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Course: Strategic Management

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Question #1

Being a head manager of multinational company, what general factors might affect the company? Explain all of them.

Answer #1

Being a head manager of multinational firm or MNC, I will be facing many factors which can influence my firm in both affirmative or negative way depending on the factors of several types. These factors can be divided into 4 major categories.

1. Political factors

Political factors encompasses a lot of spheres of general factors which can either hamper or strengthen our MNC. Some of these factors include

a). Sanctions of Trade Restrictions

If the country where my MNC is based or is doing business with comes under trade restrictions or sanctions are imposed on it, then the business of MNC will decline.

b). Bureaucracy of corruption

Bureaucracy plays an important role in establishing the writ right of the state. Having a positive environment in the country would lead to an increase in the profit of my MNC. However, if

bureaucracy gets discredited by corruption, then it would hamper the business of my MNC due to corruption and the practice red tapism.

c) Political Instability

Political Instability in the country is always bad for any MNC to grow its market share and business. e.g. Imran Khan protest in 2014 made MNC's to reconsider about investing in Pakistan.

d). Economic factors

Economic factors also plays important role in determining the decision making of my MNC, some of the economic factors include

I. Monetary and of fiscal Policy

Monetary of fiscal policy of a country can affect the MNC depending on which policy is being implemented how. e.g. increase in taxes would reduce the business of my MNC while levying in taxes or giving subsidy would boost the business of my MNC.

II. Inflation

Inflation in the country would cause the MNC market share to decline because of the declining power of the consumers.

III. Seasonal factors

Different seasons can also have an effect on the business of the MNC. For example, Wall's is a MNC and it is consumed more in summers and less

in winters.

c) Social factors

Being the manager at an MNC, I have to take into consideration a lot of cultural or social factors of the demography. For instance McDonalds is a MNC and in India, it has introduced burgers without any meat considering the religious or sociocultural factors affecting it, another example can be that different advertisements of the same product are introduced and made for various countries keeping in consideration the cultural norms or taboos of the country.

d) Technological Factors

It is also an important factor and plays an important role to decide the market share and growth of MNC. My MNC has to be proactive and has to be more technically updated by injecting more money into R & D so it can have an upper hand on its competitors in the market.

e). Natural disasters and Pandemics

Natural disasters like earthquakes, floods, hurricanes, tornados, and pandemics can have an adverse effect on the functioning of an MNC. For example, COVID-19 has affected the business and lowered the profitability of many MNCs and local businesses.

Question #2

Explain strategic management process being a director of marketing and industrial linkages of Iqra National University.

Answer #2

There are basically four strategic management processes which are to be applied to any management related decisions in order to reach a desirable outcome. This question will be explained applying these pertinent processes. If I am the director of marketing and industrial linkages of INU. The four processes relating to this question are explained below:

1. Setting up of a strategic intent

It is the first and initial phase of the strategic management process which encompasses the most important elements like vision, mission and objectives of an organization. Being the director, my intent would be recruit students from diversified backgrounds ranging from low income families to middle class and elite families and equip them with the best knowledge areas relating to their subjects so when they are graduating, they not just only excel in their respective fields but they create job opportunities for other too by

focusing on entrepreneurship which creates such an ecosystem to upheaval of the society in general and the students in particular. This would not only diminish the class difference between the privileged and the unprivileged students from different backgrounds and bring them on the same level, but it would also increase our rating in HEC by producing high quality students and who would endeavour to reduce unemployment in their own. I would also introduce and induct students who aren't physically capable of attending classes by introducing a platform of online classes, so people from far away can also benefit from it and become successful in their lives ahead.

2. Formulation of Strategy

Being the director of INW, I would collaborate with different industries and hold meetings with them to discuss and gauge where the fresh graduates are lacking behind and what do they expect from students or have to perform and what could be done in rectifying these issues and equip our students with the knowledge that is the demand of the market industry. I would discuss my strategy with my concerned faculty to gauge if they are on board.

with this and whether they are capable enough to bring my strategy into reality. I would ask the faculty to help and assist the students in their final year projects and pay more heed to it so it can be pitched to different stakeholders in the industry and come up with innovative ideas which should be beneficial not only for them but should be enterprenuership related, so they could help the society in general too by creating more job opportunities and reduce unemployment. I would make collaborations with different industries to conduct seminars and job fairs in INU, so the students can benefit from it and would broaden their thinking perspective also and would give them an opportunities of networking with different accomplished leaders which could be used to their advantage.

3. Implementation of Strategy

The third and most vital and time staking step is the implementation of your formulated strategy. Being a director, I would be incharge of implementing the strategy which I formulated. I would be confronted with a lot of hurdles in this process but in order to achieve my mission and realize my vision into reality, implementing is the most delicate and significant step. I would design, allocate

budget and spare and make alliances with different stakeholders and accomplish leading industries and organizations to inspire my students and motivate them through their lectures and share their success stories by inviting them to seminars, lunches and dinners etc on regular basis as to establish a strong connection with them. For that purpose, I would also have to open an incubation centre in INU for the students to be enlightened and equipped for their journey after graduation. I would also hold training sessions for my faculty, so they are also equipped with the latest and trending phenomenon of entrepreneurship in order for them to impart this knowledge to their students also. I would also invite our alumnus who have proved their mettle in the real world to motivate to students and guide them on how to tackle the hard life lying ahead after their graduation and to reach to their full potential and desires their best for their own benefit as well as to the benefit of the society. The students with innovative and promising FYP will be promoted and introduced to different platforms and industries by me being the head director as to boost up their career and help them in

making connections and important linkage which would be really beneficial for everyone

4. Evaluation and control

This is the last step of the strategic process in which we monitor, evaluate and review our implemented strategy that whether it is going and reaping the results that we expected and forecasted and if not, how could we intervene in order to achieve the desired results. Being the director, I would assess that whether this strategy of mine is producing such level of students which I anticipated and whether it is attracting more students from diversified backgrounds to be attached towards INU and polish their skills and even the underprivileged become at par with everyone. I would also monitor the performance of my teachers who I trained to impart this knowledge to my students and uphold their level of critical thinking. I would then evaluate my perceived outcome of the strategy with the real outcome and realize whether we are going as per my conceived outcome or lagging behind and would review and reevaluate the reasons behind in case we are lagging behind and then ~~it~~ identify the reasons and review my decisions.

and rectify them in order to achieve my strategic objective.

Question #3

Explain Porter five forces in context of Pakistan

Answer #3

Porter Five Forces Model

Porter published his five forces model in 1979 which significantly changed the understanding of strategy among enterprises, organization as well as countries. The five forces of Porter model are explained below taking an example of Ufone and applying these five forces on it.

1. Competitive Rivalry

There are only four mobile service providers in Pakistan. This spells intense competition amongst them. This competition is in the form of network coverage, call rates, value added services, connectivity, bundle packages, and so on. Each company provides similar services in each category. The competition is now in targeting various market segments through offers and innovative products with the help of creative advertisements. Ufone has been the first to introduce a number of economic creative packages that have helped

it increase its subscribers. In Pakistan, subscribers can switch from one mobile service provider to another with just one single text message and also retain the same number. This all has made the competitive rivalry high for Ufone.

2. Threat of new Entrants

The Pakistani mobile service industry has saturated. There is very little or no room for a new entrant. Also, this industry requires extensive capital investment to ensure coverage of the country in level with the other providers. So, there is little to no threat of new entrants to Ufone.

3. Bargaining Power of Suppliers

The suppliers of Ufone include telecom equipment providers such as ZTE and Huawei and electricity providers in various regions of the country. Suppliers in both of these aspects are limited. These companies have many other customers and do not rely on Ufone for their sales. They can easily interfere and influence Ufone and disturb its operations financially and physically. Ufone has no option but to agree to the terms of these suppliers. These make the bargaining power of these suppliers against Ufone high.

4. Bargaining Power of Buyers

This aspect of the porter model is very high in this case because of the low switching cost in the industry. These are four players in this game and a lot of customers. The buyers frequently change between service providers in the search of the best rates and coverage while also having the option of retaining the same number. So the bargaining power of buyers is very high in this case.

5. Threat of Substitutes

The substitutes of Vfone are landline phones, emails, voice over IP and all other similar communication mediums. All of these have certain flaws such as cost, time consumption and availability that make cell phones ideal for use. These substitutes still exist but cannot completely serve the multi-purpose functions the mobile service providers are serving. This makes the threat of substitutes low for Vfone.