ASSIGNMENT

Course Code	**:**	**MMPC-017**
Course Title	**:**	**Advanced Strategic Management**
Assignment Code	**:**	**MMPC-017/TMA/JAN/2026**
Coverage	**:**	**All Blocks**

Note: Attempt all the questions and submit this assignment to the coordinator of your study centre. Last date of submission for January 2026 session is 30th April, 2026 and for July 2026 session is 31st October, 2026.

1. Suppose you are a strategy manager of an organization. What factors would you adopt to implement stability strategy? Justify.

2. Assume that a Smartphone manufacturer acquires its competing brand. Do you think it is a horizontal integration? Justify.

3. What are the factors due to which the multinational firms invest in other countries? Discuss.

4. Identify the advantages and limitations of a company opting for licensing while entering emerging markets. Explain.

5. Give the strategic reasoning for a start-up investing heavily in R&D during the early stages. Explain with examples.

1. Suppose you are a strategy manager of an organization. What factors would you adopt to implement stability strategy? Justify.

Answer

A stability strategy means continuing with the present business position without making a major change in the product-market scope. It is not the same as doing nothing. As a strategy manager, I would use stability when the organization is performing reasonably well and the main need is to consolidate, improve efficiency and protect the position already achieved. The decision should come from a careful review of the environment, resources and performance, because stability is useful only when it supports long-term strength rather than hiding weak performance.

Factors I would consider before and during implementation

1. Satisfactory present performance. I would first check whether the organization is meeting its important targets relating to sales, profitability, customer retention, quality and cash flow. If performance is satisfactory and the business still has a defendable position, stability can be justified. A firm that is already losing customers or facing a serious cost disadvantage should not use stability merely to avoid difficult decisions.
2. Reasonably stable external environment. Stability works better when demand, technology, regulation and competitive conditions are not changing so rapidly that the existing business model may become obsolete. I would therefore examine industry growth, competitor moves, customer preferences, substitute products and government policy. If the environment is predictable, maintaining the current scope can protect returns. If disruption is high, a rigid stability strategy may become risky.
3. Consolidation after a period of rapid growth. An organization that has expanded quickly may need time to absorb new capacity, people, systems or acquisitions. In such a case I would use stability as a pause for consolidation. The firm can standardise processes, improve coordination, train employees, remove duplication and bring working capital under control before starting another growth phase. This prevents growth from becoming unmanageable.
4. Optimum use of existing resources. I would assess whether the present assets, distribution network, technology and managerial capabilities are being fully used. If there is unused potential in the existing business, it may be more sensible to improve productivity than to enter a new field. Stability can therefore include better capacity utilisation, cost reduction, quality improvement, inventory control and stronger service rather than fresh diversification.