PGDM – Insurance Business Management: 2020-22
Strategic Management : INS-310
Trimester – III, End-Term Examination: April 2021

Time allowed: 2 Hrs 30 Min
Max Marks: 50

Roll No: ____________

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means.** All other instructions on the reverse of Admit Card should be followed meticulously.

SECTION – A
(Attempt all three question, each question carries 10 marks.)

1. You are dealing with a client in the Insurance-Tech segment and you have to advise on the industry environment. What are an industry's key success factors (KSFs)? How would you assess those factors for the beer industry? (CILO 1)

   OR
   Using value chain analysis, which primary and secondary activities would you consider to be most and least valuable for a company like OYO? (CILO 1)

2. What are the distinctive features of a best-cost provider strategy? Under what circumstances is a best-cost provider strategy appealing? (CILO 2)

   OR
   Ravi Muthule and Meena Sobthi are cofounders and top managers of one of the last large independently owned organic beauty companies, NEO Products. Explain the strategy the partners could use to strengthen NEO Products' market position and build a competitive advantage over its rivals. Differentiate between a business strategy and a corporate strategy. (CILO 2)

3. Capturing cross-business strategic-fit benefits via a strategy of related diversification builds shareholder value in ways that shareholders cannot undertake by simply owning a portfolio of stocks of companies in different industries. Provide (1) an example showing how a strategy of related diversification benefited both companies and (2) an example showing how a strategy of related diversification did not benefit both companies. On balance, is related diversification a wise move for a corporation? (CILO 2)

   OR
   What are the merits of outsourcing the performance of certain value chain activities as opposed to performing them in-house? Under what circumstances does outsourcing make good strategic sense? (CILO 2)

SECTION – B
(Case is compulsory, it carries 20 marks.) (CILO 3 and 4)

General Electric - An Opportunistic Push Into Sustainable Business

Backstory: General Electric Co. decided sustainability was a business opportunity rather than a cost and pushed into the field in 2005 with its ecomagination initiative. But the products and services weren't only for its customers — they first transformed GE.

Challenge: How do you create a new business in sustainability and move into the major leagues?

Key moves: GE began looking at sustainability as part of a demographic trend, realizing that scarcity would increase with population growth. Energy and water use, waste, carbon emissions — all would decline among the most efficient and sustainable companies. GE saw a profitable business opportunity in helping companies along this sustainable path. So it set up its ecomagination unit to offer environmental solutions.

GE also gambled that carbon would eventually be a cost, following the implementation of previous regulatory regimes such as limiting acid rain. Although the precise way carbon would be regulated was unknown, as it still is, the company had little doubt that regulation would come to pass. Rather than wait, GE joined a climate coalition with nongovernmental organizations to press for a cap-and-trade system in order to build certainty into the future.

Within the company, GE began engaging employees to see where energy savings could be found. That might include turning off the lights when a factory was idle or even installing a switch so that lights could be turned off. Ecomagination sold solutions within GE, whether the project involved installing LED lights on a factory floor, recycling water at a nuclear facility or offering combined heat and power generation units at a plant in Australia. Within GE, managers began to be measured on how much energy savings they had achieved.

Impact: The company so far has saved $100 million from these measures and cut its greenhouse gas intensity — a measure of emissions against output — by 41%, according to the company's sustainability report. The work inside GE became a proof of concept to external customers grappling with similar issues. Ecomagination targeted C-level executives to build this business, since most problems cut across divisions (improving energy efficiency, for example).

So far GE has invested $4 billion in this effort, much of it in research and development. But it reaped sales of $17 billion in 2008, up 21% from a year earlier, and is striving for $25 billion in sales in 2010.

Read the case carefully and debate following issues.

1. Which strategic instruments are applied in formulating the strategy for results as found in the case.

2. Do you offer any additional suggestions for better performance of the company and how should they measure it to reflect it as performance of strategy.