of resources
- Common strategy

Developing Internationally

- Evaluation opp & threats
- Scope of global operation
- Global business objective
- Distinct strategy

Why do business go global?

- Need to grow
- Shrinking time & distance – amazon
- Inadequate domestic market – KIA
- Reliable & cheaper sources – apple
- Reduce transportation cost
- Generate higher sales
- Rise of service sector
- Lowering trade tariffs – tesla
- Globalization

Product & Industry

Characteristics of product

- Tangible or intangible
- Has a price
- Deliver satisfaction
- Pivotal
- Product has useful life

Product life cycle

- S Shaped curve
- Relationship of sales with time



Stage of PLC
 Stage1 – Introduction
 -Slow growth
 -Negligible competition
 -Less awareness in customer

Stage2 – Growth stage
 -Rapid market acceptance
 -Demand expense rapidly
 -Competitions increases, price decreases
 -Customer has knowledge

Stage3 – Maturity
 -Slowdown in growth rate
 -Competition is tough
 -Organisation maintain stability
 -Profits declines

Stage4 – decline stage
 -Sharp downward drift in sales
 -Sales & profit declines
 -New product replaces existing
 -Diversify or retrenched

Advantages of PLC
 -Diagnose portfolio of products
 -Strategic planning according to phase of the products

Examining each activity in value chain to identify areas of improvement Analyse each stage, how it add or less value in the product.

More the value of products, higher the profits sequences of operation, enhancing efficiency optimise the process

Recognise organisation more than a random collection of machine, material, money & people.

To perform particular activities & the ability to manage linkages between activities which are source of competitive advantage for organisation

Primary activities

Inbound logistics receiving, storing & distributing of inputs **components for bike**
 Operation process of converting input to final product assembly, packaging, etc.

Assembly line

Outbound logistics – collect, store & distribute the product – **dispatch to Distributor**

Marketing & sales – Advertising, sale promotion make consumer aware- **Ranbir Kapoor ads**

Service – After sale services-installation, repair, spares etc.- **service centre**.

Secondary Activities

Procurement – process of acquiring the various input selecting vendor, finalising price etc.-shortlisting the vendor – **MRF, CEAT**

Technology development Research & development-**BSIV, VI etc.**

HR Management – recruiting , managing, training, developing & rewarding people-**hiring & training labour**

Infrastructure – Planning, finance, quality control, information management etc.-**finance dept, Internal audit etc.**

Porter's five forces model

New entrant	Bargaining power of buyers	Bargaining power of supplies	Rivalry in the industry	Threat of substitutes
Lesser the no. of new entrance, lower the competition	Lesser the no of buyers <ul style="list-style-type: none"> - Pressure to secure lower prices - Better services - Full knowledge 	Less the no of supplier <ul style="list-style-type: none"> - Overpriced - Control the supply - No substitutes 	Higher rivalry Less attractive market <ul style="list-style-type: none"> - Industry leader JIO - No of competitors Zepto~swiggy Bitcoin - Fixed cost – telecom tower - Exit Barrier – Telecom towers - Product diff – mobile phones - Slow growth – Two wheeler market 	Higher the threat, lesser attractive markers <ul style="list-style-type: none"> - Tiktok Instagram - Vaccines - Operating software
Factors				
1.Capital requirement-Jio, Tata semiconductor				
2.Economics of scale Dmart, Maruti		Airbus, Boeing, Tesla, Lockheed Martin		
3.Product differentiation windows, tesla	Debeers-Diamond Agriculture Procedure			
4.Switching cost-windows- ios				
5.Brand Identity – Rolls Royce, Louis Vitton				
6.Distribution Channels-pepsi, Parle-G				
7.Aggressive retaliation- Amazon/Flipkart Zomato/Swiggy				

Value Creation

- It is measured in quality, availability, durability, performance
- It is utility customer get from a product (happiness, satisfaction)
- It is distinguished from cost/money

Meaning of value creation

- Create value that increases the demand of goods

Impact on profitability- increase the profit

Factors leading to profitability – value, price, cost

Key success factor –

- Things that most affect industry members
- Perquisites for industry success
- Factors that shape whether a company will be financially & competitively successful
- Vary from industry to industry
- 3 to 4 success factor at any point of time.

Identification of Industry's KSF. Telecom

- On what basis the customer choose. Price & network coverage
- What resource & competitive capabilities does a seller need to have to be successful JIO-Large capital
- What does it take a seller to achieve sustainable advantage – Increases customer base & ARPU

Attraction of industry

Competition – Higher the competition, lesser the market is attractive -Airlines(high competition)

Growth prospectus-Higher growth potential, higher attractions
Artificial intelligence

Prevailing driving forces – If favourable there Higher -war to defense industry, Covid to vaccine

Vulnerability of weaker rivals – More weakness, more attractive – Spicejet (lesser leg room) – indigo better

Risk & uncertainty – higher the risk, less attractive crypto currency, online betting , MLM

Severity of problems – Higher the severity, lesser Attractive

Experience Curve

- Unit cost decline as a firm accumulations experience in terms of cumulative volume of production
- Larger & older the industry less per unit cost
- Factors – learning effects, economics of scale, product redesign technological improvement.
- Features – As organisation grow, experience also increases – Advantage over new entrant Bajaj Auto, Apple, Samsung, ITC

Market & customer

Market - Virtual/Physical market,
4Ps of marketing - Product, place, pricing promot
Marketing orientation - Product, Production, Sales, Customer

Customer - Provide revenue, buys product

Consumer - uses product.

Customer analysis - Essential for marketing
-Involves evaluation & examination of customer need

Factors influencing Customer Behaviors

External influence

- Advertisement, peer recommendation and social norms- Iphone, T

Internal Influence - Psychological factors internal to customers -

Gym membership

Decision making -

Step1- Problem recognition, identify existing need

Step 2 - Search for alternative

Step 3 - Seek information & weight pros & cons

Step 4 - Make a final choice

Post Decision Process - Evaluating the outcome

- depend on the satisfaction

- satisfied customer repeat & recommend to other

Competitive landscape

Competitive landscape –

- Identity & understanding the competitor
- To assess the competitors strength & weakness

Steps to understand competitive landscape (from Vistara point of view)

Identify the competitors – who are the competitors? How big they are - indigo, Spicejet etc.

Understand the competitor – what are their procedure & services Cargo & Passenger

Determine the strength of the competitors- financial position, price, cost, future plan, distribution network, human resource strength. No of flights, cheap force, better construct

Determine the weakness of competitors – where are the lacking – leg space, losses in operation,

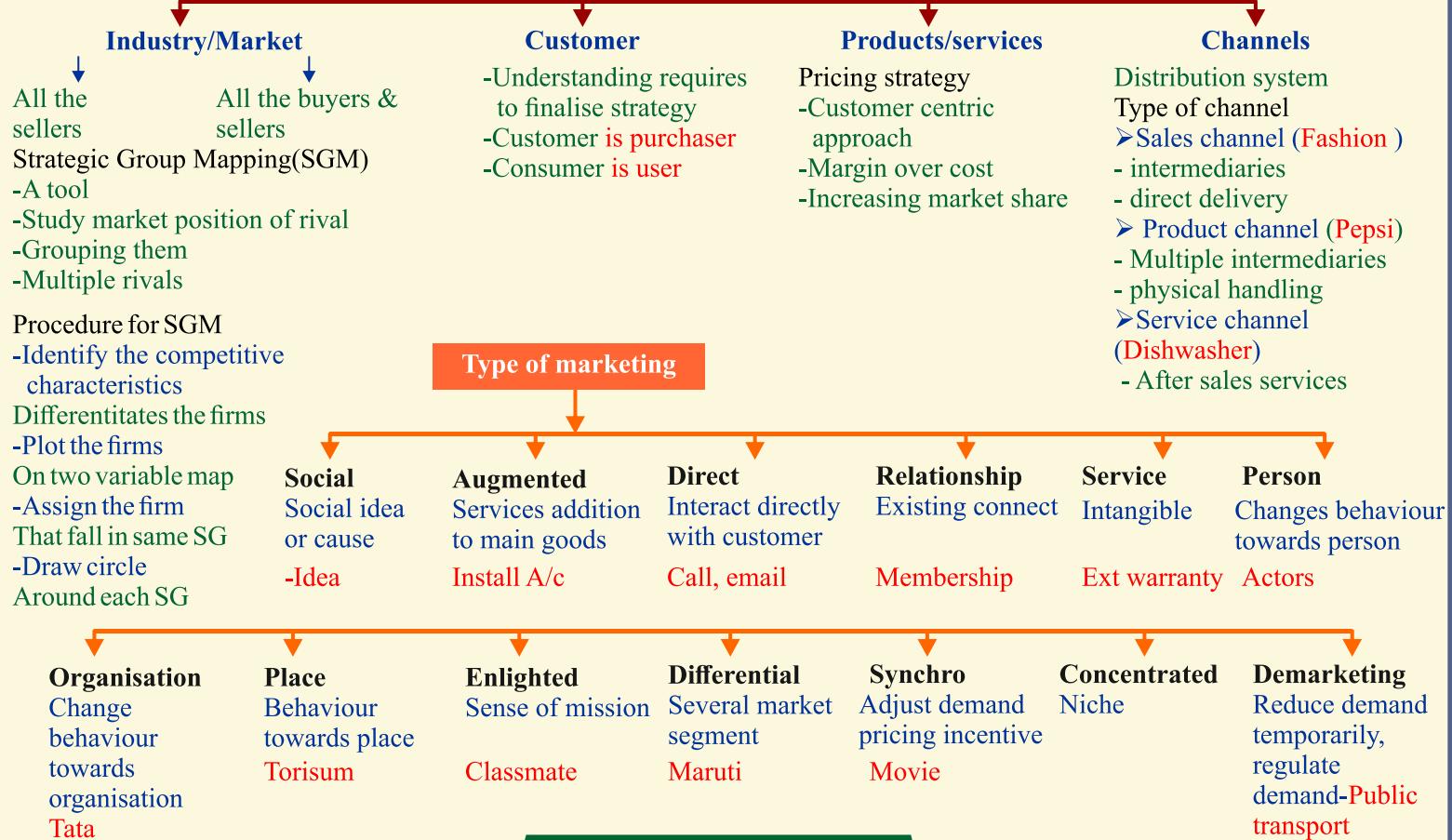
Put all of the information together – Draw inference about what they are not offering & what the firm can do to fill in the gaps

(Power interest matrix/Stakeholder analysis matrix)

Analyse stakeholder – basis
Power(influence strategy)
Interest(in organisation success)
 Steps to analyse & manage stakeholder
Step1 – identity stakeholders
Step2 – assess power & interest
Step3 – Plot shareholder on grid



Strategic Drivers



Core competency (CC)

Features	Areas in CC identified	Criteria	Sustainability of competitive advantage
<ul style="list-style-type: none"> Collective learning in organisation Specially coordinating diverse production Integrating multiple stream of technology Combination of technical know how, wisdom & expensive Complete set of capabilities & resources Lead to a competitive advantage Combine not individual 	Competitor differentiation <ul style="list-style-type: none"> Unique No imitate No fear of copy Better product or service Customer value <ul style="list-style-type: none"> Fundamental benefit Real impact Value the differentiation Application to other markets <ul style="list-style-type: none"> Fundamental to whole organisation 	Valuable <ul style="list-style-type: none"> Exploit opportunities Or avert threats Created value for customers Costly to initiate <ul style="list-style-type: none"> Unable to develop easily 	Rare <ul style="list-style-type: none"> Rare capabilities Develop & exploit capabilities differ from rival Non-substitutable <ul style="list-style-type: none"> Strategic equivalent no substitutes
			Durability <ul style="list-style-type: none"> Deterioration rate Patent become obsolete Management expertise Highly durable
			Transferability <ul style="list-style-type: none"> Easier to transfer Less sustainable Eroded by competitors
			Imitability <ul style="list-style-type: none"> Easy & quick to imitate less sustainable
			Appropriability <ul style="list-style-type: none"> Profits appropriate to right investor

SWOT analysis

Meaning – analysis of business swot, full awareness

Importance

-Implemented before all company action

-Internal as well as external

-Discover recommendation & strategies

Advantage – complex issue in a simple framework

Disadvantage – do not analysis in competitive content

SWOT ANALYSIS

Helpful to achieving the objective

Harmful to achieving the objective

Strengths

Weaknesses

Opportunities

Threats

Michael Porter's Generic strategies

COMPETITIVE SCOPE	Michael Porter's Generic strategies	
	Broad target	Narrow Target
	Cost leadership	Differentiation
	Focused cost leadership	Focused differentiation

Low cost product/services Differentiated product/services

COMPETITIVE ADVANTAGE

COST LEADERSHIP

DIFFERENTIATION STRATEGY

FOCUSED

- Broad mass market
- Cost reduction
- Lower cost & selling price
- Satisfactory profit

Effective

- Price sensitive buyers
- Few ways to achieve differentiation
- Do not care about brand
- Large no of buyer, bargaining power

Risk

- Imitate
- Technological breakthrough

How to achieve ?

- Forecasting of demand
- Optimum utilisation
- Economics of scale
- Standardisation of products
- Cost saving technology
- Resistance to differentiation

Advantages

- Rivalry -**avoid price war**
- Buyers -**not exploit**
- Supplies – **absorb price increases**
- Entrance - **create barrier**
- Substitute -**avoid substitute**

Disadvantages

- Imitate
- Don't work on less sales volume
- Minimize cost in long run
- Technological advancement

-Unique tech & features

- Charge a premium
- Careful study of customer
- Gain customer loyalty

Basis of differentiation

- Product – meet customer need
- Pricing – superiority through high prices
- Organisation - location name

Risk

- Imitate
- May not be valued

How to achieve?

- Taste & preference
- Improve performance
- High quality product
- Rapid innovation
- Brand image
- Price on product

Advantages

- Less sensitive to price
- No negotiation
- Afford to absorb price
- Brand value & customer loyalty

Disadvantages

- Difficult to sustain
- Switch off to another
- Not valued by customer

-Small group of customer

- Cost or differentiate
- Distinctive requirement

Focused cost

- Competing based on price
- Lower than competition

Focused differentiation

- Unique features
- Narrow market
- Particular sales channel

Risk

- Numerous competition
- Consumer preference

How to achieve?

- Not covered by others
- Superior skills
- High efficiencies
- Innovative ways

Advantages

- Premium prices
- Difficult to compete

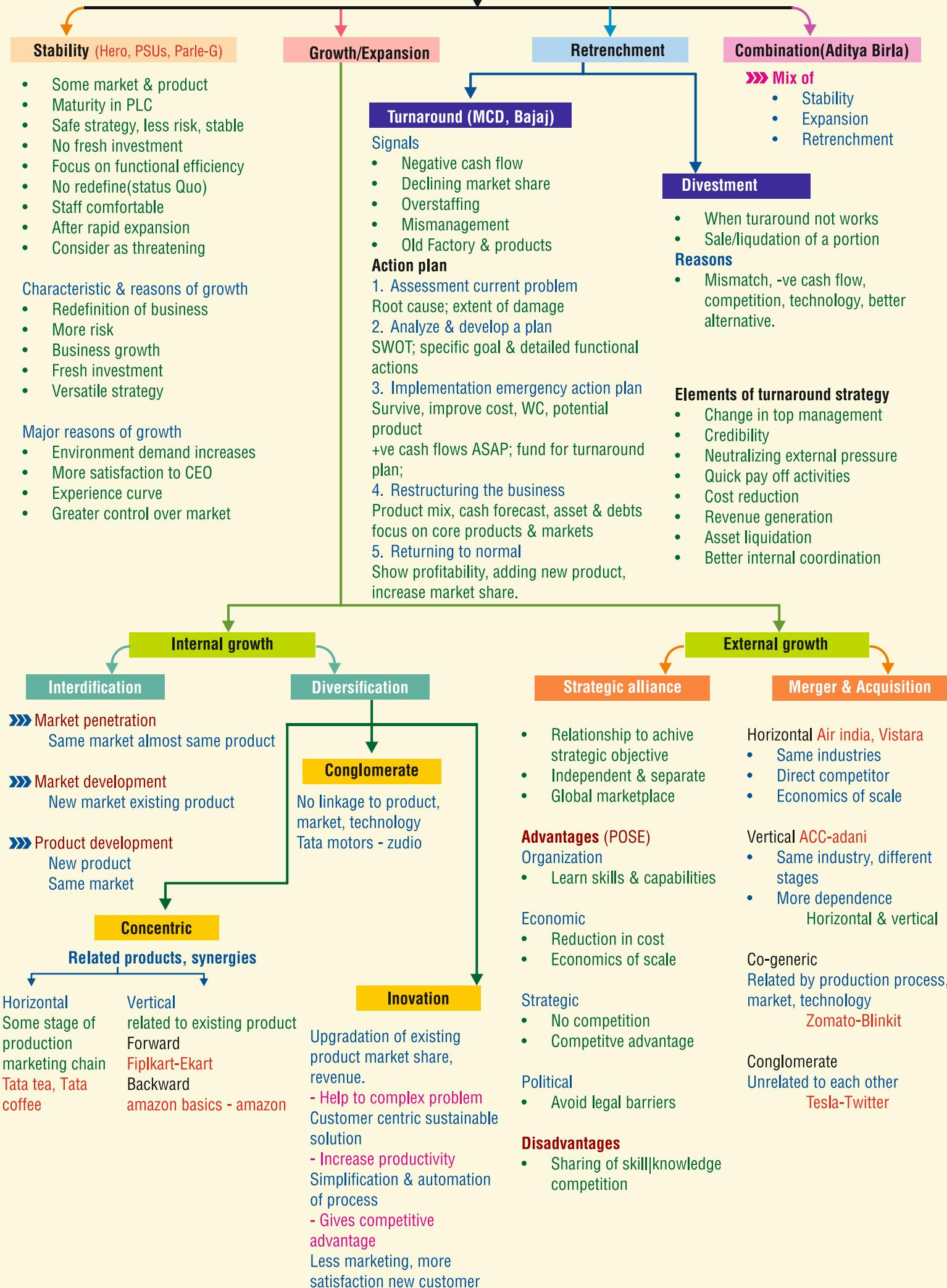
Disadvantages

- Cost are high
- Niche could disappear

Best cost provider strategy

- More value for the money by emphasizing on low cost
- Upscale differentiation (quality etc)

CORPORATE STRATEGY



STRATEGIC OPTION

1. Ansoff matrix

	Existing Products	New Products	
Existing Market	Market penetration	Product development	Market penetration – Market development –
New market	Market development	Diversification	Product development – Diversification –

pricing strategy, advertisement, no major change.
new geography, distribution channel, different customer.
new competency.
more risky, no or less experience.

2. ADL matrix – Portfolio analysis technique based on product life cycle. Categorization of products into below five competitive position

Dominant – rare, monopoly, technological leadership (google, youtube)
 Strong – degree of freedom, often threatened by competitors (iphone)
 Favourable – Industry is fragmented, no leader (FMCG)
 Tenable – Satisfactory, but vulnerable of competition
 Weak – performance is unsatisfactory

3. BCG matrix

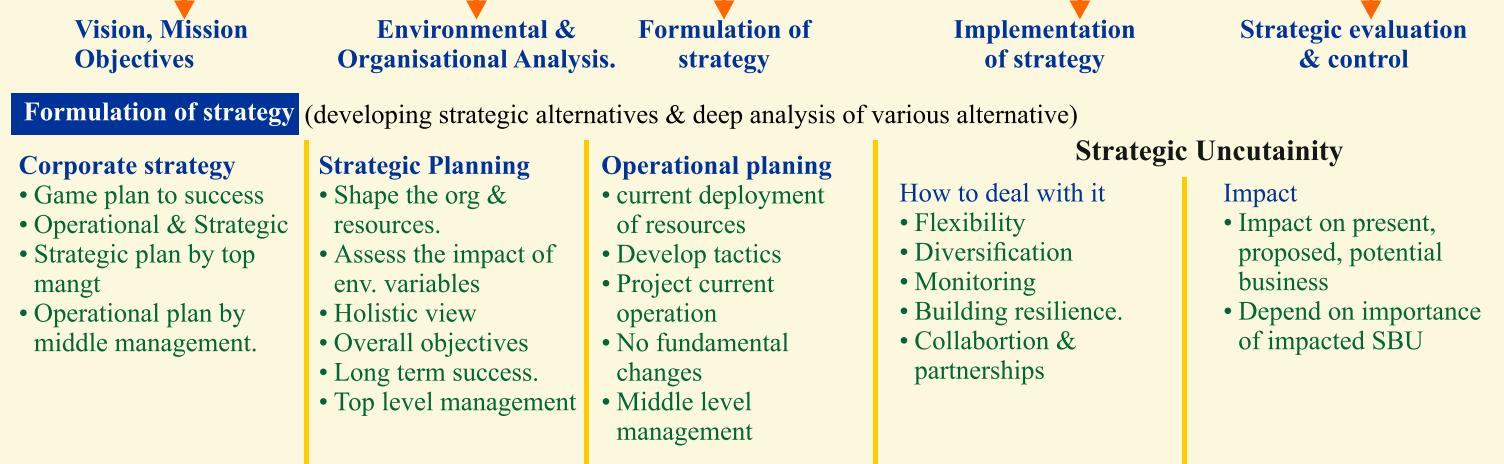
		Relative Market Share		
		High	Low	(Divest/Build)
Market Growth Rate	High	Stars	Question Marks	Question mark – star – cash cow Lot of investment If ignored turned into cash traps
	Low	Cash Cows	Dogs	Divest or liquidate Survive or need cash to survive

4. GE matrix (stop light strategy model)

- Size of the market
- Market growth rate
- Industry profitability
- Competitive intensity
- Availability of tech.
- Pricing trends
- Risk of returns
- Opp. For product differentiation
- Demand variability
- Low segmentation
- Distribution structure

		Business Strength		
		Strong	Average	Weak
Market Growth Rate	High	Invest/Expand	Invest/Expand	Select/Earn
	Medium	Invest/Expand	Select/Earn	Harvest/Divest
	Low	Select/Earn	Harvest/Divest	Harvest/Divest

- Market Share
- Profit
- Distribution efficiency
- Brand image
- Ability to compete
- Customers loyalty
- Production capacity
- Technological capability
- Relative cost position
- Management caliber



STRATEGY IMPLEMENTATION

Meaning <ul style="list-style-type: none"> • putting freshly chosen strategy into action. • Allocation of resources to new courses of action • Supervising the ongoing pursuit of Strategy 	Forward Linkages. <ul style="list-style-type: none"> • with the formulation of strategy organisation has to undergo a Change • The leadership style has to be adopted 	Backward Linkages. <ul style="list-style-type: none"> • Adopt those strategies which can be implemented with present structure of resources combined. 	Issues in implementation <ul style="list-style-type: none"> • Project implementation • Procedural • Resource allocation • Structural • Functional • Behavioural 	How to resolve issues <ul style="list-style-type: none"> • Self & organisational objective coincide • External threat opportunities evaluation • Top to down communication • Bottom to top support • Need to develop competitor focus
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DIFFERENCE B/W

Formulation <ul style="list-style-type: none"> • develop strategic goals & plan • placing forces before action • Strategic decision making • Effectiveness • few individual, at top level • intellectual & rational • Require deal of initiative, logical, analytical 	Implementation <ul style="list-style-type: none"> • executing the strategic plan • Managing forces before action • Strategic & operational decisions • Efficiency • May at middle flows level • Operational Prowess • specific motivational & leadership traits 	Strategic Change <p>Step to initiate strategic change</p> <ul style="list-style-type: none"> • Recognize the need for change. environmental scanning, swot • Create a shared vision to manage change Communicate, convince members • Institutionalise the change Implementation of charged Strategy 	Kurt Lewis Model of change <ul style="list-style-type: none"> • Unfreezing the situation Aware & prepare not a surprise announcement, meeting etc. • Changing to the new situation Compliance Identification Internalisation • Refreezing Complete replacement
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HOW DOES DIGITAL TRANSFORMATION WORKS.

Essential elements of change management <ul style="list-style-type: none"> • Define goals & objectives • Assessing current state • Identify gaps • Road map for change • Managing change at every level 	Role of change management in digital transformation. <ul style="list-style-type: none"> • Para meters & goals • Determine tools & procedures • Plan for implementing improvement • Involve staff & parties • Track progress & make required correction 	Change management strategies for digital transformation <ul style="list-style-type: none"> • Begin at top • Ensure change is necessary desired • Reduce disruption • Early communication, create environment, knowledge & tools • Encourage communication • Change is norm, not exception 	How to manage change during Digital transformation <ul style="list-style-type: none"> • Specify digital transformation aims & objective • Always communicate • Ready for resistance • Implement changes gradually • Offer assistance & training
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Meaning

- Analyse a company organisational design
- Maintain Balance b/w Hard & Soft S
- Modify one have ripple effect on other

Limitation

- ignore external environment
- not clear organisational effectiveness
- less flexible for decision
- missing out real gap

Hard element

Strategy - Direction, blueprint, build core competency
Structure - choose best alternative, work division
System - develop task, operation, teams

Soft element

Shared values - core values.
Staff - Talent pool
Skill - core competency & key skills
Style - Leadership style

TYPES OF ORGANISATIONAL STRUCTURE

SIMPLE

Suitability

- single business strategy
- single geographies market

Features

- Less specialisation
- Few rules
- Communication is frequent
- Competitive advantage

Flexibility

- Rapid response

Challenge

- Not effective for bigger organisation

FUNCTIONAL

Meaning

- Group task & activities by function

Challenge

- Communication
- Coordination

Features

- simplicity
- low cost
- specialisation
- efficiency
- rapid decision

DIVISIONAL

Meaning

- Functional activities at central & division level

Suitability

- Multiple product & services
- Basis geography customer, process product

Benefit

- Accountability is clear
- Career development for employees

Limitation

- costly
- duplication
- qualified managers

Type of Divisional Structure

- By geographic areas, need changes basis area
- Byproduct & services, need special attention
- By customer, for major customer
- By process

Multi Divisional Structure

Meaning

- Each division a separate business
- Delegate day 2 day activities to division manager

Benefits

- More accurate
- Simplifying
- Comparison within division
- Improved allocation of resources
- Identify & improve loss making

Suitability

- Multiple products
- Cost assessment is easier
- Large firms

Challenges

- Lesser control
- As dependant on each other

Strategic Business Unit

Meaning

- Grouping of related business
- Composite planning treatment
- Multitude of business into a few distinct business

Suitability

- Multiple product, multiple business enterprise
- Not possible to provide separate strategic planning

Characteristic

- Single business or collection of related business
- Own set of competitors
- Manager with responsibility of planning, profit, etc.

Matrix Structure

Meaning

- Functional & product form combined simultaneously
- Most complex
- Depend on horizontal & vertical forms of authority & communication

Suitability

- Several variables have equal priorities

Limitation

- Expensive & complex

Phase for development

- Cross functional task force
- Product/Brand management
- Mature matrix

Network Structure

Meaning

- Non structure
- Elimination of in house business function
- Activities are outsourced

Benefits

- Flexibility & adaptability
- Distinctive competencies

Suitability

- Environment of firm is unstable
- Need for innovation & quick response

Limitation

- Numerous partner
- No synergy discovery
- Non-competitive

Hour glass structure

Meaning

- 3 layers
- Constricted middle layer
- It links top to bottom level manager

Benefit

- Reduce cost, faster
- Simplifying decision making

Limitations

- Promotion opportunity diminishes
- Difficult to keep the motivation high.

Organisation culture

Meaning

- Values, beliefs, principles, traditions, ways of operating, internal work environment

Ally or obstacle to strategy

- Depend on compatibility

Role of culture in strategy

- Perils of strategy - culture conflict
- Creating a strong fit b/w strategy & culture
- Changing a problem, culture.

Creating supportive culture

- Responsibility of top management responsibility of everyone

Five leadership role to play

- staying on top, closely monitoring
- culture of esprit de corps.
- responsive to changing condition
- excersing ethical leadership
- Pushing corrective action

Responsibilities of strategic leader

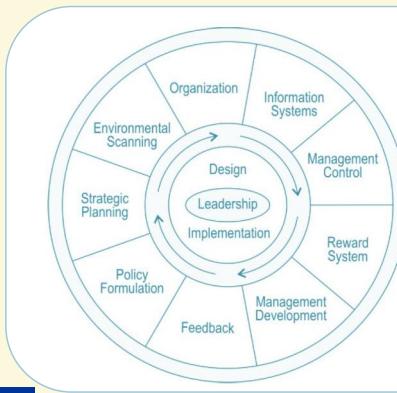
- Strategic decision
- Policies & action plan
- Effective communication
- Managing human capital
- Managing change
- Creating & sustaining culture
- Sustaining high Performance

Transformational Leadership

- enthusiasm to inspire people
- appropriate in turbulent environment
- offer excitement, vision, intellectual

Transactional leadership

- focus more on designing system & controlling the activities
- Uses the authority in exchange rewards
- appropriate in static environment

**Strategic control****Operational**

- Individual task or Operations
- Against total or more aggregative mangt- function

Management

- More inclusive
- More aggregative
- Complete dept, organisation

Strategic

- Implemented as planned.
- Results as intended.
- Warning system to track Strategy

Premise control

- Tool for monitoring permission a
- Environment factors &
- Industry factors.

Strategic surveillance

- General monitoring
- Newspaper, magazines, exhibitions, etc

Special alert control

- Unexpected events
- Change in govt., natural calamities, etc.

Implementation control

- Monitoring strategic thrusts
- Milestone Reviews

Strategic Performance Measures**Meaning**

- Key indicator
- Snapshot of performance
- Eliminate of silo

Type of SPM

- Financial
- Customer Satisfaction
- Market measures
- Employee measure
- Innovation Measures
- Environmental measures

Importance of SPM

- Goal Alignment
- Resource Allocation
- Continues Improvement
- External Accountability

Choosing the right SPM

- Relevance
- Data Availability
- Data Quality
- Data Time line