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Year / Semester : 2nd Mba / 3rd semester

Subject : Strategic Management

Subject Code : 18MS03T1

Topic : Factors that shape company strategy

Date of Examination : 28.09.2020

Mid Report & Presentation Evaluation of Marks:

Criteria for Evaluation	Max Marks	Marks Awarded
Report Evaluation (10 Marks)		
Introduction to the Topic	02	
Critical Perspective of the Topic	02	
Continuity of the Topic	02	
Content of the Topic	02	
Structure of the Report	02	
Total Marks for Report (A)	10	
Presentation Evaluation (10 Marks)		
Communication Ability	02	
Presentation Methodology	02	
Outline of the PPT	02	
Body Language	02	
Answering Ability	02	
Total Marks for Presentation (B)	10	
Total (A+B)	20	

Signature of the faculty

FACTORS THAT SHAPE COMPANY STRATEGY

Introduction:

What is Strategy?

A plan of action designed to achieve a long-term or overall aim

The art of planning and directing overall military operations and movements in a war or battle

A plan for directing overall military operations and movements

Factors that shape company strategy:



Many situational considerations enter into crafting strategy. Crafting Strategy is the first “season” in an organization’s “annual” cycle. These factors vary from situation to situation. Anyway, these factors are as follows:-

Societal, political regulatory and citizenship considerations: All organizations operate within a society. Hence, social expectations, values, and ethical considerations play a vital role in shaping a strategy. Moreover, economic, societal, political, regulatory, and citizenship factors limit the strategic actions a company can or should take.

Competitive conditions and overall industry attractiveness: A company's strategy should be tailored to fit industry and competitive conditions. Various competitive conditions like price, product quality, performance features; service, warranties, and so on play a vital role in shaping a strategy.

The company's market opportunities and external threats: A good strategy aims at capturing a company's best growth opportunities. It also aims at defending against external threats to its well-being and future performance.

Company resource, strength, competencies, and competitive capabilities: One of the most crucial strategy-shaping considerations is whether a company has or can acquire the resources, competencies, and capabilities needed to execute a strategy proficiently.

The personal ambitions, businesses philosophy, and ethical beliefs of managers: Various studies indicate that manager's ambitions, values, business philosophies, attitude toward risk, and ethical beliefs have an important influence on strategy.

The influence of shared values and company culture for strategy: A company's policies, practices, traditions, philosophical beliefs, and ways of -doing things come together to create a distinctive culture. Culture can dominate the kinds of strategic moves a company considers or rejects.

These are the various dominating factors that shape's company's strategy.

Conclusion:

- Awareness of these forces can help a company stake out a position in its industry that is less_vulnerable to attack.
- Apparel industry is one of the booming industry
- The above factors determine that the entry barrier for a new entrant in apparel industry is high.
- It is difficult for a new entrant to enter and exit easily, because it will have to face the initial losses.

- It is very difficult to match the service level of the established competitors of the market for initials.
- Gaining the customer loyalty is too difficult and involve huge time, cost to achieve it.