Unit 4 — Strategy Choice, Analysis & Implementation

Strategic Management | BMB 301 / KMBN 301

Unit 4: Strategy Choice, Analysis and Implementation

Exam Blueprint (2022–2025 papers)

Topic	Years asked	Marks
McKinsey's 7-S framework	2022, 2023, 2024	2 & 10
BCG Matrix	2023, 2024	2 & 10
GE Nine Cell Planning Grid	2022, 2023	10
Organizational structures & implementation	2023, 2024	2 & 10
Stages of corporate development / life cycle	2022, 2025	2 & 7
Strategy implementation + role of leadership	2022, 2023	10
Ansoff Matrix	2023	10
Reengineering	2024	10

YE QUESTION BAAR-BAAR AAYA HAI

Pichle chaaron papers me **kam se kam ek matrix question** zaroor aaya hai — BCG, GE ya Ansoff. Teeno grids ko axes ke saath *draw* karna seekh lo; diagram ke hi 4 marks hote hain.

1. Scenario Analysis

DEFINITION - RATTA MAARO

Scenario analysis is the construction of several internally consistent, plausible descriptions of alternative future environments, used to test the robustness of strategies against uncertainty. It does **not predict** the future — it *prepares* for several futures.

Process (8 steps):

1. Identify the **focal decision** the scenarios must inform
2. Identify **key driving forces** (PESTEL factors)
3. Rank forces by **importance and uncertainty** — the top two become the scenario axes
4. Construct **scenario logics** — usually 4 quadrants from 2 axes
5. Flesh out each scenario into a **coherent narrative**
6. Assess **implications** for current strategy

7. Identify **leading indicators** — early signals of which scenario is unfolding
8. Develop **robust or contingent strategies**

Benefits: counters tunnel vision; surfaces hidden assumptions; improves preparedness. **Limitations:** time-consuming; depends on participants' imagination; too many scenarios cause paralysis.

2. BCG Growth-Share Matrix

Axes: Market growth rate (Y, = cash *use*) vs Relative market share (X, = cash *generation*). Relative market share = SBU's share ÷ largest competitor's share. Dividing line = **1.0x**.

```
                  RELATIVE MARKET SHARE
                High (>1.0x)     Low (<1.0x)
            +----------------+----------------+
    High    |                |                |
 M          |      STAR      |  QUESTION MARK |
 A          |    (build)     |  (build or     |
 R          |                |     divest)    |
 K          +----------------+----------------+
 E          |                |                |
 T    Low   |    CASH COW    |      DOG       |
            |   (hold/milk)  |   (divest)     |
 GROWTH     +----------------+----------------+
```

Quadrant	Growth	Share	Cash flow	Strategy
Star	High	High	Neutral (generates & consumes)	**Build / hold** — invest to sustain leadership
Cash Cow	Low	High	Strongly positive	**Hold / harvest** — milk to fund stars & question marks
Question Mark	High	Low	Strongly negative	**Build selectively or divest**
Dog	Low	Low	Neutral or negative	**Divest / liquidate** unless strategically useful

Ideal cash sequence: Cash Cow funds → Question Mark becomes → Star matures into → Cash Cow.

Example (ITC): cigarettes = cash cow; FMCG foods = star; personal care = question mark.

Advantages: simple; forces portfolio discipline; quantifiable axes. **Limitations:** only two variables; "market" can be defined to flatter a unit; assumes share drives profitability; ignores synergy between units; "Dog" label can be self-fulfilling.

3. GE Nine Cell Planning Grid (McKinsey Matrix)

Uses two **composite multi-factor** dimensions on a 3×3 grid.

- **Industry attractiveness (Y):** market size, growth, profitability, competition intensity, cyclicality, regulation
- **Business strength (X):** market share, share growth, quality, brand, distribution, capacity, unit cost, R&D

```
                   BUSINESS STRENGTH
                Strong    Medium     Weak
            +---------+---------+---------+
      High  |  INVEST |  INVEST | SELECT- |
```