

# **INTERMEDIATE COURSE**

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## **PAPER – 6**

### **FINANCIAL MANAGEMENT AND STRATEGIC MANAGEMENT**

#### **SECTION B: STRATEGIC MANAGEMENT**

**[RELEVANT FOR MAY, 2026 EXAMINATION AND ONWARDS]**

## **BOOKLET ON CASE SCENARIOS**



**BOARD OF STUDIES (ACADEMIC)  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

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# BEFORE WE BEGIN.....

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## **Strategic Management through Case Scenarios: A Practical Learning Approach**

The role of a Chartered Accountant has significantly evolved beyond traditional accounting and auditing, demanding a deep understanding of strategic decision-making and business dynamics. In today's complex business environment, Chartered Accountants are expected to decipher strategic issues, engage with competitive landscapes, and contribute to organizational growth beyond mere financial analysis. This competence gap necessitates a structured approach to business-oriented learning, which is where Strategic Management plays a crucial role.

### **Case Scenario-Based Learning for Enhanced Application**

Strategic Management, as an essential component of the Chartered Accountancy curriculum, forms Part B of Paper 6, Financial Management and Strategic Management, with a weightage of 50 marks. The assessment pattern for this paper includes both subjective and objective questions, with a specific focus on case-based Multiple-Choice Questions (MCQs) that test conceptual understanding and real-world application.

The case-based MCQs in this booklet are designed to integrate concepts from various chapters, challenging students to analyze business scenarios, identify core strategic issues, and apply relevant concepts to solve problems. This approach mirrors real-world business decision-making, where professionals must assess dynamic situations and develop strategic responses.

### **Approach to Case-Based MCQs**

To effectively navigate the case scenarios and associated MCQs, students should adopt the following approach:

- Carefully read the case scenario to identify key strategic elements and underlying business challenges.

- Think from a managerial perspective, considering factors such as competition, industry trends, and organizational objectives.
- Analyze each MCQ in the context of the case, ensuring conceptual clarity and logical reasoning in selecting the correct answer.
- Focus on strategic thinking rather than rote memorization of theoretical concepts.
- Practice extensively to develop an intuitive understanding of business scenarios and strategic responses.

### **Importance of Practice and Real-World Awareness**

This booklet aims to provide students with hands-on practice in answering case-based MCQs, refining their ability to discern strategic issues, articulate key insights, and make informed decisions. Just as problem-solving in mathematics sharpens analytical skills, working through these case scenarios enhances business acumen and strategic foresight. The cases presented are inspired by real-world business situations, though modified to maintain confidentiality.

Students are encouraged to actively follow business news and case studies, as real-world business developments often provide valuable insights into strategic management principles. Developing a habit of engaging with current business affairs will not only enhance exam preparedness but also build a strong foundation for a successful career in strategic decision-making.

### **Continued Support through BOS Initiatives**

With the implementation of the New Scheme of Education and Training from July 1, 2023, the ICAI has increased the weightage of objective-type questions to 30% at the Intermediate and Final levels. To facilitate effective preparation, the Board of Studies (BOS) launched the MCQ Paper Practice Portal, providing students with access to independent MCQs and case scenario-based MCQs for concept reinforcement and application practice. This booklet serves as an extension of this initiative, offering structured academic input and high-quality learning resources to support students' strategic management studies.

At the Intermediate level, the '**Booklet on Case Scenarios for Strategic Management**' presents integrated case scenarios covering multiple strategic

management concepts. Each case is followed by application-oriented MCQs, along with detailed explanations for the correct answers, enabling students to assess their performance and identify areas for improvement.

Before attempting the case-based MCQs, students are advised to thoroughly understand the core concepts of strategic management as outlined in the study material. A clear grasp of these principles will facilitate better application in case-based questions, enhancing both conceptual clarity and analytical skills.

We are confident that this booklet will be a valuable companion in your learning journey, helping you approach your studies with confidence and a strategic mindset. Embrace the learning process, engage deeply with the case scenarios, and make the most of this resource to sharpen your strategic thinking skills.

**Wishing you great success in your preparation!**

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## CASE SCENARIO 1

DezineFabs is a fast-growing clothing brand in India. It started with a clear goal: to make stylish clothes affordable for everyone while also being mindful of the environment. The company strongly believes in three values – inclusivity, sustainability, and innovation in fashion.

DezineFabs, a dynamic player in India's bustling clothing industry, offers a compelling example of how astute integration of core business principles can pave the path to triumph.

DezineFabs was born with a clear vision: making stylish clothing accessible to every Indian, while minimizing their environmental impact through sustainability initiatives. Their guiding values include inclusivity, sustainability, and a forward-looking approach to fashion.

In the beginning, DezineFabs emerged as a humble boutique offering affordable clothing. At that time, the clothing market was rapidly evolving, with consumers seeking affordable yet chic options. Recognizing these shifts in customer behavior, DezineFabs evolved its product range, embracing formal wear, active wear, and ethnic wear as the market matured.

Their ability to comprehend customer styles was pivotal. DezineFabs conducted comprehensive market research to decode fashion trends and changing consumer preferences. This approach led to the creation of collections that resonated with their target audience. They also monitored social media and customer feedback channels, staying attuned to the evolving tastes and demands of their customers. Notably, they quickly responded to the growing demand for sustainable fashion by launching an eco-friendly clothing line.

To manage their diverse stakeholders effectively, DezineFabs tactfully classified their stakeholders. Fashion influencers and suppliers were nurtured through strategic partnerships, which not only elevated DezineFabs' brand image but also endowed them with access to cutting-edge fashion trends and premium materials.

Simultaneously, they maintained transparent and responsive communication with local communities and loyal customers. By actively addressing their

concerns and soliciting feedback, DeZineFabs upheld a positive reputation and nurtured customer loyalty.

DeZineFabs' prowess laid in the ability of trend forecasting, efficient supply chain management, and robust vendor relationships. Their design team incessantly innovated to remain ahead of evolving fashion trends, allowing them to design collections that resonated deeply with their customer base. Their streamlined supply chain reduced lead times and operational costs, which translated into competitive pricing and the timely delivery of high-quality products. Strong vendor relationships provided them with a consistent supply of premium materials, further fortifying their core competences.

To fuel sustainable growth, DeZineFabs executed a two-pronged approach encompassing market penetration and diversification. They embarked on a journey into tier 2 and 3 cities within India, capturing the attention of urban and semi-urban demographics. Simultaneously, they ventured into international markets, setting their sights on regions where Indian fashion was gaining traction.

Recognizing that growth necessitates change, DeZineFabs cultivated a corporate culture that celebrated adaptability and innovation. Employees were not merely encouraged but were adequately empowered through specialized training programs, equipping them with the skills needed for seamless adaptation to new product launches and market expansions.

Vigilant strategic control mechanisms underpinned DeZineFabs' growth trajectory, ensuring that their expansion remained harmonized with their values and overarching objectives. Routine performance assessments and evaluative protocols equipped the organization with real-time insights. These insights empowered informed decision-making, enabling DeZineFabs to adjust their strategies deftly in response to ever-evolving market dynamics, shifting customer behavior, and emerging fashion trends.

DeZineFabs' exceptional journey in India's clothing industry underscores the remarkable outcomes that can be realized through the seamless amalgamation of core business principles. In a world where the fashion landscape evolves ceaselessly, DeZineFabs remains a beacon of affordability, sustainability, and accessibility, ensuring that fashion remains an inclusive pursuit for all.

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**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. DezineFabs, an Indian clothing company, is deeply committed to a specific core value that underpins its business philosophy. This core value plays a pivotal role in guiding their actions and decisions. What is the central core value that defines DezineFabs' business philosophy?
  - (a) Exclusivity, where they prioritize offering unique and rare clothing items.
  - (b) Sustainability, reflecting their dedication to minimizing environmental impact.
  - (c) Profit maximization, focusing primarily on financial gains.
  - (d) International expansion, aiming to dominate global markets.
2. DezineFabs embarked on a strategic move to introduce specific product variants at a particular phase of the product life cycle. In which phase did DezineFabs introduce gluten-free and organic variants of their products?
  - (a) Introduction phase, targeting early market entrants.
  - (b) Growth phase, capitalizing on expanding market demand.
  - (c) Maturity phase, aiming to maintain market share.
  - (d) Decline phase, attempting to revive fading product sales.
3. DezineFabs showcased agility in adapting to evolving customer preferences. How did they respond to changing customer behavior, as highlighted in the given case?
  - (a) By increasing the prices of their products to enhance exclusivity.
  - (b) By introducing a sustainable clothing line in response to a growing demand for eco-friendly fashion.
  - (c) By ignoring customer feedback and focusing solely on their original product range.
  - (d) By reducing the variety of their products to simplify their offerings.
4. In accordance with Mendelow's Matrix, some stakeholder groups possess high power and high interest in a company's operations. Among the

options listed below, which stakeholder group typically falls into the category of high power and high interest?

- (a) Local communities with a vested interest in the company's impact on their neighborhoods.
  - (b) Fashion influencers, who can significantly affect brand perception and consumer choices.
  - (c) Loyal customers who consistently purchase the company's products.
  - (d) Low-power suppliers providing non-critical materials.
5. The case highlights one of DezineFabs' core competences, which contributes significantly to their success in the clothing industry. What specific core competence is emphasized in the given case?
- (a) Expertise in automobile manufacturing, unrelated to their clothing business.
  - (b) Expertise in designing luxury watches, a separate industry altogether.
  - (c) Expertise in trend forecasting, which plays a critical role in the fashion industry.
  - (d) Expertise in aerospace engineering, unrelated to their clothing business.

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (b) Sustainability**

**Reason:**

DezineFabs' commitment to sustainability is prominently highlighted in the case study. They are dedicated to reducing their environmental footprint, making sustainability a cornerstone of their business philosophy.

**2. Option (b) Growth phase****Reason:**

The case study clearly indicates that DezineFabs introduced gluten-free and organic product variants as the market grew. This strategic move aligns with the growth phase of the product life cycle.

**3. Option (b) By introducing a sustainable clothing line****Reason:**

The case study explicitly mentions that DezineFabs responded to the increasing demand for sustainable fashion by launching an eco-friendly clothing line. This demonstrates their adaptation to changing customer behavior.

**4. Option (b) Fashion influencers****Reason:**

The case study indicates that DezineFabs engaged high-power, high-interest stakeholders, including fashion influencers, through strategic partnerships. This aligns with Mendelow's Matrix.

**5. Option (c) Expertise in trend forecasting****Reason:**

The case clearly mentions that one of DezineFabs' core competences lies in their ability to forecast fashion trends accurately, a critical skill in the clothing industry.

**CASE SCENARIO 2**

In the bustling metropolis of Techville, a once small startup named Athena Corporation embarked on a journey that exemplified the essence of strategic management.

Athena Corporation began its journey as a manufacturer of cutting-edge tech gadgets. In the initial years, they classified stakeholders based on their power and interest. By nurturing important stakeholders like investors, and minimizing conflicts amongst them, the company-maintained stability. This strategic stakeholder analysis proved instrumental during the introduction and growth phases of their product life cycle.

As the product reached maturity, Athena Corporation faced the inevitable challenges of saturation. However, they decided to innovate, investing heavily in research and development. Their commitment to value creation resulted in a series of product enhancements, rekindling customer interest and extending the product's life cycle.

The company recognized the importance of distribution. They diversified their distribution strategy, forging partnerships with global retailers and e-commerce giants. This enabled them to reach a wider audience and adapt to changing market conditions, reinforcing their presence during the product decline phase.

The most significant obstacle Athena Corporation faced was existing big giants in the tech industry. To combat this, they leveraged their brand's reputation and strong distribution networks. Additionally, they initiated collaborations with smaller startups, enhancing innovation and expanding their reach.

To enter new international markets, Athena Corporation conducted a further comprehensive analysis. By using its strengths of branding, addressing not being able to manage costs, & capitalizing on opportunities for AI (Artificial Intelligence) and motivating its talented employees, it mitigated to an extent the threats of competition in the global markets. And so, it is safe to say that the next 10 years are going to be a defining moment in Athena Corps' life.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

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**MULTIPLE CHOICE QUESTIONS**

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1. How did Athena Corporation effectively utilize Mendelow's Matrix to manage stakeholders based on their power and interest, ensuring long-term stability and success?
  - (a) By prioritizing low-power, high-interest stakeholders, thus enhancing their influence.
  - (b) By applying SWOT analysis to assess stakeholder dynamics and adapt their strategies.
  - (c) By minimizing conflicts with low-power, low-interest stakeholders and nurturing high-power, high-interest stakeholders.
  - (d) By frequently changing their stakeholder classification to maintain flexibility.
  
2. In which specific phase of the product life cycle did Athena Corporation invest significantly in research and development, resulting in a rejuvenation of their product offering?
  - (a) The introduction phase, to establish their market presence.
  - (b) The growth phase, to capture market share.
  - (c) The maturity phase, to extend the product's life cycle.
  - (d) The decline phase, to liquidate existing inventory.
  
3. When it comes to diversifying their distribution strategy, what was the key approach adopted by Athena Corporation to reach a broader audience and adapt to changing market conditions?
  - (a) Heavy investments in advertising campaigns.
  - (b) Acquisition of competitors in the industry.
  - (c) Development of an elaborate loyalty program for existing customers.
  - (d) Establishment of strong distribution networks with global retailers and e-commerce giants.

4. What unique challenge did Athena Corporation face in the tech industry that presented a significant barrier to entry?
  - (a) An oversaturated market with too many competitors.
  - (b) A rapidly changing technology landscape.
  - (c) High barriers to entry due to the complex and competitive nature of the industry.
  - (d) A lack of innovative product ideas.
5. Athena Corporation conducted a comprehensive strategic analysis before expanding globally. What specific framework did they employ?
  - (a) Porter's Five Forces analysis
  - (b) PESTEL analysis
  - (c) SWOT analysis
  - (d) Competitive landscape analysis

### MULTIPLE CHOICE QUESTIONS

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1. **Option (c)** By minimizing conflicts with low-power, low-interest stakeholders and nurturing high-power, high-interest stakeholders.

**Reason:**

Athena used Mendelow's Matrix effectively by nurturing **high-power, high-interest stakeholders** (like investors) and minimizing conflicts. This aligns with the matrix's principle of focusing on key players to ensure stability and strategic alignment.

2. **Option (c)** The maturity phase, to extend the product's life cycle.

**Reason:**

Athena invested in R&D during the maturity phase to innovate and rejuvenate interest in their product, extending the product life cycle—a classic strategy to combat market saturation.

3. **Option (d)** Establishment of strong distribution networks with global retailers and e-commerce giants.

**Reason:**

To diversify distribution, Athena **partnered with global retailers and e-commerce giants**, allowing them to expand market reach and remain adaptable, especially during the product decline phase.

4. **Option (c)** High barriers to entry due to the complex and competitive nature of the industry.

**Reason:**

Athena faced competition from big tech giants, indicating **high barriers to entry**—a common challenge in complex and competitive industries like tech.

5. **Option (c)** SWOT analysis

**Reason:**

Before global expansion, Athena used SWOT analysis—leveraging strengths like branding and innovation, addressing weaknesses, seizing AI opportunities and mitigating threats from global competition.

**CASE SCENARIO 3**

Founded with a dream to bring the world's finest spices to kitchens worldwide, Rachini Group has evolved into a diversified conglomerate, spanning industries from spices to car dealerships and real estate. This case study delves into the journey of Rachini Group.

Rachini Group's clear objective from its inception was to become a leading player in the spice trade industry. They aimed to source, package, and distribute the highest quality spices to homes and businesses globally. This unwavering focus on quality and customer satisfaction allowed them to establish themselves as a trusted brand, defining their path to success. The company, under the strict stewardship of Mangat Singh, emphasized quality control, adherence to core values, and a disciplined approach to business. While this management style limited creativity within middle management, it ensured consistency and quality throughout the organization, especially in their core spice business.

Recognizing the potential for growth and value addition, Rachini Group expanded by investing in acquiring spice farms and processing facilities, ensuring a robust supply chain. This allowed them to control quality and costs, creating a significant competitive advantage. As a result of their expansion and diversification, Rachini Group began generating positive cash flows. These financial gains provided the necessary resources for further expansion and allowed the company to venture beyond its spice business.

In their quest for expansion, Rachini Group forged strategic partnerships and alliances with influential politicians and royal families in Arabia. These connections provided valuable insights, eased market entry, and facilitated regulatory approvals, giving the company a competitive edge. The group diversified into other sectors like car dealerships and real estate, seeking to tap into lucrative markets and reduce dependency on a single industry.

Despite their success, Rachini Group faced backlash from social groups who believed that the concentration of wealth in the hands of a few was dangerous for society. They were accused of worsening income inequality. This criticism prompted the company to reevaluate its approach and consider the broader

impact of its business activities. In response, the family-owned business initiated a philanthropic arm, focusing on improving the living conditions, education, and healthcare in the communities they operated. This philanthropic endeavor aimed to balance their business success with social responsibility, nurturing a more positive image and addressing the criticisms they faced.

Rachini Group continues to thrive with a remarkable compound annual growth rate (CAGR) of 12%. Their diversified business portfolio, including car dealerships and real estate, now constitutes 40% of their total group revenue. The company remains committed to its spice trade roots while exploring new opportunities. Their plan to go public in 2026 is a testament to their ambition and determination to remain a key player in the global business landscape.

Rachini Group's remarkable evolution serves as a compelling case study in the world of business, showcasing the power of clear objectives, and adaptability in the face of social challenges. As they move towards their IPO in 2026, they continue to be a fascinating story of business success with a commitment to the greater good.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. How did Rachini Group control quality and costs in their spice business?
  - (a) By reducing their workforce - Human Resource Management
  - (b) By outsourcing production - Organizational Structure Planning
  - (c) By investing in spice farms and processing facilities - Vertical Integration
  - (d) By cutting prices - Best Cost Provider Strategy
2. Rachini Group's emphasis on acquiring spice farms and processing facilities to gain supply chain control aligns with which 'S' in McKinsey's 7S Framework?
  - (a) Systems
  - (b) Structure

- (c) Strategy
  - (d) Staff
3. How did Rachini Group gain a competitive edge in their expansion efforts?
- (a) Through extensive marketing campaigns
  - (b) By entering new international markets
  - (c) By forging strategic partnerships and alliances
  - (d) By increasing their workforce
4. The strategic alliances with royal families and politicians most likely helped Rachini Group reduce the threat of:
- (a) Substitute products
  - (b) Bargaining power of buyers
  - (c) New entrants
  - (d) Industry rivalry
5. What was Rachini Group's initial Vision when it was founded?
- (a) To diversify quickly into unrelated businesses
  - (b) To become a leading player in the spice trade industry
  - (c) To establish a philanthropic arm
  - (d) To go public by 2026

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### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (c)** By investing in spice farms and processing facilities - Vertical Integration

**Reason:**

Rachini Group **invested in spice farms and processing units**, allowing control over supply chain, quality, and cost. This is a classic example of **vertical integration**, which enhances efficiency and builds a sustainable competitive advantage.

2. **Option (c)** Strategy

**Reason:**

In McKinsey's 7S Framework, investing in infrastructure to control supply chain and ensure quality reflects **Strategy**, as it denotes the company's plan to achieve long-term objectives through operational control.

3. **Option (c)** By forging strategic partnerships and alliances

**Reason:**

Rachini gained a competitive edge by **forging strategic alliances** with influential stakeholders. These partnerships enabled smoother market entry, regulatory ease, and local insights, which significantly supported their expansion efforts.

4. **Option (c)** New entrants

**Reason:**

Partnerships with powerful political and royal figures **reduced the threat of new entrants** by raising entry barriers and ensuring favorable regulatory conditions—key deterrents for potential competitors.

5. **Option (b)** To become a leading player in the spice trade industry

**Reason:**

The Group's founding vision was clearly to **become a global leader in the spice trade** by focusing on quality, customer satisfaction, and trust—this guided their early strategic direction and brand establishment.

**CASE SCENARIO 4**

Primo Neo Logistics (PNL) is engaged in transportation of goods in India. It has its operational presence across the country since the year 2010. In addition to transporting goods by road, company is also taking services of private airways as its logistics partner. However, there is a sharp decline in business through airways as sales and profits have declined steeply.

Company also wants to ascertain the market positions of rival companies having similar competitive approaches in the market with the intent to identify the strongest or the weakest players in view of the tough competitive landscape. Once the market position is ascertained, company would like to modify its strategy to adapt according to the changing circumstances.

Technology means and ways of transporting goods are also changing. Company wants to utilize its resources and capabilities, not only to compete and survive but to grow efficiently. Multidimensional expansion with new and improved means of transportation and marketing seems inevitable. Company has strong presence in transporting goods by road and wants to collaborate with some other operator who can bring expertise in transporting goods using improved technology.

Cargo Movers Plc. (CMP) is a well-known transporter of goods using state of art technology in the Asia Pacific region. Banking upon their respective core competencies, PNL and CMP would like to develop close and collaborative relationship where both will continue to maintain their respective independent existence. Once collaboration is in place, marketing team of both the companies would like to cater to the needs of transporting goods with speed and agility. In line with basic principles, the team will also focus on best long- run performance of the marketing system. In view of the same the team is planning to rope in various social media influencers with intent to create a brand image with customer orientation and spreading a word about its distinctive services to its present and prospective customers.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

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**MULTIPLE CHOICE QUESTIONS**

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1. The business through private airways is at which phase of product life cycle?
  - (a) Introduction
  - (b) Growth
  - (c) Maturity
  - (d) Decline
2. Tool for identifying the strongest and weakest competitors is known as:
  - (a) Strategic Group Mapping
  - (b) Portfolio Analysis
  - (c) Strategic Surveillance
  - (d) Strategic Audit
3. The strategy being followed by PNL is:
  - (a) Adaptive strategy
  - (b) Proactive strategy
  - (c) Reactive strategy
  - (d) Blend of proactive and reactive strategy
4. Relationship being considered between PNL and CMP is indicating:
  - (a) Horizontal Integration
  - (b) Merger and Acquisition
  - (c) Strategic Alliance
  - (d) Vertical Integration
5. The activity of marketing team will be called as:
  - (a) Enlightened marketing
  - (b) Augmented marketing
  - (c) Differential marketing
  - (d) Synchro marketing

**ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (d) Decline****Reason:**

**Decline** – Sales and profits through airways have dropped steeply, indicating the decline stage of the product life cycle.

**2. Option (a) Strategic Group Mapping****Reason:**

**Strategic Group Mapping** – It helps identify the strongest and weakest competitors based on their competitive approaches.

**3. Option (d) Blend of proactive and reactive strategy****Reason:**

**Blend of proactive and reactive strategy** – PNL is responding to market decline (reactive) and planning collaborations and expansions (proactive).

**4. Option (c) Strategic Alliance****Reason:**

**Strategic Alliance** – PNL and CMP aim to collaborate while maintaining independent identities, which defines a strategic alliance.

**5. Option (a) Enlightened marketing****Reason:**

**Enlightened marketing** – The marketing team is focusing on long-term performance, customer orientation and social responsibility.

**CASE SCENARIO 5**

Ajay S, founder and CEO of ABC Industries, is renowned for his business acumen and leadership style. He harbours a culture of inclusivity, innovation, risk taking and entrepreneurship inspiring his employees to be creative and fearless. Coupled with its unique ability to comprehend and navigate complex business environments with ease, ABC Industries has grown significantly in the past two decades.

Ajay started ABC Industries in 1990 as a small venture trading cloth. With a dream to transform ABC Industries into a global conglomerate, he tried to establish ABC Industries into a fashion and apparel retail store but failed to compete with big companies and suffered losses, nearly going bankrupt. Instead of giving up, he invested his capital into manufacturing eco-friendly and sustainable fabrics by introducing a new range of apparels in the market. This novel and planet positive approach combined with bold marketing not only saw ABC Industries capture a huge market share but set a new benchmark for the industry and inspired consumers to buy consciously, thereby transforming the fashion industry. Shortly after, Ajay's son – Ritik joined the company, and they jointly formulated a new expansion strategy. ABC Industries entered the international market collaborating with local designers to introduce a new line of accessories-watches and fashion jewellery under their own brand name. This approach proved to be highly rewarding and propelled ABC Industries to become a global brand.

Ritik further expanded the business to incorporate a new brand-CD Telecom entering the digital realm. Identifying the gap created by high rates from existing telecom giants, Ajay and Ritik targeted the general population offering high quality data services at an affordable price. This approach took the industry by storm, earning the customer's trust and killing the competition. CD Telecom soared to new heights in the past 2 years as the pandemic saw an exponential increase in the use of data services to cater to virtual education and online/hybrid work culture. The affordability of CD Telecom's services ensured that even the poorest had access to information and services in a time of need. CD Telecom's ever-increasing reach and accessibility has made them a global leader in the telecom industry.

ABC Industries entered into a new business in the beginning of 2023 launching 'ABC-finance'. ABC further strives to start other ventures in the future.

**Based on the above case scenario, answer the multiple-choice questions.**

1. Mr. Ajay dreamt of transforming ABC Industries into a global conglomerate. What type of strategic intent does this scenario depict?
  - (a) Goal
  - (b) Mission
  - (c) Vision
  - (d) Objective
2. The CEO of ABC Industries encouraged innovation and risk taking, motivating people to contribute creatively. This leadership style may be best described as:
  - (a) Transactional leadership
  - (b) Transformational leadership
  - (c) Free-rein leadership
  - (d) Democratic leadership
3. ABC Industries built core-competency by embracing eco-friendly practices and becoming a trendsetter. Which criterion for building core competency is being portrayed in this scenario?
  - (a) Valuable
  - (b) Costly to imitate
  - (c) Non substitutable
  - (d) Rare
4. ABC fashion enters the international market offering different products to various customers. Which expansion strategy from Ansoff's Product-Market growth matrix best aligns with this situation?
  - (a) Diversification
  - (b) Market Penetration
  - (c) Product Development

- (d) Market Development
5. ABC Industries launches CD Telecom to enter a new business sector in the telecommunication industry, offering high quality data services and other plans at affordable rates. Which of the following competitive strategies has been used by CD Telecom?
- (a) Differentiation strategy
  - (b) Cost leadership strategy
  - (c) Best-cost Provider strategy
  - (d) Focus Strategy

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (c) Vision**

**Reason:**

Vision refers to the aspirational future state that an organization aims to achieve. Mr. Ajay's dream of transforming ABC Industries into a global conglomerate represents a long-term aspiration and an ultimate goal, which aligns with the concept of vision.

**2. Option (b) Transformational leadership**

**Reason:**

Transformational leadership is characterized by inspiring and motivating employees to innovate and take risks to create change that will help grow and shape the future success of the company. Encouraging innovation and risk-taking fits well with transformational leadership.

**3. Option (d) Rare**

**Reason:**

A core competency is considered rare if few firms possess it. ABC Industries' eco-friendly practices and setting industry trends are distinctive features that other companies may not easily replicate, making this competency rare. This rarity provides ABC Industries with a competitive advantage.

**4. Option (a) Diversification****Reason:**

Diversification involves entering new markets with new products. In the scenario, ABC Industries is entering the international market and offering a new line of accessories—watches and fashion jewellery—under their own brand name. This expansion into new product categories in new markets aligns with the diversification strategy.

**5. Option (c) Best-cost Provider strategy****Reason:**

The best-cost provider strategy involves offering products or services that provide superior value by combining low cost with differentiation. CD Telecom's approach of providing high-quality data services at affordable prices indicates they are not only competing on cost but also on the quality of their services, which aligns with the best-cost provider strategy.

## CASE SCENARIO 6

In the serene city of Pune, *Royal Pens* stood as a distinguished company with a rich heritage spanning a century. Specializing in crafting luxurious writing instruments, Royal Pens had long been known for its elegance and precision—valued by collectors and enthusiasts across the nation.

However, as the world progressed into the digital era, Royal Pens encountered a tsunami of challenges. Emerging substitutes quickly adapted to technological advancements, offering innovative writing solutions that appealed to a younger demographic. Despite its esteemed legacy, Royal Pens faced sluggish growth as it struggled to adapt to the evolving landscape of the writing instrument industry.

In an effort to stand out, Royal Pens strategized on ambitious endeavors. They experimented with new materials, introduced limited-edition designs and even forayed into digital pen technology, including a *Bluetooth-enabled stylus for tablets*—a move intended to attract tech-savvy users. Least expected, these initiatives failed to resonate with modern consumers. Their attempts to innovate were perceived as outdated or disconnected from actual user needs and their once-unquestionable reputation began to downgrade.

As Royal Pens struggled with reducing sales and increased competition, internal challenges started building up. Top executives, including the CEO, CFO and the marketing head—accustomed to success—found themselves in a tough position to justify their acumen in the face of shifting market dynamics. Disagreements over strategic direction led to a wave of departures leaving a leadership vacuum at the top.

Amidst the turmoil, one aspect of Royal Pens remained strong: its unique company culture. Despite the challenges, middle managers and employees remained deeply dedicated to the company's traditions and values. Compassionate leadership at the functional level ensures a sense of unity and resilience keeping the spirit of Royal Pens alive during uncertainty.

Yet the company's troubles were far from over. Royal Pens faced legal battles from a rival competitor alleging patent infringements. The ensuing legal

proceedings drained resources and further depleted the company's finances, worsening an already helpless situation.

Ultimately, Royal Pens faced a tough choice. With no clear path to recovery, the company made the painful decision to significantly scale down its operations. 70% of its business was discontinued and assets & equipment were sold off to generate much-needed funds. Though difficult, this decision allowed Royal Pens to redirect its resources toward niche opportunities, preserving its legacy in a rapidly changing market.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Royal Pens, a century-old brand, began losing relevance as the market embraced modern digital writing tools. What external environmental factor caused the greatest disruption to Royal Pens' business model requiring a strategic shift that the company struggled to make?
  - (a) Political instability
  - (b) Technological advancement
  - (c) Legal regulations
  - (d) Rising inflation
2. After experiencing a decline in market share due to emerging competitors, Royal Pens responded by launching Bluetooth-enabled styluses and limited-edition pens. These actions were not pre-planned innovations but responses to market shifts. What type of strategic approach does this represent?
  - (a) Proactive strategy
  - (b) Reactive strategy
  - (c) Differentiation strategy
  - (d) Market penetration strategy
3. To regain market share, Royal Pens launched limited-edition designs and a stylus pen, targeting younger, tech-driven customers. This strategic

- choice most closely reflects which of the following business-level strategies?
- (a) Cost leadership
  - (b) Market development
  - (c) Differentiation
  - (d) Retrenchment
4. Despite facing legal disputes and financial decline, Royal Pens' workforce remained resilient and united. Which aspect of the company played the most vital role in maintaining employee morale and commitment during turbulent times?
- (a) Employee stock ownership
  - (b) Regular salary hikes
  - (c) Strong company culture
  - (d) Remote working options
5. Royal Pens believed that its century-old reputation alone would continue to appeal to modern consumers. This assumption formed the basis of its strategies, which ultimately failed as market dynamics shifted. Which type of strategic control was lacking, leading to unchallenged reliance on outdated assumptions?
- (a) Premise control
  - (b) Special alert control
  - (c) Implementation control
  - (d) Strategic surveillance

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (b)** Technological advancement

**Reason:**

Royal Pens, despite its legacy, failed to keep pace with technological changes in the writing industry. The rise of digital writing tools, styluses, and tablets changed consumer preferences. This is a classic example of a

PESTEL factor (Technology) impacting business strategy. The inability to adapt made technology the core disruptor.

**2. Option (b) Reactive strategy**

**Reason:**

Royal Pens responded after challenges arose, illustrating a reactive rather than anticipatory approach.

**3. Option (c) Differentiation**

**Reason:**

Royal Pens' introduction of limited-edition pens and digital styluses was a classic differentiation strategy. The firm was trying to stand out in a competitive market by offering unique features and high-end designs—part of Michael Porter's generic strategies.

**4. Option (c) Strong company culture**

**Reason:**

Despite external pressures and leadership exits, middle managers and employees stayed committed. This is attributed to Royal Pens deeply embedded organizational culture, which fostered resilience and emotional connection. It highlights how corporate culture influences strategic implementation and operational stability.

**5. Option (a) Premise control**

**Reason:**

The company failed to test whether core assumptions (like legacy brand appeal) still held true in the evolving market landscape.

**CASE SCENARIO 7**

A team of professionals having expertise in the areas of Artificial Intelligence (AI), Block Chain (BC), Cloud Computing (CC) and Data Mining (DM) formed a company in the name and style of M/s. ABCD Ltd. (the company).

The aim of the company is to position itself as the best service provider in its area of operations with the best user experience for its customers. Concentrating on its resources and capabilities, the company wants to target 8% year-on-year growth in revenue and 9% year-on-year growth in net profit in its business plan.

In order to identify the right approach to select and implement the strategy, the company has decided to conduct in depth strategic analysis on strategic groups, objectives, performance and cost structure of companies having similar operations in the market.

In the month of March 2025, the Board of Directors of the company thought it proper to be in the business of manufacturing Robots and providing services relating thereto. The company knows that there is no linkage between existing and proposed business with specific reference to product or market or technology.

As per proposed arrangement, majority of the components of Robots will be imported from M/s. Faisla Inc. (FI), an established player in this area. The Robots will be assembled in India specifically for use at homes and in restaurants.

The company will endeavor to provide the above product while using cutting-edge technology with customized features and the best of services. The core intent will be to elevate the same to an unprecedented level. In this context, the company would like to offer additional facilities like a better customer interface, online repair service and services on site to its customers.

In addition, the company is of a considered view that meticulous analysis of its stakeholders will facilitate building and maintain strong relationships with each group. As an accepted practice, greatest efforts are in place to satisfy Mr. X, the Chief Executive Officer of the company, by taking his advice and keeping him informed with all related information and developments on a regular basis.

**Based on the above Case Scenario, answer the Multiple-Choice Questions:**

### **MULTIPLE CHOICE QUESTIONS**

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1. In order to position itself as the best service provider, stating year-on-year growth, indicates which one of the components of the strategic intent?
  - (a) Goals
  - (b) Objectives
  - (c) Mission
  - (d) Vision
2. Analysis of strategic groups and cost structure can be termed as, which type of strategic analysis?
  - (a) Competitor analysis
  - (b) Determinants analysis
  - (c) Environmental analysis
  - (d) Market analysis
3. Entering into business of manufacturing Robots can best be described as:
  - (a) Backward vertical integration
  - (b) Co-generic diversification
  - (c) Conglomerate diversification
  - (d) Divestment
4. Elevating customer service to an unprecedented level by providing better customer interface, online repair service and service on site is known as:
  - (a) Augmented marketing
  - (b) Enlightened marketing
  - (c) Social marketing
  - (d) Synchro marketing

5. While preparing a Power Interest matrix of stakeholders, the position of Mr. X will be categorized as which one of the following quadrants?
- (a) Key player
  - (b) Keep satisfied
  - (c) Keep informed
  - (d) Low priority

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (b)** Objectives

**Reason:**

The question explicitly refers to “stating year-on-year growth”, which is specific, measurable and time-bound—defining characteristics of objectives, not vision or mission.

2. **Option (a)** Competitor analysis

**Reason:**

Strategic group analysis and cost structure comparison are **tools used to analyze competitors**—to identify their strengths, weaknesses, strategic position and cost advantages. Hence, it falls under **competitor analysis**, not general environmental or market analysis.

3. **Option (c)** Conglomerate diversification

**Reason:**

The company is diversifying into a completely unrelated business (robot manufacturing) which has no link to its current operations in AI, blockchain, etc. This type of diversification into an unrelated industry is known as conglomerate diversification.

4. **Option (a)** Augmented marketing

**Reason:**

Augmented marketing refers to **additional services or benefits** provided to differentiate from competitors—**value-added features** that enhance

the basic product. The customer interface, online and on-site services are **augmentations** to the core offering.

**5. Option (a)** Key player

**Reason:**

Mr. X, the CEO, has high power and high interest, as the company actively keeps him informed and considers his advice. Stakeholders with both high power and high interest are categorized as Key Players in the Power-Interest Matrix.

## CASE SCENARIO 8

Introducing "UrbanScape Developers", a new-age contemporary real estate developers, reshaping urban landscapes with groundbreaking projects across three dynamic Indian cities of Mumbai, Bangalore and Delhi.

In the bustling metropolis of Mumbai, UrbanScape is coming up with "CitySquare Mall," a futuristic retail destination poised to redefine shopping experiences. Boasting state-of-the-art facilities and a modern mix of brands, it promises to be a benchmark of today's retailing, attracting shoppers from across the globe.

In Bangalore, UrbanScape is shaping up "GreenVista Residency," an eco-conscious housing society that sets new standards in sustainable living. Nested in the middle of lush greenery and equipped with eco-friendly amenities, it offers residents a peaceful blend of luxury and environmental responsibility.

Meanwhile, in the vibrant capital city of Delhi, UrbanScape is building "MetroBiz Institute", a global-desi MBA college dedicated to nurturing the leaders of tomorrow. With innovative curriculum, industry-aligned programs, and world-class faculty, it aims to cultivate a new generation of business visionaries and changemakers.

However, despite these visionary projects, UrbanScape is facing challenges in attracting pre-bookings from potential customers. A market study revealed that high interest rates and soaring gold prices have created an environment where individuals are hesitant to invest in real estate, opting instead for more liquid assets.

To tackle this issue smartly, UrbanScape initiated strategic collaborations with leaders in the banking sector. Leveraging their influence and expertise, they strategized an effort to lobby for interest rate subsidies targeted towards new-age technology-based real estate developers like themselves. By aligning themselves strategically and positioning their cause as essential for driving economic growth and urban development, they aim to generate decent demand and incentivize investment in the real estate sector.

Furthermore, they recognize the shifting dynamics of consumer behavior and preferences towards spending more on travel and experiences. In response, they are adopting a proactive approach to engage potential buyers in innovative ways. They are launching an immersive, AI-based website that offers virtual experiences of their projects. Prospective buyers can explore apartments, wander through the mall's corridors, or attend virtual classes at the MBA college - all from the comfort of their living rooms. This revolutionary platform not only increases customer engagement but also generates significant word-of-mouth marketing, as impressed visitors share their experiences with friends and family.

With a comprehensive strategy in place, UrbanScape Developers is navigating the ever-evolving real estate landscape with confidence and foresight. As they continue to shape the urban areas of India's most dynamic cities, the future holds endless possibilities for its visionary endeavors.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. To evaluate how projects like "CitySquare Mall" and "MetroBiz Institute" are positioned relative to competitors in terms of market share and business focus, which tool would help UrbanScape make informed strategic decisions?
  - (a) Strategic Group Mapping
  - (b) SWOT Analysis
  - (c) Product Life Cycle
  - (d) PESTLE Analysis
  
2. To understand how rising interest rates and increasing gold prices are impacting buyer behavior in real estate, which analytical tool should UrbanScape use to assess macro-environmental factors and adapt its strategy accordingly?
  - (a) Value Chain Analysis
  - (b) GE Matrix

- 
- (c) PESTLE Analysis
  - (d) Ansoff Matrix
3. UrbanScape introduced an AI-powered website offering immersive experiences of their properties to engage tech-savvy customers who prefer virtual interactions. What strategic benefit is UrbanScape most likely aiming to achieve through this technological investment?
- (a) Compliance with government policy
  - (b) Differentiation and enhanced customer experience
  - (c) Reduction in production costs
  - (d) Price leadership strategy
4. UrbanScape's eco-friendly housing project and emphasis on innovation show a strong internal culture of sustainability and forward-thinking. Which component of the 7S Framework does this reflect?
- (a) Strategy
  - (b) Structure
  - (c) Shared Values
  - (d) Skills
5. After receiving poor pre-booking responses, UrbanScape re-evaluated its economic assumptions and initiated lobbying efforts. This indicates use of which control type to verify the ongoing validity of external assumptions?
- (a) Implementation Control
  - (b) Premise Control
  - (c) Feedback Control
  - (d) Strategic Surveillance

**ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (a)** Strategic Group Mapping**Reason:**

Strategic Group Mapping shows how industry players cluster based on strategic dimensions (e.g., price, product range). It helps UrbanScape position their projects effectively and identify competitive gaps.

**2. Option (c)** PESTLE Analysis**Reason:**

PESTLE is used to analyze Political, Economic, Social, Technological, Legal and Environmental factors—such as interest rates and investment trends—that affect consumer decisions.

**3. Option (b)** Differentiation and enhanced customer experience**Reason:**

The use of immersive AI to simulate property visits is a clear differentiator in customer experience, aligning with a strategy that builds brand distinctiveness in a competitive market.

**4. Option (c)** Shared Values**Reason:**

Shared Values represent the organization's core beliefs. A focus on sustainability and innovation demonstrates the company's internal culture and guiding principles.

**5. Option (b)** Premise Control**Reason:**

Premise control involves checking whether original assumptions (e.g., stable interest rates) still hold true. UrbanScape's pivot suggests a change in these assumptions.

## CASE SCENARIO 9

Nav-Uday Electric Mobility Pvt. Ltd., a family-led company based in Pune, began its journey in 1998 as a modest battery manufacturer. Under the leadership of its founder, Mr. Prakash Deshmukh and later his children, the company evolved into a respected player in the electric two-wheeler segment, especially catering to semi-urban and tier-2 markets in India. Their electric scooters earned a reputation for being sturdy, affordable and well-suited to Indian road conditions. With a loyal customer base and an extensive dealer network, Nav-Uday enjoyed steady growth for many years.

However, by 2020, the Indian EV landscape started changing rapidly. International players such as *Volterra Motors* from Germany and *HwaRide* from South Korea entered the market with AI-enabled features, aspirational designs and strategic e-commerce partnerships. Their sleek, tech-savvy scooters captured the attention of India's urban youth and redefined customer expectations. Nav-Uday, which had traditionally focused on functionality and affordability, found itself losing momentum in the face of this disruption.

Recognizing the challenges, Nav-Uday's leadership initiated a comprehensive strategic review. It became evident that while the company maintained strong relationships and a value-driven culture, it had not kept pace with emerging market trends and global innovations. The organization's rigid functional structure, outdated information systems and conservative decision-making processes hindering its ability to adapt quickly. Employees, though skilled in cost-effective engineering, lacked exposure to global design thinking and user-centric innovation.

The review also identified key stakeholders—such as dealers, regulatory authorities and financial partners—whose growing influence needed to be addressed through stronger engagement and alignment with the company's future goals. Three strategic alternatives emerged from the analysis are (1) Targeting less competitive international markets like Africa and Southeast Asia for exports; (2) Becoming a contract manufacturer for global EV brands entering India; (3) Monetizing their patented battery-swapping technology by licensing it within the EV ecosystem.

Nav-Uday chose a hybrid path, combining the second and third options. They began manufacturing for international players while licensing their underutilized battery-swapping technology globally. This dual strategy allowed the company to diversify its revenue streams with lower capital risk while playing to its engineering strengths.

To support this strategic shift, the company restructured its operations, implemented agile processes, adopted integrated information systems and empowered leaders across departments to make faster, data-driven decisions. They also onboarded professionals with global exposure and established innovation-focused teams.

By balancing tradition with transformation, Nav-Uday is now better positioned to compete on a global scale. While staying rooted in its core values of trust and reliability, the company has embraced adaptability, innovation and collaboration as cornerstones of its future growth.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Based on Mendelow's Matrix, how would you categorize Dealers in the case of Nav-Uday, who have significant influence and expect alignment with the company's future strategy?
  - (a) Low Power – Low Interest (Minimal Effort)
  - (b) Low Power – High Interest (Keep Informed)
  - (c) High Power – Low Interest (Keep Satisfied)
  - (d) High Power – High Interest (Key Players)
2. When Nav-Uday onboarded professionals with global exposure and established innovation-focused teams, it primarily impacted which "S" in the 7S Model?
  - (a) Style
  - (b) Skills
  - (c) Shared Values
  - (d) Structure

3. In the context of Porter's Five Forces, the entry of Volterra Motors and HwaRide into the Indian EV market represents:
  - (a) Threat of substitutes
  - (b) Bargaining power of suppliers
  - (c) Threat of new entrants
  - (d) Rivalry among existing competitors
4. Nav-Uday's decision to export to less competitive international markets like Africa and Southeast Asia would primarily be classified as:
  - (a) Corporate-level strategy
  - (b) Business-level strategy
  - (c) Functional-level strategy
  - (d) Network-level strategy
5. Nav-Uday's core business model of offering reliable, functional scooters at an affordable price prior to market disruption was primarily a:
  - (a) Cost Leadership strategy
  - (b) Differentiation strategy
  - (c) Focus strategy
  - (d) Diversification strategy

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (d)** High Power – High Interest (Key Players)

**Reason:**

Dealers are critical to Nav-Uday's distribution and market presence. Their high interest and power require strong engagement.

2. **Option (b)** Skills

**Reason:**

Onboarding globally experienced professionals and forming innovation teams directly increases the organisation's capabilities in technical, design and market expertise. It strengthens collective competencies for user

centric development, rapid prototyping and IP commercialisation. Structural or cultural changes may follow, but the immediate primary outcome is a measurable rise in organisational skills.

3. **Option (c)** Threat of new entrants

**Reason:**

These international players entered with superior features and design, reshaping competition and raising entry barriers.

4. **Option (a)** Corporate-level strategy

**Reason:**

Entering new geographical markets and deciding where to compete is a **corporate-level** strategic decision.

5. **Option (a)** Cost Leadership strategy

**Reason:**

The emphasis on **affordability and reliability** suggests a classic **cost leadership** model, even though applied in a specific market.

**CASE SCENARIO 10**

“The world needs to move fast, at a speed of innovation that makes 6 months look like 60 years” - Jayanta R., the founder of Hepha.io, while speaking at a technology vision conference at Hyderabad.

In 2009, Jayanta was working as a machine learning research scholar at a US college, when he struck upon an idea of technological research being automated. He thought - what could happen if computers could innovate themselves. The world will change forever. His idea took shape of a boutique AI consultancy in 2020, Hepha.io.

Hepha.io had one vision, to speed up innovation. And for this they hired the most affluent research scholars from across the globe - all virtually, all paid in equity, with no real organizational structure. The offering to customers was simple - it was futuristic, high value added to existing operations and could be applied to a lot of other processes.

The company was doing great in terms of customer acquisition and profitability, about 150 of Fortune 500 companies had relations with Hepha.io, bringing in about \$12 million in earnings. But the company was disappointed by their own speed of growth, which was contrary to their vision and thereby a joke at many conferences that hurt Jayanta immensely. Hepha.io had by now been seen in the west, as an aggressive, crazy company that wanted to change the world with computers, without caring much about the harms of massive heat generating servers being built on agricultural land, damaging crops, weather and even harming social setups by shattering employment. To move away from west and speed things up internally, they moved their focus to India, the land of technically skilled labor force with ease of doing business.

Entering India helped them dodge environmental concerns, but future scare of unemployment was a great threat. Jayanta met many political influencers and industrialists but could not attract much attention. Until Harsh G., the young scientist of LifeMind Technologies, met him in Mumbai, and offered to help.

LifeMind Tech, had a long running reputation of being a socially awake enterprise, which reinvested its earnings in developing India. Jayanta could not have asked for a better partner in India. This partnership helped Hepha.io to

overcome a lot of political backlash and even the sharpest minds in the Indian tech space seemed to join the company without any employment apprehensions. What also helped Jayanta realize under Harsh's guidance was that innovation is necessary to enter the future but not at the cost of destroying the present. Hepha.io has since then opted for India as its Asia headquarters, driven by the purpose of holistic innovation.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. After the move to India, Hepha.io decided to align innovation with sustainability under the theme of "Holistic Innovation." Which level of strategy does this shift primarily represent?
  - (a) Corporate level strategy
  - (b) Business level strategy
  - (c) Functional level strategy
  - (d) Operational level strategy
  
2. The strategic move by Hepha.io to shift its existing AI services into the new Indian geographical market is a clear application of which Grand Strategy?
  - (a) Market Penetration
  - (b) Market Development
  - (c) Product Development
  - (d) Retrenchment
  
3. Hepha.io's initial structure, characterized by a highly dispersed team of scholars, relies heavily on coordination through technology and contracts. This structural design is most accurately identified as:
  - (a) Divisional Structure
  - (b) Matrix Structure
  - (c) Network Structure
  - (d) Strategic Business Unit (SBU) Structure

- 
4. The public perception and ethical backlash concerning environmental damage and technological unemployment, which severely impacted Hepha.io's operations in the West, are analysed under which factor of the PESTLE analysis?
    - (a) Political
    - (b) Technological
    - (c) Economic
    - (d) Socio-Cultural
  5. Hepha.io's founding premise of offering "futuristic, high value add" AI solutions as its primary client appeal is an example of establishing a Competitive Advantage through:
    - (a) Cost Leadership, by optimising production costs.
    - (b) Differentiation, by providing a uniquely valuable product.
    - (c) Focused Cost Leadership, by targeting a narrow segment with the lowest price.
    - (d) Core Values, by adhering to ethical standards.

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (a)** Corporate level strategy

**Reason:**

The decision redefines the overall direction and purpose of the organization (from speed-focused to socially responsible innovation). It affects the entire firm's identity and mission-characteristics of corporate-level strategy.

2. **Option (b)** Market Development

**Reason:**

Market Development is the strategy of introducing an existing product/service (AI solutions) into a new geographical market (India).

**3. Option (c) Network Structure****Reason:**

The Network Structure is flexible and uses a small central hub coordinating numerous, often external and virtual, specialized entities (global scholars). This fits the "minimal" structure described.

**4. Option (d) Socio-Cultural****Reason:**

The ethical concerns, negative public perception, and broad societal fear of unemployment are core components of the Socio-Cultural factor in PESTLE.

**5. Option (b) Differentiation****Reason:**

The "futuristic, high value add" solution is the basis for a Differentiation strategy, as it seeks to create unique value rather than compete on price.

**CASE SCENARIO 11**

Solar Tech Innovation, a start-up specialization in next-generation solar panels, entered the highly competitive renewable energy sector with a mission to make solar power more accessible and efficient. However, the company faced significant challenges, including high R&D costs, limited consumer awareness, regulatory compliance hurdles and stiff competition from established energy providers. To navigate these challenges, Solar Tech conducted an in-depth market analysis, identifying a strong demand for residential and commercial solar solutions due to rising electricity costs and government incentives on green energy. However, it also noted threats from lower-cost alternatives and slow adoption in some regions.

To differentiate itself, Solar Tech developed ultra-thin, high efficiency solar panels that could generate more power in less space. This innovation appealed to homeowners and businesses looking for cost-effective grand space-saving solutions. The company also adopted a strategic expansion model, first targeting urban centers with high energy consumption and gradually moving to rural areas. Internally, the leadership headed by CEO Mr. Rajiv, implemented structural changes to improve decision making. The company embraced a decentralized approach enabling regional teams to adapt their sales and marketing strategies to local market conditions. Additionally, Solar Tech partnered with financial institutions to offer easy financing options, making solar energy more affordable.

To enhance operational efficiency, Solar Tech streamlined its supply chain and secured bulk raw material procurement deals, reducing cost without compromising quality. Simultaneously, the company focused on customer education through digital marketing and community outreach programs, increasing awareness and adoption. Over four years, these strategic initiatives led to Solar Tech's expansion across multiple states, partnerships with real estate developers, and a 60% increase in annual revenue. By aligning technological innovation, operational efficiency and market expansion, the company successfully positioned itself in the renewable energy sector.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

**MULTIPLE CHOICE QUESTIONS**

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1. A company's core values are essential for decision making and strategic alignment. Which of the following would be considered a violation of Solar Tech Innovation's values?
  - (a) Investing in high-efficiency solar panels that reduce carbon emissions.
  - (b) Partnering with fossil fuel companies to increase short term profitability.
  - (c) Launching an initiative to make solar energy more affordable for rural areas.
  - (d) Encouraging employees to participate in sustainability programs.
2. Solar Tech expands its distribution network by forming partnerships with retail chains. This directly affects which value chain activity?
  - (a) Firms' infrastructure
  - (b) Inbound logistics
  - (c) Outbound logistics
  - (d) Technology development
3. Solar Tech innovation partnered with financial institutions to offer easy financing options to make solar energy more affordable.  
This decision falls under which strategic level?
  - (a) Corporate Level
  - (b) Business Level
  - (c) Functional Level
  - (d) Operational Level
4. Solar Tech is considering expanding into a developing country where electricity access is low. Which external factor is the primary reason for this decision?
  - (a) Low production costs in the target country
  - (b) Strong competition from global solar brands

- (c) Availability of skilled solar engineers
  - (d) High demand for alternative energy sources
5. A leading real estate developer, Green Habitat Constructions, wants to integrate Solar Tech's next-generation panels into its residential and commercial projects.

Where would Green Habitat Constructions fall in Mendelow Matrix?

- (a) High power, High interest (Key Players)
- (b) Low power, Low interest (Low Priority)
- (c) Low power, High interest (Keep informed)
- (d) High power, Low interest (Keep Satisfied)

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (b)** Partnering with fossil fuel companies to increase short-term profitability.

**Reason:**

Solar Tech's values emphasize sustainability and making solar affordable/accessible. Partnering fossil-fuel companies for short-term profit directly contradicts those cores sustainability values, so (B) is a values violation.

2. **Option (c)** Outbound logistics.

**Reason:**

Forming partnerships with retail chains expands how finished products reach customers — that is **distribution**, which is outbound logistics (warehousing, order fulfilment, channels).

3. **Option (c)** Functional Level.

**Reason:**

Partnering with financial institutions to offer customer financing is a specific **finance/marketing** initiative — a functional tactic that supports the business strategy (market penetration). It's implemented at the functional level (policies/processes within finance/marketing), not a corporate scope decision.

(Note: if the question emphasised “as a core strategic move to enter new markets” some could argue it supports business-level strategy; however, the action itself is a functional finance/marketing measure.)

4. **Option (d)** High demand for alternative energy sources.

**Reason:**

Low electricity access implies a **strong unmet demand** for alternative energy sources, that demand is the primary external driver, making the market attractive for expansion.

5. **Option (a)** High power, High interest (Key Players).

**Reason:**

A leading real-estate developer can strongly influence specification/installation decisions (high power) and is actively interested in integrating solar panels (high interest). In Mendelow’s matrix such stakeholders are Key Players and must be closely managed.

**CASE SCENARIO 12**

XYZ Motors is an automotive company that deals in petrol, diesel, CNG, Hybrid and Electric Vehicles (EVs). With the vision to lead the transition to sustain mobility, Mr. Miyagi, CEO of XYZ Motors believes it is the right time to capture market share with changing customer preferences, technological innovation and environmental concerns. He emphasizes the company's guiding principle of enabling sustainable mobility, reducing carbon emissions to enhance quality of life and minimize environmental impact as a framework for strategic decision making. The company decides to initiate optimization measures by implementing resource efficiency, reducing energy consumption and incorporating proper waste disposal and treatment at the manufacturing floor for longevity of the company's success. In line with this strategy the company decides to shift from the polluting and expensive oil-based paints for vehicles and sets up its own water-based paint production plant to internalize vehicle coating process to gain more control on supply, reduce dependency and reduce its emissions in the production line. This initiative not only reduced the procurement costs but increased the company's profit margin by reducing logistics and material consumption.

To surpass their competitors, Mr. Miyagi undertakes two market surveys, one to assess their competitors' approaches and market standing and the other to understand the consumer dynamics. These surveys revealed that their competitors are focusing on either luxury EVs or budget petrol and diesel vehicles. The customer analysis showcased an affinity for EVs in two different groups, the younger consumers for their environmental performance and cost efficiency while middle-aged consumers preferred safety and reliability.

As a result, XYZ motors decided to focus on the mid-range segment offering hybrid and CNG vehicles to cater to a larger customer base. To boost sales, the company launched promotional campaigns, exchange offers and discounts. To increase market share of the company, Mr. Miyagi also introduced various tactics of marketing through advertising media, publicity and direct interaction with customers to get first-hand information which will help in making right decisions. Additionally, Mr. Miyagi established a team for general monitoring who gathered information through attending meetings, conferences and

discussions with customers to know their preferences concerning EVs and hybrid vehicles, so the company can proactively adapt for the future.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. XYZ Motors has decided to implement principles to reduce energy consumption and improve waste disposal in its manufacturing plant to focus on longevity of the company's success. What does this approach reflect?
  - (a) Vision statement
  - (b) Mission statement
  - (c) Value system
  - (d) Long-term objective
  
2. Which strategy best describes the company's initiative to launch its own paint production plant to gain more control over supply, reduce dependency, reduce procurement costs and reap profits?
  - (a) Backward integration
  - (b) Forward integration
  - (c) Vertical integration
  - (d) Horizontal integration
  
3. Results of market research discovered two belief systems, the younger generations prefer eco-friendly vehicles, while middle-aged consumers prioritize safety features and reliability. Which environmental factor is influencing the company's decision-making in this scenario?
  - (a) Political-legal environment
  - (b) Economic environment
  - (c) Technological environment
  - (d) Socio-cultural environment

4. Mr. Miyagi's tactic of marketing through advertisements in various media and electronic marketing to increase market share is best representative of which of the following strategies?
  - (a) Relationship Marketing
  - (b) Direct Marketing
  - (c) Social Marketing
  - (d) Indirect Marketing
5. To stay ahead of the industry trends and remain proactive XYZ Motors set up a team for casual environmental browsing by reading newspapers and discussion with customers so that they can develop a relevant strategy accordingly. What type of strategic control is the company employing?
  - (a) Premise Control
  - (b) Implementation Control
  - (c) Special Alert Control
  - (d) Strategic Surveillance

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (c)** Value system

**Reason:**

The firm's adoption of resource efficiency, waste treatment and sustainability as *guiding principles* for decision-making describes its values and ethical priorities — i.e., the company's value system (while the vision/mission/state objectives are related, the wording "guiding principle" points to values).

2. **Option (a)** Backward integration

**Reason:**

Setting up its own paint production plant to internalize supply (a supplier activity) is moving upstream in the value chain — classic backward integration (vertical integration is the umbrella term, but the specific move is backward).

3. **Option (d)** Socio-cultural environment

**Reason:**

Differences in consumer preferences by age group (younger → eco / cost; middle-aged → safety/reliability) are social and cultural factors affecting demand and choices.

4. **Option (b)** Direct Marketing

**Reason:**

Direct marketing involves communicating directly with target customers to generate an immediate response — using channels such as emails, online advertisements, social media campaigns, telemarketing and other electronic means.

5. **Option (d)** Strategic Surveillance

**Reason:**

Forming a team to continuously scan newspapers, conferences and customer discussions for trends is broad, ongoing environmental scanning — strategic surveillance.

**CASE SCENARIO 13**

Zenith Global Enterprises (ZGE), a diversified conglomerate based in Dubai, operates across five distinct industries: renewable energy, luxury real estate, fashion retail, healthcare and digital services. With a revenue of \$12 billion in 2024, ZGE is recognized for its ability to adapt and thrive in competitive global markets. However, the conglomerate's leadership is now focusing on streamlining operations and leveraging digital channels to sustain growth.

To address operational complexity, ZGE's management highlights the advantages of its Strategic Business Unit (SBU) structure. Each business unit operates autonomously with dedicated leadership teams, enabling tailored strategies for market-specific needs. For example, the renewable energy SBU recently secured a \$500 million contract with a European government for solar power solutions, while the fashion retail SBU launched a luxury e-commerce platform that grew sales by 45% year-on-year.

ZGE's overarching strategy emphasizes the best-cost provider approach. By balancing premium quality with competitive pricing, the healthcare SBU, for instance, has introduced telemedicine services that cost 30% less than competitors without compromising service quality. This approach resonates strongly with middle-income consumers across Asia and Africa.

Digital marketing has become a cornerstone of ZGE's customer engagement strategy. In 2024, the company allocated \$200 million to develop AI-driven marketing campaigns, leveraging predictive analytics to personalize ads. This resulted in a 20% higher customer acquisition rate across all SBUs. The luxury real estate division also adopted virtual reality (VR) tours, allowing global customers to explore properties remotely, driving a 35% increase in international sales.

A key challenge for ZGE lies in balancing the needs of customers (the direct purchasers) and consumers (the end users). In the digital services SBU, this tension is evident in pricing decisions for their cloud computing solutions. While enterprise customers demand cost-efficient packages, end users prioritize seamless, high-speed performance. ZGE's leadership employs customer insights and feedback loops to align pricing with both groups' expectations.

Finally, ZGE's channel of distribution heavily relies on e-commerce platforms. The fashion retail SBU's recent collaboration with a major e-commerce marketplace increased distribution efficiency by 40%. Meanwhile, the healthcare SBU's direct-to-consumer online pharmacy has achieved \$100 million in annual revenue by offering home delivery of essential medicines.

With these strategies, ZGE aims to achieve 10% annual growth while maintaining its commitment to innovation and quality. However, as the conglomerate scales, it must address potential challenges such as inter-SBU competition and digital transformation risks.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. The decision of the renewable energy SBU to secure a \$500 million European solar contract is an example of:
  - (a) Reactive response to market uncertainty
  - (b) Proactive expansion into international government partnerships
  - (c) Reactive change based on customer feedback
  - (d) Delayed adaptation to global competition
2. How does ZGE's best-cost provider strategy benefit its healthcare SBU?
  - (a) By offering the lowest-priced services in the market
  - (b) By maintaining high service quality at competitive prices
  - (c) By targeting only premium customers in developed markets
  - (d) By focusing solely on cost-cutting measures
3. What role does digital marketing play in ZGE's growth strategy?
  - (a) It reduces the need for traditional marketing channels.
  - (b) It drives personalized customer engagement and higher acquisition rates.
  - (c) It replaces in-person customer interactions entirely.

- (d) It focuses solely on promoting the renewable energy SBU.
4. How has the reliance on e-commerce benefited ZGE's distribution strategy?
- (a) By completely eliminating traditional retail outlets
  - (b) By improving efficiency and expanding market reach
  - (c) By reducing the importance of product quality
  - (d) By focusing only on domestic markets
5. What potential challenge could arise from ZGE's SBU structure?
- (a) Difficulty in digital transformation across the conglomerate
  - (b) Increased competition between SBUs
  - (c) Limited autonomy for each business unit
  - (d) Reduced innovation within individual SBUs

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (b)** Proactive expansion into international government partnerships

**Reason:**

The decision to secure the \$500 million European solar contract is **proactive** because it reflects a planned strategic move to capitalize on new international opportunities before competitors. It demonstrates **forward-looking expansion** rather than reacting to external pressure or feedback.

2. **Option (b)** By maintaining high service quality at competitive prices

**Reason:**

The best-cost provider strategy balances affordability with quality, as demonstrated by the healthcare SBU's telemedicine services.

3. **Option (b)** It drives personalized customer engagement and higher acquisition rates.

**Reason:**

ZGE uses AI-driven campaigns and analytics to engage customers more effectively and increase acquisitions.

4. **Option (b)** By improving efficiency and expanding market reach

**Reason:**

E-commerce platforms streamline distribution and allow ZGE to reach more customers globally.

5. **Option (b)** Increased competition between SBUs

**Reason:**

The autonomy of SBUs can sometimes lead to internal competition for resources and market share.

## CASE SCENARIO 14

Titan Tech, a mid-sized software development company based in India, has been experiencing rapid growth over the past five years. The company specializes in customized software solutions for small and medium enterprises (SMEs). However, the competitive landscape is shifting due to the entry of global tech giants and evolving customer needs.

To chart its future strategy, Titan Tech conducted a PESTLE analysis. Politically, government incentives for digital transformation present growth opportunities, but regulatory compliance is tightening. Economically, rising disposable incomes of SMEs promise market expansion, yet inflation is driving up operational costs. Technological advancements like AI and blockchain are reshaping industry standards, and environmentally, there is pressure to adopt sustainable practices. Socially, SMEs are increasingly valuing personalized customer support. Lastly, legal changes in data privacy regulations pose significant compliance challenges.

Titan Tech also mapped its stakeholders using Mendelow's Matrix. Customers and key investors, identified as high-power, high-interest stakeholders, require constant engagement. Employees, although influential, have medium interest, while regulatory bodies, with high power but low interest, need to be monitored closely.

For strategic growth, the leadership team evaluated their product portfolio using the BCG Matrix. Their flagship product, BizEase (a CRM tool), is a "Star," showing high market growth and market share. The legacy ERP product is a "Cash Cow," while new offerings in AI-driven analytics are "Question Marks." A failed project management tool was classified as a "Dog" and discontinued.

The CEO, Priya Mehra, believes the company's leadership style needs to evolve to meet internal and external challenges. While her approach has traditionally been transactional, focusing on clear roles and rewards, she recognizes the need to adopt a more transformational style to inspire innovation and motivate employees amid uncertainty.

To stay competitive, Titan Tech has adopted Michael Porter's differentiation strategy. By focusing on delivering highly customizable solutions and superior

customer service, they aim to stand out in the crowded market. Additionally, a value chain analysis revealed that investing in advanced R&D and strengthening customer support are critical to maintaining their competitive advantage.

As Titan Tech faces these crossroads, the company's leadership must make strategic decisions to sustain growth and profitability.

**Based on the above Case Scenario, answer the Multiple-Choice Questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Which external factor from the PESTLE analysis is most likely to require Titan Tech to adapt its data management practices?
  - (a) Government incentives for digital transformation
  - (b) Changes in data privacy regulations
  - (c) Rising disposable incomes of SMEs
  - (d) Advancements in AI and blockchain
2. According to Mendelow's Matrix, which group of stakeholders requires the highest level of engagement from Titan Tech?
  - (a) Employees
  - (b) Regulatory bodies
  - (c) Customers and key investors
  - (d) Suppliers
3. Which product in Titan Tech's portfolio is most likely funding the company's investment in AI-driven analytics?
  - (a) BizEase
  - (b) The legacy ERP product
  - (c) The failed project management tool
  - (d) AI-driven analytics offerings
4. What leadership change is Priya Mehra considering to inspire innovation within Titan Tech?
  - (a) Shifting from transactional to transformational leadership

- (b) Focusing on stricter performance metrics
  - (c) Moving to a completely laissez-faire leadership style
  - (d) Increasing reliance on transactional leadership
5. How does Titan Tech's use of Michael Porter's differentiation strategy help it stay competitive?
- (a) By offering the lowest-cost products in the market
  - (b) By focusing on mass-market appeal
  - (c) By providing highly customizable solutions and superior customer service
  - (d) By heavily investing in advertising

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (b)** Changes in data privacy regulations

**Reason:**

Legal changes in data privacy regulations directly impact on how Titan Tech must manage and protect customer data.

2. **Option (c)** Customers and key investors

**Reason:**

Customers and key investors are high-power, high-interest stakeholders who need active engagement to align with Titan Tech's strategic goals.

3. **Option (b)** The legacy ERP product

**Reason:**

As a "Cash Cow," the legacy ERP product generates steady revenue that can fund investments in "Question Marks" like AI-driven analytics.

4. **Option (a)** Shifting from transactional to transformational leadership

**Reason:**

Transformational leadership focuses on motivating and inspiring employees to innovate and adapt to challenges.

5. **Option (c)** By providing highly customizable solutions and superior customer service

**Reason:**

Differentiation emphasizes unique offerings and exceptional service to stand out in a competitive market.

**CASE SCENARIO 15**

Samadhan Pvt. Ltd, a recyclable plastic bags manufacturing and trading company, currently operating only in Maharashtra, the management has seen potential in the growing awareness around hazards of plastics and the positive outlook of society towards recycling and reusing plastics. Following this, they want to spread their business to major metro cities of the country.

The company has mobilized funds to set up multiple manufacturing units across different metro cities, introducing advanced technologies and standardizing their existing product line. They project to multiply the production by ten times to 25,000 units per day from existing 2,500 units.

A major concern for the company is paper bags and old cloth bags. Even though they are costlier than recyclable plastic bags, irrespective, they are welcomed positively by the consumers. Kaagaz LLP, an NGO operating from Kolkata, has been offering lucrative personalization offers through its art partners, for use of cloth and paper bags. This has hurt Samadhan's market share.

To fight off competition, the core team internally took an ambitious target, to reach seventy cities in the next five years with a very strong implementation plan. This was backed by a positive environment study on recyclable plastics, published in a national daily. Further, to compete with personalization of bags strategy, they decided to acquire the art partners of Kaagaz LLP, and operate it as a separate SBU (Strategic Business Unit), giving outwards services back to Kaagaz, their competitor.

**Based on the above case scenario, answer the multiple choice questions**

**MULTIPLE CHOICE QUESTIONS**

1. Before the acquisition, Kaagaz LLP (the NGO) was successfully reducing Samadhan's market share through its personalized bag strategy. How would they be classified on Mendelow's Matrix?
  - (a) Minimal Effort (Low Power, Low Interest)
  - (b) Keep Informed (Low Power, High Interest)
  - (c) Keep Satisfied (High Power, Low Interest)
  - (d) Key Player (High Power, High Interest)

2. Samadhan Pvt. Ltd. has focused on achieving cost leadership in the market through which of the following actions?
- (i) Economies of scale
  - (ii) Invest in cost saving technologies
  - (iii) Forecast demand of product promptly
  - (iv) Standardization of products for mass production
- (a) (i),(iii) and (iv)  
(b) Only (i) and (ii)  
(c) (i), (ii) and (iii)  
(d) Only (i) and (iv)
3. By acquiring art partners to provide "personalization" services for their bags to counter the competition from Kaagaz LLP, Samadhan Pvt. Ltd. is primarily enhancing which Primary Activity of its Value Chain?
- (a) Inbound Logistics
  - (b) Marketing and Sales
  - (c) Firm Infrastructure
  - (d) Procurement
4. Acquisition of art partners of Kaagaz LLP and operating them as a separate SBU, can be classified as?
- (a) Backward integration
  - (b) Forward integration
  - (c) Concentric diversification
  - (d) Conglomerate diversification
5. The factor that most aptly defines the competition amongst Samadhan and Kaagaz LLP is?
- (a) Economies of scale
  - (b) Substitute products
  - (c) New entrant in the market
  - (d) Brand identity

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**ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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1. **Option (d)** Key Player (High Power, High Interest)

**Reason:**

As a competitor directly hurting market share, they have both the power to disrupt and a high interest in the industry.

2. **Option (a)** (i),(iii) and (iv)

**Reason:**

As they have gauged the changing demand of customers, invested in economies of scale via multiple production facilities, and also worked on standardization of products and production, except investing in cost saving technologies. They have rather invested in advanced technologies, not specifically cost saving in nature.

3. **Option (b)** Marketing and Sales

**Reason:**

Personalization is a differentiation strategy designed to make the product more appealing to consumers and improve its market position. In Porter's Value Chain, activities that identify customer needs and provide reasons for them to purchase (such as unique product features or customization) fall under Marketing and Sales.

4. **Option (b)** Forward integration

**Reason:**

Forward integration, as it took over the after sales services firms, which worked on the product after it is produced. It is not concentric as the art firms and Samadhan fall into the same chain of services and are related.

5. **Option (b)** Substitute products

**Reason:**

Substitute products define it most aptly.

**CASE SCENARIO 16**

In 2018, Mr. Kumar Venkat, known as KV by his peers, started a career mentoring company under the name of FreeDum Pvt. Ltd., which aimed to provide world class career mentoring to students on global opportunities in the field of their interest.

The company was started with just twelve people initially, of which; two educationists closely worked with KV in the top management, three subject experts were in the middle management independently looking after three main streams of Commerce, Science and Humanities, while the rest of the team worked under the middle managers.

The company targeted affluent schools, and the response was quite enormous. They expanded their offices in five major cities within a span of 18 months. But as the company grew, so did the challenges. A lot many new people started entering the education mentoring business. The market was getting skewed and only a few new enrolments were being made by FreeDum.

To set out a plan and strategize a win over competition, the top management headed by KV appointed Miss Angela Michael to research the competition and bring out the best and the worst of each of them. Even though the two experts wanted stream level middle managers to be a part of the decision making, KV was of the view that they shall anyway have to follow what was decided at the top level.

Post analysis from Miss Michael, FreeDum developed a service that was unique and valuable. They offered free student-parent question answer sessions, and as expected, it uplifted their market position to become the most trusted educational guidance company. Parents started accepting and acknowledging expert advice from FreeDum and even recommended them to their friends. This acceptance brought about a wave of growth for the company. Also, they do not mention a price for any of their services, they devised a scheme wherein they assured us that the user gets the best price available from all competitors. This was also highly appreciated by students and their parents.

The company now plans to open offices in six more cities in the next 6 months and is also looking for overseas offices to partner with world-class institutes and universities. KV's vision and leadership has been a driving force for their 200 plus strong team of experts.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

1. As FreeDum Pvt. Ltd. grew rapidly in five cities but began facing intense competition and a decline in new enrollments (skewed market), which quadrant of the BCG Matrix best describes their position before they introduced the unique Q&A sessions?
  - (a) Star
  - (b) Question Mark
  - (c) Dog
  - (d) Cash Cow
  
2. KV insists that middle managers "shall anyway have to follow what was decided at the top level," despite the experts wanting them to be part of the decision-making process. Which leadership style is KV primarily exhibited here?
  - (a) Transformational
  - (b) Open Forum Style of Leadership
  - (c) Transactional
  - (d) CEO Style
  
3. Parents accepted and appreciated FreeDum's services and their vision. Which inherent benefit did FreeDum enjoy from such acknowledgement to safeguard itself from competition?
  - (a) Capital requirement
  - (b) Brand identity
  - (c) Differentiation

- (d) Barriers to entry
4. Based on the scenario, FreeDum Pvt. Ltd. faced a phase where "new people started entering the business" and "only a few new enrollments were being made." Which stage of the Product Life Cycle does this specific period represent?
- (a) Introduction  
(b) Growth  
(c) Maturity  
(d) Decline
5. Which of the following structures has KV and his team adopted?
- (a) Hourglass structure  
(b) Matrix structure  
(c) Strategic business unit structure  
(d) Network structure

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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1. **Option (b)** Question Mark

**Reason:**

Low market share in a high-growth market.

2. **Option (c)** Transactional

**Reason:**

KV's approach is top-down. By excluding middle management from the strategic decision-making process and expecting them to simply implement his directives, he is demonstrating a Transactional

3. **Option (b)** Brand identity

**Reason:**

Brand identity, as parents valued their services and would be loyal to the brand.

**4. Option (c) Maturity****Reason:**

The Maturity stage is characterized by a slowdown in sales growth (few new enrollments) because the product has achieved acceptance by most potential buyers. It is also marked by increased competition,

**5. Option (c) Strategic business unit structure****Reason:**

Strategic business unit structure, as respective experts would head their unit.

**CASE SCENARIO 17**

The teenage fashion industry has been speculated to reach \$14 Trillion by 2021 with a profitability index of over 25%. Riding on this wave of assumed growth in the industry, Miss Sumita Ahuja, started a clothing label named Hens of Fashion (HoF) in 2017. She began with a pop range of clothing for teenage girls and diversified her way to boys clothing. Her brand clocked revenue of over fifty lacs in the very first year, and to her excitement, she got an investment from a big brand label to expand pan India.

She along with her core team found a niche consumer base, studied the industry in depth, strategized to fight off competition and even implemented these strategies to win. Her instincts and beliefs were too strong for the clothing segment and her brand per se.

Mr. Ramit Arora, who began as a consultant with Miss Ahuja, was made the Head of Boys clothing segment and was given full freedom to think like an owner of the business segment and experiment for expansion. He took up the challenge and partnered with major foreign labels to bring Hens of Fashion (HoF) to mainstream consumers.

The brand was doing great until a Japanese clothing brand by the name of Kimachee disrupted the low-cost teenage clothing and apparel industry with its global fame and pocket friendly pricing. Hens of Fashion saw its revenues drop to at least half of what they were expecting.

An emergency strategy meeting amongst the leaders was called upon but Miss Ahuja was adamant on sticking to the idea of selling the brand as India's homegrown brand while other leaders including Mr. Ramit wanted to partner with Kimachee to sustain the business. The team eventually resorted to sticking with Miss Ahuja's ideas and marketed the brand as the desi brand for teenagers.

Like every business faces a challenge when the environment changes and throws opportunities or threats to the management, Hens of Fashion has had its own set of principles and leadership styles to sustain the business in these challenging times.

**Based on the above case scenario, answer the multiple choice questions.**

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**MULTIPLE CHOICE QUESTIONS**

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1. Miss Ahuja took a decision to enter teenage clothing industry based on which of the following important industry attractiveness considerations?
  - (a) Less uncertainty in industry
  - (b) Growth potential of the industry
  - (c) Instinct and entrepreneurial belief
  - (d) Potential to capitalize weaker existing businesses
2. Despite the revenue drop and competitive pressure from Kimachee, Miss Ahuja insisted on marketing the brand as a "desi" label rather than partnering with a foreign entity. In the McKinsey 7S model, this central belief that guides the company's identity and decision-making is known as?
  - (a) Shared Values
  - (b) Structure
  - (c) Systems
  - (d) Staff
3. Which step of Strategic Management is skipped by Hens of Fashion?
  - (a) Environmental analysis
  - (b) Formulation of strategy
  - (c) Evaluation and control
  - (d) Implementation of strategy
4. Kimachee blocked the industry with its global branding and disrupted Hens of Fashion. What kind of strategy control could have saved the brand from such a big impact?
  - (a) Premise control
  - (b) Special alert control
  - (c) Milestone reviews
  - (d) Monitoring strategic thrusts

5. The first line of the scenario talks about an assumption based on which business wanted to invest more. What type of risk would it be if this assumption of the business fails?
- (a) Short Term External Risk
  - (b) Long Term External Risk
  - (c) Short Term Internal Risk
  - (d) Long Term Internal Risk

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (a)** Growth potential of the industry

**Reason:**

Miss Ahuja entered the teenage fashion industry based on its projected high growth, large market size, and profitability expectations, indicating that her decision was driven mainly by the industry's growth potential.

2. **Option (a)** Shared Values

**Reason:**

Miss Ahuja's strong belief in maintaining the brand's "desi" identity reflects the core philosophy and common values guiding organisational decisions, which is termed Shared Values in the McKinsey 7S model.

3. **Option (c)** Evaluation and control

**Reason:**

Although Hens of Fashion analysed the environment, formulated strategies, and implemented them, it failed to continuously review performance and adapt to competitive changes, indicating absence of proper evaluation and control.

4. **Option (a)** Premise control

**Reason:**

Premise control involves checking whether key assumptions about market conditions and competition remain valid. Early monitoring of industry

changes could have warned Hens of Fashion about Kimachee's disruptive entry.

**5. Option (c) Short Term Internal Risk**

**Reason:**

The industry growth assumption depended on external market conditions over a long period. Failure of this assumption would affect the business in the long run, making it a long-term external risk.

**CASE SCENARIO 18**

Flash Co is a well-known sport goods manufacturer established in Deeland, selling its branded products widely. The Company's objective is to maximise shareholder wealth. Due to the slowdown in the Deeland economy, the Company's recent performance has been weak. The Strategic Manager has applied Porter's five forces and reached the following conclusions:

Threat of new entrants: Low, as Flash Co's size presents a large entry barrier.

Bargaining power of buyers: Significant, as customers worldwide have much choice from different competitors.

Bargaining power of suppliers: Little threat. Most of Flash Co's material suppliers are small and Flash could easily find alternative sources of these. Labour is relatively cheap as most of Flash's production facilities are based in developing countries.

Threat of substitutes: Low, as there is little scope of substitute products for sports goods.

Rivalry among competitors: A major threat due to the constant launch of new products in this competitive industry.

The CEO directed the Strategic Manager to commission a benchmarking exercise to improve Flash's performance. This exercise will involve comparison of a range of financial and other operational performance indicators against Fennel, a similar business in Veeland. Fennel agreed to share some recently available performance data with Flash as they operate in different countries.

The Veeland economy is growing strongly. There have been several tax incentives for businesses like Fennel in the last two years. The Veeland government has also underwritten loans taken out by businesses to support them. This has enabled Fennel to borrow funds for the significant capital investment required in IT systems. The automation has improved performance by increasing the availability of goods at stores and reducing inventories.

Flash uses the benchmarking process to achieve improvements in diverse range of management functions like – assessment of manufacturing cost, production development, product distribution and plant utilisation levels.

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**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Flash Co. is a well-known brand of large sizes that creates a high entry barrier for others. However, the economy in its home country (Deeland) is in a slowdown, and the company is facing intense competition and a "significant" bargaining power of buyers. According to the ADL Matrix, which combination of Competitive Position and Industry Maturity best describes Flash Co.'s current situation?
  - (a) Dominant position in an Embryonic industry.
  - (b) Strong position in a Mature industry.
  - (c) Favorable position in a Growth industry.
  - (d) Weak position in a Declining industry.
  
2. Flash Co. currently manufactures its goods in developing countries where labor is cheap and sources materials from small, independent suppliers. If Flash Co. decides to acquire its own material supply companies to ensure a steady flow of raw materials and reduce the bargaining power of those suppliers, which specific type of growth strategy would they be implementing?
  - (a) Forward Vertical Integration
  - (b) Backward Vertical Integration
  - (c) Horizontal Integration
  - (d) Conglomerate Diversification
  
3. Flash Co. is using benchmarking to assess its manufacturing costs, product distribution, and plant utilization levels. According to Michael Porter's Value Chain Analysis, which category of activities is Flash Co. primarily evaluating to improve its competitive advantage?
  - (a) Support Activities
  - (b) Primary Activities
  - (c) Procurement and Technology
  - (d) Firm Infrastructure

4. Flash Co is a "well-known" manufacturer with "large entry barriers" due to its size, operating in an industry characterized by "constant launch of new products" and "significant choice" for buyers. According to the ADL (Arthur D. Little) Matrix, where does Flash Co most likely fall?
- (a) Embryonic Industry / Dominant Position
  - (b) Mature Industry / Strong Position
  - (c) Aging Industry / Tenable Position
  - (d) Growth Industry / Weak Position
5. Which of the following acts as a vital corporate defense mechanism to protect Flash Co. from strategic pitfalls, environmental threats and potential hostile takeovers?
- (a) Production Activities
  - (b) Its Competitive Advantage
  - (c) Its Core Competency
  - (d) Its ability to do Strategic Management

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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1. **Option (b)** Strong position in a Mature industry.

**Reason:**

Flash Co. is described as "well-known," "branded," and possesses a "large size" that acts as a barrier to entry. The sports goods industry is described as having "little scope for substitute products" and "constant launch of new products" among many established competitors.

2. **Option (b)** Backward Vertical Integration

**Reason:**

This occurs when a company moves "backward" into the value chain to take control of its inputs (suppliers). By acquiring the small material suppliers mentioned in the scenario, Flash Co. would be securing its supply chain.

**3. Option (b) Primary Activities****Reason:**

In this Scenario: Manufacturing costs (Operations), product distribution (Outbound Logistics), and plant utilization are core "Primary" functions. By optimizing these, Flash Co. aims to create value directly in the production and delivery cycle to compete with Fennel.

**4. Option (b) Mature Industry / Strong Position****Reason:**

The "constant rivalry" and "worldwide buyer choice" indicate the industry has reached the Mature stage (where growth slows and competition for market share intensifies). Flash Co's "well-known" brand and "large entry barriers" indicate a Strong competitive position, as it has the scale to defend itself against new entrants and competitors.

**5. Option (d) Its ability to do Strategic Management****Reason:**

Strategic Management helps as a Corporate Defence Mechanism

**CASE SCENARIO 19**

HearU, a home-grown millennial brand providing on demand services for clinical depression and unmodulated anxiety, recently launched a pan India application to serve individuals with early stage to severe levels of mental instability. The brand was launched last year by a group of middle-aged corporate executives, eyeing the growing mental health care sector.

Their services have had good organic reach where people of all ages are using their promotional free services. The most active age group on their application was 28 to 35.

One of the biggest consumer goods brands, Palto, recently invested heavily in the mental health segment, and this gave the management of HearU much anticipated confidence in the industry's viability. It is important to note that Palto's leadership team has been infamous for entering a market, infusing huge funds on developing the market, advertising on all media forms, and churning out money from the customers due to its established brand name. This has been their strategy for the mental health segment as well.

The thought behind starting HearU was to spread awareness and serve the individuals in need; to set up a dialogue between those who might need consultation and those who are going through it, while being a mediator in finding mental calmness. HearU is content with its organic reach and plans to infuse more on their quality of service than advertising and to do so affordably.

This core thought of serving people is a top-down responsibility within the company as well. Each employee takes ownership of delivering selfless and utmost quality help. Teams are interactive, adjusting and the sense of competition is replaced by collaboration. The company leaders take pride in being able to find and retain such talent.

HearU has been making nil profits since inception and plans to monetise soon. Palto, on other hand, has been disrupting the market by engaging with customers and making decent profits. They have lined up celebrities urging youngsters to use the application. HearU feels this is building the industry and would eventually benefit them as well. Nonetheless, they must be aware of the

dynamic nature of huge companies and how they may make it tough for competitors to survive.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. HearU's organizational culture is defined by employees taking ownership of "selfless and utmost quality help," where internal competition is replaced by "collaboration." This prioritization of ethical principles and collective beliefs over aggressive profit-making reflects the company's:
  - (a) Marketing
  - (b) Value System
  - (c) Organisational Structuring
  - (d) Vertical Integration
  
2. What kind of strategy is HearU pursuing while Palto is spending so much on promotion?
  - (a) Expansion strategy
  - (b) Combination strategy
  - (c) Stability strategy
  - (d) Retrenchment strategy
  
3. HearU focuses heavily on the "quality of service," "owner-like responsibility" of its employees, and a culture of "collaboration" rather than competition. In the context of Michael Porter's Value Chain, which category of activities is HearU primarily leveraging to build its unique competitive advantage?
  - (a) Inbound Logistics
  - (b) Human Resource Management
  - (c) Procurement
  - (d) Firm Infrastructure

4. HearU, the mental health app, notices that their "on-demand" consultation services face a massive surge in users during late-night hours (11 PM to 3 AM), while their experts are mostly idle during the workday. If HearU introduces "Happy Hour" discounts for daytime therapy sessions to balance this irregular demand, they are implementing:
- (a) Enlightened Marketing
  - (b) Synchro Marketing
  - (c) Social Marketing
  - (d) Personal Marketing
5. The scenario mentions that HearU must be aware of the "dynamic nature of huge companies" like Palto, which can make it tough for competitors to survive. Which limitation of strategic management does this highlight?
- (a) Strategic management is a costly process for small brands.
  - (b) Strategic management is time-consuming and can delay quick decisions.
  - (c) Strategic management operates in a highly complex and turbulent external environment.
  - (d) Strategic management cannot always assess competitors' response.

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### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (b) Value System**

**Reason:**

HearU emphasizes ethics, selfless service, shared beliefs, and collaboration over competition. These represent the organization's core values and principles, which together form its value system.

**2. Option (c) Stability strategy**

**Reason:**

HearU is satisfied with organic growth, avoids aggressive promotion, and focuses on service quality. It continues existing operations without major change, which reflects a stability strategy.

3. **Option (b)** Human Resource Management

**Reason:**

HearU relies on motivated, responsible, and collaborative employees to deliver quality service. Recruitment, training, and retention of such talent fall under human resource management.

4. **Option (b)** Synchro Marketing

**Reason:**

By offering discounts during low-demand daytime hours, HearU attempts to shift customer demand and balance supply with demand over time, which is the objective of synchro marketing.

5. **Option (c)** Strategic management operates in a highly complex and turbulent external environment.

**Reason:**

The dominance and changing strategies of large firms like Palto create uncertainty and instability. This reflects the limitation that strategic management operates in a complex and dynamic external environment.

**CASE SCENARIO 20**

Trepsico Trito Company is one of the most famous brands in food and beverages industry in the world. It has seventeen food and beverage brands worth more than 100 crores. Trepsico Trito, Crisppy Chips (subsidiary), Tasty Chips (acquisition), Tangy (joint venture), Twisters (acquisition), and Threshold drink are just some of the household names that Trepsico Trito Company manages.

Trepsico Trito's mission is to provide consumers around the world with delicious, affordable, convenient and complementary foods and beverages from wholesome breakfasts to healthy and fun daytime snacks and beverages to evening treats. Convenient F&B defines Trepsico Trito's business. Trepsico Trito's vision is articulated as achieving business and financial success while leaving a positive imprint on society – delivering what it calls Performance with Purpose. For example, Trepsico Trito India's Agri program presently benefits over 24,000 farmers across 14 states through various Agri and sourcing initiatives. All the potato used in Crisppy Chips and Tasty Chips is grown in India and sourced from Indian farmers. Through its 360-degree farmer connect initiatives for potato cultivation, Trepsico Trito provides training and seed support, advanced plant protection programs, and assured buy-back with reasonable returns. Besides backward integration with farmers, it has invested in cold storage along its supply chain. Since 2009 it has been Water Positive by conserving, utilising and managing this important resource in a sustainable manner.

The company is geographically diverse too. Trepsico Trito operates all around the world- only 50 per cent of its sales come from the United States and Canada.

Given this breadth of business and market scope, Trepsico Trito faces a variety of strategic scenarios: capitalizing on scale advantage in its core brand where it is a global leader; building businesses in fast-developing and unpredictable markets, categories, and products more so on account of shifts in consumer behaviour such as a greater focus on healthy living away from its "star" carbonated beverages and "cash cow" fried snacks businesses; the need for

greater experimentation and innovation, for example in new flavours of chips to create and capitalize on newer sources of growth.

It is not inconceivable that Trepico Trito's different businesses at different times go through different stages of strategy thus necessitating a portfolio approach to strategy formulation with reference to market /business growth and market share such as BCG Matrix. While it competes fiercely with Chilled drink in different countries, it proactively fosters strategic partnerships with quick service restaurants and multiplex players.

**Based on the above case scenario, answer the multiple-choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

1. Trepico Trito operates in "fast-developing and unpredictable markets" where consumer behavior shifts rapidly toward healthy living. In such a complex and dynamic environment, which of the following represents a major limitation of strategic management?
  - (a) It helps the organization to be more proactive than reactive.
  - (b) It provides a framework for all major decisions of an enterprise.
  - (c) It is a costly and time-consuming process for the organization.
  - (d) It serves as a corporate defense mechanism against mistakes.
  
2. Let's say Trepico Trito Company manages a variety of brands through various arrangements: some are fully owned subsidiaries, some are acquisitions, and others like "Tangy" are joint ventures. If Trepico Trito further evolved by outsourcing its entire manufacturing to third-party farmers and its logistics to independent global shippers keeping only a small "core" headquarters to coordinate these contracts which organizational structure, would it be adopted?
  - (a) Matrix Structure
  - (b) Divisional Structure
  - (c) Network Structure
  - (d) Hourglass Structure

3. The business/ product portfolio classification implied by BCG Matrix comprises which of the following combinations?
  - (a) Growth; Stability; Retrenchment; Turnaround
  - (b) Weakness-Threat; Weakness-Opportunity; Strength-Opportunity; Strength-Threat
  - (c) Cash-cows; Stars; Question marks; Dogs
  - (d) Market penetration; Product development; Market development; Diversification
4. Which of the following may be cited as instances of collaborative approach/ strategic alliance Trepico Trito follows in its strategy?
  - (a) Diversification from carbonated drinks to fruit juices
  - (b) Diversification from fried to baked chips
  - (c) Partnerships with quick service restaurants and multiplexes
  - (d) Diversification into breakfast cereals
5. Which of the following is the most correct corporate level strategic alternative by the overall strategic direction evident from Trepico Trito's corporate strategy?
  - (a) Growth/Expansion strategy
  - (b) Stability strategy
  - (c) Retrenchment strategy
  - (d) Turnaround strategy

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### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (c)** It is a costly and time-consuming process for the organization. In fast-changing and unpredictable markets, strategic management requires continuous environmental scanning, frequent policy changes, research, and innovation. This involves heavy investment of time, money, and managerial effort, making it a costly and time-consuming process for the organization.

**2. Option (c) Network Structure****Reason:**

When a company outsources manufacturing and logistics to independent agencies and retains only a small coordinating headquarters, it operates as a hub connecting various external partners. This structure is known as a network structure, emphasizing flexibility and coordination.

**3. Option (c) Cash-cows; Stars; Question marks; Dogs****Reason:**

The BCG Matrix classifies business units on the basis of market growth rate and relative market share. It categorizes them into Stars, Cash Cows, Question Marks, and Dogs to help management allocate resources efficiently.

**4. Option (c) Partnerships with quick service restaurants and multiplexes****Reason:**

Strategic alliances involve cooperation between two or more firms to achieve mutual benefits. Trepico Trito's partnerships with quick service restaurants and multiplexes reflect collaboration for wider reach, shared resources, and enhanced market presence.

**5. Option (a) Growth/Expansion strategy****Reason:**

Trepico Trito continuously introduces new products, enters new markets, invests in innovation, forms alliances, and diversifies its portfolio. These activities reflect an expansion-oriented approach aimed at increasing market share, revenues, and long-term competitiveness.

**CASE SCENARIO 21**

Connect Innovations Pvt. Ltd., a Mumbai-based technology company, is entering the competitive landscape of the Indian smartphone market under its brand name "Poppy." The company is well aware of the influx of Chinese manufacturers dominating the smartphone industry. Given the recent global sentiment shift due to the COVID-19 pandemic, Connect Innovations plans to position Poppy as a patriotic choice, proudly promoting it as the "Desi" smartphone of India.

The company's strategic arm conducted a thorough industry analysis, revealing that Chinese brands had completely captured the budget phone segment. However, there was still an untapped opportunity in the lower segment of smartphones. To address this, Connect Innovations is introducing two models: Poppy A and Poppy B, priced at Rs. 4,499 and Rs. 5,499, respectively.

Recognizing the risk of imitation by competitors, Connect Innovations has assembled a team of marketing professionals to devise a strategy. Their proposed solution is to capitalize on the first-mover advantage by investing significant sums in advertising and promotions.

Additionally, to safeguard their business from potential disruption, Connect Innovations decided to expand their product line to include "desi" themed smartphone covers and accessories alongside Poppy smartphones. They made substantial investments in the manufacturing of these accessories. The company's investors set a target of achieving annual sales volumes of 15,000 handsets and 70,000 pieces of accessories.

While the accessory sales exceeded expectations, Poppy A and Poppy B did not receive the anticipated response. As a result, the leadership has decided to shift their focus, scaling back on smartphone production and concentrating primarily on the accessories business.

With this new direction, the "Desi" tag remains vital for success. Connect Innovations aims to establish strong barriers to entry for other domestic players. They plan to ramp up production significantly, driving down unit costs and enabling cost leadership through volume.

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**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Connect Innovations Pvt. Ltd. entered a saturated market for smartphones, after a due market study of understanding the competitive landscape. Put the below steps in correct sequence of understanding the competitive landscape.
  - (I) Understanding the competitors
  - (II) Determining strengths and weaknesses of the competitors
  - (III) Identify the competitors
  - (IV) Put all information gathered together
  - (a) (I),(III),(II),(IV)
  - (b) (III),(I),(II),(IV)
  - (c) (II),(III),(IV),(I)
  - (d) (I),(III),(II),(IV)
  
2. In which stage of strategic management are such annual objectives especially important?
  - (a) Formulation
  - (b) Control
  - (c) Evaluation
  - (d) Implementation
  
3. The decision of Connect Innovations to shift to a new core business with a focus on more profitable ventures falls under which category of business strategy?
  - (a) Retrenchment strategy
  - (b) Strategic alliance
  - (c) Diversification strategy
  - (d) Market development

4. Considering the results from the market, which category of BCG's growth share matrix does the accessories business of Connect Innovations fall into?
- (a) Star
  - (b) Question mark
  - (c) Cash cow
  - (d) Dog
5. In phase two of shifting the business focus to peripheral accessories production, Connect Innovations has planned to implement which barrier to discourage potential competitors?
- (a) Capital requirement
  - (b) Product differentiation
  - (c) Access to distribution channels
  - (d) Economies of scale

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (b) Correct Sequence is (III), (I), (II), (IV)**

**Reason:**

To understand the competitive landscape, businesses typically:

- (i) **Identify the competitors** to recognize whom they are competing against.
- (ii) **Understand the competitors** by analyzing their strategies, strengths, and weaknesses.
- (iii) **Determine the strengths and weaknesses** to identify opportunities for competitive advantage.
- (iv) **Put all information gathered together** for strategic decision-making.

**2. Option (d) Implementation****Reason:**

Implementation is an operations-oriented activity aimed at shaping the performance of the core businesses of a company. Thus, short term and long-term objectives are a majorly crucial part of the Implementation Phase.

**3. Option (a) Retrenchment strategy,****Reason:**

Retrenchment strategy is where the organisation reduces the scope of activity to focus on more profitable/suitable businesses.

**4. Option (c) Cash cow****Reason:**

As accessories, the business has a low market growth rate but a greater market share. Also, the investment required is low, but it generates cash for the company.

**5. Option (d) Economies of scale****Reason:**

As they plan to reduce their per unit cost of production.

**CASE SCENARIO 22**

KingLike WLL, a renowned Dubai-based construction company, has carved a niche for itself in the real estate market by specializing in residential complexes. It's now poised to introduce a groundbreaking concept called "Vilartment" – a unique blend of private villas and apartments tailored to meet the growing demand of married couples seeking to cohabit with their parents, offering spacious living within a single residential unit.

The company's impressive competitive advantage lies in its substantial land purchasing power, setting it apart from its rivals. Furthermore, KingLike engages top-tier Italian designers, whose exceptional work is safeguarded by patents, making the replication of KingLike's properties a formidable challenge.

Recognizing the potential of this innovative concept, KingLike positions the Vilartment project as a distinct business unit within its operations. A talented workforce, strategically placed at various levels, is dedicated to overseeing the unit's functions. The ambitious plan aims to construct approximately 15,000 Vilartments over the next three years, with 50% of them immediately ready for occupancy upon completion.

The marketing team has taken an ingenious approach, enlisting major Bollywood and Hollywood celebrities to grace the foundation stone ceremony of the Vilartment, scheduled for next month. This event will receive extensive coverage from global media outlets, including print and social media platforms, a move aimed at attracting potential buyers worldwide.

With meticulous planning and efficient teams prepared for execution, the management exudes confidence in the project's success. The Vilartment initiative aspires to solidify KingLike WLL's position as a leading global real estate company.

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**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Igor Ansoff gave a framework which describes the intensification options available to a firm. Which of them did KingLike use for its intensification strategy?
  - (a) Market penetration
  - (b) Product development
  - (c) Market development
  - (d) Diversification into new products
  
2. Core competency is built on multiple know-hows and is an integration of many resources. As per C.K. Prahalad and Gary Hamel. KingLike has expert teams and huge buying capacity. Which amongst the following is not an area where core competency is identified?
  - (a) Customer value
  - (b) Application of competencies
  - (c) Market development
  - (d) Competitor differentiation
  
3. Different personnel have been deployed at respective levels in the project working as a business unit. Answer, Divisional managers and staff are a part of which of the following strategic levels in the organization?
  - (a) Corporate level
  - (b) Functional level
  - (c) Business level
  - (d) Consultant level

4. \_\_\_\_\_ is the answer to basic question "what business we are and what we do". Many businesses fail to conceptualize this, and it requires clarity. The company, however, has clarity on the same. Fill in the blank with the correct option.
- (a) Vision
  - (b) Mission
  - (c) Strategy
  - (d) Planning
5. Vilartment shall function as a strategic business unit (SBU), being one of the key businesses of the company. Which of the following is not a characteristic of a strategic business unit?
- (a) It is a combination of two or more independent businesses.
  - (b) The planning for the business is done separately.
  - (c) It has its own set of competitors.
  - (d) It has its own manager responsible for strategy and profits.

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### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (b) Product development**

**Reason:**

Vilartment is a new product in the existing market.

**2. Option (c) Market development**

**Reason:**

Market development is not an area where core competency is identified.

**3. Option (c) Business level**

**Reason:**

Divisional managers and staff are a part of business level of an organization

**4. Option (b) Mission****Reason:**

A company's mission statement answers the fundamental question of what the business does and why it exists. For KingLike, having clarity on its mission ensures alignment of all projects and strategic objectives.

**5. Option (a) It is a combination of two or more independent businesses.****Reason:**

A strategic business unit (SBU) is typically a single business entity with its own strategy, objectives, and competition. It does not represent a combination of independent businesses, which would better describe a conglomerate or holding company structure.

**CASE SCENARIO 23**

Hareeyali Pvt. Ltd. is a pioneering company dedicated to transforming corporate spaces into greener environments through innovative infrastructural designs and products. Established recently, it boasts six visionary founders. While the company's middle management team consists of just four individuals, over fifty dedicated professionals operate on the ground, specializing in client relationship management and delivery coordination.

In this emerging industry, GreenZone Pvt. Ltd. is currently at the forefront. With an impressive portfolio of 800 designs catering to fifty clients, GreenZone's production facility churns out an astounding 3000 units per day. While GreenZone has enjoyed a monopoly for some years, the industry anticipates significant growth as more corporations adopt eco-friendly initiatives.

Hareeyali has made commendable strides in its operations but faces a challenge in securing a suitable production facility. The key to unlocking its potential lies in formulating a strategic approach that addresses industry gaps and explores untapped opportunities. The founders are resolutely committed to making their mark in every corporate entity across India.

The expansion plan is divided into three phases, beginning with the targeted markets of Delhi NCR and Mumbai. Recognizing the unique needs of the working class in these cities, the strategy team has identified a crucial aspect—personalization. This insight has led Hareeyali to focus on tailor-made designs for companies, setting them apart from standardized offerings provided by competitors.

Additionally, Hareeyali has introduced the Green Card Points System, an innovative initiative where employees who choose to incorporate their products into their workspaces accumulate points. These points can be redeemed for purchases of herbal and organic products from leading online platforms.

The company has experienced robust growth in the past year and now aims to expand its reach through both online and offline channels. This multifaceted approach positions Hareeyali for even greater success in the coming years.

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**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. GreenZone has been the leader in the industry and has deployed some barriers to entry on new players wanting to tap into this new growing industry. Apparently, Hareeyali has been struggling on the very same front and thus, the barrier's magnitude increases. Which of the following barriers to entry is used by GreenZone?
  - (a) Product differentiation
  - (b) Switching costs
  - (c) Economies of scale
  - (d) Brand identity
2. Hareeyali's Green points system falls under which strategic marketing technique?
  - (a) Service marketing
  - (b) Person marketing
  - (c) Direct marketing
  - (d) Augmented marketing
3. What demonstrates the strategic intent of Hareeyali's founders in their commitment to make their mark in every corporate entity across India?
  - (a) Setting specific financial goals
  - (b) Focusing on tailored designs for companies
  - (c) Formulating a strategic approach to address industry gaps
  - (d) The vision to reach every corporate entity
4. The management structure of Hareeyali is apparently like any other company with a lot of founders/top management, as the middle office work is undertaken by business automation. It does reduce costs, but the lower management has less opportunities to grow. Based on that, which if the following is the organizational structure of Hareeyali?

- (a) Network structure
  - (b) Matrix structure
  - (c) Divisional structure
  - (d) Hourglass structure
5. Intensity of rivalry determines attractiveness and profitability of an industry. The rivalry between the two companies is furious and the profitability shall be low because of all the below factors, except:
- (a) Variable costs of business
  - (b) GreenZone is currently the industry leader
  - (c) The industry's growth is slow
  - (d) Companies are planning product differentiation

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (c) Economies of scale**

**Reason:**

By producing a massive number of items from its production facility.

**2. Option (d) Augmented marketing**

**Reason:**

The Green Card Points System offers additional value to customers by rewarding eco-friendly behavior with redeemable points for purchases. This falls under augmented marketing, which involves adding benefits to enhance the customer experience beyond the core product.

**3. Option (d) The vision to reach every corporate entity.**

**Reason:**

The founders' commitment to making their mark in every corporate entity across India reflects their long-term strategic vision, which defines their overarching intent and aspirations for the company.

**4. Option (d) Hourglass structure****Reason:**

The case mentions a large top management (founders), a lean middle management team of four individuals supported by business automation, and a larger ground-level workforce of over 50 professionals. This arrangement is typical of an hourglass structure, where the middle layer is minimized to reduce costs.

**5. Option (a) Variable costs of business****Reason:**

Variable costs of business are not the determinant if Intensity of Rivalry, rather fixed costs are, wherein the company can drop prices by increasing capacity.

**CASE SCENARIO 24**

LUXHEAL is a cutting-edge healthcare equipment design and manufacturing company founded by esteemed Indian medical academicians. The company secured a substantial investment of approximately 115 crores from a Pune-based venture capital firm to meet its capital requirements.

Recently, LUXHEAL unveiled its groundbreaking automated mind-mapped wheelchair, WHEELIX, which garnered recognition and accolades worldwide. The product earned the prestigious Industry Differentiator Award at an international conclave, solidifying its position as an industry innovator.

Dr. Budhiraja assumed the role of CEO last year, steering the company from a challenging position to a leadership position in innovation. His transformative leadership style fostered a culture of unity and inspiration among employees. Notably, he initiated a company-wide competition to encourage and recognize exceptional innovations.

One of the company's key strategic strengths lies in its advanced benchmarking processes. However, in their eagerness to enter the market and showcase their product range, LUXHEAL overlooked implementing some of the valuable insights and conclusions derived from these processes.

WHEELIX is poised to establish LUXHEAL as a specialized player in the market catering to affluent elderly individuals. The company has received interest from WeGO, a global leader in wheelchair production, proposing a partnership involving shared branding and facilities. The Board is inclined towards accepting this offer.

Nevertheless, WeGO is entangled in a legal dispute with its distribution partners, necessitating LUXHEAL invests considerable effort into building its own distribution channels.

Given the rising population of affluent elderly individuals and the escalating demand for high-end medical equipment, LUXHEAL is well-positioned to realize its visionary goals. The company's success hinges on effectively executing its innovative ideas.

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**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. LUXHEAL is envisaged and is the most admired and responsible healthcare equipment company with an international footprint. Is this a vision or a mission? If this is LUXHEAL's vision, then which of the following is not essential while drafting the strategic vision?
  - (a) It should clearly illuminate the direction in which the organisation is headed.
  - (b) It should create enthusiasm among members of the organization.
  - (c) It should be rigidly defined to prepare the organisation for the future.
  - (d) This is a mission statement and not a vision statement
2. Considering the need for LUXHEAL to build its own distribution channels due to WeGO's legal dispute, which category in the BCG matrix might be relevant for this effort?
  - (a) Star
  - (b) Dogs
  - (c) Cash Cows
  - (d) Question Mark
3. Dr. Budhiraja has been instrumental in bringing about monumental changes in the company's structure and working culture. He has been very approachable yet feared by employees at all levels. What kind of leadership style can his style be termed as?
  - (a) Transactional leadership style
  - (b) Autocratic leadership style
  - (c) Diplomatic leadership style
  - (d) Transformational leadership style

4. The recent international recognition that the company has got for WHEELIX, has turned around its strategy all together. Which of the following Michael Porter's generic strategies should LUXHEAL follow?
- (a) Cost leadership
  - (b) Focused differentiation
  - (c) Differentiation
  - (d) Focused cost leadership
5. Which of the following is a key entry barrier for LUXHEAL?
- (a) Brand identity
  - (b) Capital requirement
  - (c) Access to distribution channels
  - (d) Product differentiation

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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- 1. Option (c) It should be rigidly defined to prepare the organisation for the future.**

**Reason:**

This is LUXHEAL's vision, and a vision should be creatively defined to prepare the organisation for the future. Hence, defining rigidly is not essential for drafting the vision.

- 2. Option (d) Question Mark**

**Reason:**

Building a distribution channel is a resource-intensive process and represents a strategic move in a segment where success is uncertain. The company has potential but requires investment to grow and establish itself in this new domain.

**3. Option (d) Transformational leadership style****Reason:**

Transformational style, he inspires people and has been instrumental in the early stages of the company during its turbulent times.

**4. Option (b) Focused differentiation**

Focused differentiation, as it aims to fulfill the demands of a narrow market with its differentiated product.

**5. Option (c) Access to distribution channels****Reason:**

The rest all are amply covered for LUXHEAL except access to distribution channels.

**CASE SCENARIO 25**

Introducing Strong Girls Private Limited, a pioneering early-stage health beverage company headquartered in Bangalore, led exclusively by a dynamic team of women. Recognizing two crucial facets of their industry, the company understood the heightened health consciousness among the youth and the abundance of options available in the market to meet their demands.

With these insights in mind, they unveiled their flagship product, Avajoice, a health drink made from Amla, Papaya, Aloe Vera, and Neem, meticulously designed to bolster the immunity of young teenage girls. What sets Avajoice apart is its unique value proposition of delivering both health benefits and delectable flavors through organic ingredients.

To gain a competitive edge in their market segment, the company implemented a standardized production process. This strategic move translated into augmented profit margins and increased bargaining power. Avajoice has been strategically classified as a "Star" in BCG's growth matrix due to its rapid growth trajectory and substantial funding requirements.

The marketing team has played a pivotal role in charting the success of Avajoice. Recognizing the historically low customer loyalty and retention rates in the health beverage industry, the company took proactive steps to address this challenge. They established collaborations with prominent schools in Karnataka and forged an agreement with the State Government of Karnataka to offer Avajoice to girls in government schools at a highly subsidized rate of just one rupee each.

This strategic move not only garnered invaluable free publicity from both local and national media outlets but also allowed the company to introduce their compelling tagline, 'We Offer Tasty Health for our Teens.' This tagline was strategically propagated as a trending topic on social media, significantly amplifying brand awareness.

Effectively, the company has carved out a distinctive position in the niche market segment, yielding impressive profit margins as a result. Strong Girls Private Limited stands as a beacon of innovation and empowerment in the

health beverage industry, setting a new standard for quality and purpose-driven products.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. As per Peter Drucker, it is important to have a meaningful answer to the question, 'what business are we in?'. Through Avajoice, the company answered the following as 'We Offer Tasty Health for our Teens'. Among which of the following does this statement fall?
  - (a) Vision
  - (b) Mission
  - (c) Business definition
  - (d) Action plan
  
2. The processes have been standardised as a strategy to improve margins and gain more negotiation power in the market. Which of the generic strategies by Michael Porter has the company deployed to create a favourable scenario for itself?
  - (a) Differentiation
  - (b) Focussed differentiation
  - (c) Cost leadership
  - (d) Focussed cost leadership
  
3. Igor Ansoff developed a framework which describes the intensification options available to a firm. Which of the following did Strong Girls Private Ltd. use for intensifying Avajoice?
  - (a) Market penetration
  - (b) Product development
  - (c) Market development
  - (d) Diversification strategy

4. Which factor from the PESTLE analysis played a crucial role in the company's decision to focus exclusively on the health beverage market for teenage girls?
- (a) Social
  - (b) Technological
  - (c) Economic
  - (d) Legal
5. Avajuice can be identified as a Star as per BCG's Growth Matrix, based on the rapid growth it has shown and the enormous funds it demanded to maintain the market and fuel the growth potential. What would Avajuice turn into, as per the matrix, when its growth slows down?
- (a) Dog
  - (b) Question mark
  - (c) Will remain a star
  - (d) Cash cow

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (b) Mission**

**Reason:**

Mission, as per Peter Drucker, when we have to answer what business are we in, the answer should be marketing oriented and should cater to external perspective, and that forms part of mission statement.

**2. Option (d) Focussed cost leadership**

**Reason:**

Focussed cost leadership, as standardisation ensures low cost of production thus making the business more profitable and awarding more negotiation power to the producer/seller, and the market for Avajuice is niche, this focussed cost leadership.

**3. Option (c) Market development****Reason:**

Market development, as Avajoice is an existing product that is targeted to be sold in a new market for young girls.

**4. Option (a) Social****Reason:**

The focus on health beverages for teenage girls is driven by social factors, including the increasing health consciousness among youth. This reflects societal trends influencing consumer preferences and product focus.

**5. Option (d) Cash cow****Reason:**

Cash cow, as per BCG's growth matrix, a star turns into a cash cow when the growth slows down.

**CASE SCENARIO 26**

MidoriTech, a Japanese information technology giant recently got into a multi-million dollar deal with Dezyner Pvt. Ltd. of Bangalore, a user interface designing company. MidoriTech is a leader in developing firewall for cloud security services and this deal would help it leverage the latest user-friendly designs of Dezyner Pvt. Ltd. to be incorporated in its own systems. The major motive of both the companies is to capture the budding segments of the market, which is very difficult to do given one's own isolated operations.

The second important aspect of the deal is a shared Research and Development Centre in Bangalore with a 70:30 investment in R&D over the period of the next five years. The advancements in cloud computing are to be matched with other global giants, and this Centre will provide world class excellence for the requisite. Mr. B. K. Suman, the erstwhile head of Dezyner Pvt. Ltd., has been appointed as the General Manager of the R&D Centre, and will report directly to the CEO of MidoriTech.

MidoriTech has been in the industry for over thirty years and has over five hundred clients. For better control and ease of business, it has divided its business segments as per the clients' industry. Thus, it has four major segments: Robotics, E-Commerce, Energy and Others.

The company had been eyeing five probable Indian companies for a design-oriented deal. Over the course of one year, they ran multiple financial models to find the most suitable synergy and finally zeroed in with Dezyner Pvt. Ltd. This was covered by all major media houses, as this is one of the biggest Indo-Japan Deal in the last decade.

The future is uncertain, but the companies, through combined synergies have a stable market standing and growth-oriented future in purview.

Based on the above case scenario, answer the multiple choice questions.

### MULTIPLE CHOICE QUESTIONS

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1. Robotics, E-Commerce, Energy and Others, are separate units of MidoriTech, that have been devised for ease of control. Which of the following is not a characteristic that would have helped them identify and separate units for better strategic management?
  - (a) Distinct markets
  - (b) Customer's preference
  - (c) Similar technologies
  - (d) Identical competitive advantage
2. Dezyner Pvt. Ltd. and MidoriTech's deal fall under which type of Expansion Strategy?
  - (a) Conglomerate merger
  - (b) Concentric diversification
  - (c) Horizontal merger
  - (d) Strategic alliance
3. The R&D centre at Bangalore will be a game changer for both the companies. Which of the following is not an approach for implementation that Mr. Suman can deploy?
  - (a) First firm to market new technology
  - (b) Innovative imitator of successful products
  - (c) Being a mediator in trading of new technology
  - (d) Low-cost mass producer of tested products
4. Mr. B. K. Suman shall work as general manager of the R&D centre for the two companies. At which strategic level will he be working as a General Manager?
  - (a) Corporate level

- (b) Corporate and business level
  - (c) Functional and business level
  - (d) Functional level
5. MidoriTech's division of its business segments into Robotics, E-Commerce, Energy, and Others aligns with which element of the 7S McKinsey model?
- (a) Strategy
  - (b) Structure
  - (c) Systems
  - (d) Style

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (b) Customer's preference**

**Reason:**

The four segments of MidoriTech work as SBUs. Customer preference is not a characteristic of division as the matter is based on internal strategic decisions and does not relate to customer influence.

**2. Option (d) Strategic alliance**

**Reason:**

Strategic alliance is the right answer, as the companies would maintain independent status and they plan to benefit from each other what they could not get in isolated operations

**3. Option (c) Being a mediator in trading of new technology**

**Reason:**

Being a mediator for trading of new technology does not qualify as an implementation strategy of R&D. It is a business strategy not R&D strategy

**4. Option (b) Corporate and business level****Reason:**

General Managers deliver their responsibilities at both corporate and business levels, however, their responsibilities depend on size of organisation

**5. Option (b) Structure****Reason:**

MidoriTech's division of its business segments into Robotics, E-Commerce, Energy, and Others aligns with the "Structure" element of the 7S McKinsey model. The "Structure" element refers to the organization's arrangement of roles, responsibilities, and reporting lines. By organizing its business segments in this way, MidoriTech is structuring its operations based on different market segments, which is a structural aspect of its strategic approach.

**CASE SCENARIO 27**

Sukh Pvt. Ltd. has been importing Italian crockery under the brand name of 'Facile' since 2017. The company was amongst the first ones in India to introduce the innovative unbreakable crockery. Their affiliate, an Italian company, which owns Facile, had entered into a progressive deal, wherein, products would be sourced to India via their logistics and all marketing spend would be covered by them. However, customer management and nationwide distribution would be taken care of by Sukh Pvt. Ltd. This required English speaking skilled workforce, which has been a constant challenge for the company in India.

The owners of Sukh Pvt. Ltd. have been regular at attending industry relevant conclaves, both national and international. Leaders of the company are avid readers of business magazines. Following that, it was observed that the recent sentiment of the country towards 'Vocal for Local' could disrupt their Italian brand's marketability. An extraordinary meeting was set up and the steps ahead were planned.

The outcome of the meeting was to partner with local producers of earthen utensils in phase one of the change strategy. For this, seven state governments were approached. The team was successful in bagging contracts from all the government departments of these seven states and could position themselves fairly in the market. To fund this new investment, they have planned to slowly sell off their Italian business assets as well as the brand, to probable buyers.

This timely shift is proving to be a game changer for the company and the leadership is quite happy with better than before earnings and a much greater response from the customers. They find it easier to operate with domestic producers and vendors, and a sense of patriotism is instilled in the consumers' mind.

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**Based on the above case scenario, answer the multiple-choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Which of the following best represents an opportunity for Sukh Pvt. Ltd. in the current scenario?
  - (a) Increasing competition from local producers
  - (b) Growing sentiment for imported goods
  - (c) Partnership with local producers of earthen utensils
  - (d) Decline in customer sentiment towards 'Vocal for Local'
2. Which of the following types of strategic control did the owners and leadership of Sukh Pvt. Ltd. Deploy, that eventually turned out to be one of the most effective strategic decisions for the company?
  - (a) Premise control
  - (b) Special alert control
  - (c) Implementation control
  - (d) Strategic surveillance
3. 'Vocal for Local' is a market sentiment that changed customer's preferences for the majority of products of all industries. Based on that, Sukh Pvt. Ltd. gauged the competition it might face in the coming months and agreed to change its own product. Which of the following forces, as per Michael Porter's five forces of competitive analysis, is most relevant in this case?
  - (a) Threat of new entrants
  - (b) Nature of rivalry in the industry
  - (c) Threat of substitutes
  - (d) Bargaining power of the buyer
4. Which of the following aspects of value chain analysis was the most challenging for Sukh Pvt. Ltd. at the time of selling Facile brand crockery?
  - (a) Manufacturing

- (b) Outsourcing
  - (c) Customer service
  - (d) Procurement
5. To strategically revamp their business, partnerships were done with Indian local producers from seven states and to fund it, the existing arm of business was to be sold off. Which of the following strategies has Sukh Pvt. Ltd. opted for?
- (a) Turnaround strategy
  - (b) Divestment strategy
  - (c) Liquidation strategy
  - (d) Intensification strategy

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### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (c) Partnership with local producers of earthen utensils**

**Reason:**

Partnership with local producers of earthen utensils. The opportunity to partner with local producers aligns with the current market trend towards 'Vocal for Local.'

**2. Option (c) Implementation control**

**Reason:**

Implementation control involves ensuring that plans are being implemented effectively and achieving the desired results. In the case of Sukh Pvt. Ltd., their decision to partner with local producers of earthen utensils and the subsequent success of this strategy indicates effective implementation. This strategic decision was crucial in shifting their business model to align with the 'Vocal for Local' sentiment, leading to better earnings and a greater customer response. Therefore, implementation control was likely a key factor in the company's success in executing this strategic shift.

**3. Option (c) Threat of substitutes****Reason:**

The threat of substitutes is the most relevant for Sukh Pvt. Ltd., as they were dealing in Italian crockery and the same is hit by locally produced earthen utensil, thus a substitute of their product

**4. Option (b) Outsourcing****Reason:**

The most challenging aspect of value chain analysis for Sukh Pvt. Ltd. at the time of selling Facile brand crockery was likely (b) Outsourcing.

Outsourcing involves sourcing components or finished goods from external suppliers, which can be a critical part of the value chain, especially for a company like Sukh Pvt. Ltd. that was importing Italian crockery. The decision to sell off their Italian business assets and brand indicates a shift away from outsourcing from the Italian company, which could have been a complex process involving finding new suppliers, negotiating contracts, and ensuring a smooth transition.

**5. Option (b) Divestment strategy****Reason:**

Divestment strategy, as a major part of business, and SBU is sold off in divestment. Here Facile was sold off to fund the new business

**CASE SCENARIO 28**

Dr. Mikesh Gupta, Agriculture Management Guru at a leading management school in Patna, has been driving the business of E-Bandhu with seven of his students since 2017. This business has two core objectives: first, sustainable farming awareness and second, seasonal availability of agricultural inputs. It is a technology driven business wherein they have a one stop shop for all agricultural products available to farmers at competitive prices. Business is quite challenging, given the fact that farmers in the region are not well aware of the use of technology.

In the summer of 2019, the team decided to redefine their business strategy to succeed in the agricultural sector. They formulated a new definition and made strategic decisions to leverage their core competencies.

Firstly, they shifted their target market from directly serving farmers to onboarding wholesalers and retailers into the system and selling products to them. This strategic move was based on the understanding that wholesalers and retailers could influence technology adoption among farmers.

Secondly, they outsourced logistics to MaalGaadi, a rural supply chain management company. This decision helped E-Bandhu reduce asset procurement costs and corresponding debt, thus strengthening their position in the market.

Thirdly, they introduced a new service-based product, ChaaarVidya, in their application. ChaaarVidya aims to educate farmers about the latest sustainable farming practices being implemented around the world. This addition could potentially be a game-changer for E-Bandhu in the agro startup circle, further enhancing their core competency in promoting sustainable farming practices and technology adoption.

The team is enthusiastic about the strategic changes brought in by Dr. Mikesh and anticipates a more sustainable future for their idea.

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**Based on the above case scenario, answer the multiple-choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Switching from direct selling to marketing through wholesalers and retailers was a strategic decision taken by the management. Such decisions help an organization to be more of which of the following?
  - (a) Authoritative
  - (b) Futuristic
  - (c) Proactive
  - (d) Regularised
2. CharaVidya was brought into the market to increase farmer awareness of soil quality and the latest sustainable farm practices from around the world? What kind of growth strategy will it fall under?
  - (a) Market penetration
  - (b) Market development
  - (c) Product development
  - (d) Diversification of business
3. One of the most strategically advantageous decisions for E-Bandhu was to get into a contract with MaalGaadi. Which of the following could not be an advantage for E-Bandhu from this alliance?
  - (a) Cost savings
  - (b) Reduced delivery time
  - (c) Improved customer satisfaction
  - (d) Increased inventory of products
4. How does E-Bandhu utilize Michael Porter's Five Forces model in its strategic decision-making process?
  - (a) By focusing on industry rivalry and competitive pricing
  - (b) By analyzing the bargaining power of suppliers and buyers
  - (c) By assessing the threat of new entrants and substitutes

- (d) All of the above
- 5. What are the core objectives of E-Bandhu, as mentioned in the case study?
  - (a) Sustainable farming awareness and seasonal availability of agricultural inputs
  - (b) Technology-driven solutions and competitive pricing
  - (c) Onboarding wholesalers and retailers into the system
  - (d) All of the above

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (c) Proactive**

**Reason:**

Strategic management decisions make an organisation more proactive.

**2. Option (c) Product development**

**Reason:**

Product development as a new product is developed for the existing consumers of the company with added features.

**3. Option (d) Increased inventory of products**

**Reason:**

MaalGaadi is a rural logistics solutions company that would ease off E-Bandhu's supply chain management. Inventory would thus reduce and not increase

**4. Option (b) By analyzing the bargaining power of suppliers and buyers**

**Reason:**

Michael Porter's Five Forces model helps E-Bandhu analyze the bargaining power of suppliers and buyers in the agricultural market. This analysis enables E-Bandhu to make informed decisions regarding pricing, sourcing, and partnerships, ultimately strengthening its competitive position.

**5. Option (a) Sustainable farming awareness and seasonal availability of agricultural inputs**

**Reason:**

The core objectives of E-Bandhu, as mentioned in the case study, are sustainable farming awareness and seasonal availability of agricultural inputs. These objectives reflect the company's mission and vision to promote sustainable farming practices and address the challenges faced by farmers in accessing agricultural inputs.

**CASE SCENARIO 29**

LactoQalci is a family run company engaged in the business of manufacturing packaged sweetened pro-biotic milk beverage. The management envisions a potential future in the health and fitness industry. It thereby adopted a new statement “Ensuring Health for Everyone” to uplift the company’s business makeup and market position.

LactoQalci introduced a new product for its existing customers, a range of sugar-free milkshakes. The company initiated an advertisement campaign with the tag line “Now enjoy the goodness of LactoQalci in sugar-free milkshakes”. It is anticipated to become the most selling product of the company.

Further, to make the product unique, they adopted a distinctive product packaging design. The milkshake tetra packs came with a ‘calories saved’ scale printed on them. It was designed to motivate the consumers to a healthier life. As a result, the company was able to sell these milkshakes at a higher price.

The company saw a decent response from the market and were planning to scale up operations, when suddenly, political disturbance in the state pulled their sales to rock bottom. Several warehouses of the company had to be temporarily shut down.

However, Mr. Rohatgi, the passionate operations head of the company, responded swiftly, and reengineered the business processes. He automated inventory management and outsourced logistical support. Small investments in IT infrastructure in troubled times reaped higher returns. The company was able to achieve better than before efficiency at all levels of operations and ensured regular sales.

**Based on the above case scenario, answer the multiple-choice questions.**

**MULTIPLE CHOICE QUESTIONS**

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1. Introducing Sugar-Free milkshakes by LactoQalci, falls under which Product-Market strategy as given by Ansoff?
  - (a) Product development

- 
- (b) Market penetration
  - (c) Market development
  - (d) Diversification
2. Which of Michael Porter's Generic Strategies was adopted by LactoQalci to gain competitive advantage?
- (a) Cost leadership strategy
  - (b) Differentiation strategy
  - (c) Focussed cost leadership strategy
  - (d) Focussed differentiation strategy
3. Which strategic intent is expressed in the statement "Ensuring Health for Everyone" by LactoQalci?
- (a) Vision
  - (b) Mission
  - (c) Goals and Objectives
  - (d) Business definition
4. What kind of leadership did Mr. Rohatgi portray to pull out LactoQalci from the sudden disruption?
- (a) Transactional leadership
  - (b) Transformational leadership
  - (c) Transparent leadership
  - (d) Translational leadership
5. LactoQalci's introduction of a new product, sugar-free milkshakes, aligns with which element of the 7S McKinsey Framework?
- (a) Skills
  - (b) Staff
  - (c) Strategy
  - (d) Style

**ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (a) Product development****Reason:**

The company desires to introduce new products into existing markets which are covered under Product development.

**2. Option (b) Differentiation strategy****Reason:**

To make the product unique the company also adopted a distinctive product packaging design. As a result of which, the company was able to charge a premium for its product. Thus, Differentiation strategy.

**3. Option (a) Vision****Reason:**

Strategic vision points out management's aspirations for the business and implies the blueprint of the company's future position.

**4. Option (b) Transformational leadership****Reason:**

Transformational leadership is most suitable in turbulent environments, in industries at the very start or end of life cycles. Mr. Rohatgi portrayed Transformational leadership.

**5. Option (c) Strategy****Reason:**

Strategy - Introducing a new product like sugar-free milkshakes aligns with the strategic direction of the company, making it part of the Strategy element.

**CASE SCENARIO 30**

After graduating from IIT in computer science, sisters, Shakti and Stuti, following their passion for computers, started "Code Consulting". They faced innumerable survival challenges in a highly dynamic IT market. But with the combined efforts of a highly dedicated team of data scientists, their core business of big data analytics gained a prominent market presence.

From inception, Code Consulting has been a women-centric organization. The sisters ensured that women were provided with ample opportunities in the organization. Given the option of Work From Home (WFH) as mandated by recent legal regulations, majority of the female workforce availed the option. To avoid a drop in sales, the sisters expeditiously lead a crisis management team to accommodate adoption of the required technology to meet the changes of time.

Code Consulting, having reached a reputable market standing, was now observing cut-throat competition from foreign giants in its niche. The sisters resolved to make an effort into their long aspired dream to diversify into the innovative market space of 3D printing. Code Consulting, lacking the requisite experience, went for a merger with a startup named "CreatyVT" known for its technical know-how. They have a strong skill-based team, but the long-standing startup had a relatively small market share in the 3D printing arena.

Early on, the management observed that the businesses of big data analytics and 3D printing had distinct markets. So, they split the company into different business units to independently identify their performance. Separation into business units helped in simplifying the control-related problems too. Whereas the challenge to increase the company's market share was successfully met by introducing ingenious 3D printers with easily refillable cartridges. The new product was supported by an aggressive online advertising campaign. The customers pleased by the products helped reach the desired sales targets in no time.

Having shown a never giving up attitude coupled with wise leadership skills, the business of Code Consulting sustained a turbulent patch and placed itself as a renowned brand in the Indian IT.

**Based on the above case scenario, answer the multiple-choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Applying BCG matrix, identify the correct investment category for the new "3D printing" business of Code Consulting, at the time of merger?
  - (a) Star
  - (b) Cash cow
  - (c) Dog
  - (d) Question mark
  
2. Which strategy has been adopted by Code Consulting to overcome the difficulties of low market share for its "3D printing" business?
  - (a) Dynamic strategy
  - (b) Adaptive strategy
  - (c) Intended strategy
  - (d) Sound strategy
  
3. Mark the correct growth and expansion strategy employed by Code Consulting in merging with the startup named "CreatyVT"?
  - (a) Horizontal merger
  - (b) Vertical merger
  - (c) Co-generic merger
  - (d) Conglomerate merger
  
4. What has been the rationale behind Code Consulting's management for treating big data business and 3D printing business amenable to separate strategic treatment?
  - (a) The businesses were unrelated
  - (b) The businesses were unmanageable
  - (c) The businesses were related
  - (d) The businesses were identical

5. Which type of strategic control was adopted by Code Consulting when a new legal regulation proposed that women workers shall have the option to work from home?
- (a) Premise control
  - (b) Special alert control
  - (c) Strategic surveillance
  - (d) Implementation control

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (d) Question mark**

**Reason:**

The 3D printing business had a small market share in a high-growth market at the time of the merger, placing it in the "Question mark" category of the BCG matrix. This indicates that while the business has potential, it requires significant investment to increase its market share.

**2. Option (c) Intended strategy**

**Reason:**

An intended strategy refers to a deliberate course of action planned by management to achieve specific goals. Code Consulting's decision to merge with CreatyVT reflects a pre-planned and deliberate strategy to leverage technical expertise and address the challenge of low market share in the 3D printing business. This was not merely reactive or adaptive but a carefully thought-out step aligning with their aspirations to diversify.

**3. Option (c) Co-generic merger**

**Reason:**

A co-generic merger involves two companies operating in related industries that combine to create synergies. Code Consulting (big data analytics) and CreatyVT (3D printing) share a technological and innovation-oriented focus, making this a co-generic merger. It is not a

horizontal merger as they do not compete directly, nor is it a conglomerate merger as they are not unrelated businesses.

**4. Option (a) Unrelated business**

**Reason:**

The businesses of big data analytics and 3D printing cater to distinct markets, indicating they are unrelated in terms of their customer base, offerings, and market dynamics. This separation into distinct business units allows for focused strategic planning and performance tracking.

**5. Option (b) Special alert control**

**Reason:**

Special alert control is used when an organization responds to sudden and significant external changes or crises, such as the introduction of new legal regulations mandating work-from-home options. Code Consulting quickly adapted by forming a crisis management team and implementing the necessary technological changes, demonstrating a special alert control approach.

**CASE SCENARIO 31**

Swasthya, a rising star in India's dynamic healthcare sector, stands out as a prime example of smart strategic management.

At Swasthya, the compass guiding their endeavors is a compelling thought: to emerge as the finest healthcare provider renowned for delivering accessible, top-notch healthcare services. This overarching goal is not an isolated vision, but a thread woven into the very fabric of the organization, driving every facet of their operations. The people of the organization play a pivotal role in this journey. They are entrusted with translating this vision into tangible outcomes at the grassroots level, ensuring that local operations are aligned with the grand aspiration of becoming a healthcare leader.

Swasthya works meticulously towards optimizing each link of the patient experience. From streamlining appointment scheduling to expediting test result delivery, every facet of the healthcare journey is scrutinized. Swasthya's strategy is not merely about being a player in the market but about strategically positioning themselves as leaders. They proactively recognize the constant innovations that could disrupt their areas of expertise. To counter this, they introduced value-added offerings such as telemedicine and wellness programs. This addition not only mitigates the risk but also fortifies their long-term viability.

Beyond competition, ensuring the quality and safety of patient care is paramount at Swasthya. Stringent hygiene protocols, equipment maintenance regimens, and adherence to healthcare regulations form the cornerstone of their business. In parallel, the organization meticulously undertakes regular assessment as a central element of its decision-making apparatus. This forward-looking exercise encompasses identifying and assessing potential risks such as regulatory changes, medical malpractice vulnerabilities, or shifts in market dynamics, all of which could have far-reaching consequences for their long-term objectives.

The implementation of Swasthya's strategy is steered by the McKinsey 7S model, which ensures a harmonious alignment of seven critical elements: strategy, structure, systems, shared values, skills, style, and staff. It emphasizes

that the success of a long-term objective is contingent on the synchronization of these seven elements, reinforcing the idea that strategic management is not a compartmentalized process but a comprehensive activity.

Swasthya's strategic journey through India's healthcare landscape is a testament to the seamless integration of core management concepts, guiding its actions and strategies, while keeping the vision and intent at the core.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. How does Swasthya's approach to premise control, including stringent hygiene protocols and equipment maintenance, contribute to their long-term objectives and which concept does it align with?
  - (a) It reduces immediate costs and aligns with strategic risk assessment.
  - (b) It safeguards quality and aligns with strategic risk assessment.
  - (c) It enhances immediate profitability and aligns with shared values.
  - (d) It streamlines administrative processes and aligns with value chain analysis.
2. How does Swasthya counter the risk posed by constant innovations and disruptions in their areas of expertise?
  - (a) By aggressively acquiring innovative startups.
  - (b) By introducing value-added services like telemedicine and wellness programs.
  - (c) By downsizing their operations.
  - (d) By focusing exclusively on urban healthcare markets.
3. Why is the McKinsey 7S model significant in Swasthya's strategic management approach, and which elements of the model ensure a holistic alignment of their strategy?
  - (a) It facilitates short-term profit maximization, with a focus on structure and style.
  - (b) It emphasizes a compartmentalized approach to strategy, focusing on shared values and skills.

- 
- (c) It ensures a comprehensive alignment of strategy, structure, systems, shared values, skills, style, and staff.
  - (d) It prioritizes immediate cost reduction by aligning systems and strategy.
4. Why is the focus on local operations essential for Swasthya in the context of their long-term objective, and how does it contribute to their overall strategy?
- (a) It reduces strategic risk by minimizing the need for strategic risk assessment.
  - (b) It aligns with their commitment to immediate profitability.
  - (c) It translates the organization's vision into tangible outcomes and aligns with their long-term objective.
  - (d) It diversifies their portfolio and aligns with competitive landscape analysis.
5. The case talks about scrutiny of every facet of the healthcare journey and emphasizes the fact that people of the organization play a pivotal role in this journey. Based on your reading, which level of management has the most crucial part to play here to ensure the sense of customer-first is imbibed in the organization?
- (a) Top Management (C-Suite) which sets the tone and strategy of the organization.
  - (b) Middle Management (Divisional Managers) who have the responsibility of translating strategy to real-time objectives.
  - (c) Functional Managers who actually do the work in the field.
  - (d) Board of Directors who are responsible for wealth creation of the shareholders.

**ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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1. **Option (b) It safeguards quality and aligns with strategic risk assessment.**

**Reason:**

Premise Control is one of the most used tools of strategic risk assessment which helps safeguard against probable external risks.

2. **Option (b) By introducing value-added services like telemedicine and wellness programs.**

**Reason:**

Value added services create a competitive advantage thus countering the risks of substitutes.

3. **Option (c) It ensures a comprehensive alignment of strategy, structure, systems, shared values, skills, style, and staff.**

**Reason:**

The McKinsey 7S model, as mentioned in the case, ensures a comprehensive alignment of all seven elements, reinforcing the idea that strategic management is a holistic and integrated process.

4. **Option (c) It translates the organization's vision into tangible outcomes and aligns with their long-term objective.**

**Reason:**

The focus on local operations, as mentioned in the case, plays a pivotal role in translating Swasthya's vision into tangible outcomes at the grassroots level, which aligns with their long-term objective of becoming a healthcare leader.

5. **Option (b) Middle Management (Divisional Managers) who have the responsibility of translating strategy to real-time objectives.**

**Reason:**

Middle Management as they translate the long-term objective to real actionable and thus ensure the organisation's sense of customer-first is translated to each and every objective.

**CASE SCENARIO 32**

In the fiercely competitive automotive industry, Zing, a promising newcomer, set out on a strategic journey with ambitions of making a substantial impact. Recognizing the significance of a robust distribution network early on, Zing forged partnerships with established dealerships, offering them attractive margins. This strategic move significantly enhanced Zing's reach, with a presence in 80% of the nation's dealerships by 2022, expanding its coverage significantly.

To differentiate themselves from competitors, Zing adopted two key strategies. Firstly, they prioritized product design, investing heavily in aesthetics and incorporating innovative features and environmentally friendly technologies. This focus on design led to their vehicles receiving excellent reviews and achieving an impressive 15% year-on-year growth in sales.

Secondly, Zing implemented switching costs to discourage customers from switching to other brands. Their vehicles featured branded software, making it both expensive and cumbersome for customers to transition to alternative brands. This strategic move effectively protected Zing's market share.

Zing's overarching goal was to position itself as a premium automotive brand, blending luxury with sustainability. However, their execution fell down as they challenged with maintaining consistent quality and service levels, resulting in mixed customer reviews.

Despite their best efforts, Zing's differentiation strategy fell short due to issues with inconsistent quality and service. Negative word-of-mouth and declining customer satisfaction scores tarnished their brand image, leading to stagnating sales. This failure to deliver on their brand promise proved to be a significant setback.

As Zing's reputation suffered from execution failures, securing additional funds for international expansion became challenging. Consequently, they made the difficult decision to postpone their global ambitions for the next five years, focusing instead on stabilizing their finances and rebuilding their brand image.

In summary, Zing's strategic journey illustrates the importance of not only crafting a compelling differentiation strategy but also executing it flawlessly. In the competitive automotive landscape, maintaining consistent quality and service is paramount to sustaining brand loyalty and achieving long-term success.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. What key strategic approach did Zing use to expand its market presence in the automotive industry?
  - (a) Product innovation and design
  - (b) Cost leadership strategy
  - (c) Entering new international markets
  - (d) Vertical integration
2. How did Zing protect its market share from potential competitors?
  - (a) Price-cutting strategy
  - (b) Branded software and switching costs
  - (c) Aggressive marketing campaigns
  - (d) International expansion
3. Why did Zing's differentiation strategy fall short in the market?
  - (a) Intense price competition
  - (b) Poor marketing strategy
  - (c) Inconsistent quality and service
  - (d) Lack of international expansion
4. Forging partnerships with established dealerships to enhance its distribution network falls under which level of strategy?
  - (a) Corporate level strategy
  - (b) Business level strategy

- (c) Functional level strategy
  - (d) Competitive level strategy
5. How did Zing initially expand its market presence across the nation?
- (a) Aggressive marketing campaigns
  - (b) Developing low-cost vehicles
  - (c) Partnering with established dealerships
  - (d) Launching a luxury brand

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (a) Product innovation and design**

**Reason:**

Zing expanded its market presence through a focus on product design and innovation, as mentioned in the case. They invested in aesthetics and incorporated innovative features to achieve year-on-year growth in sales.

**2. Option (b) Branded software and switching costs**

**Reason:**

Zing protected its market share by implementing proprietary software in their vehicles, making it costly and cumbersome for customers to switch to other brands. This strategic move deterred potential competitors.

**3. Option (c) Inconsistent quality and service**

**Reason:**

Zing's differentiation strategy fell short due to inconsistent quality and service, which led to negative customer reviews and tarnished their brand image.

**4. Option (b) Business level strategy**

**Reason:**

Forging partnerships with dealerships is a Business-Level Strategy because it is a strategic action aimed at achieving competitive advantage

in a specific market, contributing to the company's broader competitive goals.

**5. Option (c) Partnering with established dealerships**

**Reason:**

Zing expanded its market presence by partnering with established dealerships, offering them attractive margins. This strategy significantly increased their coverage across the nation, as stated in the case.

**CASE SCENARIO 33**

Café Delight, a thriving restaurant chain known for its unique blend of Australian and Indian culinary experiences, embarked on a remarkable journey from its humble beginnings as a small café in Australia to becoming a renowned player in the Indian restaurant industry. This case study digs into the strategic decisions and market dynamics that fueled Café Delight's growth, highlighting its transition from a single café in Powai, Mumbai, to a flourishing chain with a presence in five cities and over 25 stores. It explores how Café Delight effectively leveraged social media and adapted its pricing strategy to compete with global brands while maintaining a healthy profit margin.

In 2005, Café Delight was founded in Melbourne, Australia, by a passionate entrepreneur with a vision to bring the flavors of Australia and India together. The first café established in Powai, Mumbai, received accolades for its unique menu, blending Australian coffee culture with Indian culinary traditions. Over the course of five years, Café Delight expanded to three stores in Mumbai, driven by exceptional mouth publicity, customer loyalty, and consistent quality.

As the social media landscape evolved, Café Delight recognized the power of online platforms in reaching a wider audience. By effectively utilizing social media and online marketing, Café Delight expanded its presence to five cities across India and established over 25 stores. Customer engagement through social media platforms enabled the brand to create a strong and vibrant community, driving organic growth.

Café Delight's customer-centric approach involved continuously evolving its menu to cater to the changing tastes and dietary preferences of its patrons. By understanding the evolving needs of its customers, Café Delight could offer personalized menu items, seasonal specials, and dietary alternatives. This approach created a sense of loyalty and engagement among customers, strengthening the brand's appeal. Not just customers but High-power, low-interest stakeholders, including regulatory authorities, were addressed with careful compliance and adherence to industry standards. Low-power, high-interest stakeholders, like potential customers and local communities, were engaged through targeted marketing campaigns and community involvement

initiatives. This meticulous stakeholder analysis allowed Café Delight to build and maintain strong relationships with each group, effectively managing their influence and impact on the brand.

With its expanding presence and increasing popularity, Café Delight underwent a shift in its pricing strategy. It transitioned from a pocket-friendly pricing model to a skimming strategy, capitalizing on its unique blend of Australian and Indian flavors to position itself as a premium restaurant. Café Delight faced stiff competition from global brands entering the Indian market but maintained a profit margin of approximately 30% through menu engineering and targeted pricing.

In one of its kind, using strategic tools enabled Café Delight to identify and act on opportunities while mitigating threats, contributing to its long-term success in the highly competitive restaurant industry.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Café Delight effectively leveraged social media and adapted its pricing strategy as it stepped into which phase of business life cycle of operations?
  - (a) Introduction Stage
  - (b) Growth Stage
  - (c) Maturity Stage
  - (d) Decline Stage
2. What stakeholder group did Café Delight engage through targeted marketing campaigns and community involvement initiatives?
  - (a) High-power, high-interest stakeholders
  - (b) Low-power, low-interest stakeholders
  - (c) Low-power, high-interest stakeholders
  - (d) High-power, low-interest stakeholders

3. What best describes Café Delight's initial expansion strategy when it expanded from one café to three in Mumbai?
  - (a) Aggressive price reduction
  - (b) Leveraging customer loyalty and word-of-mouth publicity
  - (c) Extensive online marketing
  - (d) Embracing global branding strategies
4. At which level of strategic management does Café Delight's transition from a pocket-friendly pricing model to a skimming strategy fit?
  - (a) Corporate level
  - (b) Business level
  - (c) Functional level
  - (d) Operational level
5. What type of strategy did Café Delight use to differentiate itself from competitors in the Indian restaurant industry?
  - (a) Cost leadership strategy
  - (b) Focused differentiation strategy
  - (c) Cost focus strategy
  - (d) Hybrid strategy

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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#### **1. Option (b) Growth Stage**

**Reason:**

The case describes Café Delight's expansion from a single café to over 25 stores across five cities, driven by social media and targeted marketing. This reflects the growth stage, where businesses focus on increasing market presence, scaling operations, and capturing new customers. The shift in pricing strategy further supports their transition to a broader market.

**2. Option (c) Low-power, high-interest stakeholders****Reason:**

The case mentions Café Delight engaging with potential customers and local communities through marketing and community involvement. These groups are classified as low-power, high-interest stakeholders because they don't directly influence decision-making but are deeply invested in the brand's offerings and reputation.

**3. Option (b) Leveraging customer loyalty and word-of-mouth publicity****Reason:**

The case explicitly states that Café Delight's initial expansion was driven by exceptional word publicity, customer loyalty, and consistent quality, which played a critical role in growing from one café to three stores in Mumbai.

**4. Option (b) Business level****Reason:**

The shift in pricing strategy is a business-level decision as it involves competing within the restaurant industry by repositioning the brand as a premium offering. This aligns with the focus on achieving competitive advantage through differentiation and pricing.

**5. Option (b) Focused differentiation strategy****Reason:**

Café Delight offered a unique blend of Australian and Indian flavors, personalized menu items, and premium pricing to cater to a specific segment of customers looking for distinctive culinary experiences. This reflects a focused differentiation strategy, targeting a niche market with unique offerings.

**CASE SCENARIO 34**

Sneha Rao, founder and CEO of DEF Technologies, is renowned for her technological insight and visionary leadership style. She cultivates a culture of collaboration, continuous learning, and innovative problem-solving, encouraging her employees to think outside the box and embrace new challenges. Her exceptional ability to foresee technological trends and navigate complex market dynamics has propelled DEF Technologies to impressive growth over the past decade.

Sneha started DEF Technologies in 2010 as a small software development firm. With a vision to transform DEF Technologies into a leading tech company, she initially focused on developing custom software solutions for local businesses. However, intense competition and limited market demand led to financial difficulties. Undeterred, Sneha pivoted the business towards developing cloud-based solutions, leveraging the growing trend of digital transformation. This strategic shift, along with aggressive marketing, helped DEF Technologies capture a significant market share and become a leader in cloud services, setting new industry standards.

In 2015, Sneha's brother, Raj, joined the company, and together they crafted an ambitious expansion strategy. DEF Technologies entered the global market, partnering with international tech firms to launch a new line of AI-driven cybersecurity solutions. This venture was highly successful, establishing DEF Technologies as a global brand and a key player in the cybersecurity industry.

Raj then led the company's diversification into the healthcare sector with a new brand, MedTech Solutions. Recognizing the potential for technology to revolutionize healthcare, Sneha and Raj focused on developing affordable telemedicine platforms and AI-driven diagnostic tools. Their approach disrupted the market, providing high-quality healthcare solutions at lower costs and gaining widespread trust from healthcare providers and patients alike. MedTech Solutions experienced rapid growth, especially during the COVID-19 pandemic, as demand for remote healthcare services surged.

At the beginning of 2023, DEF Technologies launched another new business, GreenTech Innovations, to address environmental challenges through

technology. DEF Technologies continues to explore new opportunities and ventures to stay at the forefront of the tech industry.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Sneha Rao's vision to transform DEF Technologies into a leading tech company illustrates which type of strategic intent?
  - (a) Goal
  - (b) Mission
  - (c) Vision
  - (d) Objective
2. Sneha's leadership style, which promotes collaboration, continuous learning, and innovative problem-solving, can best be described as:
  - (a) Transactional leadership
  - (b) Transformational leadership
  - (c) Autocratic leadership
  - (d) Laissez-faire leadership
3. When DEF Technologies expanded into the global market with AI-driven cybersecurity solutions, which of Porter's Five Forces was most likely mitigated by forming partnerships with international tech firms?
  - (a) Threat of Substitute Products or Services
  - (b) Bargaining Power of Suppliers
  - (c) Threat of New Entrants
  - (d) Intense Rivalry Among Existing Competitors
4. By entering the global market and launching AI-driven cybersecurity solutions, DEF Technologies pursued which expansion strategy from Ansoff's Product-Market Growth Matrix?
  - (a) Diversification
  - (b) Market Penetration

- (c) Product Development
  - (d) Market Development
5. MedTech Solutions' focus on developing affordable telemedicine platforms and AI-driven diagnostic tools reflects which of the following competitive strategies?
- (a) Differentiation strategy
  - (b) Cost leadership strategy
  - (c) Best-cost provider strategy
  - (d) Focus Strategy

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### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (c) Vision**

**Reason:**

Vision refers to the aspirational future state that an organization aims to achieve. Sneha's vision of transforming DEF Technologies into a leading tech company represents a long-term aspiration and an ultimate goal, aligning with the concept of vision.

**2. Option (b) Transformational leadership**

**Reason:**

Transformational leadership is characterized by inspiring and motivating employees to innovate and take on new challenges to create positive change and achieve future success. Sneha's approach fits well with transformational leadership.

**3. Option (c) Threat of New Entrants**

**Reason:**

By forming partnerships with international tech firms, DEF Technologies strengthened its market position, creating barriers to entry for new competitors. These partnerships provide access to resources and technologies that are difficult for new entrants to replicate, thus reducing the threat they pose.

**4. Option (a) Diversification****Reason:**

Diversification involves entering new markets with new products. In the scenario, DEF Technologies is entering the global market and offering a new line of AI-driven cybersecurity solutions. This expansion into new product categories in new markets aligns with the diversification strategy.

**5. Option (c) Best cost-provider strategy****Reason:**

The best-cost provider strategy involves offering products or services that provide superior value by combining low cost with differentiation. MedTech Solutions' approach of providing high-quality healthcare solutions at lower costs aligns with the best-cost provider strategy.

**CASE SCENARIO 35**

Kriti Pvt. Ltd. has been importing French gourmet cheeses under the brand name of 'Fromage' since 2017. The company was amongst the first in India to introduce innovative unbreakable cheese packaging. Their affiliate, a French company owning Fromage, had entered into a progressive deal, wherein products would be sourced to India via their logistics, and all marketing expenditures would be covered by them. However, customer management and nationwide distribution would be taken care of by Kriti Pvt. Ltd. This required an English-speaking skilled workforce, which has been a constant challenge for the company in India.

The owners of Kriti Pvt. Ltd. have been regular attendees at industry-relevant conclaves, both national and international. Leaders of the company are passionate readers of business magazines. Following that, it was observed that the recent sentiment of the country towards 'Vocal for Local' could disrupt their French brand's marketability. An extraordinary meeting was set up, and the steps ahead were planned.

The outcome of the meeting was to partner with local producers of traditional Indian cheeses in phase one of the change strategy. For this, seven state governments were approached. The team was successful in taking contracts from all the government departments of these seven states and could position themselves fairly in the market. To fund this new investment, they have planned to slowly sell off their French business assets as well as the brand, to probable buyers.

This timely shift is proving to be a game-changer for the company, and the leadership is quite happy with better than before earnings and a much greater response from the customers. They find it easier to operate with domestic producers and vendors, and a sense of patriotism is instilled in the consumers' minds.

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**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Which of the following actions taken by Kriti Pvt. Ltd. is an example of a proactive strategy?
  - (a) Selling off their French business assets.
  - (b) Responding to the 'Vocal for Local' sentiment by partnering with local cheese producers.
  - (c) Managing customer relations and nationwide distribution.
  - (d) Covering all marketing expenditures for 'Fromage' in India.
2. Which of the following types of strategic control did the owners and leadership of Kriti Pvt. Ltd. deploy that eventually turned out to be one of the most effective strategic decisions for the company?
  - (a) Premise control
  - (b) Special alert control
  - (c) Implementation control
  - (d) Strategic surveillance
3. 'Vocal for Local' is a market sentiment that changed customers' preferences for the majority of products across all industries. Based on that, Kriti Pvt. Ltd. gauged the competition it might face in the coming months and agreed to change its own product. Which of the following forces, as per Michael Porter's five forces of competitive analysis, is most relevant in this case?
  - (a) Threat of new entrants
  - (b) Nature of rivalry in the industry
  - (c) Threat of substitutes
  - (d) Bargaining power of the buyer
4. Which of the following aspects of value chain analysis was the most challenging for Kriti Pvt. Ltd. at the time of selling the Fromage brand?
  - (a) Manufacturing

- (b) Outsourcing
  - (c) Customer service
  - (d) Procurement
5. To strategically revamp their business, partnerships were done with Indian local producers from seven states, and to fund it, the existing arm of the business was to be sold off. Which of the following strategies has Kriti Pvt. Ltd. opted for?
- (a) Turnaround strategy
  - (b) Divestment strategy
  - (c) Liquidation strategy
  - (d) Intensification strategy

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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- 1. Option (b) Responding to the 'Vocal for Local' sentiment by partnering with local cheese producers.**

**Reason:**

This is a proactive strategy because it anticipates shifts in consumer preferences toward local products. By partnering with local cheese producers, Kriti Pvt. Ltd. aligns its offerings with current market sentiment, rather than merely reacting to it after the fact.

- 2. Option (d) Strategic surveillance**

**Reason:**

Strategic surveillance involves continuously monitoring the external environment for changes that could impact the organization. In this case, the leadership of Kriti Pvt. Ltd. recognized the shift in market sentiment and took proactive steps to adjust their strategy, showcasing effective strategic surveillance.

**3. Option (c) Threat of substitutes****Reason:**

The 'Vocal for Local' sentiment may increase the appeal of local alternatives to French gourmet cheeses, thereby posing a threat of substitutes. Kriti Pvt. Ltd. acknowledged this shift and adapted its product offerings to mitigate the risk of losing customers to local cheese producers.

**4. Option (c) Customer service****Reason:**

The transition from managing a French brand to focusing on local partnerships may have created challenges in customer service. Maintaining high-quality customer service and relationships during this transition is crucial, and any difficulties in doing so could impact customer satisfaction and loyalty.

**5. Option (b) Divestment strategy****Reason:**

By selling off their French business assets to fund partnerships with local producers, Kriti Pvt. Ltd. is executing a divestment strategy. This strategic move allows the company to reallocate resources toward a new focus on local production and meet changing consumer demands.

**CASE SCENARIO 36**

EcoForge, a startup specializing in eco-friendly building materials crafted from agricultural waste, entered the highly competitive manufacturing industry with a vision of promoting sustainability. Despite its innovative approach, the company faced significant challenges as a new entrant, including high production costs, limited market visibility, regulatory hurdles, and fierce competition from established players. However, through strategic planning and effective execution, EcoForge successfully navigated these obstacles and positioned itself for sustainable growth.

The company's leadership recognized the importance of understanding its internal strengths and weaknesses, along with external opportunities and threats. This analysis revealed EcoForge's core advantage in sustainability and innovation, contrasted with scalability issues and market pressure from cheaper alternatives. Additionally, market analysis uncovered the potential of urban housing projects as an opportunity, while intense competition posed a significant threat.

EcoForge's leadership focused on creating unique value propositions by emphasizing its eco-friendly materials. This differentiation helped the company appeal to environmentally conscious builders and developers. To expand its market reach, EcoForge adopted strategies to deepen its presence in existing markets and explore new ones. Concurrently, it analyzed the industry landscape and identified the critical influence of regulatory policies and socio-cultural factors shaping consumer preferences.

Internally, EcoForge implemented structural and cultural changes to enhance its operational efficiency and responsiveness. By adopting a Strategic Business Unit (SBU) model, the company streamlined its decision-making process, allowing each product line to adapt quickly to market demands.

Recognizing the need for collaborative leadership, EcoForge's CEO, Ms. Aarti Mehra, invested in leadership training programs for senior managers. This shifted the company's culture from hierarchical to team-driven, encouraging innovation and cross-functional collaboration.

To enhance its competitiveness, EcoForge optimized its production and supply chain processes by addressing inefficiencies and partnering with technology providers. These efforts significantly reduced costs and improved product quality. Simultaneously, the company pursued green certifications and localized marketing efforts to build brand recognition, attracting environmentally conscious clients. Over three years, these initiatives enabled EcoForge to expand into new markets, secure partnerships with leading developers, and increase its revenue by 40%.

By integrating market analysis, operational improvements, and a focus on cost efficiency, EcoForge transitioned from a struggling startup to a leader in sustainable building materials, setting a benchmark for innovation and environmental stewardship in the industry.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. The SBU model adopted by EcoForge is an example of strategic decision-making at which level?
  - (a) Corporate Level
  - (b) Business Level
  - (c) Functional Level
  - (d) Operational Level
  
2. EcoForge's strategy of appealing to environmentally conscious builders and developers by emphasizing its eco-friendly materials is an example of which type of generic strategy by Michael Porter.
  - (a) Cost Leadership
  - (b) Differentiation
  - (c) Focussed Cost Leadership
  - (d) Focussed Differentiation

3. The case mentions EcoForge identifying “critical influence of regulatory policies and socio-cultural factors shaping consumer preferences.” Which strategic analysis framework is most relevant here?
  - (a) SWOT Analysis
  - (b) Value Chain Analysis
  - (c) PESTLE Analysis
  - (d) Ansoff’s Matrix
4. EcoForge’s strategy to deepen its presence in existing markets and explore new ones corresponds to which growth strategy in Ansoff’s Matrix?
  - (a) Market Penetration
  - (b) Market Development
  - (c) Product Development
  - (d) Diversification
5. Which key industry force, as per Porter’s Five Forces, is reflected in EcoForge’s challenges from cheaper alternatives and intense competition?
  - (a) Threat of New Entrants
  - (b) Bargaining Power of Suppliers
  - (c) Bargaining Power of Buyers
  - (d) Threat of Substitutes

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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1. **Option (a) Corporate Level**

**Reason:**

The SBU model is a corporate-level strategy that allows the organization to allocate resources and manage product lines as distinct units, focusing on market adaptation and streamlined decision-making.

2. **Option (b) Differentiation**

**Reason:**

The emphasis on eco-friendly materials highlights differentiation, as EcoForge offers unique value through sustainability, setting itself apart from competitors.

3. **Option (c) PESTLE Analysis**

**Reason:**

Regulatory policies and socio-cultural factors are external environmental elements analyzed through the PESTLE framework.

4. **Option (b) Market Development**

**Reason:**

Expanding into new markets while maintaining existing ones aligns with market development strategies.

5. **Option (d) Threat of Substitutes**

**Reason:**

Competition from cheaper alternatives represents a substitute threat, as customers may choose more affordable options over EcoForge's products.

**CASE SCENARIO 37**

Galaxy Enterprises Limited (GEL) operates as a diversified conglomerate with a significant presence in various industries, including electronics, packaged foods, textiles, heavy machinery, and renewable energy. Leveraging its substantial free reserves of ₹85,000 crores, GEL has built a strong brand reputation, largely driven by its market leadership across multiple sectors.

In the renewable energy sector, GEL has been the industry leader for over 15 years. The division's recent performance has been exceptional. A significant market development occurred when two competitors, Nova Green Energy Limited and Zenith Solar Limited – previously ranked second and third in market share, respectively – merged to create a new entity, Synergy Renewables Ltd (SRL). Following the merger, SRL has claimed the top spot in market share, intensifying competition.

Against this backdrop, the Chairman of GEL convened a strategic meeting with the Board of Directors, divisional heads, marketing executives, and the Group CFO. The meeting focused on formulating growth strategies for the renewable energy division, identifying opportunities for diversification, and announcing an interim dividend in honour of GEL's platinum jubilee celebrations.

Mr. Arvind Malhotra, CEO of the renewable energy division, emphasized the industry's slow pace of modernization compared to global standards. He highlighted the potential in emerging product categories, such as next-generation solar panels, energy storage systems, and advanced wind turbines. He proposed a modernization initiative requiring an investment of ₹7,000 crores. This transformation is projected to reduce operational costs by 20% and minimize wastage by 12%.

The CFO presented an analysis revealing that competitors are unlikely to invest in significant upgrades or expansions for the next 6–8 years due to financial constraints. In response, the Board approved the modernization initiative and allocated an additional ₹1,500 crores to strengthen the division's supply chain.

Another proposal discussed was GEL's entry into the electric vehicle (EV) segment. The Board approved this diversification strategy, allocating ₹8,000 crores to establish a foothold in this rapidly growing market. Additionally, the

Board authorized the distribution of an interim dividend of ₹75 per share to commemorate GEL's platinum jubilee.

In preparing for these strategic initiatives, the Board also evaluated key stakeholders to determine their influence and interest. Shareholders and the Board of Directors emerged as primary stakeholders with both high influence and interest, necessitating active engagement to secure their support. Regulatory authorities were recognized as influential but less interested in the immediate plans, requiring regular updates to ensure compliance. Customers and employees, while not as powerful, were identified as highly interested stakeholders, particularly concerning the renewable energy division's modernization and its entry into the EV market.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. GEL has approved significant investments in modernizing its renewable energy division and entering the electric vehicle segment. Analyze the level of strategy these decisions represent and identify the correct justification for your answer.
  - (a) Functional level, as these are related to operational improvements within the renewable energy division.
  - (b) Business level, as these initiatives align with the goals of a single division to gain a competitive edge.
  - (c) Corporate level, as they involve decisions impacting the overall portfolio and diversification of GEL.
  - (d) Operational level, as these focus on day-to-day activities within the divisions.
  
2. With the merger of Nova Green Energy Limited and Zenith Solar Limited into Synergy Renewables Ltd (SRL), how does this development influence GEL's strategic priorities in the renewable energy sector under Porter's Five Forces framework?
  - (a) The merger reduces the threat of substitutes by consolidating competing technologies.

- (b) It increases the bargaining power of buyers by providing them with a stronger alternative supplier.
  - (c) It heightens the intensity of industry rivalry by creating a stronger competitor with greater market share.
  - (d) The merger strengthens the bargaining power of suppliers due to greater reliance on key inputs.
3. GEL's decision to enter the EV market represents a diversification strategy. Evaluate which type of diversification strategy is being pursued and the reasoning behind this classification.
- (a) Concentric diversification, as the EV market shares synergies with renewable energy technologies.
  - (b) Vertical integration, as GEL seeks to integrate upstream or downstream activities in the automotive value chain.
  - (c) Horizontal diversification, as GEL expands into a market unrelated to its existing renewable energy operations.
  - (d) Conglomerate diversification, as GEL enters an entirely unrelated and independent business segment.
4. GEL identified shareholders and the Board of Directors as key stakeholders. Analyze the rationale for classifying them as both high influence and high interest and how this influences strategic communication.
- (a) They directly impact compliance with regulatory standards, necessitating regular updates.
  - (b) Their vested interest in dividends and long-term value creation makes their engagement essential for approval of key initiatives.
  - (c) They represent the end consumers whose perceptions directly influence GEL's market reputation.
  - (d) Their role in operational execution requires constant communication and support for strategy implementation.

5. By approving modernization in renewable energy and diversification into EVs, what corporate strategy is GEL pursuing, and how does it position the company as per Ansoff's product market growth matrix?
- (a) Cost leadership, to lower operational expenses and offer competitive pricing.
  - (b) Product differentiation, by leveraging innovation in both existing and new markets.
  - (c) Market penetration, through deeper investments in existing product lines.
  - (d) Market expansion and diversification, to capture growth opportunities across unrelated industries.

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (c) Corporate level, as they involve decisions impacting the overall portfolio and diversification of GEL.**

**Reason:**

Corporate-level strategies focus on decisions that affect the entire organization, including diversification into new markets (e.g., EVs) and significant investments in existing divisions (e.g., modernization of renewable energy). These decisions are overarching and affect GEL's portfolio.

2. **Option (c) It heightens the intensity of industry rivalry by creating a stronger competitor with greater market share.**

**Reason:**

The merger consolidates two significant competitors into one dominant entity, intensifying rivalry within the industry. This increases the competitive pressure on GEL to innovate and maintain its market position.

**3. Option (d) Conglomerate diversification, as GEL enters an entirely unrelated and independent business segment**

**Reason:**

Conglomerate diversification involves entering a new, unrelated business segment. In this case, GEL is entering the electric vehicle market, which is distinct from its existing renewable energy business. This move aims to spread risk and create new growth opportunities.

**4. Option (b) Their vested interest in dividends and long-term value creation makes their engagement essential for approval of key initiatives.**

**Reason:**

Shareholders and the Board play a critical role in approving significant financial decisions and have a direct interest in the company's financial performance and strategic direction, necessitating active engagement.

**5. Option (d) Market expansion and diversification, to capture growth opportunities across unrelated industries.**

**Reason:**

GEL's decision to invest in modernization and enter the EV market reflect a dual focus on expanding its existing market and diversifying into a new, unrelated industry, aligning with its overall corporate growth strategy.

**CASE SCENARIO 38**

In the ever-growing consumer electronics industry, Horizon Technologies found itself at a crossroads in 2018. The company, founded a decade earlier, had established itself as a key player in the global market for smartphones and other electronics. However, the pressure to stay relevant, meet customer demands, and fend off competitors was mounting. This is the story of how Horizon Technologies navigated its challenges, leveraging key business strategies and analyses to achieve remarkable success.

Horizon Technologies recognized the need to divide its operations to find areas for improvement. They conducted a comprehensive value chain analysis, identifying both primary and support activities. By streamlining processes and eliminating redundancies, the company reduced production costs and enhanced product quality. This allowed them to offer more competitive prices, thus gaining a strategic edge in the market.

The company's CEO, Mr. Jonathan Mercer, was known for his authoritative management style. His challenge was to transform his leadership approach to one that encouraged creativity and teamwork within the SBUs. Mr. Mercer invested in leadership development programs for middle and senior managers to enhance their interpersonal and communication skills. The transition wasn't easy, but it fostered a more collaborative and dynamic work environment.

They did not stop there, Horizon Technologies adopted a Strategic Business Unit (SBU) structure, dividing the company into smaller, more manageable units. Each SBU was tasked with focusing on specific product lines. This decentralization empowered individual units to make strategic decisions autonomously, leading to quicker market response and a deeper understanding of customer needs. It was the catalyst for innovation and improved customer satisfaction.

Post organizational changes, Horizon Technologies strategized to embrace a cost leadership strategy, positioning itself as the go-to brand for affordable yet high-quality electronics. By optimizing production processes and supply chain management, the company achieved cost efficiencies that competitors

struggled to match. This not only attracted cost-conscious consumers but also enabled the company to maintain healthy profit margins.

As Horizon Technologies expanded into new international markets, the management recognized the importance of adapting to the local environment. Conducting a thorough PESTLE analysis (Political, Economic, Social, Technological, Legal, and Environmental) proved pivotal for navigating complex market dynamics. This analysis highlighted specific challenges, especially in understanding socio-cultural trends and regulatory differences across regions. By leveraging these insights, Horizon Technologies was able to overcome these obstacles, customizing its products, marketing strategies, and operations to align more effectively with local preferences and regulations, ultimately contributing to their success.

Through these strategic moves, Horizon Technologies experienced a remarkable transformation. Within two years, their market share had significantly grown in local markets, whereas the cost leadership strategy resonated strongly. Their annual revenue skyrocketed by 35%, and the company saw a 20% increase in its stock price. The business case for Horizon Technologies serves as an inspiration for companies navigating competitive and dynamic industries.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. In Horizon Technologies' journey towards globalization, PESTLE analysis played a pivotal role in navigating diverse international markets. Which aspect of PESTLE analysis proved to be the most challenging for Horizon Technologies?
  - (a) Socio-cultural factors, as they struggled to keep up with changing trends and cultural preferences.
  - (b) Legal factors, given the complex regulatory landscape in foreign markets.

- 
- (c) Environmental factors, with the need to adhere to varying sustainability standards.
  - (d) Technological factors, due to rapid changes in local technology preferences.
2. Horizon Technologies implemented a Strategic Business Unit (SBU) structure to improve its responsiveness and innovation. How did the SBU structure differ from the company's previous organizational model, and what benefits did this new structure bring?
- (a) The SBU structure replaced a functional structure and empowered units to make strategic decisions. It led to quicker market response and enhanced customer satisfaction.
  - (b) The SBU structure replaced a matrix structure, improving vertical communication and reducing operational silos.
  - (c) The SBU structure maintained the existing functional structure but focused solely on cost-cutting measures.
  - (d) The SBU structure introduced a more centralized approach, ensuring consistent decision-making across units.
3. Horizon Technologies faced internal challenges, including leadership struggles with an authoritative CEO. How did Mr. Jonathan Mercer transform his leadership style to foster a more collaborative work environment, and what were the key outcomes of this transformation?
- (a) Mr. Mercer increased his authoritative approach to drive quicker decision-making and efficiency.
  - (b) He introduced a strict top-down hierarchy to enhance discipline and order within the organization.
  - (c) Mr. Mercer invested in leadership development programs, enhancing interpersonal and communication skills, which resulted in a more collaborative and dynamic work environment.
  - (d) He delegated most of his responsibilities to middle managers, reducing his involvement in the company's daily operations.

4. While implementing a cost leadership strategy, Horizon Technologies went beyond just streamlining their production processes. What other factors did they consider achieving cost efficiencies, and how did this contribute to their success?
- (a) They solely focused on reducing labor costs, resulting in job cuts and employee dissatisfaction.
  - (b) Horizon Technologies invested heavily in extravagant marketing campaigns to attract a premium customer base.
  - (c) They optimized supply chain management and invested in research and development, leading to enhanced product quality and reduced production costs.
  - (d) The company acquired competitors to eliminate competition and establish a monopoly in the market.
5. The primary factor contributing to Horizon Technologies' remarkable transformation was their commitment to systematic analysis. What role did value chain analysis play in this transformation, and how did it drive their success in both local and global markets?
- (a) Value chain analysis revealed opportunities for diversification, enabling them to cater to various market segments.
  - (b) It allowed the company to identify and eliminate inefficiencies in their operations, resulting in cost reductions and improved product quality.
  - (c) Value chain analysis highlighted the need for excessive vertical integration, helping them control the entire supply chain.
  - (d) Horizon Technologies used value chain analysis primarily for financial forecasting and budgeting.

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**ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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1. **Option (a) Socio-cultural factors, as they struggled to keep up with changing trends and cultural preferences.**

**Reason:**

The case highlights that Horizon Technologies faced challenges understanding socio-cultural trends and preferences in international markets. Adapting to diverse cultural norms and customer expectations required significant effort, making this aspect of PESTLE analysis the most challenging.

2. **Option (a) The SBU structure replaced a functional structure and empowered units to make strategic decisions. It led to quicker market response and enhanced customer satisfaction.**

**Reason:**

The case mentions that the SBU structure decentralized operations, allowing each unit to focus on specific product lines and make autonomous strategic decisions. This shift from a functional structure led to better responsiveness, innovation, and customer satisfaction.

3. **Option (c) Mr. Mercer invested in leadership development programs, enhancing interpersonal and communication skills, which resulted in a more collaborative and dynamic work environment.**

**Reason:**

The case study mentions Mr. Mercer's transition and its impact on the work environment.

4. **Option (c) They optimized supply chain management and invested in research and development, leading to enhanced product quality and reduced production costs.**

**Reason:**

The case study highlights the multifaceted approach to achieving cost efficiencies.

5. **Option (b) It allowed the company to identify and eliminate inefficiencies in their operations, resulting in cost reductions and improved product quality.**

**Reason:**

The case study emphasizes the role of value chain analysis in cost reduction and product quality improvement.

**CASE SCENARIO 39**

Once upon a time in the land of sun, sand, and vibrant cultures, there existed a company named "MuseoGoa" - a company that managed museums in the beautiful state of Goa. MuseoGoa had a vision to celebrate the rich history and culture of Goa, but their journey was not without its fair share of challenges.

MuseoGoa had chosen a picturesque location in a quaint village to build their first museum. However, this initial enthusiasm was met with an uproar from the local communities. The villagers were concerned about the impact on their way of life and traditions. They worried that the influx of tourists might disrupt their peaceful existence.

To address this challenge, MuseoGoa applied Mendelow's matrix, identifying the local communities as key stakeholders. They decided to engage in open dialogues, understanding and respecting the villagers' concerns. MuseoGoa initiated community-building activities, such as involving locals in museum operations, supporting local artisans, and organizing cultural events that showcased the village's heritage. Slowly but steadily, the company transformed from being perceived as a threat to a valued partner within the community.

While MuseoGoa had successfully resolved their initial issues with the local community, they faced another challenge. Their location, although idyllic, was a bit off the beaten path. Tourists typically preferred the bustling beaches closer to the city, and this posed a real challenge. MuseoGoa decided to employ a pricing strategy. They priced their tickets affordably, significantly cheaper than the city's attractions. This strategy attracted budget-conscious tourists who were looking for unique experiences in Goa without burning a hole in their pockets. As word spread about the cultural gem tucked away in the village, visitors started flocking in, drawn not just by the museum's charm but also the economical ticket prices.

In the age of social media, MuseoGoa knew that word-of-mouth was no longer limited to whispers. They tapped into the power of social media to promote their unique museum experience. MuseoGoa ran interactive campaigns, encouraging visitors to share their experiences on various platforms. One particular Instagram post featuring a vibrant Goan mural in the museum went

viral. This was the turning point. The picture-perfect aesthetics of the museum attracted influencers, bloggers, and travel enthusiasts, making MuseoGoa a social media sensation. Visitors came pouring in, not just from India but from across the globe, eager to capture their own moments at the "Instagrammable Museum of Goa."

With success came ambition. MuseoGoa decided to expand its footprint beyond Goa. To guide this expansion, they conducted a strategy audit and trend analysis. They identified emerging cultural and tourism trends and found potential markets in Pune and Trivandrum.

In Pune, MuseoGoa curated a special exhibition that celebrated the fusion of Goan and Maharashtrian cultures. They strategically partnered with local influencers and travel agencies to market the new experience. The expansion into Pune was met with resounding success.

For Trivandrum, MuseoGoa recognized the importance of local traditions and the distinct flavor of Kerala. They tailored their offerings to harmonize with the regional culture. MuseoGoa became the gateway for tourists to explore Kerala's rich heritage, with the museum acting as a bridge between Goa and Kerala's cultural tapestry.

MuseoGoa's journey from initial uproar to expansion was a testament to their commitment to community building, strategic pricing, social media savvy, and a keen eye for trends. The company continued to flourish, celebrating the diverse cultural tapestry of India and making history come alive in every location they touched.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Which strategic management concept did MuseoGoa use to address the initial concerns of the local community?
  - (a) SWOT analysis
  - (b) Mendelow's matrix
  - (c) Cost leadership strategy
  - (d) Porter's Five Forces model

- 
2. MuseoGoa's idyllic location in a quaint village posed a challenge as tourists preferred beaches closer to the city. To attract visitors, MuseoGoa priced their tickets affordably, cheaper than city attractions, drawing budget-conscious tourists looking for unique experiences. What business strategy did MuseoGoa employ to attract more tourists?
    - (a) Cost leadership strategy
    - (b) Differentiation strategy
    - (c) Focus strategy
    - (d) Diversification strategy
  3. How did MuseoGoa approach its expansion into new markets such as Pune and Trivandrum?
    - (a) Outsourcing strategy
    - (b) Franchising strategy
    - (c) Product diversification strategy
    - (d) Market development strategy
  4. Which element of the 7S McKinsey model is demonstrated by MuseoGoa's strategic use of social media and pricing strategies to attract visitors?
    - (a) Style
    - (b) Strategy
    - (c) Shared Values
    - (d) Skills
  5. What played a crucial role in MuseoGoa's success in Pune and Trivandrum?
    - (a) Strategic partnerships
    - (b) Aggressive advertising
    - (c) Product differentiation
    - (d) Vertical integration

**ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (b) Mendelow's matrix****Reason:**

MuseoGoa used Mendelow's matrix to identify the local communities as key stakeholders and engage in open dialogues to understand and address their concerns, ultimately transforming from a perceived threat to a valued partner within the community.

**2. Option (a) Cost leadership strategy****Reason:**

MuseoGoa used a Cost Leadership Strategy by offering cheaper tickets than city attractions to attract budget-conscious tourists. This approach increased foot traffic, differentiated them from pricier competitors, and boosted attendance through word-of-mouth, ensuring a steady flow of visitors despite their less popular location.

**3. Option (d) Market development strategy****Reason:**

MuseoGoa approached its expansion into new markets through a market development strategy, as evident from the case where they curated special exhibitions and tailored offerings for Pune and Trivandrum.

**4. Option (b) Strategy****Reason:**

MuseoGoa's use of social media campaigns and pricing strategies represents the strategy element of the 7S McKinsey model, as these initiatives were key to achieving their objectives and attracting visitors.

**5. Option (a) Strategic partnerships****Reason:**

MuseoGoa's success in Pune and Trivandrum was attributed to strategic partnerships with local influencers and travel agencies to market the unique experiences in those locations, as mentioned in the case.

**CASE SCENARIO 40**

Quick N Safe Logistics has been one of the prominent transporters of goods for more than two decades. It has its own fleets and also has business arrangements with Railways.

Competition with existing players and the threat from new entrants are increasing regularly. Customer preferences and expectations are also changing. The need to consider new and improved means of transportation seems inevitable.

The current philosophy of the company is 'to bring the best user experience to its customers through timely and safe delivery of goods'. While keeping this philosophy in mind, it desires to keep ahead and reap the benefits of first mover advantages in the industry. In order to achieve its growth target, the company is exploring available other options so as to have a strong presence in supply chain management.

The company is of a considered view that 'we learn as we grow'. It is known that the overall per mile operating cost decreases due to an increase in efficiency and cumulative volume of services. Since the company will have a cost advantage over the competitors due to the reduced cost of services, it can develop and adopt a penetrative pricing strategy by setting a low price to attract more customers.

It is also observed that arrangement of transportation through railways is becoming a concern. Growth rate is slow and market for areas being covered by this means of transport is by and large stabilized. The profit margin is coming down due to stiff competition. The company has to work out an action plan to maintain stability.

On the other side, one of the customer segments is looking for fast delivery of its goods in major cities all across the country. The prime consideration of such customers is quick and safe delivery of their products, irrespective of cost for the same. The target market for such services is very large and also increasing very fast. In view of the same, the company wants to reform its operation by

engaging a dedicated team to perform a niche marketing strategy for transporting such goods through airways on an assurance of 'delivery by next day'.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. The strategy in which the company wants to keep ahead and reap the first mover advantages in the industry, is known as:
  - (a) Adaptive strategy
  - (b) Reactive strategy
  - (c) Proactive strategy
  - (d) Responsive strategy
  
2. In context to service in transportation through railways, the company is analyzing a relationship between volume of business on one axis with respect to time on another axis. As per Product Life Cycle (PLC), which stage this service is passing through:
  - (a) Introduction
  - (b) Maturity
  - (c) Growth
  - (d) Decline
  
3. In Strategic Management, the concept of decrease in the overall per mile operating cost due to increase in efficiency and cumulative volume of services is depicted as:
  - (a) Experience curve
  - (b) Ansoff's growth matrix
  - (c) Strategic surveillance
  - (d) Value chain analysis

- 
4. As per strategies propagated by Michael Porter, niche marketing strategy for transporting goods through airways for a large customer segment on an assurance of 'delivery by next day', is known as:
- (a) Cost leadership strategy
  - (b) Differentiation strategy
  - (c) Focus differentiation strategy
  - (d) Focus cost leadership strategy
5. The philosophy of the company stated as, 'to bring the best user experience to its customers through timely and safe delivery of goods', is indicating towards:
- (a) Vision statement
  - (b) Mission statement
  - (c) Goals of the company
  - (d) Objectives of the company

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (c) Proactive strategy**

**Reason:**

A proactive strategy refers to anticipating changes or opportunities in the environment and taking early action to gain a competitive edge. In this case, the company wants to maintain its leadership by exploring new transportation methods and benefiting from first-mover advantages, which fits the proactive strategy.

**2. Option (b) Maturity**

**Reason:**

The case mentions that the market for areas covered by rail transport is "stabilized", and growth is slow, which indicates the maturity stage of the Product Life Cycle. In this phase, the market has reached saturation, and growth slows down while competition intensifies, affecting profit margins.

**3. Option (a) Strategic surveillance****Reason:**

The experience curve suggests that as a company gains more experience producing or delivering services, costs per unit decrease due to efficiencies and learning over time. The company's belief that operating costs decrease as volume increases reflects the experience curve concept.

**4. Option (c) Focus differentiation strategy****Reason:**

Focus differentiation strategy involves targeting a specific niche market and offering unique services that differentiate from competitors. In this case, the company is offering specialized services (air transport with next-day delivery) to a specific customer segment that values speed over cost, which aligns with focus differentiation.

**5. Option (b) Mission statement****Reason:**

A mission statement defines the purpose of the company and its primary objectives, focusing on customer experience and service delivery. The stated philosophy of delivering timely and safe goods reflects the company's mission.

**CASE SCENARIO 41**

In the seventh decade of last century the *Banerjee Tasty Teas Ltd (BTTL)*, engaged in tea plantations in Assam and Darjeeling for more than two decades, began selling packaged tea under the brand name "Mitra" and "Dost". At the time they had around 32 per cent of the market share in the packaged tea segment that was growing rapidly. Their next competitor had 18 per cent share. In the middle of eighth decade the company launched a chain of eateries selling teas and branded it as "Prakriti". They brewed tea in these eateries by adding goodness of adrak, tulsi and other natural ingredients. Their products were positioned as natural Indian tea with ayurvedic ingredients having health benefit. They positioned it as *masala chai* clinically proven to enhance immunity and gave a tag line, "Dadi Maa Ke Gharelu Nuskhe". It soon became the favourite chain of eateries, selling India's popular beverage, tea.

In early nineties when liberalization favoured entry of Multinationals in diverse sectors, two companies with their headquarters in USA - Galaxly and Foodtle, leading consumer goods company entered Indian market. The two companies respectively held two major global brands of teas Krypton Breakfast Tea and Argon Grey Tea. Both the global players with their vast pool of financial and other resources, knowledge of multiple markets and experienced professionals were expected to rewrite the history of the Indian Tea business.

BTTL concerned about their future engaged a leading management consultant to take advice on the future course of action. The management consultants, after a thorough study and survey in four largest metropolitan cities advised BTTL to exit the market and encash their goodwill. The consultants felt that it would be difficult for BTTL to survive in the tea business in India with the might of new competitors having abundant resources. The BTTL engaged with the two global companies and sold their packaged tea business to Galaxly in the year 1995 with a non-compete clause for 20 years. The brands "Mitra" and "Dost" became property of Galaxly. BTTL retained the eateries and "Prakriti" brand. Galaxly got an edge over Foodtle in Indian Market with instant access to the distribution network. In late 1990's Galaxly reduced production of "Mitra" and "Dost" and focussed to sell their own brands. However, both the new entrants struggled to sell their products in India. Galaxly changed back its focus to

“Mitra” and “Dost” in the middle of last decade of the previous century and started gaining edge over Foodtle. In the beginning of new century Galaxly had a market share of 21 per cent and Foodtle had a market share of 13 per cent. There were many other big and small brands that controlled the remaining share.

When the Indian tea market was witnessing a high-profile tussle between the global giants, Prakriti gained popularity among domestic consumers and increased the number of outlets to 163 located in 78 cities. BTTL riding high on the success of their Prakriti outlets, diversified into the fruit-flavoured beverages segment, with aims to garner significant share in the Indian fruit beverages market. The company launched the brand ' Asli Bursts' and started selling packaged juices in three flavours – mixed fruit, green apple and tangy orange. In the year 2010 the business expanded with the launch of 100% natural Tender Coconut Water. As a result, it became the country's largest health and nutritious drink brand with a variety of products under its umbrella. Over time the management of BTTL also changed and is now controlled by the next generation. The new generation, nostalgic about their first product re-entered packaged tea business in the year 2015 with the brand 'swad'. They pursued catering to broad markets by reducing costs in the areas of procurement, storage and distribution of teas and selling it at attractive prices. However, five years have passed; the brand 'swad' is not able to garner any significant foothold in Indian packaged Tea Market.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. In the 1970's what was the position of BTTL in BCG matrix?
  - (a) Stars
  - (b) Cash Cows
  - (c) Question Marks
  - (d) Dogs

- 
2. Which of the following are not strength of Galaxly in India in the year 1994?
- i. Financial Resources
  - ii. Krypton Breakfast Tea Brand
  - iii. Strong distribution channel
- (a) ii
- (b) iii
- (c) ii and iii
- (d) i, ii and iii
3. What is the Micheal Porter business level strategy for the brand `Swad`?
- (a) Cost leadership
  - (b) Differentiation
  - (c) Focussed cost leadership
  - (d) Focussed differentiation
4. Entry of BTTL in coconut water is:
- (a) Market entry
  - (b) Market development
  - (c) Market penetration
  - (d) Product development
5. Entry of BTTL in eateries with brand name Prakriti is:
- (a) Vertically integrated diversification
  - (b) Horizontally integrated diversification
  - (c) Concentric diversification
  - (d) Conglomerate diversification

**ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (a) Stars****Reason:**

During the 1970s, BTTL held a 32% market share in the rapidly growing packaged tea segment, making it a leader in a high-growth market. This aligns with the Stars quadrant in the BCG matrix, representing high market growth and a strong market share.

**2. Option (c) ii and iii****Reason:**

- ii. Krypton Breakfast Tea Brand: While this was a global brand, it was not yet established in the Indian market in 1994.
- iii. Strong distribution channel: Galaxly lacked a robust distribution network in India, which they only acquired after purchasing BTTL's packaged tea business.

Therefore, ii and iii were not strengths of Galaxly in India at the time.

**3. Option (a) Cost leadership****Reason:**

The strategy for the brand 'Swad' involved reducing costs in procurement, storage, and distribution to offer tea at attractive prices. This is a classic example of the cost leadership strategy, which aims to achieve competitive advantage by minimizing costs.

**4. Option (d) Product development****Reason:**

The launch of tender coconut water represents product development because BTTL introduced a new product (natural coconut water) in their existing market of health and nutritious drinks, expanding their product portfolio.

**5. Option (a) Vertically integrated diversification****Reason:**

By launching the "Prakriti" chain of eateries, BTTL moved forward in the value chain to directly serve brewed tea to customers. This represents forward vertical integration, where a company takes over activities closer to the customer in the supply chain.

**CASE SCENARIO 42**

With rising incomes of salaried class individuals and the percentage of second-generation kids pushing the economic consumption to an all-time high, Anant Khanna, a 23 year old graduate of IIT Mumbai, betting on this new market segment, started a digital credit payback platform under the name of Money Mox.

The company began its operations last year and has already accumulated a customer base of around two million active users. One of the reasons to enter this market was the disruptive technology already in place because of earlier FinTech startups. It was easy to mold the available infrastructure and build a platform. The idea of the company is simple; make a gated community of high income - high spending individuals and reward them for their purchases via credit and debit cards.

The company made news recently with global investors finding it attractive to bet on. Following which, Josh Kattings, an early investor, met with the team and advised them to not just copy what Batuya, the key competitor with a different business model was doing, but to learn, improve and better the process for customers.

Surprisingly, Josh also offered Batuya to work along with Money Mox for better penetration, but Anant and team did not agree to the same so early on. They had issues with their current infrastructure and rather wanted to outshine the competition, than to shake hands and grow together.

The company last month shared their revenue projections publicly and it attracted a lot of old players in banking to take note of the new technology. The leader in this sentiment was CBZ Bank which offered to buy Money Mox for 50 crores against a 100% equity deal.

Anant and team are yet to respond to the enormous offer from a well-established bank, but this surely speaks volume about how unique ideas are valued in the developing economies like India.

**Based on the above case scenario, answer the multiple choice questions.**

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**MULTIPLE CHOICE QUESTIONS**

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1. Which model has been thoughtfully considered while taking the decision to dive into FinTech market?
  - (a) BCG Growth Share Matrix
  - (b) ADL Matrix
  - (c) Stop-Light Strategy Model
  - (d) SWOT Analysis
2. Money Mox's market strategy falls under which of Michael Porter's generic strategies?
  - (a) Cost Leadership Strategy
  - (b) Focused Differentiation Strategy
  - (c) Focused Cost Leadership
  - (d) Differentiation Strategy
3. Which of the following may be true about the downsides of the plan to work along with Batuya, that Anant and team might have considered?
  - (a) Trade Secrets can be spilled out
  - (b) Ally may become a competitor
  - (c) There may be good sharing of skills and technology and thus the costs will rise
  - (d) Only A and B
4. Considering the advice given by Josh Kattings about improving processes and bettering customer experiences, under Mendelow's Matrix, where does Josh Kattings likely fall?
  - (a) High Power, High Interest (Key Players)
  - (b) High Power, Low Interest (Keep Satisfied)
  - (c) Low Power, High Interest (Keep Informed)
  - (d) Low Power, Low Interest (Minimal Effort)

5. CBZ Bank's offer to buy 100% equity of Money Mox is an example of?
- (a) Horizontal Merger
  - (b) Concentric Diversification
  - (c) Strategic Alliance
  - (d) Co-generic Merger

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (c) Stop-Light Strategy Model**

The Stop-Light Strategy Model (also associated with the GE Matrix) evaluates business units or industries based on market attractiveness (e.g., disruptive technology, rising market potential) and business strength (e.g., rapid growth of the user base and customer acquisition rate). Money Mox entered the FinTech market based on these two key factors, aligning with the Stop-Light Model rather than SWOT Analysis.

**2. Option (b) Focused Differentiation Strategy**

**Reason:**

Money Mox targets a niche market (high-income, high-spending individuals) by offering a unique service (credit payback rewards for card purchases). This is a clear example of focused differentiation, where a company tailors its product or service to a specific market segment with unique value propositions.

**3. Option (d) Only A and B**

**Reason:**

- A. Trade secrets can be spilled out: Collaboration may lead to unintentional disclosure of proprietary processes or strategies.
- B. Ally may become a competitor: Partnerships can lead to shared knowledge, which might make the ally a strong competitor in the future.
- C is incorrect because sharing skills and technology typically lowers costs through economies of scale, not increases them.

Thus, the downsides considered are only A and B.

**4. Option (a) High Power, High Interest (Key Players)****Reason:**

As an early investor and advisor, Josh Kattings holds significant power (financially and strategically) and has high interest in Money Mox's success. He qualifies as a "Key Player" who should be engaged closely and consulted in critical decision-making.

**5. Option (d) Co-generic Merger****Reason:**

CBZ Bank operates in the financial services sector, and Money Mox is a FinTech startup within the same broad domain. This acquisition is a co-generic merger, as it involves two companies in related industries but with different operational aspects, aiming to create synergy.

### CASE SCENARIO 43

Jalsa Group is a family amusement park developer, based out of Ahmedabad. They have four prime properties in Gujarat; Snake Land, Water World, Ride Road and Habitat Universe.

Amongst above, Ride Road is the newest. The concept of Ride Road is that people can bring in their vehicles (of all sizes) and race against each other/in teams under expert guidance. The idea is fairly new to Indian market and the group is betting big money on it. Another bet that turned quite well for Jalsa is the Snake Land. The park has an integral design of a jungle with various rides based on snakes and reptiles. It has attracted locals in huge numbers and recently an influx of national tourists has been observed.

The owners liked a concept they saw on their visit to Indonesia, where people could visit an amusement park and plant vegetables and trees of their liking, and apparently own that particular tree/plant with all its produce being their property. This could have a major environmental benefit vis a vis governmental support to set up the business. The owners' proposed that this could even be made part of the Water World to revive it back to its glory.

Noting from above, Water World has seen tremendous competition at a national level, and the quality of rides has also deteriorated with new technological designs coming up. To meet the losses being made at Water World, management of Jalsa built Habitat Universe in a close spot, which has been awarded at international level and is seeing slight competition with increasing tourism, as the ticket sales figures are quite high.

The management team in their annual meeting presented the below matrix to the owners, based on which further plans were thought through;

Stars: Snake Land	Question Marks: Ride Road
Cash Cows: Water World	Dogs: Habitat Universe

The owners and team have realised that their differentiating factor at a national level is their ability to observe international trends and implement the same in India. Following which, Jalsa has planned to form an international vigilance committee to find such international trends and give them an Indianess for their

business. The Group plans to develop two more properties near Goa in the coming years.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Mark the statement(s) that are most appropriate.
  - (a) Snake Land is in growth stage and Habitat Universe is in maturity stage
  - (b) Snake Land is in growth stage and Water World is in maturity stage
  - (c) Ride Road is in introduction stage and Habitat Universe is in maturity stage
  - (d) Ride Road is in introduction stage and Water World is in declining stage
2. Formation of International Vigilance Committee is an incidental product of \_\_\_\_\_ of Jalsa Group?
  - (a) Core Competency
  - (b) Differentiation Strategy
  - (c) Cost Leadership
  - (d) Strategy Audit
3. Developing Habitat Universe is what kind of an expansion strategy?
  - (a) Vertical Diversification
  - (b) Concentric Diversification
  - (c) Conglomerate Diversification
  - (d) Horizontal Diversification
4. Which of the following is true in the matrix presented at the annual meeting with the owners?
  - (a) Stars: Snake Land and Question Marks: Ride Road
  - (b) Cash Cow: Water World and Stars: Snake Land

- (c) Dogs: Habitat Universe and Question Marks: Ride Road
  - (d) Question Marks: Ride Road and Cash Cow: Water World
5. Clearly SWOT analysis helped the owners' understand their differentiating factor of success, but which factor amongst the below can disrupt their differentiation factor in the long term?
- (a) Highly complex environment
  - (b) Competitive Scenario
  - (c) Both (a) and (b)
  - (d) SWOT Analysis is a fool proof technique, thus nothing would affect

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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- 1. Option (d) Ride Road is in introduction stage and Water World is in declining stage.**

**Reason:**

Ride Road is a new concept, indicating it is in the introduction stage, while Water World is facing competition and declining quality, placing it in the declining stage.

- 2. Option (a) Core Competency.**

**Reason:**

The formation of the International Vigilance Committee reflects Jalsa Group's core competency in observing and adapting international trends to the Indian market.

- 3. Option (b) Concentric Diversification.**

**Reason:**

Developing Habitat Universe complements the existing amusement park offerings, making it a concentric diversification strategy.

**4. Option (a) Stars: Snake Land and Question Marks: Ride Road.**

**Reason:**

The matrix categorization indicates Snake Land is performing well as a star, and Ride Road is in the question mark category as a new venture.

**5. Option (c) Both (a) and (b).**

**Reason:**

Both a highly complex environment and a competitive scenario can disrupt differentiation over time.

**CASE SCENARIO 44**

Medline patient care limited (MPCL) began its business as a small family-run business supplying custom-made hospital furniture and patient care equipment. The company started its operations with meager capital and work force in the year 1990, now having 20 years of experience and expertise, it has grown into a thriving hub of experts specializing in either custom-made, locally sourced or quality imported commercial grade hospital furniture. The company has made a significant name in the field of "patient care equipment" by providing high quality products to its customers.

Medline patient care limited (MPCL) has a wide business network throughout India and supply its products to various hospitals, nursing homes and medical colleges. It is well-known for manufacturing Hospital Furniture and Operation Theatre Equipment (Tables and Lights). Due to sudden plunge in the sales volume, margin of profits and declining market share, the company's CEO called a meeting with Board of Directors and other senior executives. They decided to appoint Mrs. Puri as a new strategy manager.

As a newly appointed strategy manager, Mrs. Puri has to assess and analyse the business environment and work out on the reasons of declining trends. Mrs. Puri conducted SWOT analysis and observed that the reason of these decreasing trends is increased competition that has emerged over the last three years. For many years, Medline (MPCL) has been known for high quality but now this quality is being matched by the competitors who are able to sell at lower prices.

After analysing the business environment, Mrs. Puri submitted her report to the top level management with the following proposals:

- Focus on technology, innovation, and quality: The expert technology, quality and innovates can earn the confidence of Doctors and the trust of consumers in developing latest Medical Equipments.
- Employee training & development: She advised to train and experts technical staff in our company to produce trouble free products.
- Cost rationalization: Reduction in the cost of production is required.

- Client service, support, and feedback: MPCL understands the importance of "After Sale-Service" to customers and always concentrate on this point.
- Product testing: All products are thoroughly tested before dispatch.

**Based on the above case scenario, answer the multiple choice questions**

### **MULTIPLE CHOICE QUESTIONS**

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1. After conducting the SWOT analysis by Mrs. Puri in MPCL, she identifies that high quality, custom-made hospital furniture has made a significant name in the field of "patient care equipment" by MPCL. For MPCL, these features of its products are its:
  - (a) Strength
  - (b) Opportunity
  - (c) Weakness
  - (d) Threat
2. MPCL recruits and appoints various employees at their respective levels in the organisation. Identify, the CEO, Board of Directors and other senior executives are a part of which of the following Strategic Levels in the organization?
  - (a) Business Level
  - (b) Functional Level
  - (c) Corporate Level
  - (d) Consultant Level
3. According to Michael Porter's five forces model, which force came into existence for declining the growth and profits of MPCL?
  - (a) Threat of new entrant
  - (b) Threat of substitutes
  - (c) Bargaining power of customers
  - (d) Bargaining power of suppliers

4. MPCL's market share is declining due to equivalent products being sold by competitors at lower prices. What does this statement reflect?
- (a) It reflects that the cost of production of competitors is lower than MPCL
  - (b) It reflects that the competitors are providing cheap products
  - (c) It reflects that MPCL has declined the quality of its products
  - (d) All of the above.
5. Competitive advantage leads to superior profitability. Mrs. Puri's report indicates the factors for value creation. Identify the factors by which MPCL can achieve competitive advantage by value creation.
- (a) The expert technology, quality and innovates can earn the confidence.
  - (b) Reduction in the cost of production is required.
  - (c) After Sale-Service to customers and welcome the valuable suggestions from their customers.
  - (d) All of the above

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### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (a) Strength**

**Reason:**

High quality and custom-made products represent internal strengths of MPCL, as these features contribute positively to the company's reputation and market position.

**2. Option (c) Corporate Level**

**Reason:**

The CEO and Board of Directors operate at the corporate level, focusing on overall strategic direction and decision-making for the organization as a whole.

**3. Option (b) Threat of substitutes****Reason:**

The decline in MPCL's growth and profits is significantly impacted by competitors offering equivalent products at lower prices. This suggests that customers may choose substitutes (in this case, similar hospital furniture and equipment from other suppliers) over MPCL's products, which aligns with the threat of substitutes in Porter's model.

**4. Option (a) It reflects that the cost of production of competitors is lower than MPCL****Reason:**

The statement specifically highlights that competitors are selling similar products at lower prices, which suggests they have a cost advantage over MPCL. The other options either generalize or misrepresent the situation.

**5. Option (d) All of the above****Reason:**

All listed factors (expert technology and quality, cost reduction, and after-sale service) contribute to MPCL's ability to create value and achieve a competitive advantage in the market.

**CASE SCENARIO 45**

Aero Mind Bridge Technologies Ltd (AMBTL) is a software development company work as a solution provider to airlines industry. The company was established more than a decade ago by Mr. Pranshu Gupta having experience of working in the United States of America (USA). His entrepreneurial desires brought him back to India to promote Aero Mind Bridge Technologies Ltd (AMBTL). The company started its operations with a meager capital of Rs. 10 lakhs with limited workforce. Currently, it enjoys a valuation of more than Rs. 50 crores. Almost everybody acknowledged the competency of AMBTL in developing customised software for the airlines industry.

The high growth of the company was mainly on account of the heavy inflows of the funds in the airlines industry from various big business houses that have diversified into airlines industry. Currently, these business houses were in the manufacturing of FMCG, textiles, packaging etc. and having good expertise and uniqueness in these industries.

However, AMBTL saw stagnation in last three years. The order position was shrinking day by day. The margins were also reducing. Last year was particularly bad for the AMBTL and its annual sales reduced by 20 % for the first time since its inception.

Most of the business houses that had entered in the airlines industry had less knowledge and experience in the industry. However, their desire to diversify and seeing new opportunity in the airlines industry prompted them to invest heavily into the industry.

However, things did not turn out to be as expected. The tough competition between several players, reduction in the fare by railways and high prices of aviation fuel created problems for the industry. The sector was not able to generate reasonable profits thus resulting difficulty in maintaining operations. They were in need for hard to come by capital. Lately, the airlines industry is witnessing some consolidation with companies planning for mergers or even contemplating closures.

The general global recession also resulted in the reduction of travel expenditure of corporates resulting in decrease in the order position of AMBTL.

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**Based on the above case scenario, answer the multiple choice questions**

**MULTIPLE CHOICE QUESTIONS**

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1. Identify the nature of diversification by the business houses entering into airlines industry.
  - (a) Concentric diversification
  - (b) Conglomerate diversification
  - (c) Vertically integrated diversification
  - (d) Horizontal integrated diversification
2. The big business houses were in the manufacturing of FMCG, textiles, packaging etc. and had good expertise and uniqueness in these industries. But they are not performing well in airlines industry because of
  - (a) Non availability of funds
  - (b) Incompetent workforce
  - (c) Rapid technological changes
  - (d) Lacking core competence
3. AMBTL has been known for its competency in developing customized software for the airlines industry. Which "S" in the 7S Framework reflects this capability?
  - (a) Systems
  - (b) Skills
  - (c) Structure
  - (d) Strategy
4. AMBTL could be easily marked as a Star as per BCG's Growth Matrix in its early years. However, the last three years have not been good for AMBTL. Where would you put it on the BCG Matrix?
  - (a) Dog
  - (b) Question Mark

- (c) Will remain a star
  - (d) Cash Cow
5. Mr. Pranshu Gupta as a core strategist of AMBTL has been authorised to bring about strategic change in his company, how he will initiate "unfreezing of the situation"?
- (a) Promoting new ideas throughout the organization
  - (b) Promoting compliance throughout the organization
  - (c) Promoting change in process throughout the organization
  - (d) None of the above

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### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (b) Conglomerate diversification**

**Reason:**

Conglomerate diversification refers to entering into a completely different industry than the one currently being operated in. The business houses in this case were originally involved in industries like FMCG, textiles, and packaging, and they ventured into the airlines industry, which is unrelated to their existing businesses.

**2. Option (d) Lacking core competence**

**Reason:**

While these companies may have expertise in their original industries, they lack the core competence required to succeed in the airlines industry. Their inexperience and lack of industry-specific knowledge have hindered their performance.

**3. Option (b) Skills**

**Reason:**

Skills refer to the organization's core competencies and technical capabilities, which in this case is software development expertise.

**4. Option (d) Cash Cow****Reason:**

If AMBTL has reduced growth but remains profitable due to established clients, it may still act as a Cash Cow. However, if profitability is severely impacted, (a) Dog might also be considered correct.

**5. Option (a) Promoting new ideas throughout the organization****Reason:**

To initiate change, the first step is to "unfreeze" the current state by promoting new ideas and creating awareness about the need for change among employees. This encourages a shift in mindset and prepares the organization for the upcoming changes.

**CASE SCENARIO 46**

Over 3 billion people worldwide drink coffee every day, and about 18% of Indians prefer coffee over tea. These numbers are growing at a CAGR of 11% and HotKopi wants to lead the way ahead in budget coffee stores in the Indian subcontinent. With many new brands mushrooming out to make money from the growing industry, HotKopi's unique selling proposition (USP) is its hand blended coffee, roasted on cow dung.

The business is not easy, getting quality cow dung, training individuals, packing organically and maintaining hygiene has been a constant issue. However, their customer reach and relationship management has been a winner in the market. This has helped them grow slowly and steadily even with enormous competition in the coffee segment.

In their annual finance meeting, the CFO of the company aimed to achieve 30% growth in customers and a 7% increase in net profits as soon as possible. On these lines, the company planned to expand its operations and team size to nearly thrice of what they were at the beginning of the year.

The business of HotKopi seemed sustainable but as the environment is dynamic and competition is fierce, the management had been keeping an eye on competition very closely. The promotions from competitors were flocking between being organic to dropping prices, offering free corporate parties, student discounts and souvenirs for high purchasers. The team knew these were costly promotions and were denting their competition economically but getting them business and a big share of the market.

More so, ChocoJoe, the biggest coffee brand in North America, was due to enter India in the coming months. They had already partnered with one of HotKopi's competitors and the business sustainability of HotKopi seemed weak. The team sat down for a round table meeting and decided to offer their entire business to ChocoJoe for a 120% premium and exit the business.

ChocoJoe recently accepted their offering, and the deal shall finalise by year end.

HotKopi has been a short success story which shall now hide behind the mega branding of ChocoJoe. Nonetheless, businesses are meant to be practical at times rather than being emotional. Whether the decision to sell off and exit was a wise one or not, only time would tell.

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**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Which of the following aspects of Value Chain Analysis has been a crisis area for HotKopi?
  - (a) Inbound logistics and Transformational operations
  - (b) Outbound logistics and Transformational operations
  - (c) Marketing and Sales
  - (d) Service and Inbound logistics
2. Differentiation has been core to HotKopi's business, but it has its own weaknesses. Which of the following could be the weakest of them all for HotKopi?
  - (a) Price point war
  - (b) Sustainability of uniqueness
  - (c) Inevitability of offering proposition
  - (d) Switching costs for customers
3. Which core characteristics in CFO's objective of achieving 30% growth in customers and 7% increase in net profits is missing?
  - (a) Being concrete and specific
  - (b) Providing standard for performance appraisal
  - (c) Challenging in nature
  - (d) Time frame specific
4. Had they not offered their business to ChocoJoe, HotKopi would have to pursue their plans of expansion. Which of the following would best suit their organizational structure?
  - (a) Divisional structure
  - (b) Multidivisional structure
  - (c) Functional structure
  - (d) Strategic business unit structure

5. HotKopi opted for liquidation. What kind of strategic control helped them get money out of the business at the right time?
- (a) Strategic surveillance
  - (b) Special alert control
  - (c) Premise control
  - (d) Management control

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (a) Inbound logistics and Transformational operations**

**Reason:**

HotKopi struggled with sourcing quality cow dung (inbound logistics) and maintaining hygiene, training, and organic packaging (operations).

**2. Option (b) Sustainability of uniqueness**

**Reason:**

Their differentiation (roasting on cow dung) is difficult to sustain in the long run due to competition and operational challenges.

**3. Option (d) Time frame specific**

**Reason:**

The CFO's objective lacked a specific deadline, making it incomplete as per the SMART goal framework.

**4. Option (c) Functional structure**

**Reason:**

Since HotKopi has a low level of diversification, a functional structure (with separate departments for marketing, operations, finance) is the best fit for expansion.

**5. Option (b) Special alert control**

**Reason:**

The entry of ChocoJoe and rising competition led to a sudden strategic decision to sell, which aligns with special alert control.

**CASE SCENARIO 47**

O-Farm, an organic farm products brand has been operating in India since 2014. It has had a decent history of business with revenue of INR 50 crores in the previous year and a Compound Annual Growth Rate (CAGR) of 11% year on year.

While the company operated on “Kisaan Kalyan” i.e., farmer friendly agenda since its inception, the rough times ahead seem to call for changes. The recent amendments in Agriculture laws, though indirectly related to organic farming, have posed immense threat to how the business operates. The leaders have been proactive in shifting gears and budgeted funds for shifting focus to “Upbhokta Sewa”, i.e., customer orientation.

To create newer demands and position themselves against the local farming practice changes, they reached out to West Asian and African Nations for their farm inputs, just like many other small traders from their segment. Accordingly, they ordered dry fruits from Afghanistan, whole wheat from Nigeria, and citrus fruits from Turkey. This has helped them get raw input at cheaper than usual rates and even better contractual terms, thus reducing input costs and thereby passing on the surplus margins to customers.

Further, the marketing team roped in big cricket stars and many social media influencers to aware customers about the brand’s customer orientation and product benefits. But, as the focus was on minimal spending, the team smartly locked in affiliate marketing terms with the influencers and even celebrities, instead of upfront promotion fee. This also helped in saving a lot of money initially.

With the changing environment in the Indian subcontinent around agriculture production, the team is confident with its strategic positioning. The sales have been just at the break-even bars for now, and the projected CAGR is 19% year on year, taking the sales volume to 10X in the next 4 years.

Farming has been a respected profitable business with big players as huge as oil companies. Nonetheless, it is complex, as it involves a lot of stakeholders, especially as it still remains a labour-intensive industry.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. O-Farm's new strategy implementation as a result of amendment of Agriculture laws by the government, resonates with which of the following statements?
  - (a) Organisational operations are highly influenced by the ripple effect of environmental changes.
  - (b) Organisational structure is highly influenced by the ripple effect of environmental changes.
  - (c) Organisational operations are not affected by the ripple effect of environmental changes.
  - (d) Organisational structure can influence environmental changes.
2. The shift of O-Farm from "Kisaan Kalyan" to "Upbhokta Sewa" is a change in?
  - (a) Mission
  - (b) Vision
  - (c) Promotion
  - (d) Product
3. Which of the following was the first and major advantage for O-Farm that helped them achieve Cost Leadership in the market?
  - (a) Economies of Scale was achieved very early on
  - (b) Prompt forecast of product demand
  - (c) Becoming customer oriented
  - (d) Well negotiated purchase contracts

- 
4. O-Farm's marketing strategy is an example of which of the following marketing strategies?
    - (a) Person Marketing
    - (b) Augmented Marketing
    - (c) Enlightened Marketing
    - (d) Synchro Marketing
  
  5. The brand has achieved cost leadership through multiple strategies, but it would be a constant challenge to sustain this leadership because of which of the following reasons?
    - (a) Competitors would imitate their modus operandi.
    - (b) Marketing costs will be huge as volumes increase given their choice of marketing strategy.
    - (c) Change in Agriculture Laws shall disrupt its supply chain time and gain.
    - (d) Sales volume will have to outperform its own targets and even that of competitors.

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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1. **Option (a) Organisational operations are highly influenced by ripple effect of environmental changes.**

**Reason:**

O-Farm had to alter its strategy (importing from other nations and shifting focus) due to changes in agriculture laws, showing how operations are affected by environmental changes.

2. **Option (b) Vision**

**Reason:**

The shift from "Kisaan Kalyan" (farmer welfare) to "Upbhokta Sewa" (customer focus) represents a long-term strategic direction rather than just an immediate purpose, indicating a change in vision.

**3. Option (d) Well negotiated purchase contracts****Reason:**

Importing cheaper farm inputs from West Asian and African nations helped O-Farm reduce input costs, making it the primary driver of cost leadership.

**4. Option (c) Enlightened Marketing****Reason:**

O-Farm used social media influencers and cricket stars with affiliate marketing instead of upfront payments, which is an example of enlightened marketing—a cost-effective and responsible promotional approach.

**5. Option (b) Marketing cost will be huge as volumes increase given its choice of marketing strategy.****Reason:**

Since O-Farm relies on affiliate marketing, costs will rise proportionally as sales volume increases, making it harder to sustain cost leadership.

**CASE SCENARIO 48**

There is a wave of interest from around the globe in an upcoming one of its kind three-day fitness event called DRIPP, organised by Monolith Events LLP. The event is due next year, and the tickets are already sold out.

Major attractions are that only organic foods and health drinks shall be available throughout the three-day event, free consultations with athletes, training tips and tricks. Competitions with prize money are also up for grabs. A lot of Bollywood Stars and International Celebrities have also shown interest and pledged to visit the event in Goa.

Rishi Bhalla, the Chief Logistics Officer, has formed a team of 30 people to get the right products from the right place to the right place at the best possible prices. They have been in conversation with many local vendors for organic products and have an inclination towards local businesses than going for big brand names. The idea is to give maximum profits to the vendors and in doing so the vendors would also have to bear the costs of setting up and share the risks of organising DRIPP. It seems a fair win-win proposition.

Further, Elina Ray, Director of Operations, has divided her team into middle managers looking after finance, customer service, supplies, community engagement and IT. They would all report to Elina directly and would be independent in taking decisions for their respective responsibilities. This would ensure an autonomous decentralised management to speed up operations.

The team had been working long hours till January and the business was struck by the pandemic. They have been fortunate enough to keep the ticket buyers, vendors and celebrities on board and even though the preparations have been a challenge in Covid19 times, the team has worked hard to keep things intact and on track.

Assuming global and domestic travel to normalise by next year, the team at Monolith anticipates many more such events like DRIPP with big event companies joining the party to imitate their concept.

**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Which of the following is untrue about Elina Ray's team?
  - (a) They are group of Functional level managers.
  - (b) They are aimed at facilitating the business level strategies.
  - (c) They would work isolated but work towards core business strategies.
  - (d) They would be responsible for control of their respective function.
2. Which of the following best describes the vendor engagement for DRIPP?
  - (a) Organizational alliance
  - (b) Economic alliance
  - (c) Strategic alliance
  - (d) Political alliance
3. Which of the following is a focal weak point for DRIPP's success if the pandemic allows more time for competitors to conceptualise something similar?
  - (a) Minimum capital requirement
  - (b) Inadequate barriers to entry
  - (c) Easy access to distribution channels
  - (d) Low switching costs
4. According to Mendelow's Matrix, which stakeholder group do the vendors belong to, considering they share risks and costs of DRIPP?
  - (a) Key Players
  - (b) Keep Informed
  - (c) Keep Satisfied
  - (d) Minimal Effort
5. For an Events Management firm such as Monolith Events LLP the ideal form of organisaitonal structure would be
  - (a) Hourglass

- (b) Matrix
- (c) Functional
- (d) Divisional

### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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- 1. Option (c) They would work isolated but work towards core business strategies.**

**Reason:**

Elina's team members report directly to her and handle different functions independently but not in isolation. They coordinate for overall operations.

- 2. Option (c) Strategic Alliance**

**Reason:**

The vendors are not just suppliers but also share costs and risks, making this a long-term collaboration rather than a simple financial or political arrangement.

- 3. Option (b) Inadequate barriers to entry**

**Reason:**

Event management has low entry barriers, meaning competitors can easily copy DRIPP's concept, reducing its uniqueness and market edge.

- 4. Option (a) Key Players**

**Reason:**

Vendors directly impact the event's success by providing essential products and services. Their high power and high interest make them key stakeholders.

- 5. Option (b) Matrix Structure**

**Reason:**

Event management requires cross-functional collaboration, and a matrix structure allows for flexibility, as employees report to both functional and project managers.

**CASE SCENARIO 49**

Increasing investment in the share market, mutual funds, and equity/debt investment plans from the growing salaried middle class gave birth to Scripzy, an Artificial Intelligence based market predictor and digital brokerage company. The company is headquartered in Mumbai and has a team of 100+ IT professionals working on building a safe and secure digital infrastructure.

The market is densely competitive. Apart from similar start-ups, several established players of the industry have also diversified their businesses with digital offerings for their existing customers. However, Scripzy, with its organic reach for the young earning set of customers, is on a winning streak. This was achieved by project 'Force.'

Project Force was a secret market analysis conducted by internal teams to find sustainable competitive advantages, focus on final product attributes most valued by customers and imitate the competitive capabilities of competitors. It was a complete final product-customer approach which helped them win over youngsters.

Interestingly, the company being AI based has also automated its internal decision making with in-house AI decision making bots. The top management explains their requirements to the AI bot and the bot makes functional decisions that are to be executed by respective teams. It also engages with team leaders and sends regular reports on fulfilments. This projected a very strong image for the company in the international market and a Chinese investor offered them a huge undisclosed amount to buy-out the AI system. Scripzy immediately accepted the offer and earned huge sums from the unexpected sale.

Repercussions followed and their core customers, the youth, boycotted their product. The team had to approach the share market leaders to support and with a little influence from the share market leaders, they were able to regain their "True Indian Company" status in the media. Nonetheless, damage was done, and they saw their customer base shattered to an all-time low.

Decisions which seem economically attractive are multi-faceted, and this is one lesson that Scripzy shall remember for times to come. Business for now is low and weak, but a good strategy can change the landscape for Scripzy's future.

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**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Which of the following statement by Ansoff is most appropriate for Scripzy's strategy in the changing environment?
  - (a) Preparedness of worst-case scenarios
  - (b) Farfetched planning of leadership
  - (c) Money has the power to influence the environment
  - (d) Blend of proactive and reactive actions
2. Project Force was crucial in determining Scripzy's position in the market. However, which of the following metrics was missed by the team while understanding KSFs?
  - (a) Crucial product attributes
  - (b) Sustainable competitive advantage
  - (c) Resources for competitive success
  - (d) Competitive capabilities to be competitively successful
3. Competitive landscapes of Scripzy comprises?
  - (a) AI Firms
  - (b) Existing financial firms that diversified their offerings
  - (c) Other start-ups
  - (d) Only (b) and (c)
4. In future, to fight out uncertainties like geo-political influences, which of the following can be used by Scripzy?
  - (a) PESTLLE Analysis
  - (b) SWOT Analysis
  - (c) GE Matrix
  - (d) ADL Matrix

5. Which of the following elements of the 7S McKinsey Model played a crucial role in Scripzy's success by aligning its AI-driven decision-making bots with its operations?
- (a) Strategy
  - (b) Systems
  - (c) Structure
  - (d) Style

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### ANSWERS TO MULTIPLE CHOICE QUESTIONS

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**1. Option (d) Blend of proactive and reactive actions**

**Reason:**

Scripzy initially followed a proactive strategy by conducting Project Force, which helped them gain a competitive edge by understanding customer preferences. However, their decision to sell their AI system led to unexpected customer backlash, requiring them to take reactive measures to regain trust. This mix of proactive and reactive actions aligns with Ansoff's strategic management insights.

**2. Option (c) Resources for competitive success**

**Reason:**

While Project Force successfully identified product attributes, competitive capabilities, and sustainable advantages, Scripzy failed to recognize the importance of retaining its internal AI system as a key resource for competitive success. Selling the AI system weakened their differentiation, leading to a decline in their competitive position.

**3. Option (d) Only (b) and (c)**

**Reason:**

Scripzy faces competition from existing financial firms that have diversified into digital offerings (b) and other start-ups (c) in the AI-based market prediction and brokerage sector. While AI firms may develop

predictive technologies, they do not necessarily operate in the same business model as Scripzy, making option (a) less relevant.

**4. Option (a) PESTLLE Analysis**

**Reason:**

PESTLLE Analysis helps assess external macro-environmental factors, including Political and Legal aspects, which are crucial for handling geo-political uncertainties. It evaluates trade policies, regulations, foreign investments, and economic impacts, making it the best tool for Scripzy.

**5. Option (b) Systems**

**Reason:**

The AI bots automated decision-making and operational processes, which falls under the Systems component of the 7S Model, focusing on internal processes and workflows.

**CASE SCENARIO 50**

Rohansh Bakshi, a 22-year-old from Maharashtra, started a gaming equipment company called TEEMOX, which specialises in gaming chairs, gaming consoles, controllers, wireless keyboard, touchscreen and mouse pads. Rohan has been an innovator and loves building products. Hence, to prioritise his time more on development, he insisted Mr. N. Muniyappa, his mentor, to be the CEO of the company and spearhead business from the front.

Rohansh has always believed in bringing something new to the consumer and that is clearly projected in the products offered by TEEMOX. His designs reflect youth with exciting colors and comfort, and they match the quality of big global brands. However, to make his products worth the money that his customers are paying, the procurement is done from Indonesia and Vietnam, where the materials are easily available at low costs.

Interestingly, Rohansh's AI based gaming chairs have been a huge hit for the company, bringing in the maximum revenue and margins. The business has gone from 200 units sold to over 5000 units sold in just six months. To add to it, a famous FMCG Brand approached TEEMOX to collaborate for a sports drink focused on gamers. The team is excited about this collaboration as the deal will bring in more awareness and open newer markets for them. But Mr. Muniyappa insists that this might also displease the existing consumers who relate to TEEMOX as a customer-oriented brand rather than yet another money-minting business.

Nonetheless, the plans seem to be working in the company's favour for now and the future seems bright. To put it in context, the gaming industry is booming with a Compound Annual Growth Rate (CAGR) of 190%, adding over 20 million new customers every quarter. Clearly, opportunities are enormous, and the brand is on track. A well-established vision and mission for the company could be a strong strategic advantage for challenging times to come.

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**Based on the above case scenario, answer the multiple choice questions.**

### **MULTIPLE CHOICE QUESTIONS**

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1. Based on the above case which of the following seems true about the Strategy of TEEMOX?
  - (a) Strategy was unified and comprehensive.
  - (b) Strategy was comprehensive and integrated.
  - (c) Strategy was integrated and unified.
  - (d) Strategy was integrated, unified and comprehensive.
2. Gaming chair business of TEEMOX is a cash cow. Which of the following strategies helped it become such an influential business?
  - (a) Organisation differentiation
  - (b) Product differentiation
  - (c) Focused differentiation
  - (d) Low-cost product provider
3. By routing its products from Indonesian and Vietnam, TEEMOX was able to achieve which of the following strategies on the holistic level of business?
  - (a) Product differentiation
  - (b) Horizontal integration of business
  - (c) Best cost provider in the industry
  - (d) Globalisation of business
4. TEEMOX's success is primarily driven by Rohansh's passion for product development and innovation. Under the 7S framework, which element does this align with?
  - (a) Strategy
  - (b) Systems

- (c) Shared Values
  - (d) Skills
5. A well-known FMCG brand is interested in collaborating with TEEMOX for a sports drink targeting gamers. Given its potential impact on TEEMOX's brand and market position, where would this FMCG company fall in Mendelow's Matrix?
- (a) High power, High interest (Key Players)
  - (b) Low power, Low interest (Minimal Effort)
  - (c) Low power, High interest (Keep Informed)
  - (d) High power, Low interest (Keep Satisfied)

### **ANSWERS TO MULTIPLE CHOICE QUESTIONS**

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**1. Option (d) Strategy was integrated, unified, and comprehensive.**

**Reason:**

TEEMOX's strategy covers multiple aspects: innovation in product design (differentiation), cost-effective procurement (low-cost sourcing), and market expansion (collaboration opportunities). Since it aligns different business functions (integration), maintains a unified approach (innovation + affordability), and covers all strategic dimensions (comprehensive planning), option (d) is the most accurate.

**2. Option (b) Product differentiation**

**Reason:**

TEEMOX's AI-based gaming chairs are unique, offering advanced features that have made them a high-revenue product. This aligns with product differentiation, where the company creates unique value through innovation rather than competing solely on price.

**3. Option (c) Best cost provider in the industry**

**Reason:**

By sourcing from lower-cost countries, TEEMOX can maintain high quality while keeping production costs down. This aligns with the best-cost

provider strategy, which focuses on offering superior products at competitive prices, rather than purely low-cost or high-differentiation approaches.

**4. Option (d) Skills**

**Reason:**

The McKinsey 7S Framework includes Skills, which refers to the capabilities and expertise of individuals within the organization. Rohansh's strength in product development and innovation is a key skill driving TEEMOX's success.

**5. Option (a) High power, High interest (Key Players)**

**Reason:**

The FMCG brand has a high stake in the collaboration and can influence TEEMOX's brand perception. Since this collaboration could open new markets or create brand dilution risks, the FMCG brand holds both high power and high interest, making them a key player in Mendelow's Matrix.