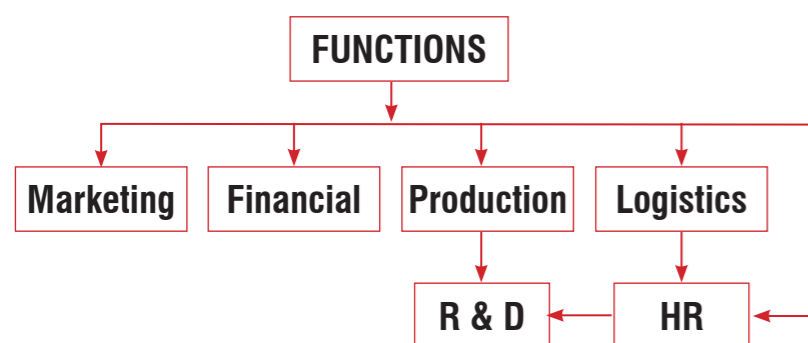


**LO1: POLICY & BUSINESS POLICY**

MNC → SBU's → Departments → Own Strategies

**Goals:**

1. Business feasible at functional level
2. Better performance
3. Competitive advantage

**LO2: MARKETING STRATEGY FORMULATION**

is what you do to reach people, as you are a company for rendering services for them.

**Main aim:** with limited sources increase sales with sustainable competitive advantage.

**Techniques:**

Social, Augmented, Direct, Relationship, Person, Differential, De-marketing, Place, Services, Organisation

**Marketing Process:**

- Segmenting
- Targeting
- Positioning

**Mix: 7 P's**

1. **Product Decision:** How we design and package
2. **Price Decision:** Purchasing power of customer
3. **Place:** Getting customers at right place
4. **Promotion:** Communicate the product to target group
5. **People Decision:** Influence the buyers
6. **Physical Evidence:** Venue where service is executed
7. **Process:** Flow of activities the Company will follow in execution of service

# FORMULATION OF FUNCTIONAL STRATEGY

**LO3: FINANCIAL STRATEGY**

1. **Financing Decision**
2. **Capital Expenditure Decision**
3. **Dividend Decision**
4. **Working Capital Decision**

**Evaluating the worth of Business**

1. Determine Net worth
2. Present value of future cashflows
3. Let market decide its business worth. Use market capitalization plus premium.

**LO4: PRODUCTION STRATEGY****Issue 1: Affects**

- Nature of products
- Markets served
- Manner in which markets served.

**Issue 2: Production system is concerned with**

- Capacity, Location, Layout (Design)
- Product, work systems

**Issue 3: Strategies related to Operational control**

- Aggregate production planning
- Material Supply, Inventory cost

**LO5: LOGISTICS STRATEGY**

**Logistics is a process which integrates all supplies by ensuring**

1. **Right quantity**
2. **Place**
3. **Time &**
4. **Cost**

**Components**

- a. Transportation
- b. Outsourcing
- c. Logistics Systems
- d. Competitors
- e. Information
- f. Strategy Review

**LO6: RESEARCH & DEVELOPMENT STRATEGY****Includes:**

- Development of new products
- Improvement of old products
- Transfer of complex technology

**7 Issues:**

1. Product or Process improvements
2. Basic or Applied [From starting or middle]
3. Leaders or Followers in R&D
4. Robotics or Manual Processes
5. R&D spending [High, Medium & Low]
6. Product or Process R&D [Improvements or Innovation]
7. In-house or Outsource [Own practise and by Renting]

**LO7: HUMAN RESOURCE STRATEGY – Role is “SM”**

1. Have an appropriate reward system
2. Create competitive atmosphere
3. Facilitate change by focussing on
  - Substance over form
  - Accomplishment
4. Diversity of workforce [Young vs Not so young]
5. Help build core competency
6. Develop appropriate work ethics
7. Empowerment of Human resources
8. Provide purposeful direction
9. Building core competency

**Supply Chain Management**

It is a part of logistics.

It refers to linkage amongst

- Supplier
- Manufacturers
- Customers

**Implementation of SCM**

1. Product development
2. Procurement
3. Manufacturing
4. Physical distribution
5. Customer services
6. Performance measurement