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Paper : Strategic Management

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Exam : Mid Term

Q.1 Being a head of multinational company, what general factors might affect the company? Explain all of them?

Ans. A multinational company (MNC) is an enterprise that manages production or delivers services in more than one country. There are some challenges faced by MNCs that transact business in international markets which can hinder its competitiveness hence its controversies and these are as follows. The factors affecting the head manager in taking different decisions according to different situations can be multiple. Some of these factors have been explained below.

POLITICAL INSTABILITY

Many multinational enterprises face the challenges of political instability when doing business in international markets. This kind of problem mostly occurs when there is an absence of a reliable government authority when this happens, it adds to business costs, increases risk of doing business and sometimes reduces manager's ability to forecast business trends. Political instability

lity is also associated with corruption and weak legal framework that discourage foreign investment. Imposition of sanction on country also comes in the ambit of political factors. It becomes extremely difficult for an economy to survive in such situation and hence the multinational company have to face the consequences.

### EXAMPLE:-

The Islamabad sitin of 2014 against the ruling party has caused a major political instability mean political hindrance to the multinational company, as economic situation was quite unreliable making it difficult for the MNCs to invest.

## 2. TAX COMPETITION:-

Countries and sometimes subnational regions compete against one another for the establishment of MNCs facilities, subsequent tax revenue, employment and economic activity.

To compete countries and regional political districts must offer incentives to MNCs 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 multinational certainly regard a low

tax burden or low labor costs as an element of comparative advantage, there is no evidence to suggest that MNCs deliberately avoid themselves of tax, environmental regulations or poor labour standards. Economy can also be affected by different seasons for instance the utility of fruits specifically mangoes increase in summer.

### 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 directed at a range of business concerns from tariff structures to environmental regulations. Companies that have invested heavily in pollution control mechanism may for very tough environmental standards in an effort to force non-compliant competitors in to a weaker position. Corporation lobby tariffs to restrict competition of foreign industries. For every tariff category that one multinational wants to have reduced, there is another multinational that want the tariff raised.

### EXAMPLE:~

The US auto industry, the fraction of a company imported components will vary, so some firms favor tighter import restriction, while other

favor looser ones. This is very serious and is very hard and takes a lot of work for the owner.

#### 4. TECHNOLOGICAL FACTOR:

Another very important factor affecting multinational company is the technological factor. This means that a multinational company has to be technically updated, so as they stay in competition with their competitor. There can be a reactive or proactive approach to this problem. By reactive it means that a MNCs has to keep its product or service up to date while by proactive it mean that MNCs has efficient RND team to make new innovations.

#### EXAMPLE:

In this digital era MNCs has to be technically sound so that it is not left behind as china was first to launch 5G and network from other countries followed it to contain its consumer base.

#### 5. NATIONAL DISASTER:

There are multiple forms of national disaster eg. earthquake, flood or pandemic. These factors can severely affect the business as operations in a specific country can be severely affected due to such disaster.

#### EXAMPLE:

The world is going through corona which has put a fullstop to MNCs doing business.

Q.2 Explain strategic management process being a director of marketing & industrial linkage of IANA National University?

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

### 1. SETTING UP A STRATEGY INTENT:

This is the initial phase of strategic management process. It basically depend on the intent of the director, including his/hel vision, mission and 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 a strategy to attract maximum number of students from diversified backgrounds. This means the director should target students from all walks of life whether they are privileged or not. Additionally the strategy intent 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 & also attract various industries for technically skill graduate. 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 &

form a bridge between the industries & the students.

## 2. STRATEGY FORMULATION

The second step is strategy formulation which is further divided in two branches one being organizational 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 appraisal as he need to discuss his idea with his subordinates (teams) & even ask them to brainstorm. The team can sit together to convince each other on the best possible strategies. Also being a director one has to think over, observe & identify the strengths & weaknesses of the team within the organization & design strategy and set target & goals accordingly. For example the director can introduce 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 the strategy. This means that the environment should always be given preferences and should be in mind. The university should not affect the environment in any way. cutting trees for construction to smoke from the generator. Also the university should go toward being paperless and taken exam online & encourage students to used tablet instead of papers. Also it should indulge its students in awareness drives and campaign by sending them to various industries and advising new and smart ways as per recent R & D. Also people can be invites from outside to educate & motivate the students.

### 3. IMPLEMENTATION

The third step is implementation. It can be done once 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 the director will make sure to assign each role to the best possible person who fits in the particular job role to increase efficiency. This is called behavioral implementation. First I will start with marketing. I will choose the best marketer from my team to market INU 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 & also understand, which industry is flourishing in Pakistan so that respective courses are introduced. The above statement is called functional implementation. mean to work on strategy.

The last step in implementation is operational strategy. That means to operationally support the strategy. Annual objective will be made which means a target will be set as how many students has to be enrolled by the end of an year and to arrange & provide resources accordingly.

### 4. EVALUATION AND CONTROL:-

This is the last step of strategy management process. In this process the overall strategy is evaluated. So being a director of industrial linkage strategy of INU I would

evaluate my marketing and industrial linkage strategy by figuring out how useful it was & 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 student got Jobs and by which means i.e. Alumni or industrial linkage.





Q.3 Explain Porter five forces in context of Pakistan?

Ans These are five forces as per Porter which are very important in order to survive and succeed a business. These help in developing and implementing business strategies. Each is given below with example

### 1. RIVALRY AMONG COMPETING FIRMS:

The first one is rivalry of competitor with in industry. This means that there is high competitions in the same product or service delivered by different MNCs. Multinational company has to put effort and make strategies such that it compete in the best possible way, maintaining its quality and prices. So that they provided their services at cheapest possible price.

#### EXAMPLE:-

Telenor & Mobilink are market rival. Both strives in providing telecom services at the same quality in manageable prices. To attract customers, each introduce different packages for the ease of customers and hence attract customers to such offers.

### 2. THREAT OF NEW ENTRANTS :

The second service is threat of new entrants in to an industry and its market. This happen when MNCs is operating at its full capacity providing services and generating revenue and its capture

high market share and a new MNC enters the market providing the same product or service.

The former has to make strategies to contain its customer base so that the later does not have an impact due to its entry to the market. For instance Zong entered in the telecom sector in 2008 and fail to attract customer that were onboard 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.

### 3. THREAT OF SUBSTITUTE PRODUCTS:-

The third force of is the threat post by substitute products, which might capture a high market share. This means an 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 easy paisa by telcelor 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 these product telcelor regained its customer base that it had lost over the time.

#### 4. BARGAINING POWER OF CUSTOMER:-

The bargaining power of 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 to another.

##### EXAMPLE:-

The customer of telecom service providers can easily switch 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 customer very high.

#### 5. BARGAINING POWER OF SUPPLIERS:-

Supplier delivers multiple products or services which can be collectively define as input such as labour management, technology, material etc. The supplier are the ones who influence our costs through the strength of their bargaining power. The power of supplier increase when the supplier are few in number ~~and~~ big in size also when suitable substitute product are not available. Availability of large number of supplier make problem in bargaining. Additionally the power is high when goods are critical to buyer. For instance telecos have a low level of bargain-

ing power of supply in Pakistan. As there is a choice among four service providers of same quality (selling the same product) to the customer.

