

15 Lecture - MGT211

Important Subjective

1. **What is the importance of setting goals in the strategy formulation process?**

Answer: Setting goals is important in the strategy formulation process because it provides direction and focus to the organization. It helps in defining the organization's mission, vision, and objectives, which are necessary for developing effective strategies.

2. **What are the key steps in the strategy formulation process?**

Answer: The key steps in the strategy formulation process are:

Defining the organization's mission, vision, and objectives
Analyzing the internal and external environment
Identifying strategic alternatives
Evaluating and selecting strategic alternatives
Developing an action plan

3. **What are the different types of strategies that organizations can adopt?**

Answer: The different types of strategies that organizations can adopt are:

Cost leadership strategy
Differentiation strategy
Focus strategy
Integrated low-cost/differentiation strategy

4. **What is SWOT analysis and how is it used in the strategy formulation process?**

Answer: SWOT analysis is a strategic planning tool used to identify the Strengths, Weaknesses, Opportunities, and Threats of an organization. It helps in analyzing the internal and external environment, which is necessary for formulating effective strategies.

5. **What is Porter's Five Forces model and how is it used in the strategy formulation process?**

Answer: Porter's Five Forces model is a tool used to analyze the competitive environment of an industry. It helps in identifying the bargaining power of suppliers and buyers, threat of new entrants, threat of substitutes, and intensity of competitive rivalry. This information is useful in formulating effective strategies.

6. **What is the role of leadership in the strategy formulation process?**

Answer: The role of leadership in the strategy formulation process is to provide direction and guidance to the organization. Leaders need to define the organization's vision and mission, set goals, and develop strategies that align with the organization's values and objectives.

7. **How can organizations evaluate and select strategic alternatives?**

Answer: Organizations can evaluate and select strategic alternatives by using tools such as SWOT analysis, Porter's Five Forces model, and cost-benefit analysis. These tools help in

identifying the pros and cons of each alternative and selecting the one that is most aligned with the organization's goals and objectives.

8. **What is the difference between corporate-level and business-level strategies?**

Answer: Corporate-level strategies are concerned with the overall direction of the organization and the allocation of resources across different business units. Business-level strategies are concerned with how a specific business unit can compete in a particular market.

9. **What are the benefits of strategic planning?**

Answer: The benefits of strategic planning include:

- Providing direction and focus to the organization
- Helping in the allocation of resources
- Enhancing organizational performance and competitiveness
- Identifying opportunities and threats in the environment

10. **What are some of the challenges associated with strategic planning?**

Answer: Some of the challenges associated with strategic planning include:

- Uncertainty and unpredictability in the environment
- Resistance to change
- Lack of resources and expertise
- Difficulty in implementing strategies