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16627 - MBA-72

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### QUESTION :- 1

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

### ANSWER :-

A multinational company or we say "MNC" is short is an enterprise that manages the production or delivery services in multiple countries. There are a number of challenges faced by the top tier management of a MNC that transact their business that might be a productive or a service in other countries which might hinder its competitiveness hence its controversies.

The challenges faced might effect the company in a negative and sometimes positive way. Multiple factors are involved in causing such challenges which can be divided into 4 major categories. Each of the factor is stated and explained below.

#### ① POLITICAL FACTOR :-

Political instability is a issue faced by many MNC's while doing businesses internationally. Such situations occurs when a MNC enters an inconsistent market due to an unpopular government or even when a government of a country fails to establish its unit. In such situations, the MNC is directly effected in terms of revenue and profit as business increases it becomes difficult for the management to forecast business trends.

Political factors also includes the imposition of



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Sanctions on a specific country - Imposing Sanctions have extreme adverse affects as it makes it very difficult for MNC to do business and deliver

An Example of political factor can be that of BREXIT. Brexit is in the headlines since more than 2 years and has affected MNC's severely as it has made business forecasting very difficult hence MNCs have limited their investments as the deal is still unclear.

## ② ECONOMIC FACTOR :-

Countries and sometime subnational regions compete against one another for the establishment of MNC facilities, subsequent tax revenue, employment and economic activity. To compete, countries and regional political districts must offer incentives to MNC's such as tax breaks, pledges of governmental assistance or improved infrastructure. When these incentives fail they are liable to face challenges which limit their chance of becoming more attractive to foreign investment. However, some scholars have argued that multinationals are engaged in a race to the top - while multinationals certainly regard a low tax burden or a low labor costs as an element of comparative advantage, there is no evidence to suggest that MNCs deliberately avail themselves



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of tax environmental regulation or poor Labour standards - Economy can also be affected by seasons for instance the utility of fruits specifically mangoes increases in summer.

For Example: The current government of Pakistan has increased tax duty on imported goods, resulting in a decline of consumption due to high prices.

### ③ SOCIAL FACTOR :-

Multinational corporate lobbying is directed at a range of business concerns, from tariff structures to environmental regulations. Companies that have invested heavily in pollution control ~~the~~ mechanisms may for very tough environmental standards in an efforts to force non-compliant competitors into a weaker position. Corporations lobby tariffs to restrict competitions of foreign industries. For every tariff category that one multinational wants to have reduced there is another multinational that wants the tariff raised.

For Example: The U.S auto industry, the fraction of a company's imported components will vary, so some firms favor tighter imported restrictions while other favor looser ones. This is very



serious and very hard and takes alot of work for the owner.

#### ④ TECHNOLOGICAL FACTORS:-

Another very important factor affecting MNC's is the technological factor. This means that a MNC has to be technically . So as they stay in the competition with the these competitors. There can be a reactive or a proactive approach to this problem. By reactive it that a MNC has to keep its product or service up to date while by proactive it that the MNC has efficient RND team to make new innovations.

For Example: In this digital era MNC has to be technically sound so that it is not left behind as China was the first to launch 5G and networks from other countries followed it to contain its consumer base.

#### ⑤ NATURAL FACTORS:-

There are multiple forms of natural disasters e.g earthquake, floods or pandemic. These factors can severely affect the business as operations in a specific country, can be severely affected due to such disasters.



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For Example: The world is going through corona which has put a full stop to MNC doing business.

QUESTION:-2

Explain strategic management process being a director of marketing and industrial linkages of Iqra National university?

ANSWER:-

Strategic management is a complete process having multiple steps. Each step has its own importance and utility in shaping and running an organisation. Since we have been asked to explain the strategic management process with respect to being the marketing and industrial linkages director of INU, my approach will be totally relative to the question.

① SETTING UP A STRATEGY INTENT:-

This is the initial phase of strategic management process. It basically depends on the intent of the directors including his or her vision, mission & objective. In this scenario the intent should be to provide best quality higher education to the young lot of the society. At the same time, the director should go for the strategy to attract maximum number of students from diversified background. This means the director should target students from all walks of life.



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whether they are privileged or not - Additionally, the strategy intended should be such that the university provides educational services in an easy & accessible way that means they can make branches in multiple cities and also introduce the concept of online classes for those who have difficulty in attending classes physically. Such strategy would help the institute to achieve higher ranking in HEC and also attract various industries for technically skilled graduates. Also the strategy should be intended such that it helps its graduates find a job which can be done by involving Alumni which is already in various industries and can form a bridge between the industries & the students.

② The second step is strategy formulation which is further divided in 2 branches one being organisational appraisal and the other being environmental appraisal - The director marketing & industrial linkages has to be the main think tank in designing the strategy - He has to get the organisational appraisal as he needs to discuss his idea with his subordinates (teams) and even ask them to brainstorm. The team can sit together to convince each other on the best possible strategies. Also being the director, one has to think over, observe and identify the strengths and weaknesses of the team within the organization and design strategy and set targets and goals accordingly - For example the director can introduce



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a new department if he/she feels that the team can manage to deliver.

At the same time the director should include environmental appraisal in this strategy. This means that the environment should always be given preference and should be minimal. The university should not affect the environment in anyway from cutting trees for construction to smoke from the generator. Also the university should go towards being paperless and taken exams online and encourage students to use tablets instead of papers. Also it should indulge its students in awareness drives and campaigns by sending them to various industries and advising new and smart ways as per recent R+D. Also people can be invited from outside to educate and motivate the students.

### ③ IMPLEMENTATION 3

The third step is implementation. It can be done once the strategy is formulated as per the intent. The implementation is initiated by activation that is taking a ~~start~~. Once it is activated, a structure needs to be designed. By this it means to assign roles to individuals to implement different parts. Also as the director will make sure to assign each role to the best possible person who fits that particular job role to increase the efficiency. This is called behavioural implementation. First it will start with marketing. I will choose the best marketers from my team to market INU



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On every forum - I will also designate a team that is good in developing good PR to visit various industries in order to get their support and also understand which industry is flourishing in Pakistan so that respective courses are introduced. The above statement is called functional implementation is Operational Strategy - that means a target will be set as how many students has to be enrolled by the end of an year and to arrange and provide resources accordingly.

#### ④ EVALUATION AND CONTROL :-

This is the last step in strategy management. It is to evaluate the strategy made. This means that I would evaluate my marketing and industrial linkage strategy by figuring out how useful it was and how much value it added in attracting student. Also I have to monitor the implementation of the strategy to check whether implementation is being done as per the plan. As there is always room for improvement, I will review my strategy and make any necessary changes if required to further benefit from it. The evaluation can be done in terms of job fairs and by gauging how many of the student got enrolled and how many graduates students got job and which means i.e Alumni or industrial linkages.



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### QUESTION: 3

Explain Porter five forces in context of Pakistan.

### ANSWER:

There are 5 forces as per Porter which are very important in order to survive and succeed the business. These help in developing and implementing business strategies. Each is given below with examples.

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The first one is rivalry of competitors within industry. This means that there is high competition in the same product or service delivered by different MNC's. MNC has to put effort and make strategies such that it competes in the best possible way. Maintaining its quality and prices so that they provide their service at cheapest possible prices.

For Example, Telenor and Mobilink are market rivals. Both strives in providing telecom services of the same quality in manageable prices. In order to attract customers, each introduces different packages for the ease of customers and hence attract customers through such offers.

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The second force is the threat of a new into an industry and its market. This happens when an MNC is operating at its full capacity providing services and generating revenue and its captures high market share and a new MNC enters the



market providing the same product and service - The former has to make strategies to contain its customer based so that the later does not have an impact due to its entry to the market - For instance, Zong enters the telecom sector in 2008 and fails to attract customers that were on board with the already operational telecom service provider Zong had to drop its tariff abruptly in order to get attraction and established its ground in the market.

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The third force is the threat posed by substitute products which might capture a high market share - This means introduction of new and unique product in the same industry. This product or service is meant to bring ease to customer and bring an impact in everyday life - For instance the introduction of easypaisa by telenor reshaped the way customer used to look at telecom sector. This product made money transaction very much easy, accessible and easily understandable by even the unprivileged lot of the society - Because of this product telenor regained its customer base that it had lost over the time.

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The bargaining power of the customer depends on the availability of the same product having the same quality in market - It also depends on cost and availability of switching from one provider



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to the other.

For Example, the customers of telecom service provider can be easily switched from one network to another by just texting on a designated number. This process is called mobile network portability and gives the customer a choice to switch network while sitting at home without paying a penny. This makes the bargaining power of the customer very high.

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Supplier delivers multiple products or services which can be collectively as input such as labour, management, technology, materials etc, The suppliers are the ones who influence costs through the strength of their bargaining powers. The power of the supplier increases when the supplier are few in numbers and big in size also when suitable substitute product not available. Additionally, the power is high when goods are critical to buyers. For instance, telcos have a low level of bargaining power of supply in Pakistan. As there is a choice of four service providers of same quality (selling the same product) to the customers.