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ID: 16638

Department:

MBA (3.5) Weekend

Semester:

Second Semester

Paper:

Strategic Management

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(1)

# Strategic Management

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## ⇒ Question No 01:-

Discuss importance of strategic management. Assume that you are developing the organization. Describe the organization and write the vision, mission and objective for that organization?

## ⇒ Strategic:-

The term 'strategic management' is used to denote a branch of management that is concerned with development of strategic vision, setting out objectives, formulating and implementing strategies.

## ⇒ Important of strategic management:-

Importance of

(2)

Strategic management are given below

It guides the company to move in a specific direction. It defines organization's goals and fixes realistic objectives, which are in alignment with the company vision.

It assists the firm in becoming proactive, rather than reactive, to make it analyze the action of competitors and take necessary step.

It act as foundation of all key decision of the firm.

It attempt to prepare the organization for future challenge and play the role of pioneer in exploring opportunities and also help in identifying ways to reach those opportunities.



(3)

It ensures the long-term survival of the firm while coping with competition and surviving the dynamic environment.

It assists in development of core competencies and competitive advantage, that helps in the business survival and growth.

## → Purpose of Strategic Management: the basic

purpose of strategic management is to gain sustained strategic competitiveness of the firm.

## Toyota vision, mission and objectives:

Toyota Motor Corporation mission and vision statement guide the company's success trajectory. Founded in 1937, Toyota

(4)

is now one of the most popular global firms. This popularity reflects the company mission statement and vision statement. Toyota is currently one of the top automobile manufacturers in the world. Toyota's global success point is fulfillment of its mission and vision statement.

### ⇒ Toyota's Vision Statement:-

Toyota Motor Corporation's vision statement indicates the company long term strategic direction in the automobile industry. Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible way of moving people. In vision, Toyota includes major areas of its business and the company

(5)

Aim to achieve leadership in the market.

## ⇒ Toyota's Mission Statement:-

Toyota Motor Cooperation uses various mission statement for its businesses in different market. Toyota mission focus on products. The firm always consider the preferences and expectation of consumer. based on trends and market research. Toyota mission specify employee education as a way of achieving the human resource develop aim in its vision. and deliver car that stimulate and even inspire and earn smiles from customer.

## ⇒ Objectives:-

Objective represent a managerial commitment to



(6)

achieve specific results in a specific period of time. The clearly spell out the quantity and quality of performance to be achieved, the time period, the process and the person who is responsible for the achievement of objectives. Objective are the end result of planned activity. Objective are always measurable and particular. Objective are more specific and narrower.

(7)



Vision, Mission and objectives  
Model



⇒ Question No 02:-

Discuss SWOT analysis for the organization, which you have assumed in question 1.

⇒ SWOT Analysis:-

SWOT stand for Strengths, Weakness, Opportunities and threats, and so a SWOT analysis is a technique for assessing - these four aspect of business. These four set of element when used by the organization gain competitive advantage. is often refer to as a SWOT. Analysis.

⇒ Developed:-

SWOT was developed by Ken Andrews in the early 1970s.

(9)

## → Strengths, Weaknesses, Opportunities, and threats:-

### → Strengths:-

Strength in SWOT analysis are a company capabilities are resources that allow it to engage the activities to generate economic value and perhaps competitive advantages. A company strength may be its capability to create unique products, to provide high level customer services, and to have a presence in multiple retail in market. Strength may also be thing such as the organization's culture. Its staffing and training.

### → Weaknesses:-

An organization weaknesses are lack of resources or capabilities that can prevent it from generating economic value.

(10)

or gaining competitive advantage. There are many organizational weaknesses. For example, may have a large bureaucratic structure <sup>that</sup> weaknes limit its ability to compete with smaller, more dynamic organization. Another weakness may occur if a company has higher cost of an organization that can be strength.

## ⇒ Opportunities

Opportunities provide the organization with chance to improve its performance and the competitive advantage. Some Opportunities may be anticipated, other arise unexpectedly. Opportunity may arise when there are riches for new product, these product be offer at different time in different location.



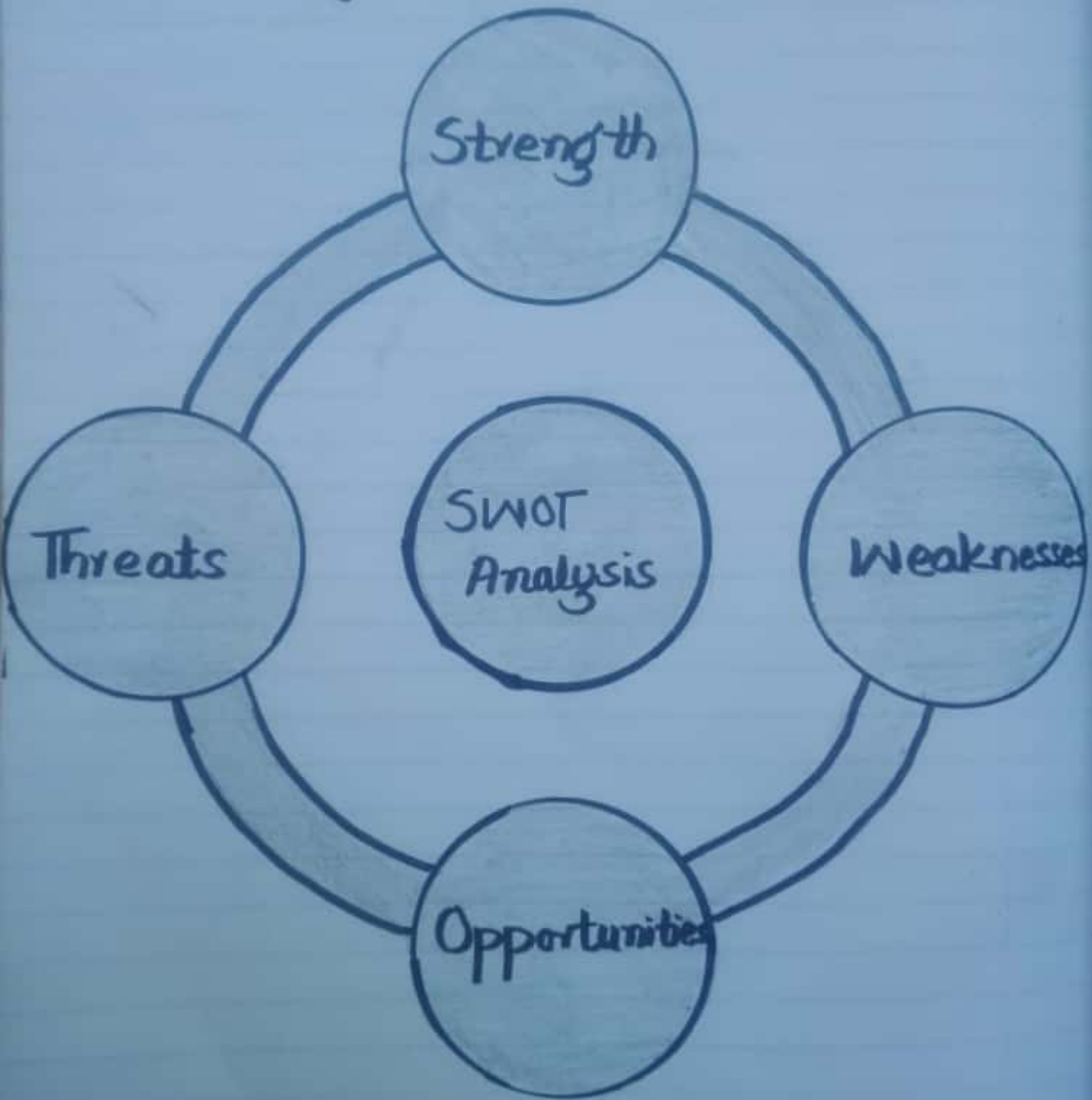
## ⇒ Threats:-

Threats can be individual, group, or organization outside the company that purpose to reduce the level of the organization performance. Every organization face threats in its environment.

The more successful companies or organization have stronger threats. Threats may come from new product from other companies. Threats may come also from government regulation or consumer group.

A strong company strategy that shows how to gain advantage should address all four element of the SWOT analysis.

# SWOT Analysis Model:-



# Strategic Management

ID: 16638

## ⇒ Question No 03

Assume any industry and discuss porter five forces of competition for that industry?

## ⇒ The coca cola company Porter five forces:-

Porter five forces analysis is a strategic management tool to analyze industry and understand underlying levers of profitability in a given industry. The coca cola company manager can use porter five force to understand how the five competitive forces influence profitability and develop a strategy for enhancing

## ⇒ Coca Cola Company:-

The coca-cola



company is one of the leading firms in the Beverages soft drinks.

⇒ What are porter five (5) forces:-

"Five forces that shape strategy", Michael Porter observe that five forces have significant impact on firm's profitability in its industry. These five forces analysis in business world and is also known as porter five force analysis.

⇒ Porter five forces:-

Porter five forces are given below.

- Threat of new entrants
- Bargaining power of suppliers
- Bargaining power of Buyers
- Threat from substitute product
- Rivalry among the existing players.

## ⇒ Michael Porter five force framework:

Porter five forces focused on how the Coca Cola company can build a sustainable competitive advantage in Beverage - soft drink industry. Manager also not used the porter five forces to develop a strategic position with in Beverage but also can explore profitable opportunities in whole consumer good sector.

## ⇒ Coca Cola Company Porter Five Forces:-

### ⇒ Threats of New Entrants:-

New entrants in Beverages soft drink innovation new ways of doing things and put pressure on the Coca Cola company through lower pricing strategy

reducing costs, and providing new value proposition to the customers. The coca cola company has to manage all these challenge and build effective barriers to safeguard its competitive edge.

### ⇒ Bargaining Power of Suppliers:-

All the companies in the Beverages soft drink industry buy their raw material from numerous suppliers. Supplier in dominant position can decrease the margins the coca cola company can earn in the market.

### ⇒ Bargaining Power of Buyers:-

Buyer are often a demanding lot. They want to buy the best offering available by paying the minimum price as possible. The coca cola



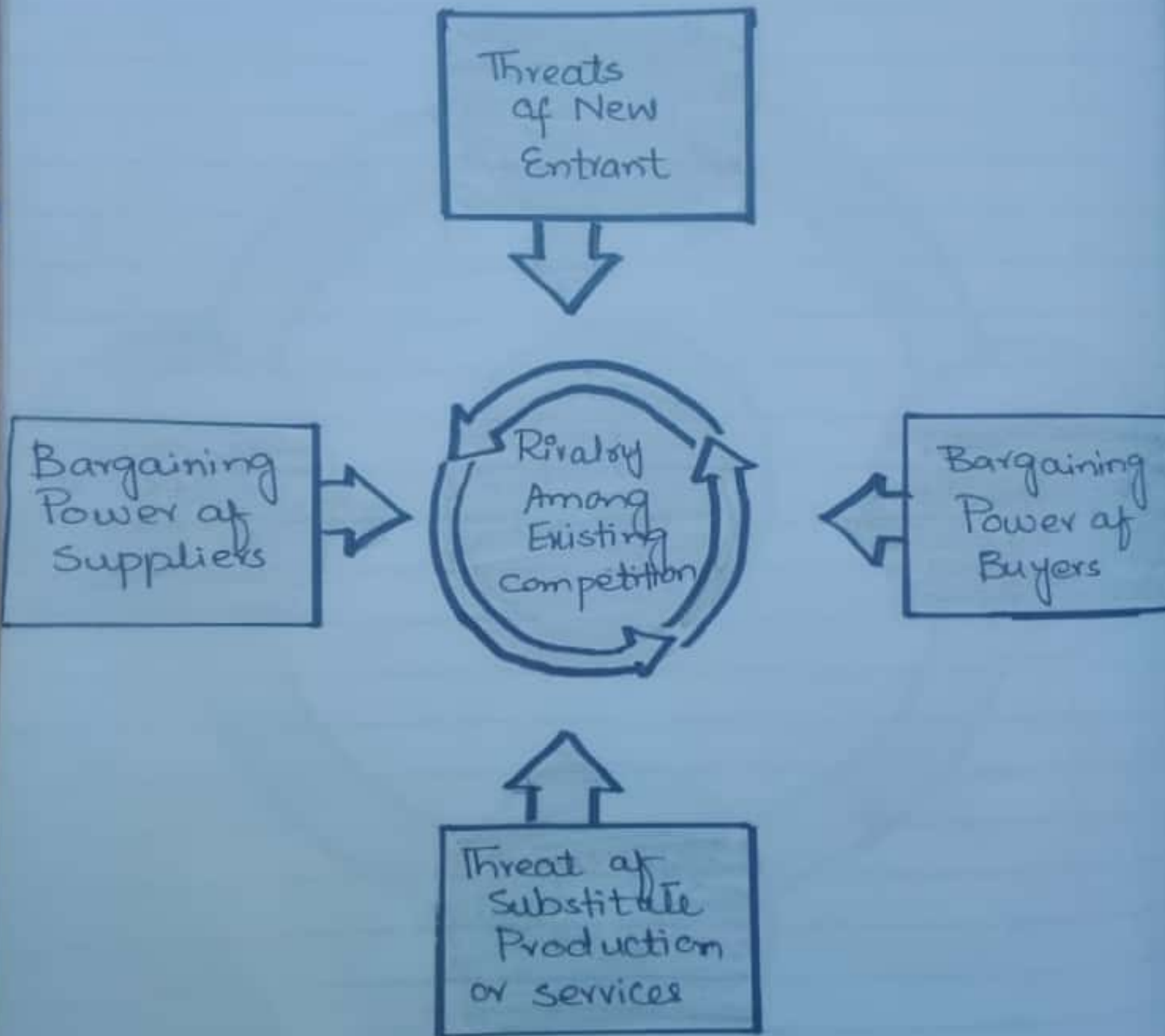
company profitability in the long run. The smaller and more powerful the customer base is of the coca cola company the higher the bargaining power of the customer and higher their ability to seek increasing discount and offers.

## ⇒ Threats of Substitute Product :-

When a new product or services meets a similar customer need in different ways, industry profitable suffers. For example services like Dropbox and Google drive are substitute or service to storage hardware drives. The threat of a substitute product or services is high if it offer a value proposition different offering that is uniquely present by the industry.

## ⇒ Rivalry among the Existing Competitors

If the rivalry among the existing players in an industry is intense then it will drive down prices and decrease the overall profitability of the industry. The Coca Cola company operates in a very competitive Beverage - soft Drink industry. This competition does take toll on the overall long term profitability of the organization.



Five Forces of Competition Model