

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – EXAMINATION – WINTER 2022

Subject Code: Strategic Management

Date: 24/01/2023

Subject Name: 1539601

Time: 10.30 AM to 1.30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

Q. No.	Question Text and Description	Marks
Q.1	Explain following terms with examples: (a) Above Average Return (b) Vertical Integration (c) Sustainability (d) Intangible Resources (e) Industry Environment (f) Acquisition (g) Global Strategy	14
Q.2	(a) You are appointed as a director of a newly established management school. The first task is to create a strategy for the school. Explain strategic management process you would likely to follow with examples.	07
	(b) What do you mean by external environment? Identify any THREE trends in external environment which may result into profitable opportunity. Also identify the industry for which it will create opportunity.	07
OR		
	(b) Use Porter's Five-Forces Model to evaluate competitiveness within the banking industry.	07
Q.3	(a) What do you mean by Corporate Level Strategy? Explain any THREE corporate level strategy with examples.	07
	(b) You are a manufacturer of a product. Consider product of your interest. Explain different modes of entry into international market. Which of these modes you will select for your company? why?	07
OR		
Q.3	(a) Explain GE Matrix with suitable examples.	07
	(b) You are a manufacturer of a product. Consider product of your interest. What factors would you consider to select an international market (country) for your company?	07
Q.4	(a) Select a company of your interest. Describe the nature of its business. Use balanced scorecard to set objectives for your company.	07
	(b) Select a company of your interest. Describe the nature of its business. How	07

would you adopt triple bottom line approach?

OR

- Q.4** (a) 'We are living in a VUCA environment' Explain with examples. **07**
(b) Explain the relationship between strategy and structure with examples. **07**

Q.5 CASE STUDY

FashionWale: The uniqueness of new entrant in fashion retail

Headquartered in Karnavati, Gujarat, FashionWale entered into fashion retail in 2017 in Gujarat. Mr. Darji, the owner of FashionWale, was very famous tailor in the city known for the quality of fabric and stitching, design, timely delivery and customer service. He started working in a small inherited shop in 1980 when he was in his twenties. He learned the tricks of trade and earned the reputation of being the best *Darji* (a tailor) in the town very quickly. Encouraged with the good response from the customers, he started second tailoring shop in another area in the town. In 2010, he owned 10 shops in the town and 5 shops in nearby towns.

During these years in the business, he understood the customer well. He was continuously thinking of expanding his business. The conducive external environment for fashion and organized retail business gave him the courage to enter into the organized fashion retail. He was aware about the existing formidable players in the market but was confident about uniqueness of his capabilities.

He began his journey in organized retail as a FashionWale by opening its first showroom in home turf Kavaratti in 2017. They could open five more in the city before Covid struck in India. Although the influence of the economic environment due to Covid in 2019 paused FashionWale's growth, the way it uses its resources and capabilities as the foundation for core competencies demonstrates the value of understanding a firm's internal organization.

FashionWale built its successful business based on two critical goals: Give customers what they want, and deliver it faster than competitor. To do "fast new design and deliver," there are several critical capabilities that must be in place. The first critical capability is the ability to design quickly; The designers create new clothing a day, and pattern makers cut one sample for each. The second critical capability is to understand customers' tastes and buying habits and report it quickly to HQ. FashionWale appointed a person called 'customer specialist' in each of his showroom. Each specialist is trained to keep an eye on what people are wearing and what they are buying, which Mr. Darji was doing earlier.

FashionWale's supply chain is also managed much more efficiently than those of other competitors. The logistics department is the essence of the company, the objective is to deliver customized orders to every store in 72-hours. The customized individual pieces of clothing give customers a sense of individuality.

These stores are owned by Mr. Darji, and many of its suppliers are considered long-time, relationship-oriented partners. As such, these partners identify with the FashionWale and, therefore, are loyal. This approach also sets FashionWale apart and makes its strategy difficult to duplicate because all of the various facets and capabilities of the company fit together through a unified culture.

FashionWale sews most of these garments in its own factories giving it significant control over its products. It maintains a high level of quality control and an ability to make quick changes.

Overall, the company has a unique set of capabilities that fit together well as it manages activities to produce unique quality customized garments which creates demand from their customers and loyalty from them.

Mr. Darji was thinking about new trend of online shopping, its likely impact on his business and possible options available to him. With effect of Covid reducing, he plans to expand its business in other cities. He was concerned about maintaining 72 hours delivery period in other store to be opened in other cities. He was also considering outsourcing some of the activities and thinking about its impact on quality of the garment and delivery time.

(a) How easy or difficult do you think it would be for competitors to imitate FashionWale's capabilities? **07**

(b) Is getting products to customers as quickly as possible an outcome that you believe would create value in industries in addition to clothing? If so, which industries and why? **07**

OR

(a) What influences from the external environment over the next few years do you think might affect FashionWale? **07**

(b) What value does FashionWale create for its customers? **07**
