

Subject: Business Economics

Course: B.A., 6th Semester, Undergraduate.

Paper No: 602

Paper Title: Business Strategy & Ethics.

Unit No.: 3 (Three)

Title: Strategy Formulation, Analysis & Choice.

Lecture No: 1 (One)

Title: Formulating Long-term Objectives and Grand Strategies.

Summary

At the end of this session students should have understood that it is very important to grasp two principal components of any strategic choice, namely, long term objectives and grand strategy for all businesses. The purpose of this session was to convey the understanding.

Students should have been enlightened knowledge about long term objectives that were defined as the result a firm seeks to achieve over a specific period, typically five years.

Seven common long term objectives were discussed; namely, profitability, productivity, competitive position, employee development, employee relations, technological leadership, and public responsibility. These or any other long terms objectives should be flexible, measurable over time, motivating, suitable, and understandable.

Grand strategies were defined as comprehensive approaches guiding the major actions designed to achieve long term objectives. Fifteen grand strategy options were discussed; namely concentrated growth, market development, product development, innovation, horizontal integration, vertical integration, concentric diversification, conglomerate diversification, turnaround, divestiture, liquidation, bankruptcy, joint ventures, strategic alliances, and consortia.