

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3– EXAMINATION – WINTER 2018

Subject Code: 3539201**Date: 03/12/2018****Subject Name: Strategic Management****Time: 10:30am to 01:30pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** Define following terms **14**
- (a) SBU
 - (b) Competitive Advantage
 - (c) Key Success Factors
 - (d) Core Competencies
 - (e) Mission
 - (f) Mergers
 - (g) Strategy
- Q.2** (a) Explain Porter's five force model in detail. **07**
- (b) Describe resource based model of above average return citing examples. **07**
- OR**
- (b) A company cannot be successful if it does not have sustainable competitive advantage. What are the four criteria for sustainable competitive advantage? **07**
- Q.3** (a) Explain Value chain analysis. How it can help the business to gain competitive advantages. **07**
- (b) Explain cost leadership strategy in detail. When cost leadership strategy works best? Enlist companies using this strategy. **07**
- OR**
- Q.3** (a) What is corporate social responsibility? How can it help the firm in its long term strategy? **07**
- (b) "Balance scorecard is an effective tool for organization control" – Discuss. **07**
- Q.4** (a) Explain reasons for firms to expand internationally. **07**
- (b) Reliance & Tata have diversified businesses. What is diversification? Why should a firm diversify its businesses? **07**
- OR**
- Q.4** (a) How are invention, innovation, and imitation interrelated? What is their relationship with strategic entrepreneurship? **07**
- (b) How can a company use Blue Ocean strategy as a tool to compete competitors? **07**

Q.5

Nestle Set to Enter Breakfast Cereals Category with Ceregrow to reduce its dependency on Maggi, Swiss food giant Nestle is looking to take on Kellogg's and Baggry's as it forays into the domestic breakfast cereals market with Ceregrow, a breakfast cereal aimed at kids. While companies such as Kellogg's, Baggry's, Marico and PepsiCo cater to adults with around 75%-80% of combined market share in breakfast cereals, Ceregrow will target children in the age group of two-to-five years, a segment that has been lying untapped in India. Only Kellogg's Chocos caters to kids, who are around five years, said a senior executive at a food company. "It is a very good attempt by the company to create a new segment," said Abneesh Roy, senior VP at Edelweiss Securities. "It's not a metoo product and may see other companies following suit if it becomes successful. The same thing happened with masala oats."

Nestlé's move to enter the breakfast cereals market is being seen by industry experts as effort to reduce its dependency on Maggi. Despite introduction of new variants recently, such as Maggi Hotheads, the instant noodles brand has not been able to replicate its pre-ban success. On the other hand, India's breakfast cereal market is pegged at around Rs 1,300 crore, and has been growing at a CAGR of 22.1% over last five years, according to India Breakfast Cereal Market Overview. Before being banned by FSSAI (Food Safety and Standards Authority of India) in June 2015 due to alleged food safety issues, Maggi owned 80% of the Rs 4,000-crore instant noodles market and contributed around 30% to Nestle India's overall revenues. However, after its reintroduction in November, it has only managed to regain a little more than half of the total instant noodles market, which is now pegged at Rs 1,500-2,000 crore. Suresh Narayanan, chairman and MD of Nestle India had discussed about his intention to introduce new products and swiftly expand Nestlé's portfolio. "Company is looking at 20-25 new product launches aimed at young Indians," he said. "Globally, we have one of the largest product portfolios, including pet care. We have to figure out what works here." Apart from 12 Maggi variants, Nestle has recently launched several products such as Nestle A+ Pro-Grow, ready-to-drink cold coffee under Nescafe, Grekko yoghurt, Munch Nuts and Nescafe Sunrise Insta-Filter.

- (a) Perform SWOT analysis for Nestle. **07**
- (b) What Nestle can do in order to compete with its competitors? **07**

OR

- Q.5**
- (a) In the light of opportunities and threats of Nestle Beverage and its strengths and weaknesses, what strategy should it formulate to improve its performance and strengthen its competitive position? **07**
 - (b) What are the driving forces shaping the industry competition? **07**
