P. K. GHOSH

STRATEGIC MANAGEMENT

SULTAN CHAND & SONS

STRATEGIC MANAGEMENT

Text and Cases

TO

DEEPTI, ARUNJEET,
SONALI, CHANDANA, GAURAV,
VARUN, PIYALI

STRATEGIC MANAGEMENT

Text and Cases

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Preface

To the Fourteenth Revised and Enlarged Edition

In the present edition, there are several aspects of the subject on which revision of the textual matter was necessary according to latest thinking. These include: Evolution of Business Policy in Practice, Leadership as the starting point of strategy, Globalisation, Evolution of External Growth Strategy and Internationalisation, SEBI Regulations and Guidelines on Underwriting, Employee Stock Option Scheme and Employee Stock Purchase Scheme. A case on Management of Hindustan Unilever has also been incorporated.

I am grateful to all publishers, writers and readers for their valuable suggestions.

I am particularly grateful to my daughter Dr. (Mrs.) Sushmita Sen and Shri Rupak Sen, Telecom Engineer, for their assistance during my academic pursuit. I am also grateful to Mr. Siva Prasad Guha, former Executive of Export Import Bank of India, for his help in my academic work.

Finally, I must acknowledge my grateful appreciation of timely publication of this edition by Sultan Chand and Sons, New Delhi.

Kolkata

P.K. GHOSH

Preface to the Thirteenth Revised and Enlarged Edition

In this revised edition, I have supplemented existing matter with necessary additions like:

- Limitations of Strategic Management
- Total View of Strategic Intent
- Market Opportunity Index
- Sustainable Competitive Advantage
- Enterprise Resource Planning (ERP)
- Value Chain: Value Addition through Vertical Integration
- An Extension of the Two-dimensional Portfolio Analysis (SPACE)
- Corporate Parenting (Relationship between Corporate HQ and SBUs)
- Activation of Strategy: Prelude to Strategy Implementation
- Strategic Budgeting
- Structure based on Supply Chain Management
- Strategy of Technology Management
- Policy on R&D in the Context of Production and Purchasing
- Branding
- Marketing Mix Policy
- Foreign Currency Financing of Capital
- Buyback of Shares
- SEBI (Issue of Capital and Disclosure Requirements) Guidelines, 2009
- Motivation and Incentives in the Context of Human Resource Management
- Influence of other Agencies in Union-Management Relations.
- New cases.

Kolkata

P.K. GHOSH

To the First Edition

The book is designed so as to provide an analytical framework for understanding a total organisation in the complex dynamic environment of today.

It presents a comprehensive treatment of the processes bearing on the definition of business mission and objectives, strategic planning, formulation of strategic alternatives, choice of strategy, and implementation of strategy.

The analysis throughout the book has been presented in terms of the multiple decision variables concerning strategic management.

The Indian context has been kept in view throughout the work and the basic ideas are supported by empirical findings and research studies relevant to the Indian scene.

Addressed primarily to the post-graduate students of Indian Universities and Institutes of Management, the text has been put across in such a manner that Indian executives will also find it stimulating.

P.K. GHOSH

Delhi School of Economics
Independence Day, 1986

UNIVERSITY OF DELHI

Faculty of Management Studies

MBA

Semester III : F-301 to F-302

F-302: Business Policy and Strategic Analysis

Objectives

The objectives of this course is to develop a holistic perspective of enterprise, critical from the point of view of the top executives.

Course Contents

Business Policy as a Field of Study; General Management Point of View; Vision, Mission, Objectives and Policies; Environmental Analysis and Internal Analysis; SWOT Analysis; Tools and Techniques for Strategic Analysis; Impact Matrix; The Experience Curve; BCG Matrix; GEC Model; Industry Analysis; Concept of Value Chain; Strategic Profile of a Firm; Framework for Analysing Competition; Competitive Advantage of a Firm.

UNIVERSITY OF DELHI

Faculty of Management Studies

MBA

Semester IV : F-401 to F-404

F-401: Corporate Evolution and Strategic Management

Objectives

The Objectives of this course is to develop understanding about strategic processes and their impact on a firm.

Course Contents

Nature and Scope of Strategic Management; Strategic Intent and Vision; Concept of Core Competence, Capability and Organisational Learning; Process of Strategy Planning and Implementation; Strategy and Structure; Organisational Values and their Impact on Strategy; Power Games amongst Competing Players; Chief Executive and Board; Work of Top Management; Turnaround Management; Management of Strategic Change; Mergers and Acquisitions, Strategic Management in an International Firm; Strategy and Corporate Evolution in Indian Context.

UNIVERSITY OF DELHI

M.Com.

Course 6301: STRATEGIC MANAGEMENT

Time: 3 hrs. *Max. Marks: 100*

Objective

The objective of the course is to help the students develop an understanding of the basic inputs in making and implementing corporate strategic decisions and also familiarize them with the issues and practices involved.

Course Outline

1. Introduction: Concept and Role of Corporate Strategy. Levels of Strategy. Basic Model of Strategic Management. Approaches to Strategic Decision Making. Strategic Role of Board of Directors and Top Management. Strategic Implications of Social and Ethical Issues.
2. Strategic Analysis: Analysis of Broad Environment—Environmental Profile; Constructing Scenarios. Analysis of Operating Environment—Michael Porters Model of Industry Analysis. Analysis of Strategic Advantage—Resource Audit; Value Chain Analysis; Core Competences; SWOT Analysis. Analysis of Stakeholder Expectations—Corporate Mission, Vision, Objectives and Goals.
3. Strategic Choice: Generating Strategic Alternatives. Strategic Options at Corporate Level—Stability, Growth and Defensive Strategies. External Growth Strategies—Merger, Acquisition, Joint Venture and Strategic Alliance. Evaluation of Strategic Alternatives—Product Portfolio Models. Selection of a Suitable Corporate Strategy—Concept of Strategic Fit. Strategic Options at SBU Level—Michael Porters' Competitive Strategies; Operationalising Competitive Strategies.
4. Strategic Implementation: Strategic Implementation Issues. Planning and Allocating Resources. Organization Structure and Design. Functional Strategies—Production. Human Resource, Finance, Marketing and R&D. Managing Strategic Change. Strategic Control.
5. Strategic Review: Evaluating Strategic Performance—Criteria and Problems. Concept of Corporate Restructuring.

Contents

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Reg.	Strategic Management — Text and Cases Dr. P.K. Ghosh

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Thanking you.

Yours faithfully,
Sultan Chand & Sons