

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, Dec, 2023

Course: Strategic Management-II

Programme: MBA S&C

Time: 03 hrs.

Instructions:

Semester: III

Course code: STGM8018

Max. Marks: 100

SECTION A

S. No.	Choose the correct answer with explanation (without explanation answers would not be evaluated) . Each question carries 2 Mark	Marks	CO
Q 1	<p>1. McDonalds is deciding whether to expand into manufacturing kitchen equipment in China. At what level is this decision likely to be made?</p> <ul style="list-style-type: none">A. BusinessB. CorporateC. FunctionalD. International <p>2. The BCG model is also known as _____.</p> <ul style="list-style-type: none">A. Johari WindowB. Evaluation MatrixC. Generic Strategy ModelD. Portfolio Matrix <p>3. _____ is not an element of VUCA.</p> <ul style="list-style-type: none">A. VolatilityB. UnclarityC. ComplexityD. Ambiguity <p>4. The affairs of the company are directed and controlled through the _____ who represent the shareholders of the company.</p> <ul style="list-style-type: none">A. Board of DirectorsB. Senior ManagementC. Middle ManagementD. Managing Director and Chief Executive Officer <p>5. Which of the following is NOT a common type of corporate level strategy ?</p> <ul style="list-style-type: none">A. DiversificationB. Vertical IntegrationC. Market PenetrationD. Retrenchment <p>6. The term 'corporate strategy' concerns strategy and strategic decisions:</p> <ul style="list-style-type: none">A) In certain types of organisations.B) At all levels in an organisation.	2X 10 =20	CO 1

	<p>C) Developed by the senior management in an organisation. D) In the private sector only.</p> <p>7. A key characteristic of strategic decisions is: A) They are likely to be concerned with, or affect, the long-term direction of an organisation. B) They are normally definite decisions about the future of the organisation. C) They identify specific areas of strategic interest for the management of an organisation. D) They result in better organisational performance..</p> <p>8. Strategic fit means: A) Creating opportunities by building on resources and competences. B) Having a balanced portfolio which meets customer requirements. C) Tailoring strategies to address forces in the business environment. D) Meeting the expectations of stakeholders.</p> <p>9. A company's ability to meet its short-term financial obligations is measured by which of the following categories? A. liquidity ratios B. profitability ratios C. activity ratios D. leverage ratios</p> <p>10. . A company offers unique products that are widely valued by customers, it is likely to follow a: A. Differentiation strategy B. Combination strategy C. Focus strategy D. Cost-leadership strategy</p>		
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SECTION B

Q 2	<p align="center">Write short notes on any four (word limit 200 words)</p> <p>1. PacMan Defense and Crown Jewel Defense CO2 2. Counter trade , BOT and Green field Project CO2 3. Cellular and Matrix Organisations CO2 4. Pareto Rule and strategic Control CO2 5. 4 A model of Strategic Execution CO2</p>	5X4=20	CO 2
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SECTION-C. Attempt any three . Each question carries 10 marks

Q 4	You are strategic consultant for the company which is in dilemma of opting correct defensive tactics mix for surviving in FMCG sector. Keeping the fact in view that your company is either matching or below the resource of offensive company, suggest suitable mix	10	CO 3,
Q 5	As an consultant for company which is under the attack, suggest defensive M&A strategies	10	CO 3,
Q 6	Structure follows strategy . Comment on the statement while focusing structural mix vis-à-vis strategic mix	10	CO 3

Q7	Enumerate strategic control techniques to be applied while monitoring production operations		
SECTION-D			
	Case Study Analysis carries 30 marks. Please read the case and answer following while strategic tools and techniques whenever and wherever required		
Q8	Identify the central problem of the case while using suitable strategic tools	15	CO 4
Q9.	As a consultant advise suitable strategy	15	CO 4

A BOMB IN YOUR POCKET? CRISIS LEADERSHIP AT NOKIA INDIA

It was a Tylenol moment for me. We had to act quickly and decisively — and we did. My team in India worked in a concerted manner — from communications to logistics, marketing to production. We had the global office willing to experiment with new ways and allow us to lead. We had suppliers and dealers — our partners essentially — who were willing to go the extra mile to make sure we delivered our brand promise. We had our market position for the few weeks in turmoil, but we regained our leadership quickly. By the end of 2008, we were back as the number one brand in India within the cellular industry.

D. Shivakumar, Managing Director, Nokia India

Nokia's chairman, Olli-Pekka Kallasvuo, was scheduled to visit India from August 23 to 25, 2007. After much deliberation, the visit went ahead as planned. Kallasvuo's interaction with the media served to strengthen the perception of Nokia's commitment to India. For the fiscal year 2008/09, Nokia's market share in India was estimated at 69 per cent.

OPERATION BLUE STAR

To handle the fallout from the media panic (see Exhibit 1), two teams were immediately formed: a crisis management team comprised of chief executive officer, (CEO) D. Shivakumar; head of communications, Poonam Kaul; head of care, Sudhir Kohli; and head of marketing, Devinder Kishore, and a logistics team comprising several internal executives headed by Sudeep Dhariwal and Kohli, and including a representative from Nokia's Singapore office.

It was clear that, rather than waiting for a solution from corporate headquarters or the regional office in Singapore, there was a need for a local solution to be developed in order to replace the web-based service. Kumar contacted headquarters and received clearance to develop a local solution. It allowed Nokia India to

replace a battery at Nokia's extensive network of customer care centres (CCCs) as well as through courier shipment, depending on how the customers approached them. Dhariwal commented on this solution:

In addition to shipping directly to customers, we decided to also ship these batteries to the regional distributors [RDs], who in turn could forward it to the customer care centres and Nokia priority dealers. They in turn could reach the local customers. HCL Infosystems was our distributor taking care of the North and East regions. We could have contacted HCL and had them contact the RDs; instead, to save time, we directly contacted the RDs. We did not have any shipping agreements with these RDs, so we had to ship on behalf of HCL, and invoice HCL who then invoiced the RDs.

Many of Nokia's models used BL-5C batteries, and the Chennai factory had some batteries in stock. Sachin Saxena, head of the Chennai factory, was contacted to consider redirecting the batteries even if that affected production commitments. The first shipment from the Chennai plant of 10,000 batteries arrived in Delhi on August 15, India's Independence Day; however, due to heightened security concerns on Independence Day, entry restrictions were enforced in every state, limiting the mobility of trucks, but the first shipment started on August 16.

Communication with Customers

Nokia introduced an advertisement campaign that was directed towards all Nokia mobile phone owners (see Exhibit 2). The focus was to allay customer fears regarding the battery recall and to provide sufficient information to the customers. A toll-free telephone helpline was also activated. Each CCC and Nokia priority dealer (NPD) was assigned a promoter — an employee specifically designated to assist the walk-in customers. Further, an SMS (short message service, or text message) facility was activated whereby customers could text their 15-digit battery number to Nokia to receive appropriate instructions through their mobile phones.

Communication with Suppliers

Within a week of the media panic, battery replacements ran in the millions. Other than the batteries from the Chennai plant, more batteries were brought in from Singapore and Düsseldorf. Given the huge volume of shipments, Nokia had to seek the intervention of DHL's¹ regional headquarters through its Singapore office for managing the surge. DHL, through its Indian subsidiary Blue Dart, set up a makeshift packing and shipping facility where it could make courier packs (to protect batteries from damage), and then ship them out via several other courier companies. The whole process was manual, unlike in Nokia's automated plant. The single largest delivery was 70,000 pieces couriered in one day. By the end of four months, approximately eight million batteries had been couriered. In addition to the direct-to-customer couriers, batteries were also shipped in bulk to the RDs and CCCs.

Reverse Shipment

In late September 2007, Nokia global headquarters issued a mandate that the old batteries be collected and disposed of in an environment-friendly manner. An empty insulated envelope, which Matsushita shipped to Nokia from its factory in China, was sent in a DHL courier bag to each customer address that a

¹ A global delivery service.

replacement battery had been delivered. Customers were asked to send their old batteries back in that envelope. Nokia collected almost 100,000 old batteries in this manner, and also collected almost 300,000 old batteries from the CCCs.

BRAND AND MARKET SHARE

To ensure that customers were given sufficient time to replace batteries, Nokia continued the replacement process for four months. The company finally wound up its advisory operations in December 2007. At the conclusion of the recall operation, Nokia ceremoniously distributed mementos to everyone involved in the recall; fittingly, the memento displayed a BL-5C battery. The extensive battery advisory operation was also coupled with a Nokia brand campaign in India. Despite the intensifying competition, Nokia held on to its market leadership. The internalization of the lessons learned from the battery crisis was apparent in 2009, when the company had to recall 14 million chargers made by BYD, a Chinese manufacturer. The recall operation was managed without any external crisis. Given that product recalls were rare in India, many observers felt that Nokia may have escaped the ire of consumers by simply being prompt. Many were of the opinion that following the recall issue, the Nokia brand seemed to have a more endearing image among Indian consumers. Shivakumar recalled, “Even in the absence of local rules governing product recalls in India, we managed the crisis rather well. The brand means something to the consumer. If they can trust you, they will stay with you.”

Exhibit 1

EXCERPTS OF PRINT MEDIA COVERAGE

Nokia Battery blown upon a Woman
THE TIMES OF INDIA
 Panic Spreads among cellphone users
 TNN 31 August 2007, 02:42 am IST
 KOLKATA: The Nokia battery blast that injured a pregnant woman on Wednesday has triggered a panic among cellphone users in the city.

Nokia detects 1 lakh sets with defective batteries

Hindu Business line
 New Delhi, Wednesday, Aug 22, 2007
 Impact on sales will be known in a week's time

Third Nokia battery blast in three weeks

Thursday, September 20, 2007

Another Nokia BL-5C battery exploded on Tuesday, while the owner of the phone, a B.com honours student, was at tuition. There was no injury.

Nokia admits mobile battery issue

BBC NEWS
 UK : August 14, 2007

Nokia is offering to replace 46 million batteries for its mobile phones after reports of over heating while charging.

The problems are confined to BL-5C batteries made by Matsushita between December 2005 and November 2006.

Nokia users make a beeline at retail stores
Financial Express
 New Delhi : 18 August 2007
 With Nokia recalling 46 million BL-5C batteries manufactured by Matsushita Battery Industrial co of Japan, mobile users in India have started making a beeline for its retail stores in pursuit of replacements.

Has Nokia lost its goodwill by recalling its faulty batteries?

Metro Now

New Delhi: 18 August 2007

Yes, it has. Many people have already started shifting to other brands. It was Nokia's duty to recall its faulty batteries, but today the users are scared of the brand itself as the batteries could explode anytime.

Nokia battery blasts

Tribune News Service

Chandigarh : Friday, August 17, 2007

Residents of house no 657 in Sector 38 here had miraculous escape when the Nokia battery in the mobile handset of Rajeev Kakkar reportedly blasted soon after the device was put on charging.

Exhibit 2

NEWSPAPER ADVERTISEMENT ISSUED ON AUGUST 16, 2007

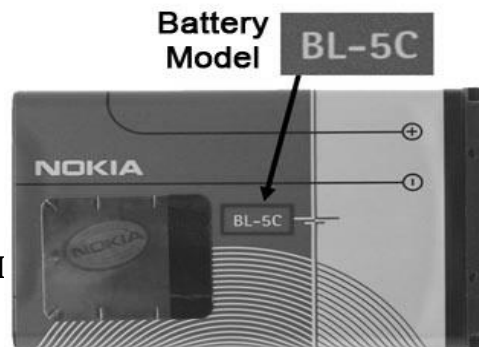
YOUR NOKIA IS SAFE TO USE. HERE IS WHY.

Q. What am I hearing in news reports about the battery issue in Nokia phones?

A. Nokia has several suppliers for BL-5C batteries who have collectively produced more than 300 million BL-5C batteries. Nokia has issued an advisory which applies only to the 46 million batteries manufactured by Matsushita Battery Industrial Co. Ltd. of Japan between December 2005 and November 2006, from which there have been approximately 100 incidents of overheating reported globally. No serious injuries or property damage have been reported.

Q. Nokia has issued a product advisory. What is the difference between a product advisory and a product recall?

A. A product advisory shares information that consumers should **know**. A product recall is a definite call to action. We issued a product advisory because the reliability and quality of our products, and the safety of our customers, is our top priority. Our effort is to make sure you spot a BL-5C battery and know what to do in case your phone has a BL-5C battery.



Q. How do I identify the BI

A. **Remove** the battery from the phone. The battery will have "NOKIA" and the battery number printed on the front of the battery. Check if the battery number is BL-5C or not.

Q. What do I do if I have a BL

A. On the reverse of the battery, the Nokia mark appears at the top and the battery identification number (consisting of 26 characters) is found at the bottom. This 26 character code **helps** us identify whether your battery is covered under the advisory and needs to be replaced. On identifying your battery identification number, please contact us using any of the following options:



1. Please SMS **BT <space><26 character battery identification number>** and send to **5555**.
2. Please call **Nokia Care at 30303838** prefixed by your local STD code (or 080 if calling from landline) and state your **26 character battery identification number**.
3. Please **log on** to **www.nokia.co.in** and enter your **26 character battery identification number**.

If your battery is covered under the advisory, you will be advised to replace your battery. A new free battery will be delivered at your doorstep by courier in exchange of your old battery. For all other cases which are not covered under the advisory, you can safely continue to use the battery.