**Chapter 1 Questions:**

1. What is competitive advantage, and how does it relate to a company’s business model?

Competitive advantage means for same set of customers if one company have more profit and growth then another company for same product for number of years. Competitive advantage means by using same size of resources one company can generate larger profit margin then antoher.

Now for any company’s business model highly focus on profit so that if they have upper hand for specific product so that they can easily make strategy to become superior in market of that product. In business model manager must have to include tasks for competitive advantage. In example of wal-mart by lowering cost of product and giving customers wide range of products they can give discount to customers. By doing that they can have more customers and profit .

1. Describe the strategic planning model, and who is involved in the strategy-making process

strategic planning model elaborate steps of making strategy step by step.in strategic planning model managers set steps from making goals to implement strategy. Some organizations have to use different model every year to simplify new needs and technology. In model managers make strategy at business, function and corporate level.

Strategic planning process steps-

select goals

analyzing external environment for opportunities and threats

analyzing internal environment for strength and weakness

selecting strategy which can be good for both external and internal environment.

Implementing strategy

In strategy making process top level managers make strategy after consulting work force and market analysis. They are responsible for making strategy at highest level. For functional level managers they make strategy for specific association of company. In general four type of people should be involved as listed below.

Those who implementing

Those who contributing

Those who will be affected

Those who monitor its implementing

1. Describe the SWOT analysis, its components, and how it aids a company in making strategic decisions. Provide examples of each component in the SWOT analysis.

Strength weakness opportunities and threats , comparison of this 4 elements refer as swot analysis. SWOT used to make good tune between company’s resources with business model. With the help of SWOT analysis we can use company’s resources to gain competitive advantage in market.

Components -strength weakness opportunities and threat

SWOT analysis can be helpful to make strategy for company because of such analysis we can easily make sure all resources are best tunes with business model and all functions of specific market. While making strategy analysis can help to make sure managers are focused on specific need rather overall aspects.

Strategies divided in four parts – business level , corporate level

Global level , function level

Example of components

Strength – software tester with coding experience who can do both job and make his work more efficient

opportunities- for construction sites meditation needed for workers. Despite hundreds of meditators available in market only few can do for construction .

Weakness- for it company software developer with knowledge of only one coding language is weakness.

Threat – for any company employees with bad behavior and not honest nature is threat.

1. What are the various levels of management, and how do they participate in the process of strategic decision making?

Corporate level

Business level

Function level

In corporate level management there are CEO , top level executives. They are involved to make strategy on top level. They are responsible to make strategy for whole organization. Their roles include all goals of organizations, which new business should be start and allocation resources to all organization with providing leadership.

In business level management managers only work in separate organization which have specific goals and functions which are less compare to corporate level. They only work in particular market for particular product. They are only responsible to make strategy for that organization only.

Function level management includes specific business functions and operations that helps company’s single division. Their role is to make strategy for that specific function or operation only and with allocated resources they have to make that function efficient as possible.