Unit 1 — Introduction & Corporate Governance

Strategic Management | BMB 301 / KMBN 301

Unit 1: Introduction to Strategy & Corporate Governance

Exam Blueprint (2022–2025 papers)

Topic	Years asked	Marks
Model / process of strategic management	2022 (×2), 2023, 2025	10
Meaning, nature, importance of strategy	2022, 2023, 2024, 2025	2 & 10
Corporate governance + board responsibilities	2023, 2024, 2025	2 & 10
Strategic decision-making process	2022, 2024, 2025	2 & 10
CSR and its trends	2023, 2024	2 & 10
Vision vs Mission	2022, 2025	10
Levels of strategy	2022	2

YE QUESTION BAAR-BAAR AAYA HAI

"Explain the concept and model of strategic management process" — 2022, 2023 aur 2025 teeno me aaya. Diagram ke saath yaad karo, 10 marks pakke.

1. Meaning and Nature of Strategy

DEFINITION - RATTA MAARO

Strategy is a unified, comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment, designed to ensure that the basic objectives of the enterprise are achieved. — **Glueck**

DEFINITION - RATTA MAARO

Strategic Management is the set of managerial decisions and actions that determine the long-run performance of a corporation. It includes environmental scanning, strategy formulation, strategy implementation, and evaluation and control. — **Wheelen & Hunger**

PEHLE YE SAMJHO

Sharma ji ka highway pe dhaba hai. Teen raaste hain — (1) wahi dhaba chalate raho, (2) 5 aur dhabe kholo, (3) sheher me restaurant kholo. Ye teeno **strategy** hain. Inme se ek chunna, paisa lagana, aur baad me check karna ki chala ya nahi — **yahi strategic management hai.**

1.1 Nature / Characteristics

- **Long-term** — 3 to 5 year horizon, not day-to-day operations.
- **Top management activity** — formulated by board and senior management.
- **Organisation-wide** — cuts across marketing, finance, HR and operations.
- **Environment-oriented** — matches internal capability with external opportunity.
- **Resource-committing and largely irreversible.**
- **Involves uncertainty** — requires judgement, not just analysis.
- **Dynamic** — revised as the environment changes.
- **Integrative** — reconciles conflicting functional goals into one direction.

1.2 Importance of Strategy

1. Provides **direction** and a common sense of purpose.
2. Strengthens **competitive position**.
3. Ensures **better resource allocation**.
4. Enables **proactive** response to change instead of reactive.
5. **Reduces conflict**, improves coordination.
6. Provides the **basis for control** — objectives become measurable standards.
7. Firms with formal planning generally show **higher performance**.

1.3 Levels of Strategy

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+--------------------------+
|    CORPORATE STRATEGY    |  Board / CEO
|  "Which businesses?"     |
+--------------------------+
            |
+--------------------------+
|    BUSINESS STRATEGY     |  SBU Head
|  "How to compete?"       |
+--------------------------+
            |
+--------------------------+
|   FUNCTIONAL STRATEGY    |  Functional Managers
|  "How does each function |
|   support the business?" |
+--------------------------+
            |
+--------------------------+
|  OPERATIONAL STRATEGY    |  Plant / Branch Head
|  "How to execute daily?" |
+--------------------------+
```

Level	Decision maker	Core question
Corporate	Board / CEO	Which businesses should we be in?
Business (SBU)	SBU head	How do we compete in this business?
Functional	Functional managers	How does each function support the strategy?
Operational	Plant / branch head	How do we execute day to day?