BEFCS

MOD – 1

1. Mentioning the stages of strategic management with diagram (8)

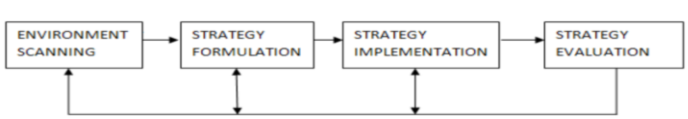
➔The strategic-management process consists of three stages: Strategy Analysis, Strategy Formulation, and Strategy Implementation.

Strategy Analysis mainly deals with scanning the business environment. Environment can broadly be classified into Macro Environment and Micro Environment. Micro Environment can further be classified into Internal and External Environment. Macro Environment can be analyzed by PESTEL Model. Internal Micro Environment can be assessed by Resource Based View and Michael E. Porter's Value Chain Analysis. External Micro Environment is generally analyzed by Porter's Five Force Model. After scanning the both external and internal environment we can apply SWOT Analysis and create a TOWS Matrix to prepare a strategic dashboard which will in turn help us to formulate Strategies.

Strategy Formulation starts with Strategic Intent and writing Vision and Mission Statements which gradually boil down to Goals, Objectives and Policies. From the Porter's Five Force Model we get Inter-industry rivalry. Marketers need to formulate various Competitive Strategies for Market Leaders, Market Challengers, Market Followers and Market Nichers. Porter also devised Generic Competitive Strategies for the purpose. Since each Product offering has limited life, we need to formulate various strategies for different Product Life Cycle (PLC) stages as the product passes through those phases.

Different levels of management deal with different types of strategy based on their functions and objectives. Hence, we got Growth Strategy at the Corporate Level, Portfolio Analysis at the Business Level. There are various models and techniques for doing Portfolio Analysis i.e. Boston Consulting Group (BCG) Matrix, General Electric Multifunctional Analysis (GE Matrix) developed by McKinsey, Strategic Position and Action Evaluation (SPACE) Matrix, Quantitative Strategic Planning Matrix (QPSM), Grand Strategy Matrix etc.

Finally, we come to the **Implementation** and Control Stage which has a great bearing on functional and organizational structures and its nature. Here the corporate leaders also need to exercise Change Management. Kurt Lewin's Model can be implemented at this stage. Strategic Control can be achieved by Control Framework and Balanced Framework.



Distinguished features of strategic management. (4)

➔ **Proactivity Over Reactivity:**

- Strategic management enables organizations to shape their own future proactively rather than reacting to external forces.
- It empowers organizations to initiate and influence activities, giving them control over their destiny.

Initiating and Influencing Activities:

They can actively initiate and influence activities in their favor.

Benefits Across Leadership Levels:

Small business owners, CEOs, presidents, and managers in both for-profit and nonprofit sectors have recognized and experienced the advantages of strategic management.

Systematic and Rational Approach:

Historically, the main benefit of strategic management has been the formulation of better strategies using a systematic, logical, and rational approach.

Process Over Outcome:

The process of strategic management is more crucial than the final decision or document.

Communication is Key:

- Successful strategic management relies on effective communication.
- Involving managers and employees through dialogue and participation fosters commitment to supporting the organization.

2. How policy is different from other strategic intent? (4)

➔ Policy and strategic intent are related concepts in the realm of organizational management, but they differ in their scope, focus, and nature. Here are the key distinctions between policy and strategic intent:

Scope and Purpose:

Policy: Policies are specific guidelines or rules established by an organization to guide decision-making and behavior. Policies are often developed to address specific issues or areas within an organization, such as HR policies, IT security policies, or financial policies. They provide a framework for consistent and compliant actions within the organization.

Strategic Intent: Strategic intent, on the other hand, is broader and more forward-looking. It refers to the direction an organization sets for itself. Strategic intent focuses on long-term goals, vision, and the desired future state of the organization. It is about creating a compelling narrative that motivates and aligns the efforts of the entire organization toward a common strategic vision.

Time Horizon:

Policy: Policies often have a relatively short to medium-term time horizon. They are developed to address specific situations.

Strategic Intent: Strategic intent has a longer time horizon and is more concerned with the organization's position in the future.

Level of the Organization:

Policy: Policies are often developed at various levels within an organization, including departmental or functional levels. They address specific issues within these areas.

Strategic Intent: Strategic intent is a concept that is typically associated with the highest levels of leadership within an organization.

Flexibility and Adaptability:

Policy: Policies are not flexible and adaptable. They provide clear guidelines and standards that employees are expected to follow.

Strategic Intent: Strategic intent is more flexible and adaptable.

In summary, while policies provide specific guidelines for day-to-day operations and decision-making, strategic intent sets the overall direction and vision for the organization. Both are essential elements of effective organizational management.

Hierarchy of Strategic Intent component. (8)

Vision-

Vision statement can be referred as the statement defining company's long-term goals. A vision statement can exceed from one line to a few paragraphs highlighting what the organization want to achieve in future. An effective vision statement motivates the employees and provide them a sense of direction for carrying out day to day business activities and also help in taking strategic decisions. A vision statement is prepared to boost the morale of the employees. The vision statement of an organization allow the managers to practically monitor the organization's progress.

Features of a good Vision

 Should be realistic and idealistic.

 Clarifies direction for the organization.

 Inspires organization members and encourages commitment.

 Reflects the uniqueness of the organization.

 Appropriate for the organization, consistent with its values and culture.

 easily understood.

Mission-

A mission statement refers to the corporate reason for the existence of an organization. Mission statement does not outline the outcome. It has no time frame or measurement associated with it. It highlights the current position and future scenario of an organization in terms of product, market, pricing, customer service etc. Mission has a little touch of philosophy in it. It provides the ground on resource allocation as per the objective.

Need for a Mission

- It is a statement of attitude, outlook and orientation.
- It communicates what the firm wants to be.
- To provide a basis for motivation.

- To establish an organization climate.
- It implies the image which the firm seeks to project.

Example

Infosys vision is "To be a globally respected corporation that provide best of breed business solutions, leveraging, technology, delivered by best-in-class people".

Infosys mission statement is "To achieve our objectives in an environment of fairness, honesty and courtesy towards our clients, employees, vendors and society at large".

Business Definition-

Business definition refers to the description of products, services, activities, functions, and markets in which an organization deal. It is a component of mission statement which forms the foundation for all the strategic planning processes and shows the organization a way to achieve success. It also helps the organization in estimating the changes as well as their effects. Business definition outlines the current position and the desired future positions. It discusses the operations of the business but does not exactly specify the reasons behind particular operation.

Goals-

Organizational goals refer to the ideal situations to be achieved in undefined time-duration in future. These goals direct the daily activities and decisions. These statements are related to the vision and mission statements. Goals can be followed for day-to-day operational activities and decisions.

Organizational goals provide the solution to measure the performances for achieving the wide-ranging objectives. These are the targets that convert the vision and mission into reality. Goals help in portrait a positive image of the organization in the industry. It plays an important role in maintaining public relations.

Features of Goals

- Specific
- Realistic and Challenging
- Time Constraint
- Measurable
- Commitment

Objectives-

Objectives are like goals that a company wants to achieve. They can either be about getting something new or keeping what the company already has. So, objectives can be about gaining.

Strategic objectives are special goals that a company sets to make big changes in response to what's happening in the world around it. These goals are meant to deal with both inside and outside issues, like who the company wants as customers, what markets it's targeting, what products it's making, and changes in technology. Basically, these objectives are the big goals that a company must reach to stay competitive and survive for a long time.

Strategic objectives guide the company's long-term direction and help decide where to put its resources. They are specific targets that the company aims to reach within a certain time frame. These goals help managers evaluate how employees are doing quality and quantity of work.

3. Financial & Non-Financial Benefits of strategic planning (6)

➔ **Financial Benefits –**

- Companies that use strategic management techniques tend to make more money and do better overall.
- They see a big improvement in sales, profits, and how productive they are compared to businesses that don't plan systematically.
- Every year, more than 100,000 businesses in the United States don't make it and fail.
- Failures can happen for various reasons, like going bankrupt, facing foreclosures, having to shut down completely, or being taken over by the court.
- This means that businesses need to plan and manage their strategies well to have a better chance of success.

Non-Financial Benefits –

- It encourages forward thinking.
- It provides an objective view of management problems.
- It allows for identification of opportunities.
- It creates a framework for internal communication.
- It provides an enthusiastic approach to tackling problems and opportunities.
- It allows more effective allocation of time and resources to identified opportunities.
- It represents a framework for improved coordination and control of activities.
- It gives a degree of discipline to the management of a business.
- It encourages a favorable attitude toward change.
- It helps integrate the behavior of individuals into a total effort.
- It allows major decisions to better support established objectives.

Why does some firms don't conduct strategic planning? (6)

➔ Some firms do not engage in strategic planning, and some firms do strategic planning but receive no support from managers and employees. There are some reasons

- Lack of knowledge or experience in strategic planning - No training in strategic planning.
- Poor reward structures - When an organization assumes success, it often fails to reward success. When failure occurs, then the firm may punish.
- Waste of time - Some firms thought planning as a waste of time. They think Time spent on planning is an investment.
- Too expensive - Some organizations see planning as too expensive in time and money.

- Laziness - People may not want to put effort to formulate a plan.
- Content with success - Particularly if a firm is successful, people may feel there is no need to plan because things are fine. But success today does not guarantee success tomorrow.
- Prior bad experience - People may have had a previous bad experience with planning, that is, cases in which plans have been long, cumbersome, impractical, or inflexible. Planning, like anything else, can be done badly.
- Suspicion - Employees may not trust management.
- Overconfidence - As managers gain more experience, they might start thinking they don't need careful planning. But that's not always a good idea. Being too confident or thinking you know everything can lead to failure. It's important to remember that planning is valuable. It's a sign of being professional, and it helps avoid problems in the future.

4. Difference between vision and mission. (4)

Point	Vision	Mission
Content	A vision statement defines the company's long-term goals	A mission statement highlights the current position and future scenarios in terms of product, market, pricing, and customer service.
Function	It motivates employees, provides a sense of direction for day-to-day activities, assists in strategic decision-making	It provides the basis for resource allocation, communicates what the firm wants to be and outlines the customer needs
Nature	It is a broad, aspirational statement that outlines long-term goals and the desired impact on the environment.	It is a statement of attitude, outlook, and orientation that identifies the fundamental, unique purpose setting a business apart from others and specifying the scope of operations in product and market terms.
Goal	vision is more about the long-term goals and desired impact	the mission is about the fundamental purpose of the organization and its current and future positioning in the market.

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formulate vision and mission for statement for a Kolkata based business school. (8)

MOD – 2

1. Assess the level of competition of FMCG brand using porter 5 force model (12)

➔ Assess the level of competition for a Fast-Moving Consumer Goods (FMCG) brand using Michael Porter's Five Forces model:

Threat of New Entrants:
Low to Moderate: The FMCG industry mainly requires significant capital for brand development, distribution, and marketing. Established brands benefit from economies of scale, making it challenging for new entrants to compete. However, smaller, niche brands with innovative products can still pose a threat.

Bargaining Power of Buyers:
Moderate to High: Buyers in the FMCG industry, which includes consumers and retailers, they have many choices. Brand loyalty may be lower, giving buyers the power to demand better prices or switch to alternative brands easily. However, strong and well-established brands may have more negotiating power.

Bargaining Power of Suppliers:
Low to Moderate: Large FMCG companies often work with much suppliers, which can reduce the power of any single supplier. However, if certain raw materials are rare or controlled by a few suppliers, they may have more bargaining power. In general, the FMCG industry tends to have a more balanced relationship with suppliers.

Threat of Substitute Products:
Moderate: FMCG products often have substitutes, but brand loyalty and customer preferences play a significant role. While there may be alternatives in the market, the threat of substitutes may not be extremely high, especially for well-established and trusted brands.

Intensity of Competitive Rivalry:
High: The FMCG industry is highly competitive, with many brands struggling for market share. Intense competition often leads to price wars, aggressive marketing, and continuous innovation. Differentiation through branding, product quality, and marketing strategies becomes crucial for maintaining a competitive edge.

Overall, the FMCG industry faces a dynamic and competitive environment. Established brands enjoy certain advantages, but they must remain cautious due to the constant evolution of consumer preferences, the entry of new players.

2. Apply Resource Base View on Heritage group of Institution (12)

The Resource-Based View (RBV) is a management concept that suggests a firm's unique resources and capabilities are the primary sources of its competitive advantage. Applying RBV to Heritage Group of Institutions involves identifying and leveraging its distinctive resources and capabilities. Here's an analysis:

Tangible Resources:

- Infrastructure: Heritage Group likely has physical infrastructure, such as classrooms, labs, and administrative buildings, contributing to its educational capabilities.
- Financial Resources: The financial stability and investment capacity of Heritage Group are crucial for maintaining and upgrading its facilities, hiring qualified staff, and offering scholarships.

Intangible Resources:

- Reputation and Brand: Heritage's reputation in the education sector is a valuable intangible resource. It can attract students, faculty, and partnerships.
- Knowledge Capital: The expertise of faculty, the curriculum design, and the quality of educational content contribute to the institution's knowledge capital.
- Innovation Culture: A culture of innovation in teaching methods, research, and student engagement can be a unique intangible resource.

Human Resources:

- Faculty Expertise: The skills, experience, and expertise of the teaching and administrative staff contribute significantly to Heritage's academic capabilities.
- Leadership: Effective leadership at the executive and academic levels is a valuable resource for strategic decision-making and organizational development.

Organizational Capabilities:

- Quality Assurance: Processes and systems in place to ensure the quality of education, adherence to accreditation standards, and continuous improvement contribute to the institution's capabilities.
- Student Support Services: Services like career counseling, extracurricular activities, and student support contribute to the overall educational experience.

Technological Resources:

- Educational Technology: Heritage's use of modern technologies in teaching, learning management systems, and research facilities is a technological resource.
- IT Infrastructure: Robust information technology infrastructure is essential for efficient administrative processes and academic activities.

Strategic Alliances:

- <u>Industry Partnerships:</u> Collaborations with industries for internships, research projects, and job placements can be considered a strategic resource.
- <u>International Collaborations:</u> Partnerships with international educational institutions can enhance the global exposure and reputation of Heritage.

In applying the RBV to Heritage Group of Institutions, the focus should be on leveraging these resources and capabilities to create a sustainable competitive advantage.

3. Apply PLC on Nokia (12)

➔ The Product Life Cycle (PLC) is a concept that describes the stages a product goes through in the market, from introduction to decline. Let's apply the PLC concept to Nokia:

Introduction (Early 1980s - 2000s):

- Nokia entered the mobile phone market in the early 1980s.
- It quickly gained popularity with its durable and reliable mobile phones.
- The introduction of iconic models like the Nokia 3310 marked a significant phase of growth.

Growth (Late 1990s - Mid-2000s):

- Nokia became the world leader in mobile phones, capturing a significant market share.
- The brand was synonymous with innovation, introducing features like customizable phone covers and the first camera phone.
- Expansion into emerging markets contributed to its rapid growth.

Maturity (Late 2000s - Early 2010s):

- The mobile phone market became saturated, and competition intensified.
- Nokia faced challenges in adapting to the shift towards smartphones and touchscreens.
- Despite maintaining a strong market presence, it struggled to keep up with competitors like Apple and Samsung.

Decline (Mid-2010s - Present):

- Nokia's decline accelerated with the rise of smartphones, particularly the iPhone and Android devices.
- The company faced difficulties in transitioning from its dominance in feature phones to the smartphone era.
- In 2014, Nokia's Devices and Services division was acquired by Microsoft, marking a significant shift in its business model.

Transformation (Present):

- Nokia, post-Microsoft acquisition, shifted its focus to network infrastructure, 5G technology, and licensing its brand for mobile devices.
- The company is striving for a comeback by leveraging its expertise in telecommunications and network solutions.

Renewal or Exit (Future):

- Nokia's future will depend on its ability to stay competitive in the network infrastructure and technology sector.
- Continued innovation, strategic partnerships, and adapting to industry trends will be crucial for potential renewal.

It's worth noting that the PLC is a conceptual model, and individual timelines and stages may vary. Nokia's journey is a dynamic example of how companies need to adapt and innovate to remain relevant in an ever-changing market.

MOD – 3

1. Discuss the types of corporate level strategies with example (8)

➔Types of Corporate Level Strategies are - Stability Strategy, Expansion Strategy, Retrenchment Strategy, Combination Strategy.

Stability Strategy:

A stability strategy is a way that companies decide to keep things as they are and not make big changes. This happens when a company knows what it's really good at (core competencies) and wants to focus on those to make more money or avoid risks.

With a stability strategy, the company wants to keep everything in its current state and not make major changes. It's about protecting the way the company does things, its processes, and relationships with customers. At the same time, the company still wants to grow, but only within the limits.

Expansion Strategy-

Expansion Strategy is an important part of a company's big plan. It's about deciding how to make the business grow for the long term. There are different ways to do this, both inside the company (internal) and outside (external), like joining with other companies or introducing new products.

When a company thinks about using an expansion strategy, it has to consider things like how good it is at doing things, the quality it wants to achieve, and the money it has. It also needs to think about the risks, like having too many companies in one place or facing strong competition. It's important to get everyone involved, like shareholders and employees, to agree on the plans.

This strategy is great for businesses that want to compete and reach their growth goals. This way, the company becomes more efficient and can make more profit over time.

Retrenchment Strategy-

Retrenchment strategy, also known as downsizing or rightsizing, is a type of plan for companies. It's about making the company smaller to save money and work more efficiently. This strategy involves cutting back on staff and resources while making processes simpler to earn more money without compromising on product quality or customer satisfaction.

Companies usually use retrenchment when they're facing financial problems due to things like a bad economy, changes in the market, tough competition, or poor management. It's like a defensive move where companies want to save money but still keep up the quality and service their customers expect.

Combination Strategy-

A combination strategy is a plan that companies use where they do two or more different strategies at the same time. They do this to get more customers, go into new markets, and be better than their competition. This strategy helps companies grow while still keeping their current position in the market. The good things about using this strategy are that companies can make more money, work better, make customers happier, and become more profitable. Combination strategies can include:

- Targeting specific niche markets.
- Utilizing cost-effective technologies.
- Entering international markets.
- Investing heavily in research and development projects.

Draw Strategic pyramid and discuss its level (4)

There are 3 level -

- Corporate Strategy
- Business Strategy
- Functional Strategy

Corporate Strategy has 4 levels - Stability Strategy, Expansion Strategy, Retrenchment Strategy, Combination Strategy.

2. Write the risk in International Business Environment (6)

➔The following factors may influence any international trade activities:

- **International Politics** – War, Diplomatic ties, Bi-lateral tension, Guidelines of UN, International treaties etc.
- **Global Economic Conditions** – Volatile foreign exchange rates, Global recession, Guidelines of WTO, IMF, World Bank etc.
- **Country specific factors** – Trade barriers, Import duties, National sentiments etc.
- **Payment Risks** – Getting payment for the consignments can be dicey.
- **Deep sea piracy** – e.g. Somalian pirates
- **Natural Disasters -** Dispatch are at higher risk during hurricanes, Tornedo, Ayla and similar events.
- **Cultural Barriers** – Differences in local customs, norms etc.
- **Shipping Risks** – Issues such as contamination, seizure, accident, vandalism, theft, loss, breakage etc.

Discuss the various Strategies for expanding in foreign market with example (6)

➔There are four main international strategies available:

1. International
2. Multi-domestic
3. Global
4. Transnational

International Strategy-

In this strategy, companies going international don't worry much about costs or fitting into local cultures. They try to sell their products globally without making many changes. For instance, when Harley Davidson sells motorcycles in other countries, they don't reduce prices or adjust the bikes to meet local standards. People in other countries buy Harley motorcycles because they are unique compared to local ones. Buyers appreciate the American style, sound, and power of a Harley, and they are willing to pay more for that distinctiveness.

Multi-Domestic Strategy

A company using a multi-domestic strategy doesn't prioritize cutting costs or being super-efficient. Instead, it focuses on meeting the specific needs of each local market. For example, Netflix doesn't try to show the same American-made shows to viewers worldwide. Instead, it tailors its programming for different countries like New Zealand, Portugal, Pakistan, and India.

Global Strategy

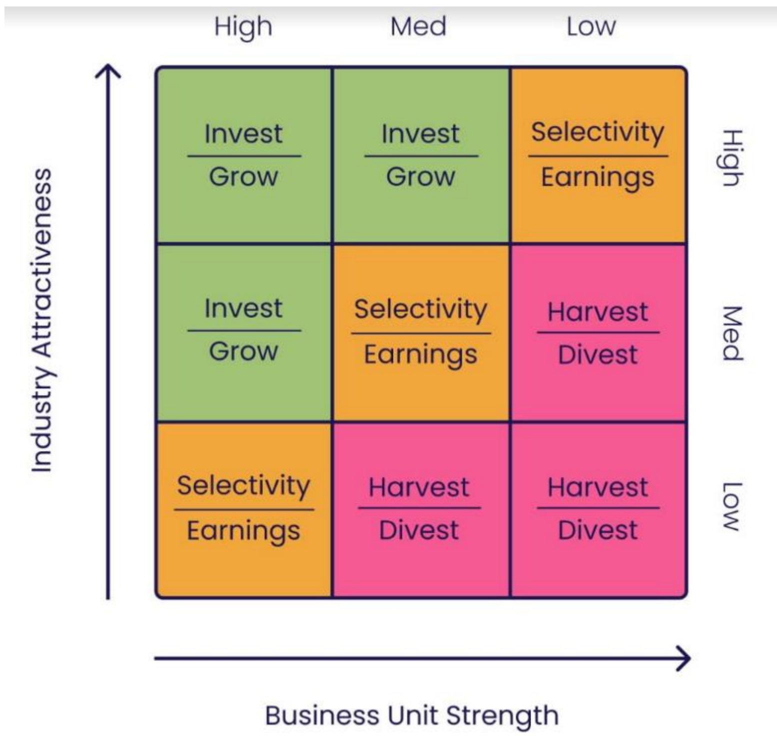
A company using a global strategy doesn't focus much on meeting the specific needs of each local market. Instead, it prioritizes cutting costs and being more efficient. This strategy is the opposite of a multi-domestic strategy. While some small changes may be made to products and services in different markets, the main idea is to offer the same or very similar products worldwide to save costs. For example, Microsoft provides the same software programs globally but adapts them to local languages. Similarly, Procter & Gamble aims for efficiency by creating global brands whenever it can.

<u>Transnational Strategy</u>

A company using a transnational strategy aims for a middle ground between a multi-domestic and a global strategy. It tries to balance the goal of cutting costs and being efficient with the need to adapt to local preferences in different countries. For instance, big fast-food chains like McDonald's and Kentucky Fried Chicken (KFC) use the same brand names and core menu items worldwide, but they also make some adjustments to match to local tastes.

3. Draw and explain GE matrix. (8)

➔ The GE matrix was developed by Mckinsey and Company consultancy group in the 1970s. The nine cell grid measures business unit strength against industry attractiveness and this is the key difference. Whereas BCG is limited to products, business units can be products, whole product lines, a service or even a brand. We can plot these chosen units on the grid and this will help us to determine which strategy to apply.



Before we can plot anything on the grid however first we need to decide how we will determine both industry attractiveness and business unit strength.

Industry Attractiveness Factors:

 Market Size, Market Growth, PESTEL Factors, Porters Five Forces

Business Unit Strength Factors:

 Market Share, Growth in Market Share, Brand Equity, Profit Margins, Distribution Channel Process.

Grow/Invest:

<u>Description:</u> High potential units with a strong market share.

<u>Action:</u> Invest in these units for promising future returns.

Hold/Selectivity:

Description: Ambiguous units, consider investing only if there's extra money.

Action: Be selective; invest if profitable units are taken care of first.

Harvest/Divest:

Description: Poor performing units in an unattractive industry.

Action: Invest only if they can generate more money than invested; otherwise, consider selling or liquidating.

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why GE matrix consider an improvement over BCG matrix? (4)

➔The GE (General Electric) Matrix, also known as the McKinsey Nine-Box Matrix, is considered by some to be an improvement over the BCG (Boston Consulting Group) Matrix for several reasons:

More Dimensions:

BCG Matrix: Primarily considers market growth rate and relative market share, limiting its analysis to only two dimensions.

GE Matrix: Considers multiple factors such as market attractiveness and business strength, providing a more comprehensive view.

Flexibility and Adaptability:

BCG Matrix: Can be too simplistic for complex business environments and industries.

GE Matrix: Offers a more flexible framework that can be adapted to various business scenarios and industries, making it suitable for a wider range of businesses.

Market Attractiveness and Business Strength:

BCG Matrix: Focuses on the growth potential of a market and the market share of a product, which may not capture all relevant factors.

GE Matrix: Considers broader aspects, including market attractiveness (size, growth, profitability, competition) and business strength (competitive position, capabilities, market share), offering a more nuanced evaluation.

Weighted Factors:

BCG Matrix: Treats all products as equal, assuming that a high market share and high growth always lead to success.

GE Matrix: Allows for weighting factors based on their significance, providing a more customized and realistic assessment.

4. What do you know by Strategic Business Unit? (3)

➔ A Strategic Business Unit (SBU) is a semi-autonomous unit or division within a larger company that operates as an independent business with its own vision, mission, and strategic objectives. SBUs are commonly used in large corporations to organize and manage different lines of business.
Key characteristics of a Strategic Business Unit include:

Independence:
SBUs are designed to operate with a degree of autonomy within the larger organization. They have their own management structure, resources, and decision-making authority.
Distinct Market Focus:
Each SBU typically focuses on a specific market segment, product line, or geographic area. SBU follow to meet the unique needs of its target market.
Risk Management:
SBUs are responsible for managing risks associated with their specific market or industry. This can involve adapting to changes in market conditions, technological advancements.
Resource Allocation:
The allocation of resources, such as capital, human resources, and technology, is often done at the SBU level.
Strategic Planning:
SBUs engage in their own strategic planning processes, achieve their goals with the overall corporate strategy. This involves setting objectives, developing strategies, and implementing initiatives to achieve success within their specific business domain.

Strategic Business Units are a way for large companies to organize themselves efficiently, allowing for flexibility and responsiveness in different markets or business areas.

MOD – 4

1. Why is change management is important? (4)

➔Change management plays an extremely important role in modern organizations. Change management focuses on the ‘people side’ of change. Change management is important for several reasons:

External factors

External factors play a big role in organizational change. Globalization and the rapid developments in new digital solutions are forcing organizations. Not paying attention to these external factors could harm your organization's success.
Nokia was once the biggest mobile phone company in the world, but it almost went out of business. That’s because it didn’t keep up with changes in mobile technologies. As a result, Nokia’s products didn’t satisfy consumers and its market share rapidly declined.

Making ideas succeed

Organizations often use change management methods to make sure new ideas work well. Change managers and agents work with project managers to introduce new abilities to the organization and ensure that the staff can use them effectively.

Enabling cross-functional changes

Almost every functional unit within a modern organization relies on change management to enable it to:

- Improve internal and external services and requests;
- Track and resolve issues.

Improving performance and productivity

When an organization adapts improved ways of working, it tends to increase productivity. At the same time, it encourages innovation. As a result, it guarantees improved performance and places an organization in a healthier environment better able to succeed.

Reducing costs

When positive changes are done right, they cut down on waste and costs. Good change management lets organizations make wise decisions, boosting productivity, lowering risks, and improving overall profitability.

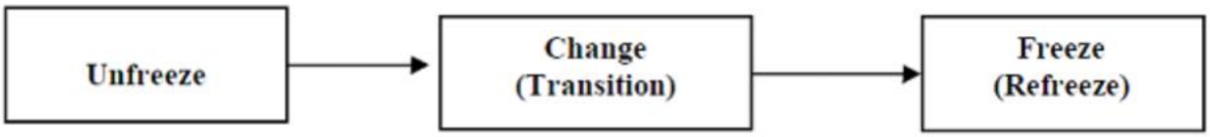
Engaging people with the change process

A key part of managing change in an organization is to engage those people affected by a change initiative. Staff will be involved in the change process eventually, therefore communicating and engaging with staff about a change plan early helps lay the groundwork for its later success.

Explain Kurt Lewin's Model of Change. (8)

➔Kurt Lewin, a social scientist, came up with a simple way to understand how organizations change. He called it the Three-Stage Model: Unfreeze, Change, and Freeze (Refreeze).

According to Lewin, change for any individual or an organization is a complicated journey which may not be very simple and mostly involves several stages of transitions or misunderstandings before attaining the stage of equilibrium or stability.



Stage 1 - Unfreezing:

This is the first stage of transition and one of the most critical stages in the entire process of change management when things are about to change a lot. It's super important because it's all about getting people ready and willing to accept the change. You want them to realize that moving from what they're used to (their comfort zone) to something new is a good idea.

During this step, it's all about telling people why things need to change and getting them excited and motivated to try new ways of doing things. Talking to them in a way that makes sense and getting them involved is key. Think of it like setting the stage for everyone to work together for the new and better way of doing things.

Stage 2 - Change:

This is like the part where things are really happening. It's when everyone starts doing things in the new way. Before, they were kind of stuck in the old way, but now they're open to trying something different.

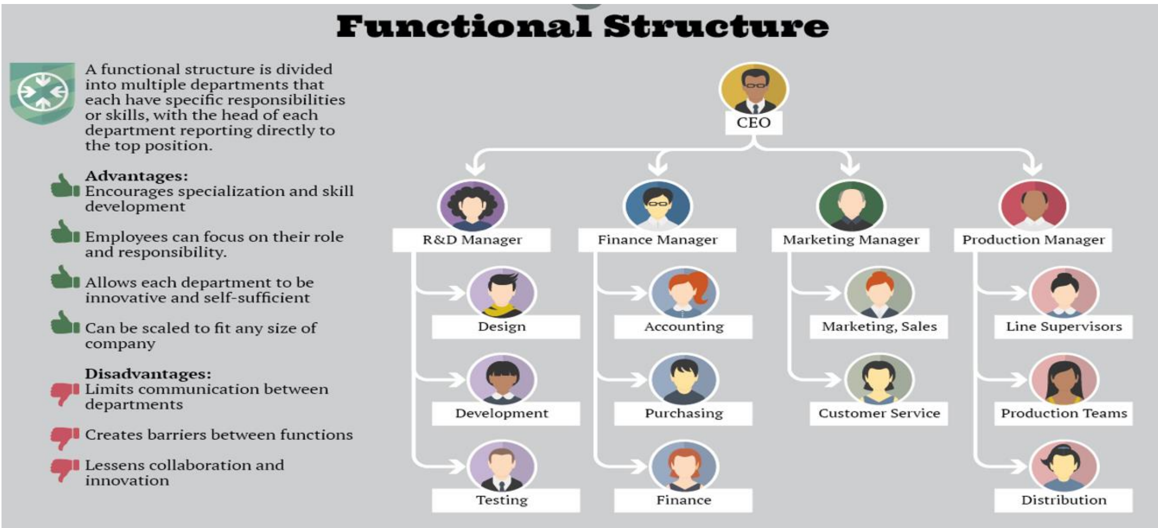
In this stage, it's important to plan things out well and talk to everyone about what's going on. You want people to be part of the change and feel good about it. Sometimes, it's not easy because people might be unsure or worried about what will happen with the changes. So, it's crucial to keep communication open and help everyone feel more comfortable with the new way of doing things.

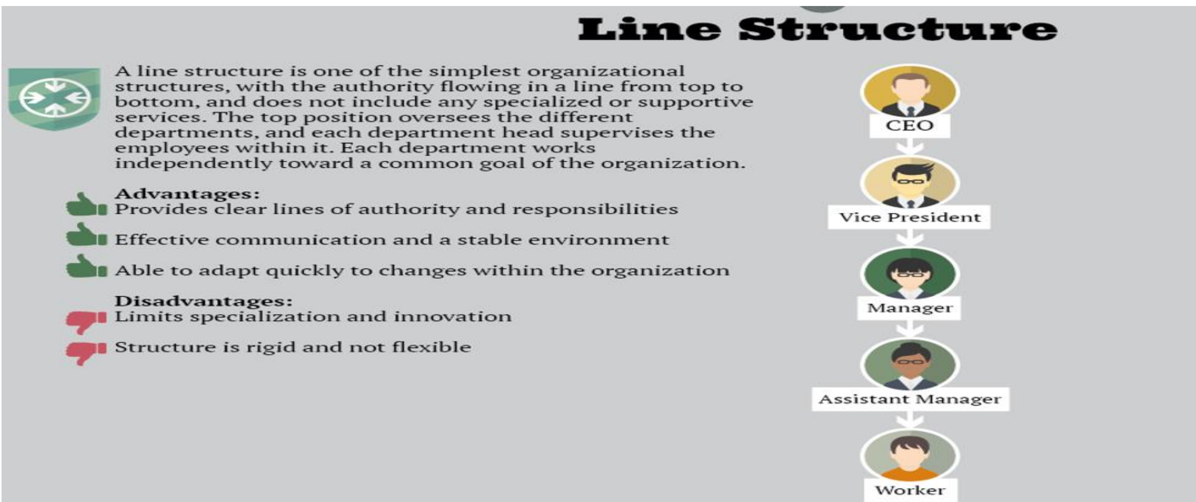
Stage 3 - Freeze (Refreezing):

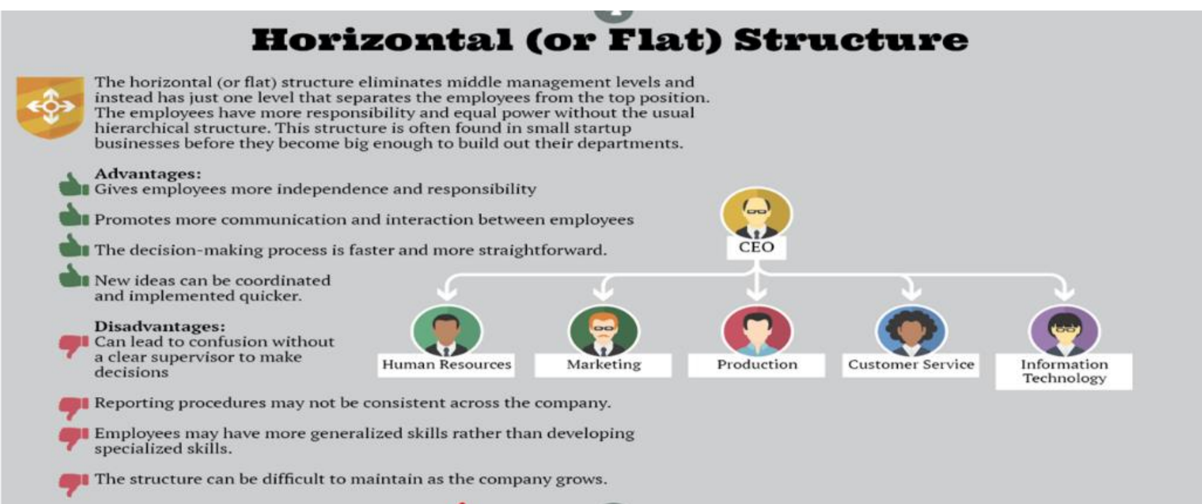
This is like the final step where things settle down. After all the changes, people get used to the new way of doing things, and everything becomes more stable. It's like finding a new balance.

In this stage, people fully accept the changes. It becomes a normal part of their lives, and they build new connections and ways of doing things. It's like reaching a point where everything feels solid and everyone is comfortable with how things are now.

2. Discuss any 4 types of organizational structure with diagram (8)







Hierarchical Structure

A hierarchical structure is the most common type of organizational structure. It is often visualized as a pyramid with multiple levels of leadership. The chain of command starts with the top position and flows downward through multiple levels of management. Each employee, aside from the top level, will have a supervisor.

Advantages:

- Levels of authority and responsibility are clearly defined.
- Encourages employee development and offers opportunities for promotion
- Cultivates a strong relationship among employees on the same team

Disadvantages:

- Increased bureaucracy can slow innovation or changes.
- Collaboration between departments can be limited.
- Employees may prioritize the interests of their department over those of the whole company.

Divisional Structure

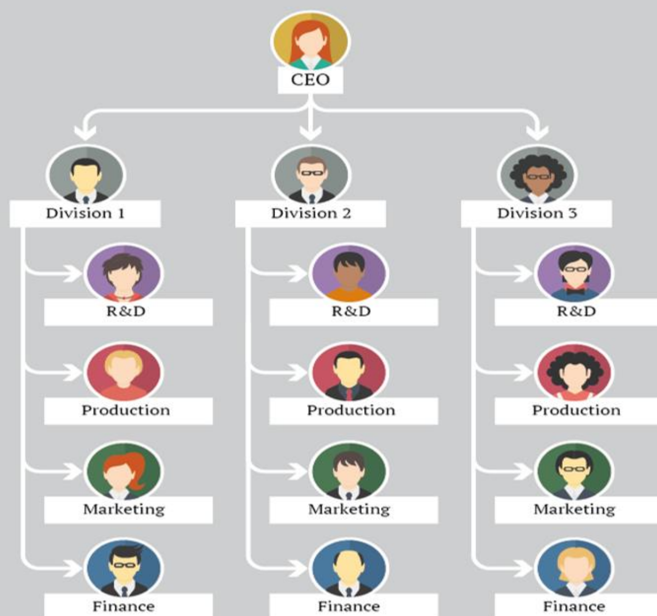
With a divisional structure, organizations are broken down into divisions that each has its own leadership, departments, and resources. Each division essentially operates like its own company within the larger organization; they are often separated by market, products, or territories. This structure works best for larger companies, especially those in manufacturing industries.

Advantages:

- Each division can make its own decisions independently.
- Changes can be made quicker without having to go through many levels of approval.
- Large companies are able to be more flexible within different divisions.
- Allows for a customized approach to customers' wants and needs
- Promotes a more focused approach to products, markets, and territories

Disadvantages:

- Lessens communication and interaction between different divisions
- Increases the risk of accidentally duplicating resources
- Competition across divisions rather than uniting the company as a whole



Importance of Organization Structure in Strategy Implementation. (4)

➔ To implement its strategy successfully a firm must have an appropriate organizational structure. An organizational structure is a set of formal tasks and reporting relationships which provide a framework for control and coordination within the organization. The visual representation of an organizational structure is called organizational chart. The purpose of an organizational structure is to coordinate and integrate the efforts of all employees at all levels - corporate, business and functional levels - so that they work together to achieve the specific set of strategies.

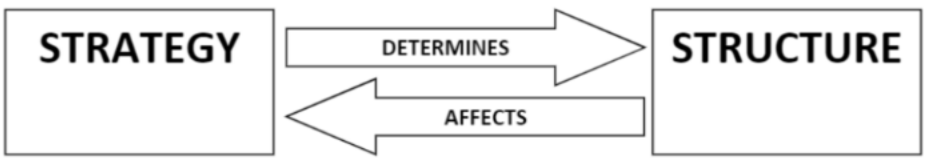
It is the arrangement of tasks and subtasks required to implement a strategy.

An organization specifies three components in this:

1. Formal reporting relationships.

2. Grouping of individual's into departments.

3. Design of system to ensure effective communication.



Organizational structure is a tool that managers use to harness resources for getting things done.

It is defined as (i) the set of formal tasks assigned to individuals and departments. (ii) formal reporting relationships, including lines of authority, responsibility, number of hierarchical levels and span of manager's control, and (iii) the design of systems to ensure effective coordination of employees across departments.

The set of formal tasks and formal relationships provides a framework for vertical control of the organization

3. **Write down the factors that lead to resistance of change. (5)**

➔ Sometimes, people don't like changes at work because they have their own reasons – like worrying about their job or just being used to how things are. That's called **individual resistance.**

Then there's something similar but on a bigger scale called **organizational resistance**. It's when the whole company doesn't want things to change. When this happens, the company can become inflexible and struggle to handle new challenges. Signs of this might include problems with decision-making, leaders not being confident, or the organization having too many rules and structures.

Here are the main reasons why employees might not like changes at work:

Not Trusting or Feeling Confident:
If employees don't trust or feel confident in the person making the change, they'll probably resist it.

Emotional Reactions:
Changing things up can be complicated, and people often react emotionally when their routine is disrupted. Ignoring these feelings can make the resistance even stronger.

Lack of Training and Help:
If employees don't feel prepared to handle the changes, especially if they haven't been given proper training or support, they're more likely to resist.

Fear of Failure:
People won't support a change if they're not sure they can handle it. If they're worried about failing, they'll resist the change to protect themselves.

Poor Communication about Change:
Sometimes, the bosses don't do a good job of explaining why a change is important. When this happens, employees might resist because they don't see the point.

How can you Overcome Resistance to Change? (5)

➔**Show value through education and training**

To make sure people aren't against a change, show them proof that the new way of doing things will really help them. Teach your teams about how this change will make their daily work better, and keep giving them training so they feel sure about using the new process or tool.

Collect employee input prior to change

Many times, employees resist change because they believe their opinion doesn't matter and wouldn't impact the decision to make an organizational change. Run surveys with your team on how they feel about the change and how they would make the process easier.

Come to an agreement with your employees

Never make a decision without consulting those on the front lines – your employees. After consulting with your team, come to an agreement on the timeline and overall plan for managing and implementing a new change.

Include employees in the change management plan

Employees feel they are taken seriously and their opinion matters when they're included in processes. Be sure to add key members of your team into the change management and implementation process so they feel ownership of the project. Team members should also be involved when setting change management KPIs and metrics that will determine success.

Support your employees during organizational transformation

Don't leave your employees out on an island – support your team members with resources, change management tools, knowledge bases, and training on the new process or tool you're implementing. This will help your employees find value in a new system quickly, causing them to build trust with you.

Communicate clearly and frequently

Letting employees know about changes to the status quo as soon as possible helps to build a bridge between employees and management.

Measure the performance of your organizational change

Measurement is a key factor in the change process because it allows organizations to understand how the implementation influences overall business performance. If something doesn't go as planned, there's an opportunity to change it or include it in the next phase of the change implementation.

What do you mean by Proactive Reactive Change? (2)

➔**Proactive**

Proactive change is when an organization decides to make a change because they think it's a good idea or will bring positive results. For example, if a company introduces a new employee benefit program because they believe it will make employees happier and more motivated, that's proactive change.

Reactive

reactive change happens when an organization makes a change because they have to, usually due to external pressures. If the same employee benefit program is introduced because employees demanded it, that's reactive change. It's a response to outside forces rather than a planned decision by the organization.

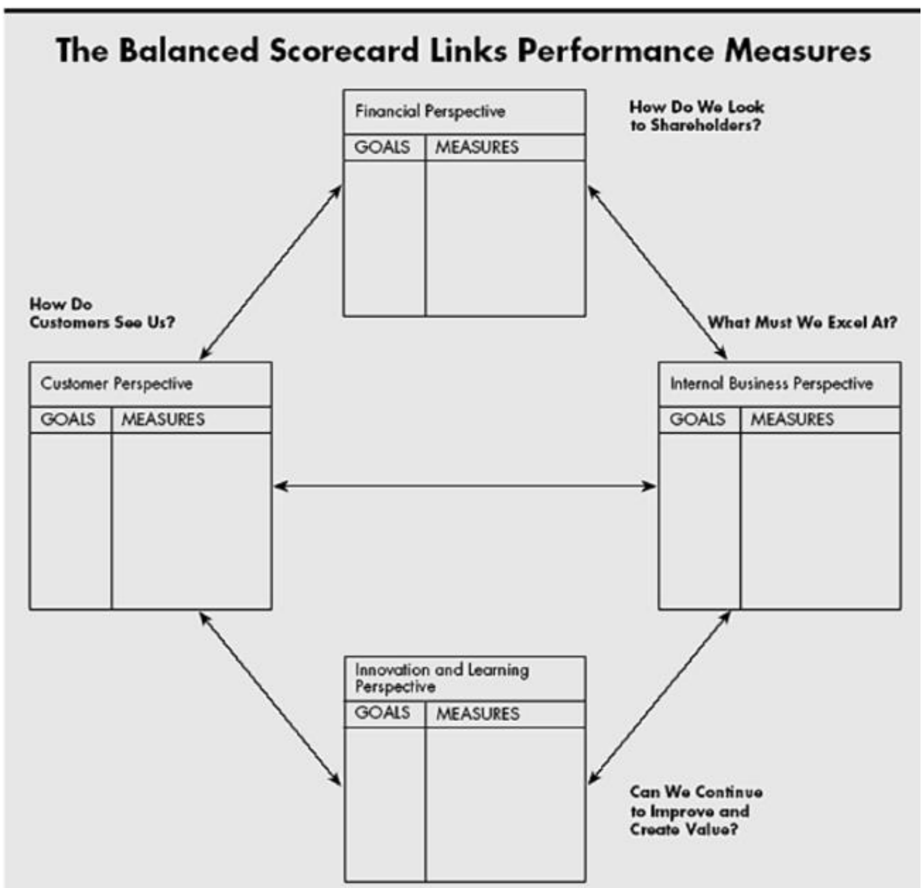
SHORT NOTES (6)

Balance Score Card

A Balanced Scorecard is like a dashboard for top managers, giving them a quick and complete overview of the business. It includes financial measures that show past results and adds operational measures on customer satisfaction, internal processes, and innovation—things that drive future financial success.

Think of it as the dials in a plane's cockpit. Pilots need various information for flying, like fuel, speed, altitude, and destination. Similarly, managing a company requires looking at multiple areas at once. The Balanced Scorecard lets managers see the business from four important perspectives, answering four basic questions.

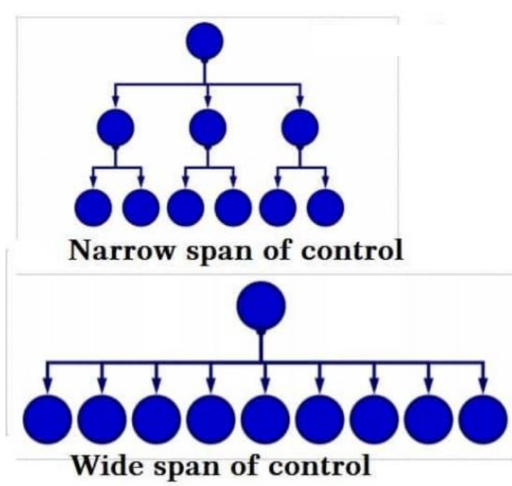
i. How do customers see us? (customer perspective)
ii. What must we excel at? (internal perspective)
iii. Can we continue to improve and create value? (innovation and learning perspective)
iv. How do we look to shareholders? (financial perspective)



Span of Control

A span of control is about how many people a supervisor is in charge of. It's a part of the chain of command in an organization, defining the number of workers under a manager. Well-designed hierarchical organizations have clear boundaries, so each supervisor knows who is in their span of control.
There are two dimensions in the hierarchy of control: vertical and horizontal. The vertical dimension, also known as the depth of control, is about the number of levels managed. The horizontal dimension, called the span of control, is about how many employees report directly to a specific manager.
In modern organizational thinking, that each manager or supervisor maintain about fifteen to twenty employees. Traditional experts, believe that the ideal number is between five and six. The right number for your organization depends on various factors.

- Size of Organization - In general, smaller organizations will have a narrower span of control than larger ones.
- Managerial Skills - Of course, the skills of each manager are also important factors. For example, less experienced supervisors might be best suited for a narrower span of control, while a supervisor with more experience can typically handle a wider span of control.
- Managerial Skills and Competencies - Of course, the skills and competencies of each manager are also important factors. For example, less experienced supervisors might be best suited for a narrower span of control, while a supervisor with more experience can typically handle a wider span of control.
- Nature of Role - Different jobs also require different considerations regarding a span of control. When jobs are more complex and specific, it can make sense to have a narrower span of control. When jobs are less complex, a wider span of control is appropriate.



Matrix Organization Structure

The matrix organization aims to efficiently use resources and achieve project goals effectively, even though it makes the organization more complex. In this setup, people working on a project report to both their functional manager and the project manager. If a project manager is good at managing the project, functional managers may need to rely more on them.

This structure is commonly used in projects because it's efficient and helps meet project goals. It acknowledges that authority and communication can happen horizontally or diagonally, not just in the traditional pyramid shape. Project personnel have responsibilities to both their functional and project managers, creating a mix of horizontal and vertical command levels.

The matrix organization works well for project-driven companies like those in construction. It was introduced to manage large, complex projects and solve problems with limited resources. Traditional hierarchical structures struggled with the complexity and large amount of data in these situations, so the matrix structure became a solution.