

EASTERN UNIVERSITY, SRI LANKA

Faculty of Commerce and Management

Final Year/First Semester Examination in Business Administration- 2018/2019

(August 2020) Proper / Repeat

MGT 4013 Strategic Management

Answer all questions

Time: 03 hours

Q1) Read the case study and answer the questions given below.

Rasna's Organizational Analysis that preceded its decision to be a Multinational

The brand, which tasted the success in domestic market, and international market as well through moderate exports, now wants to become a multinational company; for this to happen, it is pursuing a new strategy - market expansion. Rasna, a well-known fruit drink concentrate brand, owned by Ahmedabad-based Pioma Industries, is scouting for joint venture partners to expand its trade to former Soviet (CIS) and African countries. Its collaboration options include licensing, technology transfer, joint venture, and marketing partnership.

Its vision is to be a global leader in processed foods. Its mission is to bring to the global market high quality processed foods, beverages and confectionaries through superior technology. Its current focus is to give the global consumers the true flavor of the Indian foods through its ethnic recipes. At present, with an annual turnover of Rs.291 crores, Rasna holds a market share of close to 97 % of soft-drink concentrate market in India. It currently exports its concentrate-11 products- to more than 40 countries in Europe, Asia and Africa. Before 1979, it was known as 'Jaffe' and marketed with the help of Voltas. It has now eight manufacturing units in India. Besides expansion to CIS and African countries, its significant strategic initiatives include consolidation of mass market segment for soft drink concentrates in sachets in India and expansion of its fast food chain, Devil's Work Shop. They want to expand them from the present 4 outlets to 100 by 2021.

Its products include Rasna Instant Drink, GoFruit Instant Drink, Fruto Instant Drink, Body Fuel Health Drink, Rasna Shake-Up, Rasna Juc Up, Rasna Soft Drink Concentrate, Rasna Fruit Jams, Rasna Fruit Cordial, Rasna 1/3 Sugar, and Rasna Flavors. Rasna has recently launched Rasna FruitPlus, a fat-free health drink concentrate containing fruit powder, vitamins and calcium; it will be sold in both bottled packs and pouches. This drink concentrate, a rare soft drink of fruit-based concentrate and nutrients for the Indian consumers will compete with juice brands like Tropicana as well as the soft drinks like Frooti and Maaza. With the kind of background given in the foregoing, Rasna is all set to

embark on an expansion into foreign turf. Rasna's internal analysis presumably preceded its strategy formulation involving expansion into foreign markets.

The foregoing factors which have emerged out of an internal analysis exercise drive and support its strategic move involving expansion into foreign countries. In the absence of such an exercise, any wishful moves will most likely confront a firm with unpleasant and expensive surprises.

Required:

- a) Does Rasna need to analyze its environment before moving to the foreign market? (6 Mark)
- b) Rasna's internal analysis presumably preceded its strategy formulation involving expansion into foreign markets. What are the internal environmental factors which must have emerged from such exercise? (6 Mark)
- c) Explain the external environment analysis of Rasna by using PEST analysis? (6 Mark)
- d) As per your opinion, what kind of strategies does Rasna should use in order to sustain in the competitive foreign market? (6 Mark)

(Total -24 Marks)

- Q2) a) Describe the important **steps** involved in the strategic management process and explain the concepts of **unrealized strategy** and **emergent strategy** (7 Mark)
- b) There are **three types of control** that could be used by an organization in order to evaluate the success of strategies implemented, brief on those and state on how can **balanced scorecard** be used to assess and evaluate the strategies for competitive advantage. (7 Mark)
- c) What are the **four factors** that should be considered by organization in setting **strategic direction**. (4 Marks)

(Total -18 Marks)

Q3) a) Under the Corporate strategy what are the **directional strategies** available, briefly describe. (7 Marks)

b) What is **value chain analysis**? What do you understand by the “**four corner analysis**” of competitors and what information does it provides? (7 Marks)

c) Briefly explain the different **ethical stances** an organization can adopt. (4 Marks)

(Total –18 Marks)

Q4) a) Explain the importance of “**TOWS Matrix**” in strategy choice. (6 Marks)

b) What are the bases on which the **firms’ resources** are categorized and what are the **four criteria** applied for qualifying these resources for competitive advantage?

(6 Marks)

c) What are the **five forces** that are identified by Micheal Porter and state what are the **situations** in which the **rivalries among competitors** are considered to more aggressive? (8 Marks)

(Total –20 Marks)

Q5) a) “How can an organization earn above-average profit by the contribution of **Cost leadership strategy** and **differentiation strategy**?” (7 Marks)

b) What are the **major activities** that have to be lookout in the **strategy implementation** process? (8 Marks)

c) What are the techniques that are being used to make a strategic choice under **acceptability criteria** (5 Marks)

(Total –20 Marks)