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4C

## Fundamental Of Management

### Assignment # 02

#### **Question 01:**

→ **Product (A):** A cloud-based project management tool that has been on the market for five years. It has gained significant traction among small to medium-sized businesses and has a stable market share in its niche.

#### **Answer:**

**BCG Classification:** Cash Cow

**Reason:** It has a stable market share in a mature market (low growth) and generates consistent revenue.

**Strategy:** Maintain or Harvest.

- Continue to support the product with minimal investment to maximize profits.
- Use the profits to fund other products (e.g., Product B).

→ **Product (B):** A cutting-edge virtual reality software used for training purposes. It was recently launched and is showing rapid growth in terms of market share, but it is still in the development phase and requires heavy investment to scale.

#### **Answer:**

**BCG Classification:** Star

**Reason:** It has high market growth and is gaining market share, but it requires heavy investment to scale.

**Strategy:** Invest.

- Allocate resources to further develop and scale the product.
- Focus on marketing and innovation to maintain its competitive edge.

→ **Product (C):** A mobile app for personal finance management that has been around for a while but

has seen a decline in user engagement and downloads over the past two years. However, it still has a decent user base.

**Answer:**

**BCG Classification:** Dog

**Reason:** It has low market growth and a declining market share. It is not a significant revenue generator.

**Strategy:** Divest

- Consider discontinuing the product if it no longer aligns with the company's goals.
- Alternatively, reposition the app with new features to revive user interest.

→ **Product (D):** A new AI-powered chatbot software that has entered a highly competitive market.

While its features are innovative, the product is not yet profitable and faces tough competition from established brands.

**Answer:**

**BCG Classification:** Question Mark

**Reason:** It is in a high-growth market but has low market share due to intense competition.

**Strategy:** Invest or Divest.

- If the product has potential, invest heavily in marketing and innovation to increase market share.
- If the competition is too strong, consider divesting to avoid further losses.

**Question 02:**

The problem with MBO is that it focuses too much on goals (what to achieve) and not enough on how to achieve them. This is often because of how managers use it, not because of MBO itself. Here's how to fix it:

**1. What's the Problem?**

- MBO is about setting goals, but managers often forget to check if employees are using good or fair methods to reach those goals.
- For example, if the goal is to sell more, employees might lie to customers just to meet the target.

## 2. How to Fix It:

1. **Set Rules:** Tell employees how they should achieve goals (e.g., no lying to customers).
2. **Check the Process:** Don't just look at the results; see how employees are working.
3. **Reward Good Behavior:** Praise employees who achieve goals in the right way.
4. **Ask Employees:** Let them help set goals and decide how to achieve them.
5. **Train Them:** Teach employees how to work better and ethically.
6. **Build a Good Culture:** Make sure everyone knows that doing the right thing is important.

## 3. Example

**Goal:** Sell 100 products in a month.

- **Bad Way:** Only care about the number, even if employees lie to customers.
- **Good Way:** Set rules (e.g., no lying) and reward employees who sell honestly.

## Question 03:

### Why and How TikTok Uses Contingency Planning & Scenario Planning

TikTok operates in a fast-changing digital world and faces risks like regulations, technology issues, and market competition. To stay competitive and manage risks, TikTok uses contingency planning (backup plans) and scenario planning (predicting future situations).

#### 1. Contingency Planning (Backup Plans for Unexpected Events):

Contingency planning helps TikTok prepare for unexpected risks with backup plans.

#### Why TikTok Needs Contingency Planning:

- **Controlling Risks:** Some countries, like the U.S. and India, have banned or considered banning TikTok over data privacy concerns.
- **Technical Failures:** Server outages, cybersecurity breaches, or app malfunctions can disrupt operations.
- **Market Competition:** Competitors like Instagram Reels, YouTube Shorts, and Snapchat challenge TikTok's dominance.

#### How TikTok Uses Contingency Planning:

- **Regulation Strategy:** Develop alternative business models, such as local data centers or partnerships, to comply with privacy laws.
- **Technical Strength:** Implement strong cybersecurity measures and disaster recovery systems to prevent data leaks.
- **Diversification:** Expand into new markets and platforms (e.g., TikTok Shop, live streaming, educational content) to reduce reliance on short videos.

## 2. Scenario Planning (Predicting Future Situations)

Scenario planning helps TikTok prepare for multiple future possibilities by analyzing trends and uncertainties.

### Why TikTok Needs Scenario Planning:

- **Changing Social Media Trends:** Short videos are popular today, but new content formats may emerge.
- **Economic Downturns:** Recession or reduced ad spending could affect revenue.
- **AI & Technology Advances:** New AI-driven content creation tools could change user behavior.

### How TikTok Uses Scenario Planning:

- **Scenario 1 – Stricter Regulations:** If the U.S. or other countries ban TikTok, the company could invest in local alternatives or launch a separate Western version of the app.
- **Scenario 2 – Decline in Popularity:** If short videos lose appeal, TikTok can shift towards live streaming, VR content, or AI-generated videos.
- **Scenario 3 – AI Disruption:** If AI-generated content replaces human creators, TikTok can invest in AI tools to help influencers produce high-quality videos faster