

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

POST GRADUATE DIPLOMA IN MANAGEMENT

Third Trimester; PGDM/PGDM (SM)/ PGDM (M); (Batch 2016-18)

END TERM EXAMINATION-April 2017

Course Name	Strategic Management-I	Course Code	GM 401
Max. Time	120 minutes	Max. Marks	40

Instructions: All Questions are compulsory.

Q1. *“The mission of The Walt Disney Company is to be one of the world’s leading producers and providers of entertainment and information. Using our portfolio of brands to differentiate our content, services and consumer products, we seek to develop the most creative, innovative and profitable entertainment experiences and related products in the world”.*

Analyze mission statement of ‘The Walt Disney Company’, given above, with respect to the Nine Desired Components of a mission statement and comment. (5 Marks)

Q2. Which type of organization structure will you suggest to a company dealing in multi- products and services globally? Discuss both the advantages and disadvantages of the chosen organization structure. (5 Marks)

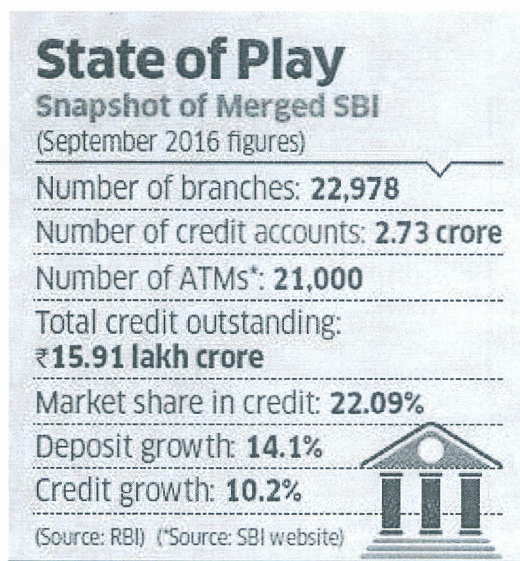
Q3. As per a recent report, the market for chain restaurants including cafes and quick service restaurants (QSR) is expected to grow at 20 per cent a year to reach Rs 51,000 Crore (\$8bn) by 2021, a recent report said. The QSR format followed by cafes dominates the market, which is currently valued at Rs 20,400 Crore in the country, the India Food Services Report by National Restaurant Association of India said. The current decade is seeing a shift to a larger organized sector in the food services sector as a whole, and a rapid growth in the chain restaurants segment is because of an increase in consumers' propensity to eat out, the report noted. While Delhi and Mumbai contribute to a total of 22 per cent of the food services market, the 6 mini-metros constitute 20 per cent, according to the report. " Due to increased economic activity, rising disposable incomes, a greater need for convenience and an increase in the women workforce, the chain food service brands have done well in these cities," the report explained. In the QSR format, the top five players account for 70 per cent of the market with Domino's dominating at 30 per cent of the outlets. The Cafe segment is also growing with several domestic and international brands entering the market. Currently, there are approximately 100 chain cafes and bakery brands, with an estimated 2,800-3,000 outlets spread across the country. Over the years, several standalone restaurants have also become a chain, spotting good opportunity in the segment. Restaurants like The Egg Factory in Bengaluru, Theobroma in Mumbai, Cafe Delhi Heights, Yum Cha and Instant Pizza in Delhi have all gone this route, the report pointed out.

A. Conduct a Porter’s 5Forces Analysis of the ‘Fast Service Restaurant Industry’ in India. (10 Marks)

B. What will be your recommended strategies for a new entrant in in Fast Food Restaurant in New Delhi? (5 Marks)

Q4. Read the following case and answer the questions at the end of the case.

State Bank of India (SBI) is an Indian multinational, public sector banking and financial services company. It is a government-owned corporation with its headquarters in Mumbai, Maharashtra. As of 2016-17, it had assets of ₹30.72 trillion (US\$460 billion) and more than 14,000 branches, including 191 foreign offices spread across 36 countries, making it the largest banking and financial services company in India by assets. The company is ranked 232nd on the *Fortune Global 500* list of the world's biggest corporations as of 2016. The Cabinet of Govt. of India approved a proposal to merge the five subsidiaries of State Bank of India with the parent, kick-starting consolidation among public sector lenders. The merger will bring nearly a quarter of all outstanding loans in India's banking sector to SBI's books. The combined entity will have a mammoth network of nearly 23,000 branches, further increasing the dominance of the nation's largest bank. Two of the five associate banks — State Bank of Patiala and State Bank of Hyderabad — are unlisted. Among the other three, Mumbai-based SBI holds a 75 per cent stake in State Bank of Bikaner & Jaipur, 90 per cent in State Bank of Mysore and 79 per cent in State Bank of Travancore. "We have now entered the last lap," State Bank of India Chairman Arundhati Bhattacharya told Economic Times. "Merger will create a stronger, more efficient (and) vibrant entity. Date (of the merger) will be as per (government) notification." The SBI-associate merger is an important step towards strengthening the banking sector through consolidation of public sector banks, a government statement said, suggesting the possibility of more consolidations. "It is in pursuance of the 'Indradhanush' Action Plan of the government (to revamp functioning of state-run banks) and it is expected to strengthen the banking sector and improve its efficiency and profitability," it noted.



The merger is likely to result in recurring savings, estimated at more than Rs 1,000 crore in the first year through a combination of enhanced operational efficiency and reduced cost of funds, the government said. "The merger will also lead to better management of high-value credit exposures through focused monitoring and control over cash flows, instead of separate monitoring by six different banks," the statement said. Existing customers of subsidiary banks will benefit from access to SBI's global network, it added. Finance Minister Jaitley said with this merger, SBI would become a large bank: in fact, a global player. According to market estimates, after the merger, SBI will have more than 50 Crore customers and an asset base of Rs 37 lakh crore. There has been no consolidation

among state-run banks since State Bank of Indore was merged with SBI in 2010. SBI took over State Bank of Saurashtra in 2008. The merger of State Bank of India with the associates will minimize vulnerability to any geographic concentration risks faced by the subsidiary banks, the government said. "It will create improved operational efficiency and economies of scale. It will also result in improved risk management and unified treasury operations."

Questions:

- A. Which grand strategies the State Bank of India proposes to follow? (5 Marks)
- B. Discuss the pros and cons of the proposed merger in light of anticipated issues in various functional departments. (10 Marks)