



Param Pujya Dr. Babasaheb Ambedkar Smarak Samiti's
Dr. Ambedkar Institute of Management Studies & Research

Deeksha Bhoomi, Nagpur - 440010 (Maharashtra State) INDIA

NAAC Accredited with 'A' Grade

Tel: +91 712 6521204, 6521203, 6501379

Email: info@daimsr.in

MBCIII - 1 – Strategic Management

Unit II

Programme Educational Objectives

Our program will create graduates who:

- 1. Will be recognized as a creative and an enterprising team leader.*
- 2. Will be a flexible, adaptable and an ethical individual.*
- 3. Will have a holistic approach to problem solving in the dynamic business environment.*

Logistics and Supply Chain Management

Course Outcomes

- CO1-Given the adverse business situation the student manager would be able to develop a strategy to sustain in the said business.
- CO2-Given the values of Critical Success Factors such as Sales, Market Share, ROI of an organization the student manager will be able to compare the same with market and compile the strengths & weakness chart for that organization.
- CO3-Given the vision document of an organization the student manager will be able to justify the role of the vision document in formulating the strategy for that organization.

- CO4-Given the business environment, the student manager will be able to construct the Porter's Five Forces model which is likely to guide formulation of a strategy in given business environment.
- CO5-Given a condition of competitive environment, the student manager will be able to suggest suitable growth Strategy for the firm.
- CO6-Given the reasons for an organization to go global, the student manager will be able to analyze various challenges likely to be faced by an organization while formulating global strategy.

The background features a vertical strip on the left with a grid pattern, a line graph showing an upward trend, and several yellow pencils. The rest of the background is a smooth gradient from yellow to light green.

18. Portfolio analysis, advantages & disadvantages

Portfolio analysis

- PA Suggest How much our time and money should we spend on our best products to ensure that they continue to be successful?
- PA Suggest How much our time and money should we spend developing new costly products most of which will never be successful?
- **Examples of Portfolios:**
- **P & G:** Detergents, nappies
- **Gillette:** Batteries, shaving products

Portfolio analysis

- **Strategic portfolio analysis** involves identification and evaluation of all products or service groups offered by company on the market (so called product mix) and preparing specific **strategies** for every group according to its relative market share and actual or projected sales growth rate.
- Methods of Portfolio Analysis are
 - ❖ BCG Matrix (Growth & Share Matrix)
 - ❖ GE Matrix (Competitive Strength /Attractiveness Matrix)
 - ❖ ADL Matrix

Portfolio analysis Advantages and Disadvantages

ADVANTAGES AND DISADVANTAGES:

Portfolio analysis offers the following **advantages**:

1. It encourages management to evaluate each of the organization's businesses individually and to set objectives and allocate resources for each.
2. It stimulates the use of externally oriented data to supplement management's intuitive judgment.
3. It raises the issue of cash flow availability for use in expansion and growth.

Portfolio analysis does, however, have some **limitations**.

1. It is not easy to define product/market segments.
2. It provides an illusion of scientific rigor when some subjective judgments are involved.

Reference Books

- Strategic Management, Robbins and Pierce II, 12th Edition, Tata Mcgraw Hills.
- Strategic Management, Planning and Implementation, Thompson and Thompson, Francis and Taylor London