

Time: 3 Hrs

Max. Marks: 60

**Answer any Five questions
All questions carry EQUAL marks
Question No. 8 is Compulsory**

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| 1. | a) | Discuss the significance of Strategic Management in the current business scenario. | 7M |
| | b) | Explain the role of a Strategist in any organization. | 5M |
| 2. | a) | Analyze the different components of Industry environment for assessing the competitiveness of an organization. | 7M |
| | b) | Explain the importance of Value Chain Analysis. | 5M |
| 3. | a) | Describe the conditions under which Expansion Strategy is recommended. | 8M |
| | b) | Examine the limitations of BCG Matrix. | 4M |
| 4. | a) | Elucidate the keys aspects in the process of strategy implementation. | 7M |
| | b) | What is Strategic Audit? | 5M |
| 5. | a) | Compare Cost leadership and Differentiation strategies with relevant examples. | 7M |
| | b) | Explain the different components of 7 S Framework. | 5M |
| 6. | a) | Discuss the ethical aspects to be considered in evolving marketing strategies. | 8M |
| | b) | What is Insider Trading? | 4M |
| 7. | a) | Business Ethics is the cornerstone for the success of any enterprise- Offer your comments. | 8M |
| | b) | What is Whistle Blowing? | 4M |
| 8. | | CASE STUDY: | 12M |

The origins of Deepak nitrite – the flagship company of the Deepak group of industries-go back to 1970 when Chimanlal K.Mehta, an entrepreneur, sensing an opportunity in India's drive towards self-sufficiency and import substitution and relying on his trading and manufacturing experience, ventured into the chemicals industry. The Company was originally incorporated as Deepak Nitrite Private Limited in 1970, under the Companies Act, 1956 and was subsequently converted into a public limited company in the name of Deepak Nitrite Private Limited in 1971. The company's Registered Office is at Vadodara and its Corporate Office is at Pune with manufacturing plants in Gujarat and Maharashtra. Net sales for the year ending March, 2007 are about Rs. 4172 million and net profit is Rs. 357 million. Exports constitute nearly half of the total sales

Over the years, Deepak Nitrite has grown impressively through a judicious use of integration, related diversification and internationalization strategies, using the means of acquisition and restructuring. In 1983, adopting a horizontal integration strategy, the company used foreign collaboration to start commercial production of ammonia. In 1992 came the commercial production of low –density ammonium nitrate, nitro phosphate and nitric acid, resulting in a multiproduct portfolio consisting of organic, inorganic, fine and specialty chemicals.

Deepak Nitrite has made tremendous progress over the years and has posted impressive financial results as well as excellent export performance. 'It (the growth of the company), was born out of a process of deep thinking, strategy and planning', said the Managing Director Deepak Mehta, who claims that planned strategy has led to growth. Environmental scanning led to foreseeing the threats coming from a dismantled duty regime. Anticipating this, the Company went about implementing strategies that would convert these threats into opportunities. The strategic approach was to build on its strengths in niche areas of the chemicals market, leverage strong R & D and a robust lab to production skills, bring the strengths up to global levels and work towards a leadership position.

The success of Deepak Nitrite could be attributed to focused strategy implementation capabilities. A series of plans, programmes and projects have been initiated and implemented over the years, in alignment with its corporate and business strategies. For instance, it has worked on a number of R & D projects over the years to develop its skills to swiftly transfer product from the labs through production to the markets. It has effectively developed differentiating capabilities by planning and implementing projects for handling bulk products to handling batch products, transforming from a commodity supplier to a value-added, branded product supplier with customization skills. Projects in supply chain management have helped the company in extending its ability to source its own raw material to tracking customers' delivery and inventory scheduling. Cost control has been attempted through wider sourcing, including international vendors, and investing in energy-saving equipment.

In the course of strategy implementation, Deepak Nitrite had to deal with a host of government agencies for procedural implementation. For example, raising finance has taken it to SEBI. A continuous interaction takes place with the export and import regulatory authorities. For instance, anti-dumping duties have been levied on the company for sourcing cheap materials from China. Being in the chemical processing industry, the company is under the scrutiny of environmental protection agencies. It has been a signatory to the 'Responsible Care' initiative of the global chemical industry. It has also achieved the ISO 14001 certification. Dealing with explosives, the Company has to seek licenses from the Department of Explosives, industrial safety and health Departments and State Pollution Control Boards of Gujarat and Maharashtra. Apart from these, are the regulatory requirements for dealing with taxation regulations. Resource generation has been through raising money in the capital markets on the basis of its good rapport with financial institutions and sale of factory land at Pune.

Questions

1. Identify and discuss briefly, the three themes of strategy implementation of activating strategies, managing change and achieving effectiveness in the case of Deepak Nitrite.

Picking up data from the case, demonstrate how formulation and implementation of strategy are interdependent.