

MANAGEMENT PROGRAMME

Term-End Examination

June, 2010

**MS-91 : ADVANCED STRATEGIC
MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

Note :

- (i) *There are **two** sections - A and B.*
- (ii) *Attempt **any three** questions from **Section-A**, which carry **20** marks each.*
- (iii) ***Section-B** is **compulsory** and carries **40** marks.*

SECTION - A

1. (a) Discuss the nature and scope of Corporate Management. Is corporate management the same as corporate planning ?
(b) "Corporate strategy may exist at three levels." Explain. What are the distinctive characteristics of the three levels of strategy on the standpoint of various dimensions ? Illustrate it with the help of a chart.
2. (a) Why is the need for Corporate Governance felt ? Give a brief historical account of corporate governance in India. What measures, you think, need to be taken further to strengthen corporate governance in India in the light of recent experience ?

- (b) Discuss the functions and role of CEO in a company. What characteristics the Board of Directors of a company should possess in order to be really effective ?
3. (a) What kind of strategic thrusts/actions are required during the different phases of Product Life Cycle ? Explain with the help of a chart.
- (b) What basic approaches are available to a company to enter and complete in global markets ? Explain.
4. (a) How can R and D be helpful in creating competitive advantage for a firm ? What are the pre-requisites for developing an effective R and D strategy ? Explain.
- (b) Examine the relationship between innovation and strategic management. What characteristics the innovative organisations usually exhibit ? Discuss briefly.
5. (a) How are Business Ethics important for a firm ? Examine the relationship of business ethics with Corporate Social Responsibility (CSR). What consequences a firm may have to face in the short and long terms if it ignores business ethics ?
- (b) Discuss the relevance of strategic philanthropy for business organizations. Illustrate your answer with examples from India.

SECTION - B

6. Select (and name) any one industry of your choice and then define/analyse its environment in terms of SWOT analysis, taking into accounts the major factors and influences currently operating in that industry.
7. After reading and analysing the following Case carefully, answer the questions given at the end.

Graniterock's "Short Pay" Policy: An Innovate Way to Promote Strategy Execution

In 1987, the owners of Graniterock, a 100-plus-year-old supplier of crushed gravel, sand, concrete, and asphalt in Watsonville, California, set two big, hairy, audacious goals (BHAGs) for the company: total customer satisfaction and a reputation for service that met or exceeded that of Nordstrom, the upscale department store famous for pleasing its customers. To drive the internal efforts to achieve these two objectives, top management instituted "short pay," a policy designed to signal both employees and customers that Graniterock was deadly serious about its two strategic commitments. At the bottom of every Graniterock invoice was the following statement :

If you are not satisfied for any reason, don't pay us for it. Simply scratch out the line item, write a brief note about the problem, and return a copy of this invoice along with your check for the balance.

Customers did not have to call and complain and were not expected to return the product. They were given complete discretionary power to decide whether and how much to pay based on their satisfaction level.

The policy has worked exceptionally well, providing unmistakable feedback and spurring company managers to correct any problems quickly in order to avoid repeated short payments. Graniterock has enjoyed market share increases, while charging a 6 percent price premium for its commodity products in competition against larger rivals. Its profit margins and overall financial performance have improved. Graniterock won the prestigious Malcolm Baldrige National Quality Award in 1992, about five years after instituting the policy. *Fortune* rated Graniterock as one of the 100 best companies to work for in America in 2001 (ranked 17th) and 2002 (ranked 16th). Company employees receive an average of 43 hours of training annually. Entry-level employees called job owners, start at \$16 an hour and progress to such positions as "accomplished job owner" and "improvement champion" (base pay of \$26 an hour). The company has no-layoff policy, provides employees with 12 massages year, and sends positive customer comments about employees home for families to read.

- (a) What are the goals of an Innovative Organisation ? How these goals are accomplished by such Innovative Organisations like Graniterock.
 - (b) How Goals are turned into results by such Innovative Organisations ?
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