

STGM 3002	Business Policy and Strategy	L	T	P	C
Version 1.0		3	0	0	3
Pre-requisites/Exposure	12 th level				
Co-requisites	Understanding of Basic Management functions				

Course Objectives

- i. The first objective is to develop your knowledge of the concepts and tools used by corporations in developing and implementing their strategies.
- ii. The second objective is to provide you the opportunity to apply these principles and tools to practical situations through the analysis of actual business cases.
- iii. The third objective, and potentially the most important, is to make you capable of making your own decisions in complex business situations.

Course Outcomes

On completion of this course, the students will be able to:

1. Students will demonstrate strong knowledge in Business Strategy
2. Students will demonstrate effective understanding of relation between Competition and strategy and Law
3. Student will understand advance tools and techniques in strategy to understand the business.
4. Students will be able to develop and evaluate managerial decisions
5. Student will demonstrate the understanding of Business Strategy issues where Law and regulation plays a role.

Catalog Description

Class room sessions will be student-led, interactive, and guided by faculty. Each of the students is expected to come prepared in advance as per the topic of each session and contribute during classroom discussions.

The class will be grouped into small teams and team tasks will be given. This will enhance their leadership skills and improve their team behavior and result in synergies.

Considering industry requirements, more emphasis will be on case based study with case situations given for student analysis both at individual and team tasks. Presentations of same would be in on/some/all of the following forms

- Power-point Presentations (Individual/Team)
- Analysis using MS-Excel
- Case Study discussions (arguments and counter-arguments)
- Analysis of research articles/industry reviews/concept papers/notifications*
- Group Discussion

Course Content

6 hours

Unit I: INTRODUCTION TO BUSINESS POLICY & E-STRATEGY

Evolution and Concept of E-Strategy, Strategic Planning Process, Competitive Advantage, Developing Mission and Vision Statement.

5 hours

Unit II: SCANNING EXTERNAL ANALYSIS- OPPORTUNITIES AND THREATS

Environment Analysis and Industry Analysis.

6 hours

Unit III: INTERNAL ANALYSIS- IDENTIFYING STRENGTHS AND WEAKNESSES

Resource Based View, Core Competences of the Organization.

7 hours

Unit IV: TYPES AND LEVELS OF STRATEGY

Levels of Strategy, Essence of Corporate Strategy, Diversification, Merger & , Strategic Alliances, Joint Venture, Business Strategy- Differentiation, Low Cost and Focus, Functional Strategy.

6 hours

Unit V: STRATEGIC FORMULATION AND CHOICES

6 hours

Unit VI: STRATEGIC IMPLEMENTATION AND CONTROL

Organization Structure and Control, Balance Scorecard, Strategy Execution, Corporate Governance.

Text Books

Wheelan, T. L., & Hunger, J. D. (1998). *Strategic Management and Business Policy*. Addison-Wesley Longman, Limited.

Reference Books

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Modes of Evaluation: Quiz/Assignment/ presentation/ extempore/ Written Examination Examination Scheme:

Components	Quizzes	Case studies	Presentation	Mid term examination	End term examination
Weightage (%)	10%	10%	10%	30%	40%

Relationship between the Course Outcomes (COs) and Program Outcomes (POs)

Mapping between COs and POs		
	Course Outcomes (COs)	Mapped Programme Outcomes
CO1	Students will demonstrate strong knowledge in Business Strategy.	PO 1, 2, 4, 8,9,12
CO2	Students will demonstrate effective understanding of relation	PO 2,3,4,8,7,8

	between Competition and strategy and Law	
CO3	Student will understand advance tools and techniques in strategy to understand the business.	PO 3,4,6,8, 9, 12
CO4	Students will be able to develop and evaluate managerial decisions	PO 4,5,6,7,9,10,11
CO 5	Student will demonstrate the understanding of Business Strategy issues where Law and regulation plays a role.	PO 1,2,4,5,8,9

Program Outcome / Course Outcome mapping

Course Outcomes	CO 1	CO 2	CO 3	CO 4	CO 5
PO 1	3	3	3	2	2
PO 2	3	3	3	2	2
PO 3	3	3	3	2	2
PO 4	3	1	1	3	1
PO 5	2	2	1	3	1
PO 6	2	2	2	2	1
PO 7	3	3	1	2	2
PO 8	3	3	3	3	2
PSO 9	3	3	3	1	2
PSO 10	3	3	3	2	1
PSO 11	3	3	3	2	1
PSO 12	1	1	1	3	1

			Students will demonstrate strong conceptual knowledge of management & its functional areas.	Students will demonstrate effective oral and written communication skills in the professional context.	Students will be able to work effectively in teams and demonstrate team-building capabilities.	Students will be able to evaluate the legal, social and economic environments of business.	Students will be able to describe the global environment of business.	Students will demonstrate sensitivity towards ethical and moral issues and have ability to address them in the course of business.	Students will be able to apply decision-support tools to business decision making.	Students will be able to apply knowledge of business concepts and functions in an integrated manner.	Students will demonstrate conceptual domain knowledge of the logistics sector.	Students will apply decision-support tools to decision making in logistics sector.	Students will apply conceptual knowledge of logistics sector in an integrated manner.	Students will demonstrate employable and deployable skills for appropriate roles in management.
STG M 3002	Business Policy and Strategy	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8	PSO 9	PSO 10	PSO 11	PSO1 2	
		3	3	3	2	2	2	2	3	2	3	3	2	

- 1 – Weakly mapped
- 2 – Moderately mapped
- 3 – Strongly mapped

Model Question Paper



Name:

Enrolment No:



Course: **STGM 3002 Business Policy and Strategy**

Programme: **BBA (Logistics Management)**

Semester: **V**

Time: **03 hrs.**

Max. Marks: **100**

Instructions:

Note: All sections are compulsory & this question paper carries 4 sections.

Section A (20)

Q.1 to 10 carries 2 marks each for correct answer. Please select the most appropriate answer. There is no negative marking

1.	<p>Q1. Multiple choice questions. CO1 , CO2</p> <p>i) Which of the following is not considered a primary activity in the value chain framework developed by Michel Porter:</p> <ul style="list-style-type: none">a) Operationsb) Inbound logisticsc) Sales and servicesd) Outbound logisticse) Procurement <p>ii.) What is the term for the action in which managers at an organisation analyse the current situation of their organisation and then develop plans to accomplish its mission and achieve its goals?</p> <ul style="list-style-type: none">a) Synergy planningb) Strategy formulationc) Functional planningd) SWOT analysis <p>iii.) What does PEST stand for?</p> <ul style="list-style-type: none">a) Political, environmental, strategic, testingb) Political, environmental, strategic, technologicalc) Political, economic, strategic, technologicald) Political, economic, social, technological <p>iv.) 'corporate strategy' does not include</p> <ul style="list-style-type: none">a) Diversificationb) Consolidationc) Cost leadershipd) Vertical integration <p>v). What is the term used in Ansoff's matrix for increasing market share with existing products in existing markets?</p> <ul style="list-style-type: none">a) Product developmentb) Market penetration	(2*10=20 marks)	CO 1,2, 3,4
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	<p>c) Diversification d) Market development</p> <p>vi.) During which stage of strategic management, firm's specific internal strengths and weaknesses are determined?</p> <p>a) Formulation b) Implementation c) Evaluation d) Feedback</p> <p>vii.) It refers to formal and informal rules, regulations and procedures that complement the company structure.</p> <p>a) Strategy b) Systems c) Environment d) All of the above</p> <p>viii.) It enables the strategists to take corrective action at the right time.</p> <p>a) Implementation control b) Special alert control c) Premise control d) Strategic Surveillance control</p> <p>ix.) The control process requires the following types of information.</p> <p>a) Planned performance b) Variances c) Reasons d) All of the above</p> <p>x.) Macro environment</p> <p>a) Political- legal b) socio-cultural c) economic-demographic d) All of the above</p>		
<p>SECTION B (20 Marks) Attempt any 4 question, each question carries 5 marks only</p>			
2.	<p>Q1. What are the concerns of operations plans and policies important for strategy implementation?</p> <p>Q2. What is the basic nature of strategy evaluation? Why is strategy evaluation important to organizations?</p> <p>Q3. What does the process of strategic choice essentially deals with? How can the concept of experience curve helps in exercising the strategic choice at the 'business level'.</p>	<p>(5*4= 20 marks)</p>	<p>CO 1, 2, 3,4 ,5</p>

SECTION C(30 marks) (Attempt any 3 question, each question carries 10 marks only)			
3.	<p>Q3. Describe the major themes in strategy implementation? Explain the major barriers to strategy implementation and what are the means available to overcome such barriers?</p> <p>Q4. For each of the business strategies, describe how they are used, under which conditions are they used and the associated benefits and risk: (a) Cost leadership (b) Differentiation (c) Focus</p> <p>Q5. Identify and explain the different types of strategies under Expansion, Stability, Integration and Co-operative strategies. Quote examples to explain each of the strategies.</p>	[10 x 3]	CO , 2, 3, 4
SECTION D (30 marks) Attempt any one question out of the two & provide the solution			
4.	<p>CASE: EXERCISING STRATEGIC AND OPERATIONAL CONTROLS AT iGATE GLOBAL SOLUTIONS</p> <p>The Bangalore-based iGATE Global Solutions is the flagship company of iGATE Corporation, a NASDAQ-listed US-based corporation. Known earlier as Mascot Systems, it was set up in India in 1993, to offer staffing services. It acquired business process outsourcing (BPO) and contact centre businesses in 2003, making it an end-to-end IT and ITES service provider. Its service portfolio includes consulting, IT services, data analytics, enterprise systems, BPO/BSP, contact centre and infrastructure management services. iGATE has over 100 active clients and centres based in Canada, China, Malaysia, India, the UK and the US. Chairman, Ashok Trivedi and CEO Phaneesh Murthy, an ex-Infosys IT professional and their partners hold a major stake, with some participation by institutional and public investors. The revenues for 2006-2007 are over Rs. 805 crore and net profits, Rs. 49.6 crore.</p> <p>The corporate strategies of iGATE are offering integrated IT services and divesting the legacy IT staffing business and possibly making acquisitions in the domain expertise for financial services businesses. The business strategy is focused differentiation based on the focal points of testing, infrastructure management and enterprise solutions. The competitive tactic is avoiding head-on competition with the formidable larger players in the industry by carving out a niche. The business definition is serving large customers and staying away from sub-contracting work.</p> <p>iGATE adopts a differentiation business model based on an integrated technology and operations model which it calls as the iTOPS model. This is an advancement over the prevalent model in the ITES industry based on low-cost arbitrage model. iTOPS is based on transaction-based pricing for services and supporting the clients by providing the platform, processes and services.</p> <p>The strategic evaluation and control has both the elements of strategic as well as operational controls.</p> <p>The functional and operational implementation is aimed at achieving four sets of objectives:</p> <ol style="list-style-type: none"> 1. Shifting from small customers to large customer (Fortune 1000 companies) 2. Shifting away from stocking to project-consulting assignments 3. Working directly with clients rather than with system integrators 4. Moving from a local to international markets <p>Some illustrations of the performance indicators that reflect these objectives are:</p> <ol style="list-style-type: none"> 1. On-shore versus off-shore mix of business revenues: In 2004, this ratio was 55:45 	10 Marks	CO-4,
		10 Marks	
		10 Marks	

and in 2007, it has improved to 27:73, indicating a much higher revenue generation from off-shore business.

2. Billing rates: Revenue charged from clients on assignments. With project consulting assignments from off-shore clients, where the revenues are typically higher, with lower costs and higher productivity in India, the realisations from billing have to be higher. The industry norms for ITES are US\$18-25 per hour for off-shore and US\$ 55-65 per hour for on-shore assignments.
3. The number of large clients from Fortune 1000 companies: Presently, iGATE has nearly half of its more than 100 clients from Fortune 1000 companies, of which the top 10 account for 70 per cent of its business.
4. Controlling employee costs: This is an area where concerted effort is required from the HR and finance functions. Hiring less experienced employees lowers the compensation bill. In the IT and ITES industry, attracting and retaining well-qualified and experienced employees is a critical success factor. The performance indicator for this objective is the cost per employee.
5. Human resource metrics such as the hiring and attrition rates: In the IT and ITES industry, the human resource metrics such as hiring and attrition rates are critical indicators. Increasing the number of employees and lowering the attrition rate by retaining the employees is a big challenge. There are presently about 5800 employees, likely to go up to 8500 in the next two years. The attrition of 20 per cent presently at iGATE is on the higher side. But such attrition is common in the industry where the employee mobility is high and employee pinching a widespread trend.

The human resource management function being critical in an industry where so many challenges exist, needs a strong emphasis on training and development, motivation, autonomy and attractive incentives. iGATE has an integrated people management model focusing on developing technical, behavioural and leadership competencies. The three metrics by which the HR function is assessed are: human capital index, work culture and employee affective commitment. The reward system at iGATE consists of meritorious employees across all levels being granted restricted stock options, thus providing an incentive to remain with the company till they become due. The company, though, is an average paymaster, which disadvantage it tries to trade-off offering a more challenging work environment, quicker promotions and chances for practising innovation.

Critics say that that iGATE lacks the big-brand appeal of the larger players such as Infosys and Wipro, cannot compete on scale and is still under the shadow of its original business of body-shopping IT personnel.

Questions:

1) Analyse the iGATE case to highlight how it could apply some of the strategic controls such as premise control, implementation control, strategic surveillance and special alert control.

2) Analyse and describe the process of setting of standards at iGATE.