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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

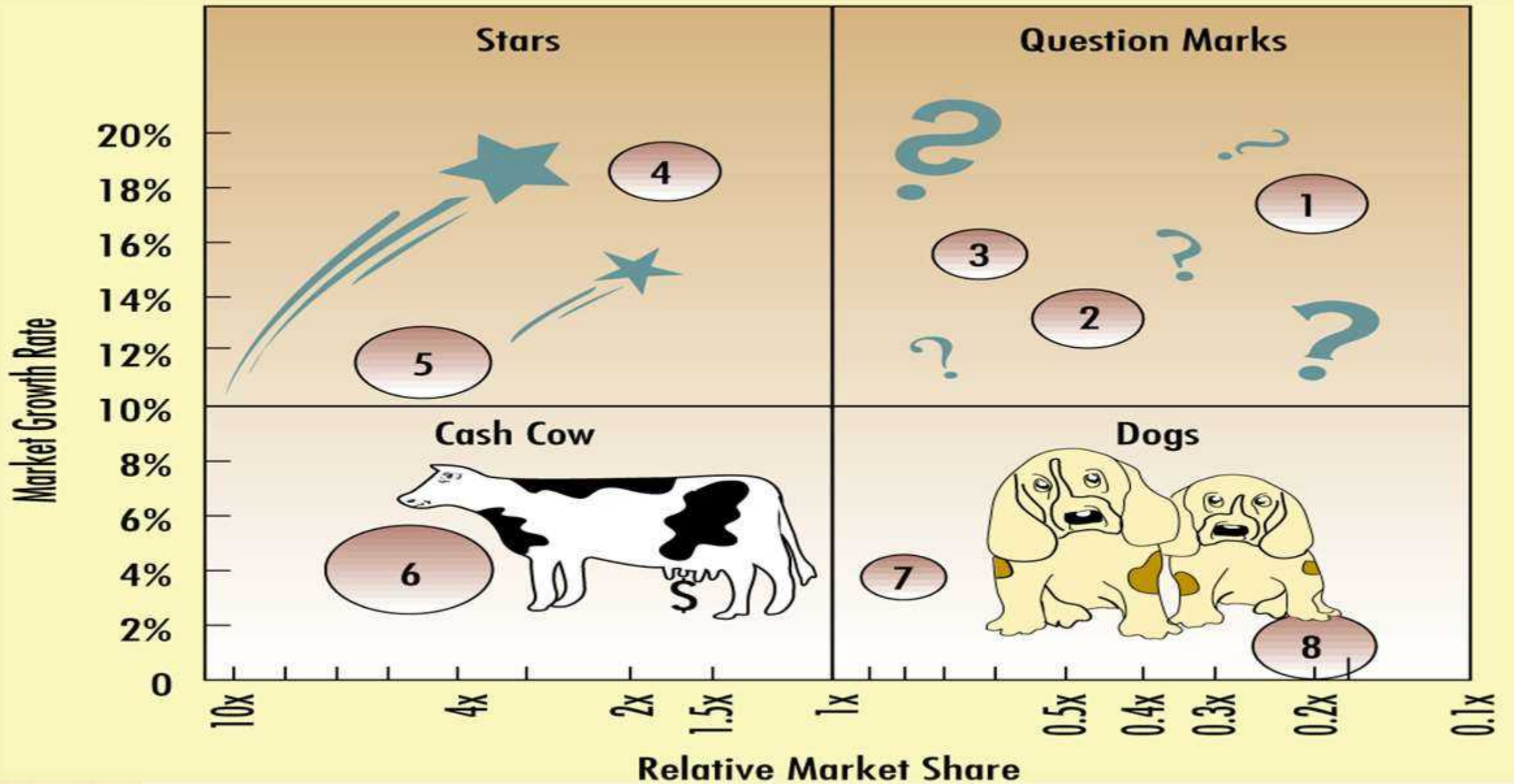
- CO1-Given the adverse business situation the student manager would be able to develop a strategy to sustain in the said business.
- CO2-Given the values of Critical Success Factors such as Sales, Market Share, ROI of an organization the student manager will be able to compare the same with market and 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.



19. BCG Matrix

For Internal Circulation and Academic Purpose Only



BCG- MATRIX

- ❖ Most popular business portfolio matrix
- ❖ It analyses business portfolio in relation with market share and Market /Industry Growth
- ❖ The two variables (Share & growth) ranges from Low To High
- ❖ A SBU is positioned in this model & firms strategy is guided by SBU's Positioning

STARS:

- ❖ Business with high market share & high growth rate
- ❖ Generate huge sums of money
- ❖ Require huge sums of money to cope with growth

CASH COWS:

- ❖ Businesses with low growth but high market share
- ❖ Generate huge sums of money with low cost
- ❖ Used to develop and promote new businesses

BCG- MATRIX

DOGS:

- ❖ Have low market share in an aged industry
- ❖ The strategy is normally to sell them off

QUESTION MARKS:

- ❖ Also known as Problem child (They need to grown)
- ❖ They generate low cash but need lot to tap the high growth rate
- ❖ They can be grown into STARS, resources allowing
- ❖ Too much commitment to QUESTION MARKS
- ❖ Can lead to liquidity problems

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