

7. Reaching Strategic Edge

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1] Major Principles of BPR :

- Single point Responsibility
- Perfect co-ordinations
- Common Database

2] Steps for Implement BPR :

- 1) Determine the objective
- 2) Identify c'men's needs
- 3) Study Existing process
- 4) Formulate redesign of process
- 5) Implement redesigned process

4] Principles of TQM :

- 1) Mgt. commitment to Quality
- 2) Quality measurement
- 3) Universal Quality measurement
- 4) Focus on c'mers
- 5) Preventing rather than detecting defects
- 6) E'ce involvement & empowerment
- 7) Continuous improvement & learning
- 8) Root cause correction Action
- 9) Value improvement
- 10) Inventory reduction
- 11) Supplier Teaming 12) Training

3] Benchmarking Process / steps :

- 1) Identify need for benchmarking
- 2) clearly U'stand existing b'ness process
- 3) Identify best processes
- 4) Compare own process with others
- 5) Prepare report & Implement steps to close performance gap
- 6) Evaluation

5] 6 Themes of Six Sigma :

CDP - BDP

- 1) Cenuine Focus on c'men
- 2) Data & Fact-driven mgt.
- 3) Process focus, mgt. & improvement
- 4) "Boundary less" collaboration
- 5) Drive perfect" & tolerance & failure
- 6) Proactive management

6 sigma Methodology

Key characteristics of Six Sigma

CE's key concepts of Six sigma

Existing Product	New Product
(DMAIC)	(DMADV)
• Define	• Define
• Measure	• Measure
• Analyze	• Analyze
• Improve	• Design
• Control	• Verify

- 1) Customer focused
 - 2) Produce major return 'ment
 - 3) changes how mgt. operates
- Six Sigma targets on...
- Improving c'men satisfactⁿ
 - Reducing process cycle time
 - Reducing defects

- 1) critical to Quality
- 2) Defect
- 3) Process capability
- 4) Variation
- 5) Stable Operations
- 6) Design for 6 sigma

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6. Strategy Implementatⁿ & Control

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1] Forms of orgⁿ Structures :

- 1) Functional
- 2) Multidivisional
- 3) SBU
- 4) Matrix Orgⁿ
- 5) Network

2] Characteristics of SBU :

- 1) group of similar business of Division
- 2) Treated as profit center
- 3) have own set of rivals
- 4) have own planning, obj.
- 5) have own Manager / CEO

3] Set of Activities as per Michel Porter

- Primary Activities
- Support Activities

4] Primary Activity of orgⁿ :

- 1) Inbound logistics
- 2) Operations
- 3) Outbound logistics
- 4) Marketing & sales
- 5) Service

5] Supportive Activities :

- 1) Procurement
- 2) Technology Development
- 3) Human Resource Management
- 4) Firm Infrastructure

6] Types of Leadership style:

- 1) Transformational Leadership style
- 2) Transactional Leadership style

7] Kurt Lewin St. change Process :

- 1) Unfreezing situatⁿ
- 2) changing to New situatⁿ
 - ↳ compliance
 - ↳ Identification
 - ↳ Internalization
- 3) Refreezing

8] Types of Organizational Control :

- 1) Operational control
- 2) Management Control
- 3) Strategic control

9] Types of Strategic Controls :

- 1) Premise control
- 2) Strategic surveillance
- 3) Spl. Alert control
- 4) Implementⁿ control
 - ↳ Monitor St. Thrusts
 - ↳ Milestone Review

Strategy Formulation

Manage Forces before Action
on Effectiveness of strategy
Intellectual process
Require Analytical skills

Difference

Forces
Focus
Process
Skills

Strategy Implementation

Manage Forces during Action
on Efficient Implementⁿ of St.
Operational process
require leadership & Motivⁿ

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5. Formulation of Functional Strategy

1] Formulatⁿ of Marketing St.

- 1) Marketing Issues
- 2) Marketing Process
- 3) Marketing St. Techniques
- 4) Develop marketing mix & implementⁿ of marketing st.

2] Marketing Process :

- Identifying & Analyzing market opportunities
- Select One or More target
- Develop marketing mix for each target market
- Manage marketing efforts

3] Marketing Mix : 7P & 7C

- 1) Product- c^mer's solutⁿ
- 2) Price - cost
- 3) Place - convenience
- 4) Promotⁿ - communicatⁿ
- 5) People - Caring
- 6) Physical Evidence - confirmⁿ
- 7) Process - Co-ordination

*** Mgt. / Usage of Funds :**

- 1) Investment
- 2) Fixed Asset Acquisitⁿ
- 3) Current Asset
- 4) Loan & Advances
- 5) Dividend Decisions

4] Marketing st. Techniques :

(CA DROPS)

- 1) concentrated
- 2) Augmented
- 3) Direct
- 4) Differential
- 5) De-marketing
- 6) Relationship
- 7) Organization
- 8) Person
- 9) place
- 10) Social
- 11) Services
- 12) Synchro

5] Projected Budget

- 1) Operating
- 2) Sales
- 3) Capital
- 4) Expense
- 5) Fixed
- 6) Flexible
- 7) Variable

*** Effective logistics :**

- cost saving
- ↓ Inventory
- ↑ delivery time
- c^mer satisfactⁿ
- competitive Advant.

6] Key strategies of finance :

- Acquiring capital / source of fund
- Develop financial sⁱment / budgets
- Management / usage of funds
- Establishing valuatⁿ of b^uness

7] Areas of HRM : BCDEF.. PP

- 1) Building core competency
- 2) Creating competitive E^lment
- 3) Diversified work force
- 4) Develop ethical work culture
- 5) Empowering Human Resource
- 6) Facilitation of change
- 7) Providing purposeful directⁿ

8] consider while HR st. formulⁿ (ReACT)

- 1) Recruitment & selection
- 2) Appraisal of Performance
- 3) Compensation
- 4) Trainning

9] operations of successful SCM : (CO. 4 PM)

- 1) Cl^mer services
- 2) Out sourcing
- 3) Product development
- 4) Procurment
- 5) Physical Distributⁿ
- 6) Performance measurement
- 7) Manufacturing

4. Strategic Planning

1] Stages of strategy

Formulation & Implementation:

- st1) Develop st. vision
- st2) Setting objectives
- st3) Drafting strategy
- st4) st. execution & implementation
- st5) Monitoring & initiating corrective adjustment after the evaluation

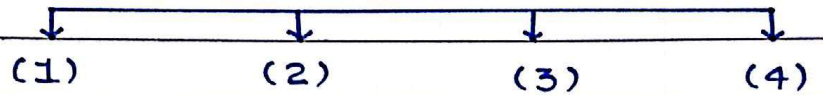
2] Actual Corporate st.:

- 1) Pro-active strategy
- 2) Re-active strategy

3] Approaches for st. plan

- 1) Top-Down st. planning
- 2) Bottom Up st. planning

4] Olueck & Jauch Generic st. Alternatives



- (1) Stability strategy
- (2) Expansion strategy
- (3) Retrenchment strategy
- (4) Combination strategy

5] Grand / Directional st.:

- 1) stability strategy
- 2) Expansion strategy
- 3) Retrenchment strategy
- 4) Combination strategy

6] Michael Porter's

Generic strategies:

- 1) Cost leadership st.
- 2) Differentiation st.
- 3) Focus st.

7] Retrenchment

strategy:

- 1) Turnaround st.
- 2) Divestment st.
- 3) Liquidation st.

8] Expansion strategy:

- 1) Intensification
- 2) Diversification

* Diversification:

- 1) Vertical Integrated Div.
 - ↳ Backward Integratⁿ
 - ↳ Forward Integratⁿ
- 2) Horizontal Integ. Diversⁿ
- 3) Concentric Diversifⁿ
- 4) conglomerate Diversifⁿ

9] Types of Mergers

- 1) Horizontal
- 2) Vertical
- 3) Co-generic
- 4) Conglomerate

* Intensification:

- Market penetration
- Market Development
- Product Development

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3. Strategic Analysis

1] Aspects consider in st. Analysis :
(BRS)
1) Balance
2) Risk
3) st. involves over period of Time

5] PLC : Product Life Cycle
→ Stages PLC:
1) Introduceⁿ
2) Growth
3) Maturity
4) Decline

6] St. help to determine Role of SBU:
1) Build
2) Hold
3) Harvest
4) Divest

7] classificatⁿ of Competitive positⁿ of SBU's in ADL
1) Dominant
2) Strong
3) Favourable
4) Tenable
5) Weak

2] steps in situatⁿ Analysis :
Oppo PC DE
1) Product situatⁿ
↳ core product
↳ secondary prod.
↳ supporting prod.
2) Competitive situatⁿ
3) Distributⁿ situatⁿ
4) Ement situatⁿ

BCG Matrix

Relative Market share

		High Market share	Low Market share
Market Growth Rate	High	Stars	Wild cats - or - (?) Marks
	Low	Cash cows	Dogs

3] SWOT analysis :
1) Strength
2) Weakness
3) Opportunity
4) Threat

Ansoff's Product - Market Growth Rate Matrix

		Existing — (Products) — New	
Market	Existing	Market Penetration	Product Development
	New	Market Development	Diversification

4] st. to achieve Competitive Advant.
1) Global st.
2) Corporate level st.
3) Bness level st.
4) Functional level st.

General Electric (GE) Model of Portfolio Analysis

Business Position

		High	Medium	Low
Market Attractiveness	High	Invest	Invest	Protect
	Medium	Invest	Protect	Harvest
	Low	Protect	Harvest	Divest

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2. Business Policy & Strategic Management

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1] corporate strategy:

(GIFT A HELP)

- 1) Goal oriented
- 2) Integrated
- 3) Flexible
- 4) Formulated at Top level
- 5) Action oriented
- 6) Harmonised
- 7) Efficiency
- 8) Long-Range
- 9) Purposive

2] obj. of st. mgt. :

- create competitive Adv.
- guide the company

3] Framework of st. mgt. :

- 1) stage-1) where are we now? (Beginning)
- 2) stage-2) where we want to be? (End)
- 3) stage-3) How might we get there? (Means)
- 4) stage-4) which way is best? (Evaluation)
- 5) stage-5) How can we ensure arrival? (control)

4] Strategic Management Model

Strategy Formulation	Strategy Implementation	Strategy Evaluation
→ Forming Vision & Mission	→ Analyzing & Developing Strategy	→ Evaluating, Monitoring Implemented St.
→ Setting objectives & Goals	→ Implement & Executing Strategy	→ Making Adjustment as per Evaluation

5] Importance of St. mgt. :

Future In PaCoDe

- 1) Future Driven
- 2) Influence & Adaptⁿ
- 3) Pathfinder
- 4) Core competencies
- 5) Decision-making

6] Feature of st. Decision Making:

- 1) Top-management
- 2) Resources
- 3) Longterm effect
- 4) Future oriented
- 5) Multi-functioⁿ Effect

7] characteristics of objective:

- Measurable
- controllable
- Understadable
- Define R'ship
- Correlated & Interrelated
- Concrete & specific
- challenging to motive people
- Relate to a Time-frame

8] Purpose of developing st. Vision :

- 1) clearly identify the direction...
- 2) think creatively & prepare for future
- 3) create Enthusiasm in orgⁿ members
- 4) Encourage intelligent Enterpren'ship

9] Purposes of Mission statement

- 1) Ensure unanimity of purpose
- 2) Provide base for motivating
- 3) Develop base for allocate resource
- 4) Establish strong orgⁿ climate.

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1. Business Environment

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1] Views of Bness: (WEP)

- 1) Work view
- 2) Entity view
- 3) Process view

2] Obj. of Bness: (SS, GEP)

- 1) Survival
- 2) Stability
- 3) Growth
- 4) Efficiency
- 5) Profitability

3] Element Influences on Bness:

- 1) competition
 - 2) change in Techniques
 - 3) change in D & S
 - 4) Govt. rules on Industry
- * Problems in Understanding elemental influence: (Un Co D)

- 1) Uncertainty
- 2) Complexity
- 3) Diversity

* categories of Bness Element

- 1) Micro Element
- 2) Macro Element

4] characteristics of Bness Environ.:

- (FAM Co D)
- 1) Far-Reaching impact
 - 2) Multi-Faceted
 - 3) Complexity
 - 4) Dynamism

5] Compo. of Bness Element:

- 1) External Element:
 - ↳ General
 - ↳ Relevant
- 2) Internal Element:

6] Rship between Orggⁿ & Element:

- Exchange of R.I.P.
- 1) Exchange of Resources
 - 2) Exchange of Informatⁿ
 - 3) Exchange of Power & Influence

8] Porter's Five Forces Model - Competitive Element

- 1) T - Threat of New Entrants
- 2) T - Threat from Substitutes
- 3) B - Bargaining Power of c^ms
- 4) B - Bargaining Power of Supplier
- 5) R - Rivalry among Current Players

3] Elements of Micro Element: (COMICS)

- 1) consumers
 - ↳ Owners
 - ↳ Board of Directors
 - ↳ Employees
- 2) organisation
 - ↳ cost structure
 - ↳ price sensitivity
 - ↳ Techno. structure
 - ↳ Maturity level of Market
 - ↳ Actual & Potential Size
 - ↳ Distribution System
- 3) Market (CPT MAD)
 - ↳ Intermediaries
 - ↳ Competitors
 - ↳ Direct competⁿ
 - ↳ Indirect competⁿ
- 4) Supplier (ABCQ)
 - ↳ Availability of Material & service
 - ↳ Bargaining Power
 - ↳ Cost structure
 - ↳ Quality

• Political :

- 1) political stability
- 2) Govt. policies
- 3) Govt. change & Term
- 4) C & F Taxatⁿ policy
- 5) Thrust area of political leaders

• Technological :

- 1) Replacement Techno.
- 2) Maturity of Techno.
- 3) Innovatⁿ Potential
- 4) Tech. License, Patents
- 5) Mfg. Maturity

9] Element of Macro: (DCR STEP)

- 1) Demographic Element
- 2) Global Element
- 3) Social-Cultural Element
- 4) Technological Element
- 5) Economic Element
- 6) Legal-Political Element

11] St. Response B. Element:

- 1) Least Resistance
- 2) Proceed with caution
- 3) Dynamic Response

PESTLE Analysis

• Economic :

- 1) Market & Bness cycle
- 2) Int. & Exchange Rates
- 3) Inflⁿ & Unemployment
- 4) Economic situatⁿ
- 5) capacity of c^ms spending

• Legal :

- 1) Bness & Compo. Laws
- 2) Competⁿ Laws
- 3) Health & safety laws
- 4) Employment Laws
- 5) Regional Legislation

• Social :

- 1) Lifestyle trends
- 2) Buying patterns
- 3) Religious factors
- 4) Media views & percepfⁿ
- 5) Brand, company, Techno. image

• Environmental :

- 1) Element Legislatⁿ
- 2) Element Hazards
- 3) Ecological issues
- 4) Energy consumpⁿ
- 5) Waste disposal

10] Importance / Effects of Globalisation:

- 1) Global Market
- 2) Global Technology
- 3) Foreign Investments
- 4) Lower Transportation cost
- 5) Cheaper source of Raw-Material
- 6) Rapid shrinking of Time & Distance
- 7) Increasing emphasis on market forces

12] Co-operation in Competitive Element:

- 1) Co-operatⁿ b/w Orgⁿ of same Indu. (Cartelizatⁿ)
- 2) co-op b/w Diff. Orgⁿ of Diff. Indust. (Kiezietsu)
- 3) co-opⁿ in Family Business

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