

# POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2021

Programme: BBA/BI/TT/BCIS/BHCM

Full Marks: 100

Course: Strategic Management

Pass Marks: 45

Time: 3 hrs.

*Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.*

## Section "A"

### Very Short Answer Questions

Attempt all the questions. [10×2]

1. Enlist three major dimensions of strategy?
2. Mention any two characteristics of vision.
3. What is retrenchment strategy?
4. What are the essentials of effective implementation?
5. Differentiate between individualism and collectivism.
6. Define benchmarking and list the types.
7. What do you mean by premises control?
8. List three major external factors that can affect an Automobile company's strategy in Nepal.
9. What are the important elements to Institutionalize Strategy in Nepal?
10. Observe an organization with which you are familiar and list out its three distinctive competencies.

## Section "B"

### Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. What considerations should business entrepreneurs keep in mind when they are deciding to follow a stability strategy? Explain.
12. Strategic implementation is challenging task in business organizations dealing with a problems of organizational structure, culture, power and authority. Explain with an appropriate example.
13. Goldstar is one of the Nepal's leading Shoes manufacturing companies. The firm has more than 50 product types. These have been developed over a period of its more than 30 years. Some products are very successful while some of them have not performed well. The challenge for the management is formulation of strategy in the way the company manages the portfolio of products. As a qualified consultant, explain what strategic options are available to Gold Star in accordance to the BCG Matrix.
14. What do you mean by strategic management? Explain its importance in modern competitive business environment.
15. Explain Porter's five forces framework of competitive environment with reference to transportation business sector in Nepal.



16. a) Differentiate vision and mission statement with example.  
b) List down essential components of a well-defined mission statement
17. What do you mean by value chain analysis? How does a perfect VCA system help for competitive advantage? Explain.

Section "C"

**Case Analysis**

18. *Read the case situation given below and answer the questions that follow:*  
[20]

**Allo products are selling across the world. Entrepreneurs want Nepal to further cash in on the resources**

Pratibha KC runs a school in Pokhara, Nepal's tourism capital. But, two years ago, she also started a company named Nettle Nepal that manufactures clothes, bags and shoes from the allo plant (*Girardinia diversifolia*) threads sourced from districts like Parbat and Rolpa.

"Last year, we used the raw materials worth approximately Rs 5 million. The sale is satisfactory as we had started during the pandemic," KC says, "Our products have a huge market, both within and outside Nepal." Allofibre apparently has been used for textiles for hundreds of years in Nepal. Of late, this has given a rise to hundreds of allo textile entrepreneurs amid the ever-booming domestic and international markets, and the entrepreneurs say this shall help Nepal establish its additional identity in the world and earn money amid rising imports of other consumables.

**Wide possibility**

Ganesh Aidi, the vice-chairperson of the National Allo Entrepreneurs Association Nepal, explains the plant commonly known as the Himalayan nettle is found abundantly in over districts that are between 1,200 and 3,000 metres in altitude.

It naturally grows in the moist and sandy soil under the shade of the deciduous forest as a clump having many stems. In terms of processing, it traditionally undergoes phases of cutting the stems, sun-drying, soaking them in the water and extracting them from the stems. Then, the removed barks are boiled with ash and kamero (white mica clay) and red soil. After that, cooked barks are thrashed using a washing paddle and washed with water. This process breaks down or separates the fibre from the barks. Again, the fibre is let to sun-dry.

After completing all these steps, the fibre is ready to be used as the thread for textiles. Allofibre can also be extracted using the machine, according to Aidi who is in business for the past 24 years.

The plants are generally collected from community forests, and its planned cultivation is almost rare as farmers say the naturally available plants are abundant for now, says ThuloKanchha Tamang from Sindupalchok who is



selling these plants to various companies for the past four years. Tamang, who does it as part-time work says, "I get around Rs 120 per kg and I sell about two tons of the plants annually."

### **Export worth billions**

As per the statistics of the National Allo Entrepreneurs Association Nepal, 8.39 million kg of the alloblue can be generated in Nepal every year, but only 2.68 million kg is being used currently. That fibre has been converted into around one million kg of handmade threads. There are around 190 businesses and 5,270 households directly benefitting from the sector. More than 2,200 products including garments, bags, carpets, purses, and shoes can be manufactured from the alloblue, says Aidi, whose company has been producing more than 300 varieties of products regularly.

Most of these businesses are also involved in exports. "Our association has planned to collect and sell about 400,000 kg raw materials this year, among which, half will be exported and a half to be sold within the country itself. We are also working on establishing outlets in 27 districts," says Aidi.

Further, last fiscal year (2020/21), products made from 200,000 kg of raw materials worth Rs 1.5 billion were exported to over 70 countries including the USA, Japan, Germany, and Canada.

### **Challenges to address**

The growing alloblue business has brought positive changes to the lives of many people engaged in this industry, ranging from collectors to manufacturers and retailers. But, there still lie some hurdles to cope with, says Aidi.

The main challenge is to compete with machine-made products and there also comes difficulty in sourcing raw materials, says Pratibha KC from Pokhara.

Besides, Aidi thinks that the majority of manufacturers and customers are limited to Kathmandu only. Therefore, the reach and access to the products need to be broadened. Transportation is the major challenge, observes Aidi. "A kg of raw material costs Rs 35 in Mugu. However, the same raw material is bought in Kathmandu at Rs 180 per kg owing to the transport cost. In such a scenario, the government should extend support to share the transportation cost."

Besides, the government also should ease the process of getting subsidies and loans and consider supporting investment in modern alloblue processing machines for the growth of this industry, he adds.

### **Questions:**

- a) Explain the external environmental issues related with the case of alloblue and its market.
- b) Prepare SWOT analysis of Nettle Nepal- start up company established by Pratibha KC.



- c) Which corporate level strategy would be best to implement for growth of the industry? Support your answer with reference to grand strategies.
- d) How can Nepali products compete in international market? Provide your recommendations that could be implemented by government at country level.