

STGM 8003	Strategic Analysis	L	T	P	C
Version 1.0		4	0	0	4
Pre-requisites/Exposure	Basic theories of cost, price and Principle of economics especially related to competition				
Co-requisites	--				

Course Objectives

1. To introduce the concepts of strategic management and understand its nature in competitive and institutional landscape
2. To provide an underpinning of
 - a. Strategy formulation process and frameworks, tools and techniques of strategic analysis and its application.
 - b. Key business issues/challenges/problems of business in light of dynamic business environment.
 - c. Strategy execution process, framework and its criticality.
 - d. Assessing strategic performance of a firm
 - e. Appreciation of theoretical and empirical foundation of SM background
3. To develop
 - a. A holistic approach to see business issues comprehensively and using other core and functional subject knowledge for decision-making.
 - b. Conceptual, diagnostic and analytical and conceptual skills in strategy formulation and execution.
4. Identification, appreciation and interpretation of the critical challenges and opportunities before an organization.

Course Outcomes

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

1. Students will be able to describe major theories, background work, concepts and research output in the field of strategic management.
2. Students will demonstrate a clear understanding of the concepts, tools & techniques used by executives in developing and executing strategies and will appreciate its integrative and interdisciplinary nature.
3. Students will be able to demonstrate effective application of concepts, tools & techniques to practical situations for diagnosing and solving organisational problems.
4. Students will be able to demonstrate capability of making their own decisions in dynamic business landscape.
5. Students will be able to develop their capacity to think and execute strategically.

Catalog Description

Some fundamental questions of business are answered by discipline of Strategic Management (SM) e.g why some firms are highly successful. Why some firms are able to achieve relatively higher profitability as compared to others? Why all industries are not equally profitable? What is the source

of superior performance? Therefore, it is an interdisciplinary study of performance differences between firms and SM has traditionally focused on business concepts that affect firm performance. SM attempts to answer two questions related to value creation. How firms can create value better than its rivals and how this created value is shared in stakeholders? Who appropriate how much? SM provides the foundation of firm's long-term survival and health.

Firm performance is often linked to create a fit between firm and its environment. The Competitive landscape carries market opportunities, which the firm attempts to exploit using its resources and capabilities. Superior firm performance is the outcome of a proper alignment of firm strategic response with the context it operate. Since environment is a dynamic concept, thus there is a continuous need for adjustment of the fit between the firm and its environment. From the firm's perspective, this process of adapting to changes is critical for its survival. As a field, SM comprises organizational research emanating from various disciplines. Emphasis in this course is on business-level strategy followed by corporate strategy. By the end of the semester, you are expected to have an understanding of framing of strategic issues, the range of strategic decisions that are faced by most organizations, and how some of the concepts you have been exposed to in other courses can generate information used for strategic problem solving.

The overall goal of this course is to develop your capacity to think and execute strategically.

Course Content

Module One - Introduction to competition & Strategy	6 sessions
Module Two - Market and Competitive Analysis	6 sessions
Module Three - Strategic position and Dynamics- Competitive advantage & Competitive strategy, Value Chain Analysis	7 sessions
Module Four - Firm Boundaries (Corporate strategy) -	5sessions
Module Five - Strategic implementation and control and managing change	8 sessions
Module Six - Corporate Governance & wrap up	4 sessions

Suggested Reading

Grant, M.A. (2017), Contemporary strategic analysis, John Wiley & Sons, Edition 9th (SIE)
 Besanko, David, David Dranove, Mark Shanley and Scott Schaefer. 2017. Economics of strategy, 7th ed. John Wiley & Sons: New York.

Modes of Evaluation: Quiz/Case Assignment/ presentation/ Written Examination

Examination Scheme:

Course Outcomes for MECE 801	Continuous evaluation Tools	Continuous Evaluation Tool 1 Case Analysis assignment & presentation (including class participation)	Continuous Evaluation Tool 2 Project submission and presentation	Continuous Evaluation Tool 3 Quiz
Course Outcome 1	✓	✓	✓	
Course Outcome 2	✓	✓	✓	
Course Outcome 3	✓	✓		
Course Outcome 4	✓	✓		
Course Outcome 5	✓	✓		
Components	Case assignments	quiz	Project submission & Presentation	Main Exam
Weightage (%)	25	5	20	50

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

Mapping between COs and POs		
	Course Outcomes (COs)	Mapped Programme Outcomes
CO1	Students will be able to describe major theories, background work, concepts and research output in the field of strategic management.	PO 2,12,13
CO2	Students will demonstrate a clear understanding of the concepts, tools & techniques used by executives in developing and executing strategies and will appreciate its integrative and interdisciplinary nature.	PO 1,2,3,7,8,9,10,11,12,13,14
CO3	Students will be able to demonstrate effective application of concepts, tools & techniques to practical situations for diagnosing and solving organisational problems.	PO 2,3,5,6,9,13

CO4	Students will be able to demonstrate capability of making their own decisions in dynamic business landscape.	PO 3,4,5,6,9,13
CO5	Students will be able to develop their capacity to think and execute strategically.	PO 3,4,5,6,13

1=weakly mapped

2= moderately mapped

3=strongly mapped

Program Outcome / Course Outcome mapping

Course Outcomes	CO 1	CO 2	CO 3	CO 4	CO5
PO 1		2			
PO 2	1	3	3		
PO 3		2	3	3	3
PO 4				1	1
PO 5			1	1	1
PO 6			2	1	1
PO 7		1			
PO 8		3	3	3	2
PSO 9		2	2	2	
PSO 10		3			
PSO 11		3			
PSO 12	2				
PSO 13	1	2	3	2	1
PSO 14		3			

			Students will be able to develop and evaluate alternate managerial decisions and identify optimal solutions	Students will demonstrate effective application capabilities of their conceptual understanding to the real world business situations	Students will be able to exhibit effective decision making skills, employing analytical and critical thinking ability	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 exhibit leadership and networking skills while handling business situations	Students will demonstrate sensitivity towards ethical and moral issues and have ability to address them in the course of business	Students will demonstrate employability traits in line with the changing dynamics of the industry	Students will demonstrate strong conceptual knowledge in the functional area of management as well as Energy sector domain	Students will demonstrate effective understanding of relevant functional areas of management and their application in Energy sector	Students will demonstrate analytical skills in identification and resolution of business problems pertaining to Energy sector & general management	Students will exhibit the ability to integrate functional areas of management with domain perspective for the purpose of planning, implementation & control of Energy sector	Students will have global perspective towards business situations in the area of Energy sector	Students will exhibit deployable skills pertinent to the Energy sector
Course Code	Course Title	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8	PSO 9	PSO 10	PSO 11	PS12	PSO 13	PS O1 4	
STGM 8003	Advance Strategic Analysis	1	2		1	1		2	1	1	1			2	1	

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

Model Question Paper



UNIVERSITY OF PETROLEUM & ENERGY STUDIES DEHRADUN

End Semester Examination –April, 2017

Name of the Program: MA Energy Economics
Subject Name: Advance Strategic Analysis
Subject Code : STGM8003

Semester – IV
Max. Marks : 100
Duration : 3 Hrs

Section A (30 marks) (All are CO1)

Choose the correct answer (1.5* 20 =30 Marks)

(Attempt all questions in this section, all carry equal marks)

- In most cases, the focus strategy is best managed using a ____ structure.
 - Simple
 - Functional
 - Multidivisional
 - Vertical
- ____ controls are objective criteria that allow corporate managers to evaluate the returns earned by individual business units.
 - Strategic
 - Managerial
 - Financial
 - Environmental
- The use of alliances
 - is unlikely to yield success if partnering firms are headquartered in the same country.
 - may be too restrictive to facilitate entry into new markets.
 - usually increases the investment necessary to introduce new products.
 - is increasing, especially among large global firms.
- On the most basic level, corporate-level strategy is concerned with ____ and how to manage these businesses.
 - whether the firm should invest in global or domestic businesses
 - what product markets and businesses the firm should be in
 - whether the portfolio of businesses should generate immediate above-average returns or
should be troubled businesses which will create above-average returns only after restructuring
 - whether to integrate backward or forward.

5. A(an) ____ occurs when one firm buys a controlling, or 100% interest, in another firm.
- Merger
 - Acquisition
 - spin-off
 - Restructuring
6. When a firm acquires its supplier, it is engaging in a(an)
- merger.
 - unrelated acquisition.
 - hostile takeover.
 - vertical acquisition.
7. The more “constrained” the relatedness of diversification,
- the less likely the firm’s portfolio of businesses will reduce the firm’s variability in profitability.
 - the wider the variation in the portfolio of businesses owned by the firm.
 - the more links there are among the businesses owned by an organization.
 - lower the proportion of total organizational revenue derived from the dominant-business.
8. The resource-based model of the firm argues that
- all resources have the potential to be the basis of sustained competitive advantage.
 - resources alone can be a source of sustainable competitive advantage.
 - the key to competitive success is the structure of the industry in which the firm competes.
 - resources that are valuable, rare, costly to imitate, and non-substitutable form the basis of a firm's core competencies.
9. A primary objective of corporate governance is to
- determine and control the strategic direction of an organization, so that the top executives are focused on maximizing corporate profits.
 - ensure that the interests of top-level managers are aligned with the interests of shareholders.
 - lobby legislators to pass laws that are aligned with the organization's interests.
 - resolve conflicts among corporate employees.
10. The ultimate test of the value of a corporate-level strategy is whether the
- corporation earns a great deal of money.
 - top management team is satisfied with the corporation's performance.
 - businesses in the portfolio are worth more under the management of the company in question than they would be under any other ownership.
 - businesses in the portfolio increase the firm's financial returns.
11. A firm's core strategy is its ____ strategy.
- corporate
 - business
 - pricing
 - international
12. To successfully implement a cost leadership strategy, there is a need for
- freedom from constraining rules.

- b. centralization of authority.
 - c. communication between functional silos.
 - d. sharing of competencies among divisions.
13. The presence of barriers to entry in a particular market will generally make acquisitions _____ as an entry strategy.
- a. less likely
 - b. more likely
 - c. Prohibitive
 - d. Illegal
14. When the costs of supplies increase in an industry, the low-cost leader
- a. may continue competing with rivals on the basis of product features.
 - b. will lose customers as a result of price increases.
 - c. will be unable to absorb higher costs because cost-leaders operate on very narrow profit margins.
 - d. may be the only firm able to pay the higher prices and continue to earn average or above-average returns.
15. When selecting a business level strategy, the firm must determine all of the following EXCEPT
- a. How will the customer's needs be satisfied?
 - b. Who is the customer?
 - c. What are the customers' needs?
 - d. Why should these customers' needs be satisfied?
16. When a product's unique attributes provide value to customers, the firm is implementing
- a. a differentiation strategy.
 - b. a cost leadership strategy.
 - c. an integrated cost leadership/differentiation strategy.
 - d. a single-product strategy.
17. Value chain analysis is a tool used to:
- a. analyze a firm's external environment for value-creating opportunities.
 - b. analyze a firm's primary and support activity in isolation from influences of the external environment.
 - c. understand the parts of the firm's operation that create value and those that do not.
 - d. identify the firm's core competencies in each of the primary activities of the firm.
18. Resources and capabilities are strategic assets only when their use
- a. leads to a competitive advantage for the firm.
 - b. crosses functional areas of the organization.
 - c. is based on human knowledge and intellect.
 - d. enables quick responses to changes in the global economy.
19. Most core competencies require
- a. extensive financial assets.
 - b. transformational leadership.

- c. high-quality human capital.
- d. an ethical organizational culture

20 The strategic management process is

- a. a set of activities that will assure a sustainable competitive advantage and above-average returns for the firm.
- b. a decision-making activity concerned with a firm's internal resources, capabilities, and competencies, independent of the conditions in its external environment.
- c. a process directed by top-management with input from other stakeholders that seeks to achieve above-average returns for investors through effective use of the organization's resources.
- d. the full set of commitments, decisions, and actions required for the firm to achieve above-average returns and strategic competitiveness.

Section B

Answer any one question in not more than 250 words (1*20=20 marks) (CO 1 & 2)

1 “Integrated firms are more efficient than independent firms if the central office is more efficient than the courts.” Explain this statement. To what extent do you agree?

Or

Explain why the make-or-buy decision is moot when contracts are complete.

2. Economies of scale are usually associated with the spreading of fixed costs, such as when a manufacturer builds a factory. But the spreading of fixed costs is also important for economies of scale associated with marketing, R&D, and purchasing. Explain.

Or

A firm can outperform its rivals through cost leadership or benefit leadership, but not through price leadership. Explain.

Section-C

Read the case “**Indian Oil Corporation: Vertical Specialisation to vertical integration** and answer the following questions (50 Marks)

1. What is the nature of O&G industry particularly in India in terms of
 - Industry structure (five forces analysis) 6 marks) (CO2,3)
 - Global and Indian dynamics (3 marks) (CO2,3)
 - Competitive strategy applied by players (3 marks) CO 2 &3
2. How did IOCL evolve into leading O&G Company in India? What was the role of Government in development of IOCL? (12 marks) CO 1& 2
3. How did IOCL strategically position itself in the vertical value chain of the Indian O&G industry? (12 marks) CO 3 & 4, 5
4. What shall be the future strategy of IOCL? Should it integrate upstream and position itself as fully integrated energy company? Should it focus on the specialized segments to compete with an advantage? (14 marks) CO 3,4 &5