



MBA.IB.IV/11. 408

MBA (IB) AND MIB DEGREE IV SEMESTER EXAMINATION MAY 2011

SMI 2401 INTERNATIONAL STRATEGIC MANAGEMENT

Time : 3 Hours

Maximum Marks: 50

(All questions carry EQUAL marks)

(5 x 10 = 50)

- I. A. What is meant by environmental scanning? How STEP analysis fits into an overall environmental scan?
OR
B. Discuss the major steps in the strategic management process.
- II. A. Discuss corporate level strategy. How it differs from business unit level strategy?
OR
B. Explain the portfolio analysis and how it is relevant for strategic management.
- III. A. Discuss how Porter's Five Forces Model is useful in strategic business management to develop an edge over rival firms.
OR
B. Distinguish between cost leadership strategy and differentiation strategy. Discuss how they can be used to create a competitive advantage.
- IV. A. Explain various measures of strategic control, giving their relative uses and advantages.
OR
B. Discuss how management strategy of multinational companies differ from that of national companies.
- V. A. **Case:**

Mixion Pvt.Ltd. is a home appliance manufacturing company, set up in Kerala in 1985. It started with the production of T.V.Boosters and within five years diversified its production, using imported technology, supplying various products like ceiling fan, fresh air fan, inverter, mixi, grinder etc., in the entire South India. Subsequently, it started its own Research and Development Department with a view to make qualitative innovations in their products and to bring down the cost of production and thereby the price. The company upholds the slogan 'more quality and more advantage with low price'. The strategy followed for the growth of sales has been sales through retail shops. Advertisements in both print and visual media were used as the main tool for sales promotion. By 2010 the company achieved a turn over of more than Rs.45 crores per year and recorded an average annual growth rate of 7 percent during the last five years, against the target of 10 percent annual growth rate. The sales target for 2011 is put at Rs.55 crores.

About 40 percent of the sales turn over in 2010 was accounted by mixi, 22 percent by grinder, 17 percent by ceiling fan, 12 percent by fresh air fan and the remaining 9 percent by all other products together. The market for the products is mainly confined to South India and the Kerala market accounts for more than 65 percent of this. The company has about 155 employees, 70 in the production units, 60 in marketing, 10 in accounts and finance and 15 in Resource Department. Most of the employees, however, lack proper and adequate qualifications, skill, training or professionalism. The company faces stiff competition from other bigger companies that supply similar products, but of low quality at cheaper rate. The company now aims at a 10 percent growth in its sales in the next five years and to expand its market to the whole of India. The company, however, is not very sure how to do this.

As a strategic manager, what kind of strategic management advice will you give to the company to expand its sales to the whole of India in the present globally competitive business environment? Suggest strategic management options for the company for (i) to penetrate into the north Indian market and (ii) to meet the competition from other similar products within Kerala.