

MBA DEGREE EXAMINATIONS: APRIL / MAY 2014

(Regulation 2012)

Third Semester

MASTER OF BUSINESS ADMINISTRATION

MBA628: Strategic Management

Time: Three Hours

Maximum Marks: 100

Case Study:-

PART A (1 x 20 = 20 Marks)

1. DRL was founded in 1984 by Dr. Anji Reddy (Dr. Reddy) to create and deliver innovative pharmaceutical health care solutions. DRL became a public limited company in 1985 and had an IPO of equity linked debenture aggregating 24.6 million in May 1986. During 1990's, the company consolidated its positions in the domestic formulation market through aggressive product launches as well as acquisition. By late 1990's DRL transformed itself into a global pharmaceutical powerhouse with research and drug development as its strengths.

In 2000, DRL hired enterprise IG(EIG), to implement its new corporate identity plan. The whole exercise was completed in a year and evolved over nine stages, beginning with an across the board study of the perceptions of different stakeholders and ending in a brand manual that was to be implemented by the employees. In the new corporate identity, changes out at two levels

- i) Institutional implemented throughout the company, and
- ii) At a more individual level surrounding the personal of the founder Dr. Reddy.

The new corporate identity plan also emphasized control of the top management should be passed onto the second generation: Dr. Reddy's son-in-law and Chief Executive Officer, G V Prasad (Prasad) and son and Chief Operating Officer, Sathish Reddy (Sathish). Analysts felt that DRL was too closely identified with its founder. It was their realization that prompted Dr. Reddy, to make way for other professionals.

The study undertaken prior to the formulation of the new corporate identity plan showed that while DRL's strength as research and development company were widely recognized, its other attributes like professionalism and quality consciousness, were less evident. The new corporate identity designed to emphasize these attributes of DRL. Explained Manoj Tadepalli, senior consultant, EIG, "The new image was tailored to bring out these attributes that were subdued."

The new corporate identity was forged from the merger of DRL, Cheminor Drugs Ltd (CDL) and American Remedies Ltd. The subsequent increase in the size of DRL and the company's global ambitions called for the creation of multiple leadership levels. Prasad said, "This meant that the three of us moved away from the role of an operator to don the mantle of a strategic controller. This also means that it has to be a nose-in but hands-off approach, which was a fundamental shift from an entrepreneurial company to a professionally oriented set up".

The new corporate identity also aimed to create a flatter organisation structure and to inculcate a stronger performance ethic within the company. One of the objectives of the new identity exercise was to bring energy to the workplace and change the way people perceived work. Other objectives included retaining talent, and speeding up the process of developing products based on the research they have undertaken. However, the main aim of the entire exercise was to establish DRL as a global pharmaceutical major.

Questions:

1. By late 1990s, DRL transformed itself into a global pharmaceutical powerhouse with research and drug development as its strengths. Then why did it try to change its identity all of a sudden? (12)
2. What were the changes that were carried out at DRL as result of a study undertaken prior to the formulation of the new corporate identity plan? (8)

Source: This case is taken from "Work Book on Business Strategy", from ICFAI center for Management Research.

Answer all the Questions:-

PART B (10 x 2 = 20 Marks)

2. What is a company's mission?
3. List the key issues / principles to consider in determining the appropriateness of applying one corporate social responsibility strategy to a range of different countries.
4. What are the exit barriers for a company?
5. What are the resource position barriers that enable a company to sustain a competitive advantage that is based on its resources?
6. What are the generic building blocks of competitive advantage?
7. Define Differentiation Strategy.
8. What are some of the disadvantages associated with diversification?
9. The attractiveness of a country and its ability to support certain industries are determined by what factors?
10. What is functional structure?
11. What is Strategic Control?

PART C (4 x 15 = 60 Marks)

12. a) Discuss the characteristics of a Good Leader. Using these criteria, assess two political leaders.

(OR)

b) Do the corporate governance problems would apply to not-for-profit organisations? Which elements do apply? Why? Which do not apply? Why?

13. a) When is it appropriate to adopt different corporate social responsibility approaches to a single firm's operations in different parts of the world?

(OR)

b) Briefly discuss the macro environmental forces and which macro-environmental forces are likely to have the greatest impact upon the 'building industry' in the future?

14. a) Discuss how is Focus Strategy different from other two? Explain your valid reasons with relevant to Baby Products manufacturer/retailer or Sports Store.

(OR)

b) Why does each generic competitive strategy require a different set of product/market/ distinctive-competency choices? Give examples of pairs of companies in (a) the mobile industry and (b) the two wheeler industry that pursue different competitive strategies.

15. a) How much can or should the role of government be incorporated into Porter's Diamond Model of national competitive advantage?

(OR)

b) Strategy and Structure are interlinked. Discuss with suitable examples.
