

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: 2 (Two)

Title: Strategic Analysis & Choice

Summary

In this session students must have understood that corporate level strategic analysis and choice is an integral part of organization's management especially used for competitive analysis and corporate strategic planning in multi-product and multi-business firms. It assists strategist in exercising a strategic choice. Through this analysis factors responsible for organizational growth will be derived, and established

Moreover students must now be clear about BCG Matrix analysis that are classed as question marks, Dogs, cash cows needs proper diagnosis and evaluation in the context of the environmental challenges faced by them in order to know the right strategies needed for application to facilitate revitalization. For example question marks that aspires to obtain dominant market share, may select expansion strategies, otherwise retrenchment strategy may be more realistic.

Organizations that are classed as Dogs because of their weak internal and external positions may seek for strategy such as liquidation, divestment or can be trimmed down through retrenchment. For organizations classed as cash cows, they need to adopt product development; concentric diversification may be attractive strategies for strong cash cows. However, as a cash-cow becomes weak, retrenchment or divestiture can become more appropriate.

Students must have understood that organizations that desire to be stars need to invest aggressively in Research and Development (R&D) to stay in the leading edge of technological know-how.

Students must now clear about SWOT for better match of a company's strategy to its resource strengths and market opportunities and correct the important weaknesses and defend against external threats.

At the end of this session students are understood about grand selection matrix and different contingency approaches to strategic choice and to minimize the impact of different threats, companies should develop contingency plan or strategy as one of the viable alternatives.