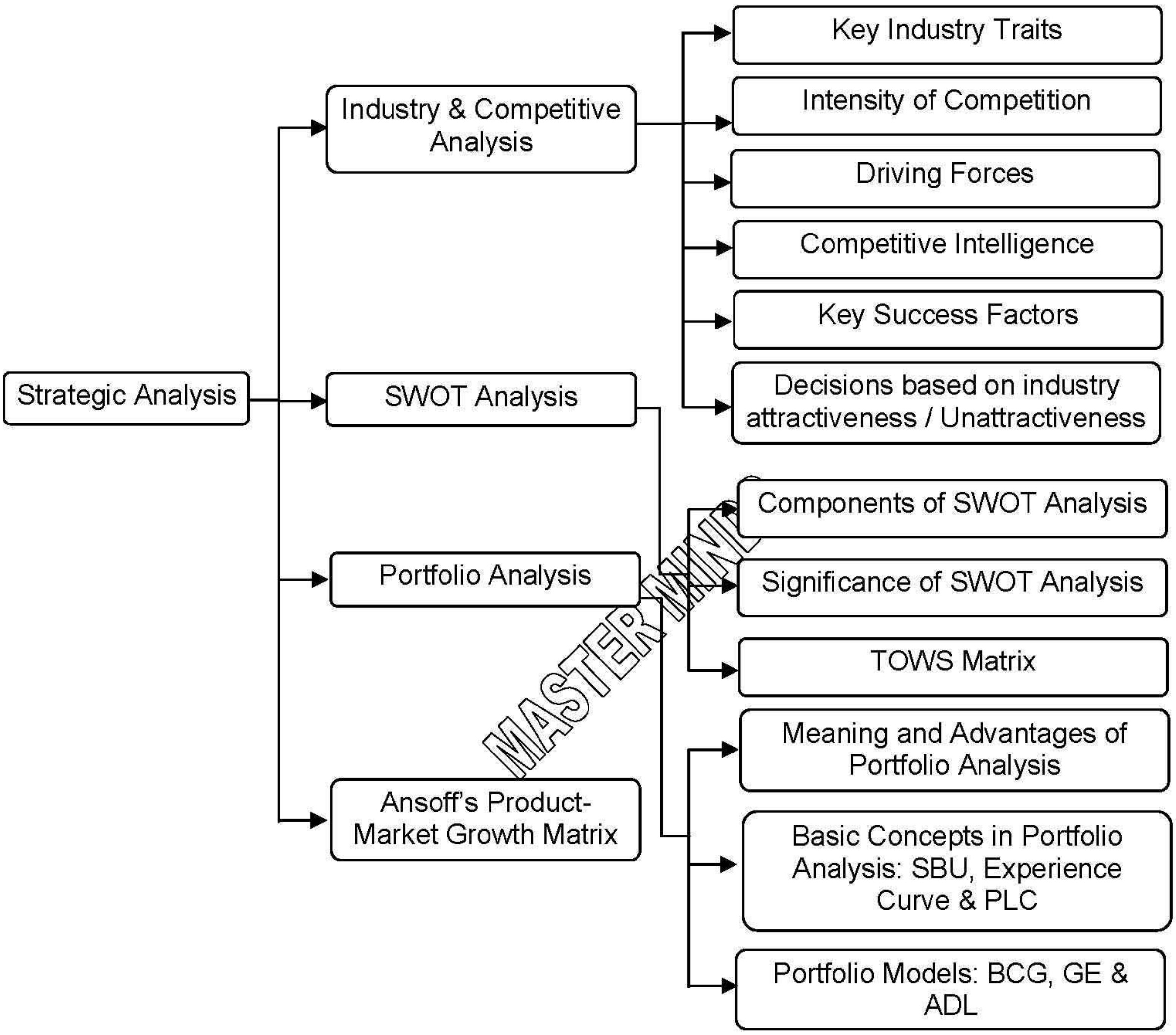
3. STRATEGIC ANALYSIS



Q.No.1. What is strategic situational analysis. State the elements to be considered for situational analysis? (A) (PM, RTP – M13, M 12 – 4M, N15 – 3M)

SITUATIONAL ANALYSIS:

- All business organisations operate in a "Macro Environment".
- They are shaped by influences of various environmental factors like economy, population demographics, societal values and lifestyles, governmental legislation and regulation, technological factors and so on.
- So, managers shall scan the external environment and shall watch for potentially important environmental forces, assess their impact and influence, and adapt its direction and strategy as needed.
- *Situational Analysis is an essential part of any business plan.*

FOLLOWING ARE THE ELEMENTS TO BE CONSIDERED FOR SITUATIONAL ANALYSIS:

1. **Environmental Factors:** What are the external and internal environmental factors that need to be taken into account? This includes all environmental factors that have an impact on the firm's performance.
2. **Opportunity and issue analysis (or SWOT Analysis):**
   - What are the current opportunities that are available in the market,
   - The main threats that business is facing and may face in the future,
   - The strengths that the business can rely on and
   - Any weakness that may affect the business performance,

   are to be considered.
3. **Competitive Situation:** Analyze the main competitors, their expected moves, their competitive advantages, etc. Analyse their strengths and weaknesses. They should be reviewed carefully in order to adjust our strategies.
4. **Distribution Situation:** The company's distribution channel should be reviewed i.e. ways of capturing the market and the mode through which the products are to reach the prospective customers**.** ***For example****, through distributors or direct selling to customers.*
5. **Product Situation:** The nature of the product produced by the company should be analyzed with respect to its utility, life, need satisfying ability, cost, price, re-using possibility, etc. The manager should also classify the company's product into – **(a)** Core or main product, **(b)** supporting / secondary / allied product or service.

INDUSTRY AND COMPETITIVE ANALYSIS

Q.No.2. List out the factors to be considered in Industry and Competitive Analysis? (C)
(RTP – M13,) (For student self study)

INDUSTRY & COMPETITIVE ANALYSIS:

a) Industry and competitive analysis can be done using a set of concepts and techniques to get a clear picture on some key Industrial factors.
b) It provides a way of thinking strategically about any industry's overall situation.
c) It helps to conclude whether the industry is attractive investment for organizational funds or not.
d) It involves examining business in the context of wider environment.
e) It aims at developing insight in several issues. Analyzing these issues helps to understand a firm's surrounding environment.
f) It forms as the basis for matching its strategy to the changing industry conditions and competitive realities.

A BUSINESS FIRM SHOULD CONSIDER THE FOLLOWING FACTORS IN ITS INDUSTRY AND COMPETITIVE ANALYSIS:

a) Key industry traits i.e. dominant economic features of the industry.
b) Nature and strength (i.e. intensity) of the competition
c) Triggers (i.e. driving forces) of industry change
d) Identifying the companies that are in the strongest / weakest positions i.e. Market position
e) Expected strategic moves of rivals i.e. Competitive intelligence
f) Key Factors for competitive success or Key Success Factors
g) Prospects and financial attractiveness of the industry i.e. Industry's profit outlook

SIMILAR QUESTIONS:

1. An organization wants to start a new business and would like to understand the structure of the competition in the industry. Identify the factors that it should analyse?

A. Students have to briefly explain the factors in the above question.

Q.No.3. Explain the concept of Driving Forces / Triggers of Change (A) (M16 - 3M)

1. MEANING:

a) The dominant forces that have the biggest influence on the changes that take place in the industry's structure and competitive environment are called Driving Forces of industry's change (or) Drivers or Triggers.

b) Many events could be considered as driving forces. Some are specific to a particular industry, while others may affect different industries simultaneously.

2. SOME EXAMPLES OF COMMON DRIVING FORCES PREVAILING IN THE INDUSTRY ARE:

	Item	*Example*
a)	Internet, new E-commerce opportunities and threats	*Introduction of e-ticket facilities and their effect on travel booking agents*
b)	Increasing Globalization	*Emerging BPO opportunities*
c)	Changes in the long-term industry growth rate	*Growth rates in software industry*
d)	Product Innovation	*New product versions and utilities in mobile phones, Pocket computers, etc.*
e)	Entry and Exit of major firms	*Reliance's entry into retail business*
f)	Diffusion of technical know-how across more Companies / countries	*Patents for turmeric, paddy seeds, etc.*
g)	Changes in cost structure and efficiency	*New production processes, technologies, reduction in manual efforts, etc.*

3. ***STEPS INVOLVED IN THE ANALYSIS:*** *Analysing the driving forces involve*

a) *Identifying the driving forces, and*

b) *Assessing their impact on the industry.*

SIMILAR QUESTIONS:

1. 'These are the factors which create drastic changes in an industry.' What are they? Explain.

A. Refer 1st Point in above answer and write any two examples from the above.

2. "Driving forces have an effect on the industry and the firm". Explain?

A. Same As Above

Q.No.4. What is strategic group & what are the areas of similarity among companies in a strategic group? (A) (PM, RTP - N11, M15, N14 - 3M)

1. MEANING:

a) A strategic group is defined as a cluster of competitors or rival firms with similar competitive approaches or strategies and positions in the market.

b) They compete more directly with one another than with other firms in the same industry.

c) Strong economic compulsions often constrain these firms from switching one competitive posture to another.

d) An industry contains only one strategic group when all firms follow identical strategies and have comparable market positions.

e) At the other extreme, there are as many strategic groups as there are competitors when each rival pursues a distinctively different competitive approach and occupies a substantially different competitive position in the market place.

2. AREAS OF SIMILARITY: Companies in the same strategic group may have similarity in any one or more of the following areas:

a) Product - lines	**d)** Distribution and Marketing Channels
b) Product Attributes	**e)** Technological Approaches
c) Price / Quality Range	**f)** Services and Technical Assistance to Buyers

SIMILAR QUESTIONS:

1. What is a Strategic Group? **(M 08 - 2M, RTP – M13)**

A. Refer 1st Point in above answer

2. Explain 'strategic groups'. **(PM)**

A. Refer 1st Point in above answer

3. A Strategic Group consists of rival firms with similar competitive approaches and positions in the market. **(T/ F)** **(M 13 - 2M)**

A. Refer fast track material

Q.No.5. Write short notes on Strategic Group Mapping & what are the step to be taken while constructing a strategic group map for an industry? (A) (PM, M 12 - 2M)

1. MEANING:

a) Strategic group mapping is a technique for displaying different competitive positions that rival firms occupy in the industry.

b) A strategic group is a cluster of firms in an industry with similar competitive approaches and market positions.

c) An industry contains only one strategic group when all sellers pursue similar strategies and have comparable market positions.

d) It involves plotting firms on a two-variable map using pairs of differentiating characteristics such as price/quality range; geographic coverage and so on

2. STEPS IN GROUP MAPPING: The steps for constructing a strategic group map and deciding which firms belong to which strategic group are as follows:

Step	Description
1	Identify the competitive characteristics that differentiate firms in the industry. They are: price/quality range (high, medium, low); geographic coverage (local, regional, national, global); degree of vertical integration (none, partial, full); product-line breadth (wide, narrow); use of distribution channels (one, some, all); and degree of service offered (no-frills, limited, full).
2	Plot the firms on a two-variable map, using pairs of differentiating characteristics.
3	Classify firms that follow the same strategy into one strategic group.
4	Draw circles around each strategic group making the circles proportional to the size of the group's respective share of total industry sales revenues.

SIMILAR QUESTIONS:

1. Explain the meaning of 'Strategic Group Mapping.' **(RTP M15, M 11 - 1M, M 12 - 2M)**

A. Refer 1st point in the above answer.

2. How can you analyse the relative market positions of rivals in an industry? Explain.

A. Refer 2nd point in the above answer.

3. 'When applied this technique automatically the various players in an industry would be classified into different groups.' Explain.

A. Refer 2nd point in the above answer.

4. What steps would you take to construct a "Strategic Group Map' for an industry?

A. Write the meaning of 'strategic group' and write the steps of the above answer. **(PM, M15 - 3M)**

5. How should the Market position of rivals / competitors be analysed?

A. Same as above

Q.No.6. What are Key Success Factors for Competitive Success? (A)
(PM, N15, RTP - M12, N14 - 3M)

1. MEANING:

a) Key Success Factors (KSFs) are those things that most affect industry members' ability to prosper in the marketplace.

b) Some of the important areas in which a business firm may have key success factors are:

• Particular Strategic elements in production, marketing, etc. • Product attributes, • Resources,	• Core Competencies, and • Competitive capabilities. • Favourable business outcomes

c) Key Success factors are so important that all firms in the industry must pay close attention to them.

d) They are the prerequisites for industry success and they serve as the rules that shape whether a company will be financially and competitively successful.

2. EXAMPLE:

Activity	*KSFs*	*Purpose*
Apparel/Garment Manufacturing	*Appealing Designs & Colour Combinations.*	*Increased Buyer Interest.*
	Low-cost Manufacturing Efficiency.	*Competitive Pricing & Profit Margin.*

3. *Managers should understand the industry situation well, to know what is more important to competitive success and what is less important.*

4. *A company which can understand industry KSFs can gain competitive advantage*

a) *By training its strategy on industry KSFs and*

b) *Dedicate its energies to become distinctively better than rivals on one or more KSFs.*

5. *Key success factors vary from industry to industry and even from time to time within the same industry as driving forces and competitive conditions change.*

6. *In very rare cases an industry may have more than three or four key success factors at any one time. Even among these three or four, one or two usually out rank the others in importance. So, Managers shall not include factors that have only minor importance on their list of key success factors.*

SIMILAR QUESTIONS:

1. What are the Key Success Factors?

A. Refer 1st point in the above answer.

2. What do you understand by Key Success Factors? **(PM)**

A. Refer 1st point in the above answer.

3. In your view what are the Key Success Factors for operating in a competitive market place?

A. Same as above. **(N14 - 3M)**

Q.No.7. Explain the process of identifying the Key Success Factors of an industry? (A) (PM, N15 -3M)

KEY SUCCESS FACTORS: Refer the above question.

PROCESS OF IDENTIFYING KEY SUCCESS FACTORS: Answers to the following three questions help to identify an industry's Key Success Factors:

a) On what basis do customers choose between the competing brands of sellers? What product attributes are crucial in influencing their behaviour?

b) What resources and competitive capabilities a seller needs to be successful?

c) What does it take for sellers to achieve a sustainable competitive advantage?

SIMILAR QUESTIONS:

1. Key Success Factors (KSFs) are the rules that shape whether a company will be financially and competitively successful? Do you agree with this statement? How to identify an industry's key success factors? **(PM, N 15 - 3M)**

A. Refer 1st & 2nd points in the previous question and refer the concept of Process in this question.

Q.No.8. How does the prospects and financial attractiveness of an industry be analyzed? (B) (RTP - M16)

1. The final step of industry and competitive analysis is to use the results of analysis of previous six issues to draw conclusions about the relative attractiveness or unattractiveness of the industry, both short-term and long-term.

2. Company strategists have to assess the industry outlook carefully, deciding whether industry and competitive conditions present an attractive business opportunity for the organization or whether its growth and profit prospects are low.

3. **THE IMPORTANT FACTORS ON THE BASIS OF WHICH SUCH CONCLUSIONS ARE DRAWN ARE:**

- **a)** The industry's growth potential.
- **b)** Whether competition currently permits adequate profitability and whether competitive forces will become stronger or weaker.
- **c)** Whether industry profitability will be favourably or unfavourably affected by the prevailing driving forces.
- **d)** The competitive position in the industry and whether its position is likely to grow stronger or weaker.
- **e)** The potential of the company to capitalize on the vulnerabilities of rivals
- **f)** Whether the company is able to defend against or counteract the factors that make the industry unattractive.
- **g)** The degrees of risk and uncertainty in the industry's future.
- **h)** The severity of problems faced by the industry as a whole.
- **i)** Whether continued participation in this industry enables the firm to be successful in other industries in which it may have business interests.

4. If an industry's overall profit prospects are above average, the industry can be considered attractive; if its profit prospects are below average, it is unattractive.

5. *Attractiveness is relative, not absolute. An industry may appear unattractive to weak competitors while the same industry may appear attractive to strong competitors.*

SIMILAR QUESTIONS:

1. Strategists need to assess the industry outlook carefully to decide on attractiveness of business. Discuss the factors to base such assessment and decisions. **(RTP - M16)**

A. Same as above.

Q.No.9. What are the Possible Decisions based on Industry Attractiveness / Unattractiveness? (C)

Probable Decisions if the Industry is "Attractive"	Probable Decisions if the Industry is "Unattractive"
1. Strengthen the Long-term Competitive Position in the Business. **2.** Expand Sales Efforts. **3.** Invest in Additional Facilities and Equipment as needed.	**1.** Invest Cautiously. **2.** Look for ways to protect the Long-term Competitiveness and Profitability. **3.** Acquire smaller firms if the price is right. **4.** Diversification into more attractive businesses.

SWOT ANALYSIS

Q.No.10. Write short note on SWOT ANALYSIS? (A) **(PM, RTP - M12, M16, N16 - 4M)**

SWOT analysis is a tool used by organizations for evolving strategic options for the future. The term SWOT refers to the analysis of strengths, weaknesses, opportunities and threats facing a company. Strengths and weaknesses are identified in the internal environment, whereas opportunities and threats are located in the external environment.

1. **STRENGTH:** An Inherent Capability of the firm to gain strategic advantage over its competitors.
2. **WEAKNESS:** An Inherent Limitation or Constraint of the firm which creates strategic disadvantage to it.
3. **OPPORTUNITY:** It is a Favourable Condition in the firm's environment which enables it to strengthen its position. An example of an opportunity is growing demand for the products or services that a company provides.
4. **THREAT:** An Unfavourable Condition in the firm's environment which causes a risk for, or damage to the firm's position.

One of the major strengths of Hindustan Unilever Limited (HUL) is its strong advertising and promotion, besides its vast distribution network and superior brand building skills.

HUL's distribution covers over 2 million retail outlets across India directly and its products are available in over 6.4 million outlets in the country. As per Nielsen market research data, two out of three Indians use HUL products.

SIMILAR QUESTIONS:

1. What is an opportunity? **(PM)**

A. Refer 3rd point of the above answer + An example of an opportunity is growing demand for the products or services that a company provides.

2. Write a short note on SWOT analysis. **(PM)**

A. Same as above.

Q.No.11. Explain the Significance of SWOT Analysis? (A)
(PM, RTP - M12, M16, M14 - 3M, N16- 4M, M-16)

SWOT analysis helps managers to craft a business model *(or* models) that will allow a company to gain a competitive advantage in its industry *(or* industries). Competitive advantage leads to increased profitability, and this maximizes a company's chances of surviving in the fast-changing, competitive environment.

THE SIGNIFICANCE OF SWOT ANALYSIS LIES IN THE FOLLOWING POINTS:

1. **It provides a Logical Framework:** SWOT analysis provides a logical framework for systematic analysis of issues having influence on the business situation, generation of alternative strategies and the choice of a strategy.
2. **It presents a Comparative Account:**
   a) SWOT analysis presents the information about both external and internal environment in a structured form where it is possible to compare external opportunities and threats with internal strengths and weaknesses.
   b) *Some patterns or combinations can be, high opportunities and high strengths, high opportunities and low strengths, high threats and high strengths, high threats and low strengths.*
3. **It guides the strategist in Strategy Identification:**
   a) It is natural that a strategist faces a problem when his organization cannot be matched in the four patterns.
   b) It is possible that the organization may have several opportunities and some serious threats.
   c) In such situation, SWOT analysis guides the strategist to think of overall position of the organization that helps to identify a suitable strategy.

Potential Resource Strengths and Competitive Capabilities A	Potential Resource Weaknesses and Competitive Deficiencies B
Potential Company Opportunities C	Potential External Threats to Company's Well-Being D

SWOT Analysis: What to look for in sizing up
Strengths, Weaknesses, Opportunities, and Threats.

SIMILAR QUESTIONS:

1. What is the purpose of SWOT Analysis? Why is it necessary to do a SWOT Analysis before selecting a particular strategy for a business organization? **(PM)**

A. Refer 12th question + Meaning & Side headings of the above question

2. A CEO of a company recently attended a seminar on strategic management. He is quite enthusiastic but does not understand how to use SWOT analysis for his Company. Act as a consultant and advise him on how to use SWOT analysis to formulate business strategies.

A. As a consultant of a company, first of all the CEO will be explained about the concept and significance of SWOT analysis. + Refer above two questions. **(RTP - N16)**

After explaining the concept and significance of SWOT analysis, the CEO of the company should be asked to undertake the SWOT analysis of his company for knowing the strengths, weaknesses, opportunities, and threats. Further, he should be asked to compare external opportunities and threats with internal strengths and weaknesses of his company for crafting suitable strategy which matches with the company's overall objectives.

3. What is SWOT analysis? Discuss its significance? **(RTP M16)**

A. Refer above two questions.

Q.No.12. How can TOWS Matrix be used for analyzing strategic situation of a company? (A) (PM, RTP - N14, M15, M13 – 4M)

TOWS MATRIX:

1. Through SWOT analysis organisations identify their strengths, weaknesses, opportunities and threats. While conducting the SWOT Analysis managers are often not able to come to a conclusion about the strategic alternatives that are relevant to them.

2. Heinz Weihrich developed a matrix called TOWS matrix by matching strengths and weaknesses of an organization with the external opportunities and threats.

3. The incremental benefit of the TOWS matrix lies in systematically identifying relationships between these factors and selecting strategies on their basis. Thus, TOWS matrix has a wider scope when compared to SWOT analysis. TOWS analysis is an action tool whereas SWOT analysis is a planning tool.

4. It is a useful technique that helps in brainstorming and generating alternative strategies.

5. It helps strategic managers to design various corporate level strategies such as growth, stability or retrenchment strategies as well as business level strategies.

External Elements	Internal Elements: Organizational strengths	Internal Elements: Organizational weaknesses
Environmental opportunities (and risks)	**SO** Maxi-Maxi	**WO** Mini-Maxi
Environmental threats	**ST** Maxi-Mini	**WT** Mini-Mini

6. **ALTERNATE STRATEGIC CHOICES:** Through TOWS matrix four distinct alternative kinds of strategic choices can be identified as given below:

a) **SO (Maxi-Maxi)**: SO is a position that any firm would like to achieve. The strengths can be used to capitalize or build upon existing or emerging opportunities.

b) **ST (Maxi-Mini):** ST is a position in which a firm strives to minimize the existing or emerging threats through its strengths.

c) **WO (Mini-Maxi):** The strategies need to be developed to overcome organizational weaknesses and to exploit the emerging opportunities to the maximum.

d) **WT (Mini-Mini):** WT is a position that any firm would like to avoid. An organization facing external threats and internal weaknesses may have to struggle for its survival.

7. *By using TOWS Matrix, one can intelligently look at how best one can take the advantage of the opportunities open to him, at the same time that how he can minimize the impact of weaknesses and protect oneself against threats.*

SIMILAR QUESTIONS:

1. Write short notes on TOWS matrix?

A. Same as above.

2. Describe the construction of Tows Matrix. **(M 13 - 2M)**

A. Refer 6th point in the above answer

3. Explain how TOWS Matrix can generate strategic options within external and internal environment. **(RTP - M15)**

A. Same as a above

4. What is TOWS Matrix. How is TOWS Matrix an improvement over the SWOT Analysis? Describe the construction of TOWS Matrix. **(PM, M13 - 4M, RTP N14)**

A. Same as above.

5. Discuss the relevance of TOWS Matrix in the strategic planning process. **(PM, N 09 - 2M)**

A. Refer the first 5 points in the above answer.

PORTFOLIO ANALYSIS

Q.No.13. Define the term Portfolio / business portfolio (B)

1. A business portfolio is a collection of businesses and products that make up the company.

2. The best Business Portfolio is the one that best fits the company's strengths and weaknesses, to the opportunities and threats in the environment.

HUL is maintaining more than 150 products in its portfolio.

Q.No.14. What do you mean by Portfolio Analysis (in the context of Strategic Management)? (A) (N 12 - 2M, RTP – M13, M15)

1. In the context of Strategic Management, Portfolio analysis can be defined as a set of techniques that facilitate in taking strategic decisions with regard to individual products or businesses in a firm's portfolio.

2. Portfolio analysis is a tool by which management identifies and evaluates various businesses, product-lines, business units and investments of the company and the returns expected / obtained from them.

3. In order to design the business portfolio, the business must analyse its current business portfolio and decide which business should receive more, less, (or) no investment. Depending upon analyses businesses may develop growth strategies for adding new products or businesses to the portfolio.

Q.No.15. Advantages of Portfolio Analysis (A) (N12 - 2M)

1. **HELPS IN THE CHANNELISATION OF RESOURCES:** Portfolio approach helps a multi-product, multi-business firm to channelise its resources (at the corporate level) to the businesses that have greater potential. **For e.g**. a diversified company may divert resources from its cash-rich businesses to more prospective ones that have scope for faster growth so that the company achieves its corporate level objectives in an optimum manner.

2. **FACILITATES STRATEGY FORMULATION:** Based on the portfolio analysis, firms will develop growth strategies for adding new products or businesses to the portfolio. The strategy may relate to Stability or Expansion or Retrenchment or an appropriate combination thereof.

SIMILAR QUESTIONS:

1. Portfolio Analysis helps the strategists in identifying and evaluating various businesses of a company. Explain.

A. Same as above. **(N 12 - 2M)**

Q.No.16. Write short notes on SBU (A) (RTP - N16, M14 – 3M, N12 – 2M)

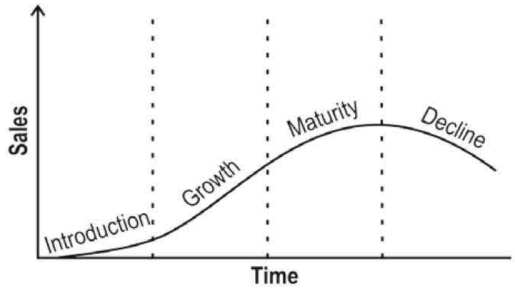
STRATEGIC BUSINESS UNIT (SBU): Analyzing portfolio begins with first identifying the key businesses or strategic business units (SBUs) of the company.

a) **MEANING:**

i) SBU is a unit of the company that has separate vision and objectives, and which can be planned independently from other businesses of the company.

ii) SBU can be a company division, or a product line within a division, or even a single product or brand.

iii) SBUs are common in organisations that are located in multiple countries with independent manufacturing and marketing setups.



b) **CHARACTERISTICS:** SBU

i) Is a single business or collection of related businesses that can be planned separately.

ii) Has its own set of competitors.

iii) Has a manager who is responsible for strategic planning and profit.

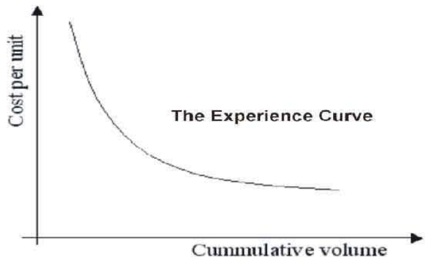
c) **ANALYSIS:** After identifying SBUs the company has to assess their attractiveness and decide how much support each SBU requires. There are a number of portfolio analysis techniques. The most popular is the Boston Consulting Group (BCG) matrix (or) product portfolio matrix.

Q.No.17. Write short notes on Experience Curve (A) (PM, RTP - N15, N16, N12 - 3M, M14 – 3M)

a) **MEANING:**

i) The concept is similar to learning curve which explains the efficiency increase gained by workers through repetitive productive work.

ii) The concept of Experience Curve is based on common experience that Average Cost per unit declines as a firm accumulates experience in terms of volume of production.



iii) The implication is that larger firms in an industry would tend to have lower unit costs as compared to those for smaller companies, thereby gaining a competitive cost advantage.

iv) It is an important concept used for applying a portfolio approach.

b) **FACTORS / REASONS:** Experience Curve results from factors like –

i) Learning Effects,

ii) Economies of Scale,

iii) Product Re-design, and

iv) Technological improvements in production.

c) **RELEVANCE:** The concept of experience curve is relevant for a number of areas in strategic management. For example,

i) It is considered as a barrier for new firms which are thinking of entering into the industry.

ii) It is also used to build market share and discourage competition.

SIMILAR QUESTIONS:

1. Explain the concept of Experience Curve and highlight its relevance in strategic management.

A. Same as above. **(PM, N12 - 3M)**

Q.No.18. Write short notes on Product Life Cycle (A) **(PM, M15 - 4M, N13 - 4M)**

PRODUCT LIFE CYCLE: PLC is a useful concept for guiding strategic choice. PLC is an S-shaped curve which exhibits the relationship of sales with respect of time for a product that passes through the four successive stages of introduction (slow sales growth), growth (rapid market acceptance) maturity (slowdown in growth rate) and decline (sharp downward drift).

a) **INTRODUCTION:** In this stage the competition is almost negligible, prices are relatively high and markets are limited. Sales grow at a lower rate because of lack of knowledge to the customers.

b) **GROWTH:** In this stage, the demand expands rapidly, prices fall, competition increases and market expands. The customer has knowledge about the product and shows interest in purchasing it.

c) **MATURITY:** In this stage, the competition gets tough and market gets stabilised. Profit comes down because of stiff competition. At this stage organisations may work for maintaining stability.

d) **DECLINE:** In this stage, the sales and profits fall down sharply as some new product replaces the existing product. So, a combination of strategies can be implemented to stay in the market either by diversification or retrenchment.

SIGNIFICANCE: The main advantage of PLC is that it can be used to diagnose a portfolio of products (or businesses) in order to establish the stage at which each of them exists. Particular attention is to be paid on the businesses that are in the declining stage. Depending on the diagnosis, appropriate strategy can be chosen.

EXAMPLE: *Expansion may be a feasible alternative for businesses in the introductory and growth stages. Mature businesses may be used as sources of cash for investment in other businesses which need resources. A combination of strategies like selective harvesting, retrenchment, etc. may be adopted for declining businesses. In this way, a balanced portfolio of businesses may be built up by exercising a strategic choice based on the PLC concept.*

SIMILAR QUESTIONS:

1. Explain the Growth phase of product life cycle. **(PM)**

A. Product life cycle s(PLC) is a concept that describes a product's four major life stages, i.e., introduction, growth, maturity and decline in terms of sales, profits, customers, competitors and marketing emphasis. + Explain the different aspects of the product in the growth stage.

2. Write a short note on Product Life Cycle (PLC) and its significance in portfolio diagnosis.

A. Same as above. **(PM, M15 - 4M)**

Q.No.19. Various models of Portfolio Analysis. (C)

1. Boston Consulting Group (BCG) Growth – Share Matrix.

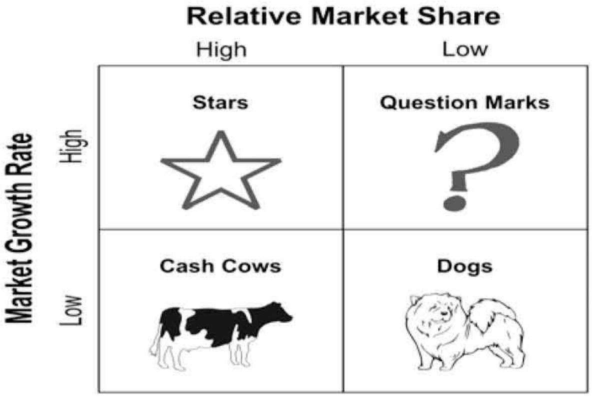
2. General Electric (GE) Matrix.

3. Arthur D. Little (ADL) Matrix.

Q.No.20. BCG Growth- Share Matrix (A) (PM, RTP- N11, M12, N14, N16, M 09 – 10 M, N 11 – 4M)

INTRODUCTION:

- Large companies with number of SBUs face the challenge of allocating resources among them.
- In early 1970's the Boston Consulting Group developed a model for managing a portfolio of different business units or major product lines.
- The BCG matrix can be used to determine what priorities should be given to the different SBUs of a company.



BCG
THE BOSTON CONSULTING GROUP

The Boston Consulting Group is a global management consulting firm and is recognised as one of the most prestigious management consulting firms in the world.

1. **STAGE 1:** Under the BCG approach, a company classifies its different businesses on a two-dimensional Growth – Share matrix. In this matrix:
   - **a)** Vertical axis represents Market Growth Rate and provides a measure of Market Attractiveness.
   - **b)** Horizontal axis represents relative market share and serves as a measure of company strength in the market.

   BCG matrix depicts quadrants as shown in the above diagram:

2. **STAGE 2:** Different types of business represented by either products or SBUs can be classified for portfolio analyses through BCG matrix. They have been depicted by meaningful metaphors, namely:

Stars – Products or SBUs that grow rapidly	**a)** Stars can generate their own internal cash flows in view of: **i)** Low cost advantage, **ii)** Large scale economies, **iii)** Cumulative production experience. **b)** Some stars can meet investment requirements from their own internal cash flows while others need additional investments. **c)** They represent best opportunities for expansion.
Cash Cows Low growth, high market share SBUs or products.	**a)** They generate cash and have low costs. **b)** They are established, successful and need less investment to maintain their market share. **c)** In the long run, when the growth rate slows down, Stars become Cash Cows. **d)** They become financial base for the company.
Question Marks or Problem Children or Wild Cats	**a)** Low market-share business in high-growth markets. **b)** They need heavy investments but have low potential to generate cash. **c)** Question marks if left unattended may become cash traps. **d)** As growth rate is high, increasing the investments should be relatively easier.

	e) Firms have to initiate action to convert "Question Marks" into "Stars" and then to "Cash Cows", when the growth rate reduces.
Dogs – Low growth, low share SBUs & products	**a)** They may generate enough cash to maintain themselves, but do not have much future. **b)** Sometimes they may need cash to survive. **c)** Dogs should be minimised through divestment or liquidation.

3. **STAGE 3:** After classifying the SBUs as above, the role of each SBU is determined on the basis of the following strategies. The four strategies that help to determine the role of SBUs are:

a) **Build (Stars):** Here the objective is to increase market share, even by foregoing short-term earnings in favour of building a strong future with large market share.

b) **Hold (Question Marks):** Here the objective is to preserve market share.

c) **Harvest (Cash Cows):** Here the objective is to increase short-term cash flows, irrespective of long-term effect.

d) **Divest (Dogs):** Here the objective is to sell or liquidate the business because resources can be better used elsewhere.

Thus BCG matrix is a powerful tool for strategic planning analysis and choice.

SIMILAR QUESTIONS:

1. Describe the construction of BCG Matrix and discuss its utility in Strategic Management.

A. Same as above. **(PM, J 09 - 10M)**

2. How an organization analyses its business portfolio on market growth rate and relative market share? **(RTP - M13, M15)**

A. Same as above.

3. In B.C.G. matrix for what the metaphors like stars, cows and dogs are used? **(PM)**

A. The BCG growth-share matrix is a popular way to depict different types of products or SBUs as follows:

- Stars are products or SBUs with high market share in a market which is growing rapidly.
- Cash Cows are low-growth, high market share businesses or products.
- Question Marks are low market share business in high-growth markets.
- Dogs are low-growth, low-share businesses and products.

4. Discuss 'dogs' in BCG Matrix. **(PM)**

A. **A.** Refer the "dogs" in above matrix.

5. Explain the term 'star' in the context of BCG matrix. **(PM)**

A. Refer the "stars" in above matrix.

6. In the light of BCG Growth Matrix state the situation under which the following strategic options are suitable: (i) Build (ii) Hold (iii) Harvest (iv) Divest **(PM)**

A. Refer 3rd point in the above answer.

7. What does the concept of 'question marks' in the context of BCG Growth-share matrix signify? What strategic options are open to a business firm which has some 'question marks' in the portfolio of its businesses? **(PM, M15 - 3M)**

A. Refer 'question marks' in the above matrix.

Q.No.21. Explain the General Electric (GE) Model of Portfolio Analysis. ("Stop- Light" Strategy Model)(A) (PM, RTP - M14, N14, M16, M16 - 3M)

1. This model was developed by General Electric (GE) Company with the assistance of the consulting firm McKinsey & Company.
2. This model is also known as GE 9-Cell Matrix or General Electric Model.
3. The strategic planning approach in this model has been inspired from traffic control lights.
4. **Factors/ Dimensions:**
   - The General Electric Model is similar to the BCG Growth Share Matrix. This model uses two factors while taking strategic decisions: Business Strength and Market Attractiveness.
   - The vertical axis indicates market attractiveness and the horizontal axis shows the business strength in the industry.

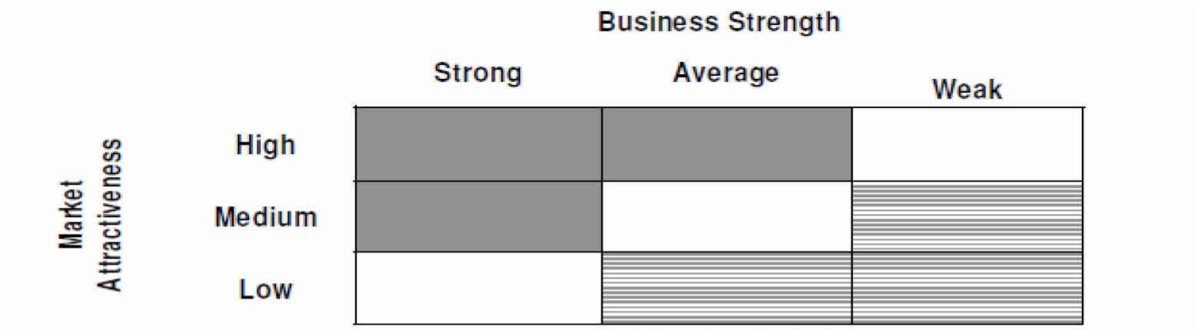


Figure : The GE Portfolio Matrix

5. **Evaluation of SBU:** Each SBU is labeled as high, medium or low, on the above dimensions. *The following criteria are adapted for evaluation of SBU:*

Business strength is measured by considering the typical drivers like:	***The market attractiveness is measured by a number of factors like:***
• *Market share.* • *Market share growth rate.* • *Profit margin.* • *Distribution efficiency.* • *Brand image.* • *Ability to compete on price and quality.* • *Customer loyalty.* • *Production capacity.* • *Technological capability.* • *Relative cost position.* • *Management caliber, etc.*	• *Size of the market.* • *Market growth rate.* • *Industry profitability.* • *Competitive intensity.* • *Availability of Technology.* • *Pricing trends.* • *Overall risk of returns in the industry.* • *Opportunity for differentiation of products and services.* • *Demand variability.* • *Segmentation.* • *Distribution structure (e.g. retail, direct, wholesale) etc.*

6. **Strategy Formulation:** Overall ratings for both dimensions are calculated for each SBU. Appropriate strategy (as indicated in the above matrix) is adopted based on the classification of SBU.
   a) **Green Zone:** If a product falls in the green section, the business is at advantageous position. To reap the benefits, the strategic decision can be to expand, to invest and grow.
   b) **Yellow Zone:** If a product is in the yellow zone, it needs caution and managerial discretion is called for making the strategic choices.
   c) **Red Zone:** If a product is in the red zone, it will eventually lead to losses that would make things difficult for organisations. In such cases, the appropriate strategy should be retrenchment, divestment or liquidation.

SIMILAR QUESTIONS:

1. Explain the model which has been inspired from traffic control lights.

A. Same as above **(RTP - M14)**

2. Discuss GE 9 matrix. How it is related to traffic control lights?

A. Same as above **(RTP - M16)**

Q.No.22. Explain the ADL Matrix. (A) (PM, N 12 -1M, N16 - 6M)

INTRODUCTION:

- Arthur D. Little consulting company developed the ADL matrix in late 1970.
- It is often associated with strategic planning at business unit level. However, it works equally well for a product line or even for a particular product.
- ADL matrix is a method of portfolio analysis based on the concept of product Life cycle (PLC).
- It involves a 2 dimensional matrix based on 2 parameters: The Firm's competitive position & The state of Industry's maturity.
- *Stage of industry maturity is an environmental measure that represents a position in industry's life cycle.*
- *Competitive position is a measure of business strengths that helps in categorization of products or SBU's into one of five competitive positions: dominant, strong, favourable, tenable and weak.*

THE ADL MATRIX AS FOLLOWS:

	Stage of industry maturity			
Competitive position	**Embryonic**	**Growth**	**Mature**	**Ageing**
Dominant	Fast grow. Build barriers. Act offensively.	Fast grow Attend cost leadership Renew Defend position Act offensively	Defend position Attend cost leadership Renew Fast grow Act offensively	Defend position Renew Focus Consider withdrawal
Strong	Differentiate Fast grow	Differentiate Lower cost Attack small firms	Lower cost Focus Differentiate Grow with industry	Find niche Hold niche Harvest
Favourable	Differentiate Focus Fast grow	Focus Differentiate Defend	Focus Differentiate Harvest Find niche Hold niche Turnaround Grow with industry Hit smaller firms	Harvest Turnaround
Tenable	Grow with industry Focus	Hold niche Turnaround Focus Grow with Industry Withdraw	Turnaround Hold niche Retrench	Divest Retrench
Weak	Find niche Catch-up Grow with industry	Turnaround Retrench Niche or withdraw	Withdraw Divest	Withdraw

THE FIRM'S COMPETITIVE POSITION: *It is based on an assessment of the following criteria:*

a) ***Dominant***: *This is a comparatively rare position and in many cases is attributable either to a monopoly or a strong and protected technological leadership.*

b) ***Strong***: *By virtue of this position, the firm has a considerable degree of freedom over its choice of strategies and is often able to act without its market position being unduly threatened by its competitions.*

c) ***Favourable***: *This position, which generally comes about when the industry is fragmented and no one competitor stand out clearly, results in the market leaders a reasonable degree of freedom.*

d) ***Tenable***: *Although the firms within this category are able to perform satisfactorily and can justify staying in the industry, they are generally vulnerable in the face of increased competition from stronger and more proactive companies in the market.*

e) ***Weak***: *The performance of firms in this category is generally unsatisfactory although the opportunities for improvement do exist.*

THE STATE OF INDUSTRY MATURITY: *There are 4 categories of industry maturity (also referred to as industry life cycle).*

a) ***Embryonic:*** *This is the introduction stage, characterised by rapid market growth, very little competition, new technology, high investment & high prices.*

b) ***Growth:*** *The industry continues to strengthen, sales increases, few competitors exist and the company enjoys rewards for bringing a new product to the market.*

c) ***Mature:*** *The industry is stable, there is a well established customer base, market share is stable, there are lots of competitors and energy is put to differentiate from competitors.*

d) ***Aging:*** *Demand decreases, companies start abandoning the market, the fight for market share among remaining competitors gets too expensive & companies begin leaving or consolidating until the markets demise.*

NOTE: *When you are asked to write a short note on ADL matrix, you need not write about* The Firm's Competitive Position and The State of Industry Maturity *in the above answer.*

SIMILAR QUESTIONS:

1. Explain the meaning of ADL Matrix. **(PM, N12 - 1M)**

A. Refer the meaning above and list out the 2 parameters (No need to explain them).

2. Describe the various competitive positions and its assessment criteria as per ADL Matrix.

A. Refer The Firm's Competitive Position point in above answer. **(N16 - 3M)**

3. List and discuss briefly the four stages of maturity of any one competitive position in ADL Matrix.

A. Refer the matrix above. **(N16 - 3M)**

Q.No.23. Explain the Growth Strategies under Ansoff's Product- Market Growth Matrix. (A) (PM)

The Ansoff's product market growth matrix (proposed by Igor Ansoff) is an useful tool that helps businesses decide their product and market growth strategy. With the use of this matrix, a business can get a fair idea about how its growth depends upon its markets in new or existing products in both new and existing markets. The product/market growth matrix is a portfolio-planning tool for identifying company growth opportunities. The Ansoff's product market growth matrix is as follows:

	Existing Products	New Products
Existing Markets	Market Penetration	Product Development
New Markets	Market Development	Diversification

Igor Ansoff is popularly known as the father of strategic Management. His product market growth matrix has been very popular

Strategy	Meaning	Explanation
Market Penetration	To sell Existing Products into Existing Markets	**1.** Market penetration i.e. making more sales to present customers, without changing products in a major way, might require greater spending on advertising or personal selling. **2.** Market Penetration can be achieved by: • Increasing Market Share, • Increasing Product Usage/ Utilities, • Increasing the frequency of usage, • Increasing the quantity used, or • Finding new applications for current users.
Market Development	To sell Existing Products into New Markets	**1.** Market development strategy involves identifying and developing new markets for current products of the company. **2.** This strategy may be achieved through: • New Geographical Markets, • New Product Dimensions or Packaging, • New Distribution Channels, • Different Pricing Policies to Attract Different Customers, • Creating New Market Segments.
Product Development	To introduce New Products into Existing Markets	**1.** The company seeks growth by offering modified or new products to current markets. **2.** Product Development can be achieved by: • Adding new features to the product (product refinement), • Developing a new generation product **3.** This strategy may require the development of new competencies and requires the business to develop modified products which can appeal to existing markets. **4.** Initially the investment is high and requires new technology.
Diversification	To sell New Products in New Markets.	• It involves starting up or acquiring businesses outside the company's current products and markets. • This strategy is risky, because it does not rely on either the company's successful product or its position in already established markets.

SIMILAR QUESTIONS:

1. Explain the meaning of Market Penetration. **(M 12 - 2M)**

A. Refer the points 2 & 3 under 'Market Penetration' above.

2. "The Ansoff's Product – Market Growth Matrix is a useful tool that helps businesses to frame their product and market growth Strategy. Elucidate this statement. **(M 13 - 3M)**

A. Refer fast track material for brief answer.

3. Aurobindo, the pharmaceutical company wants to grow its business. Draw Ansoff's Product Market Growth Matrix to advise them of the available options. **(PM, M10 - 4M)**

A. Same as above

4. ABC Ltd., the pharmaceutical company wants to grow its business. Draw Ansoff's Product Market Growth Matrix to advise them of the available options.

A. Same as above.

APPLICATION ORIENTED QUESTIONS

Q.No.24. To which industries the following developments offer opportunities and threats? "Increasing trend in India to organize IPL (Cricket) type of tournaments in other sports also" (A) (PM, N14 - 3M)

1. An opportunity is a favourable condition in the organisation's environment which enables it to strengthen its position.
2. On the other hand a threat is an unfavourable condition in the organisation's environment which causes a risk for, or damage to, the organisation's position.
3. The IPL (Cricket) tournament is highly profit and entertainment driven. A number of entities and processes are involved in this IPL type of tournament. IPL (Cricket) type of tournament would offer opportunities/threats to the following industries.
4. **OPPORTUNITIES TO:**
   - **a)** Stadiums.
   - **b)** Sports Industry.
   - **c)** Manufactures of sports items.
   - **d)** Media Industry – Sports channels / television, advertisers.
5. **THREATS TO:**
   - **a)** Entertainment industry like TV serials, cinema theatres, and Entertainment theme parks as competitors will be fighting for the same viewers/target customers.
   - **b)** Tourism and hotel Industry.
   - **c)** Event Management.

Q.No.25. To which industries the following environmental changes will offer opportunities and pose threats (name any two industries in each case)? Give reasons for your answer. (i) Significant reduction in domestic air- fares spanning over a long period (ii) Cut in interest rates by banks. (A) (PM, M 15 - 4M)

A. SIGNIFICANT REDUCTION IN DOMESTIC AIR FARES SPANNING OVER A LONG PERIOD WILL HAVE OPPORTUNITIES AND THREATS AS FOLLOWS:

1. **Opportunities**
   - **a)** Tourism as there would be more demand.
   - **b)** Hotels as travel would be cheaper and there would be more commuters.
2. **Threats**
   - **a)** Airlines Industry as there would be squeeze in their profits.
   - **b)** In flight catering as they would face pressure to reduce cost.

B. CUT IN INTEREST RATES BY BANKS WILL HAVE OPPORTUNITIES AND THREATS AS FOLLOWS:

1. **Opportunities:**
   - **a)** Capital intensive infrastructure as the interest cost will come down
   - **b)** Real Estate as demand for property on loan will increase.

2. <u>**Threats:**</u>
   - **a)** Banking **industry** facing reduction in saving and investments.
   - **b)** Financial services industry in the area of managing funds such as pension funds, mutual funds as their income will recede.

Q.No.26. In the context of Ansoff's Product- Market Growth Matrix, identify with reasons the type growth strategies followed in the following cases.

a) A leading producer of toothpaste, advises its customers to brush teeth twice a day to keep breath fresh.

b) A business giant in hotel industry decides to enter into dairy business.

c) One of India's premier utility vehicles manufacturing company ventures into foray into foreign markets.

d) A renowned auto manufacturing company launches ungeared scooters in the market. (B) (PM, N 14 - 4M)

The Ansoff's product market growth matrix is a useful tool that helps businesses decide <u>their product and market growth strategy</u>. This matrix further helps to analyse different strategic directions. According to Ansoff there are four strategies that an organisation might follow.

a) <u>**MARKET PENETRATION:**</u> A leading producer of toothpaste, advises its customers to brush teeth twice a day to keep breath fresh. It refers to a growth strategy where the business focuses on selling existing products into existing markets.

b) <u>**DIVERSIFICATION:**</u> A business giant in hotel industry decides to enter into dairy business. It refers to a growth strategy where a business markets new products in new markets.

c) <u>**MARKET DEVELOPMENT:**</u> One of India's premier utility vehicles manufacturing company ventures to foray into foreign markets. It refers to a growth strategy where the business seeks to sell its existing products into new markets.

d) <u>**PRODUCT DEVELOPMENT:**</u> A renowned auto manufacturing company launches ungeared scooters in the market. It refers to a growth strategy where business aims to introduce new products into existing markets.

Q.No.27. To which industries the following development offers opportunities and threats? 'The number of nuclear families, where husband and wife both are working, is fast increasing'. (A) (PM, N 10 - 3M)

1. <u>**MEANING:**</u>
   - **a)** An opportunity is a favourable condition in the organisation's environment which enables it to strengthen its position.
   - **b)** Threat is an unfavourable condition in the organisation's environment which causes a risk for, or damage to, the organisation's position.
2. Different developments in the environment can offer different opportunities and threats. In the social environment, there is growth of nuclear families that is away from the joint family system. Often both husbands and wife are working. Having double income increases their spending capacity.
3. Such developments bring <u>opportunities to</u> different businesses such as
   - **a)** ready to eat food, eateries, ready to cook items,
   - **b)** dish washers,
   - **c)** washing machines,
   - **d)** Crèches for children
   - **e)** Lifestyle products etc.

4. At the same time, such development also acts as threat to
   a) traditional raw food suppliers,
   b) kitty party organizers etc.

Q.No.28. What are the objectives of SWOT Analysis? (A) (RTP - N15)

In SWOT analysis 'strengths' and 'opportunities' are positive considerations and 'weaknesses' and 'threats' are negative considerations. The basic objectives of conducting SWOT analysis are:

- **a)** To exploit the strengths of the company to achieve its objectives.
- **b)** To identify the shortcomings in the company's present skills and resources and to take necessary corrective steps so that the overall interest of the organisation is protected.
- **c)** To focus on profit making opportunities in the business environment and for identifying threats.
- **d)** To highlight areas within the company, which are strong and might be exploited more and weaknesses, where some defensive planning might be required to prevent the company from downfall.

ACADEMIC INTEREST QUESTIONS

Q.No.29. State the factors to be considered in analyzing the Key Industry Traits? (B)

INTRODUCTION: Industries differ significantly in their basic character and structure. Industry and competitive analysis begins with knowing an overview of the industry's dominant economic features.

THE FACTORS TO BE CONSIDERED IN ANALYZING AN INDUSTRY'S ECONOMIC FEATURES ARE FAIRLY STANDARD AND ARE GIVEN BELOW:

- **a)** Market size
- **b)** Scope of competitive rivalry (local, regional, national, international, or global).
- **c)** Market growth rate and position in the business life cycle (early development, rapid growth and takeoff, early maturity, maturity, saturation and stagnation, decline).
- **d)** Number of rivals and their relative sizes.
- **e)** Size and nature of business.
- **f)** The number of buyers and their relative sizes. Whether and to what extent industry rivals have integrated backward and/or forward?
- **g)** The types of distribution channels used to access consumers.
- **h)** The pace of technological change taking place in both production process innovation and new product introductions.
- **i)** Whether the products and services of rival firms are highly differentiated, weakly differentiated, or essentially identical.
- **j)** Whether key industry participants are clustered in a particular location (e.g., lock industry in Aligarh. Saris and diamonds in Surat, information technology in Bangalore), or scattered across a wide geographical area?
- **k)** Whether high rates of capacity utilization are crucial to achieving low-cost production efficiency?
- **l)** Capital requirements and the ease of entry and exit.
- **m)** Whether industry profitability is above/below par?

Domestic Airlines industry in India is one of the least profitable industries.

n) *Whether organisation can achieve economies of scale in purchasing, manufacturing, transportation, marketing, or advertising or not?*

o) *Whether certain industry activities are characterized by strong learning and experience curve effects ("learning by doing") such that unit costs decline as cumulative output grows?*

MEANING OF INDUSTRY: *Industry is "a consortium/ group of firms whose products or services have homogenous attributes or are close substitutes such that they compete for the same buyer". For example, all paper manufacturers constitute the paper industry.*

SIMILAR QUESTIONS:

1. Write a short note on industry **(PM)**

A. Refer meaning in the above answer.

2. Explain the dominant economic features of the industry?

A. Same as above

Q.No.30. Write short notes on "Competitive Intelligence" / Likely Strategic Moves of Rivals (C)

1. Unless a business organization pays attention to what competitors are doing, it ends up flying blind into competitive battle.

2. A company can outperform its rivals only by monitoring their actions, understanding their strategies and anticipating their next moves.

3. As in sports, scouting the opposition is essential.

4. Competitive Intelligence is the knowledge about

- **a)** The strategies that rivals are developing,
- **b)** Their latest moves,
- **c)** Their resource strengths and weaknesses, and
- **d)** The plans they have announced.

5. It is essential to anticipate the actions they are likely to take next and the probable impact of their moves on company's own strategic moves.

6. Competitive Intelligence can help a company to determine whether to defend against specific moves taken by rivals or to offend them.

SIMILAR QUESTIONS:

1. 'A company can outperform its rivals only by monitoring their actions and understanding their strategies.' Elaborate.

A. Same as above.

2. 'Unless a business organization pays attention to what competitors are doing, it ends up flying blind into competitive battle.' Elaborate.

A. Same as above.

3. Explain the concept of "Likely Strategic Moves of Rivals"?

A. Same as above.

TEST YOUR KNOWLEDGE

1. Indian telecom industry has undergone drastic changes overtime. List out the various driving forces that have been responsible for the drastic changes in this industry.

2. Apply the concept of 'Strategic Group Mapping' to Indian toilet soaps market and identify the companies that are in the strongest, medium and weakest positions.

3. Apply the concept of 'Strategic Group Mapping' to CA education market and identify the institutions that provide CA education in Andhra Pradesh, that are in the strongest, medium and weakest positions.

4. To become a successful Chartered Accountant, what the key success factors that you must be good at?

5. Products had longer life cycle stages in the past. But, today's products have shorter life cycle stages and are quickly getting outdated. What are the various reasons for this situation?

6. Why should a firm undertake industry and competitive analysis and when should it be done? Is it before or after starting a business?

7. Define the terms 'sunrise' and 'sunset' industries. Give two examples for each one of them.

8. Explain the prospects and financial attractiveness of Airlines industry in India

9. Apply the concept of 'Strategic Group Mapping' to 24 hours exclusive TV news channels in A.P and identify the channels that are in the strongest, medium and weakest positions.

10. Make a SWOT Analysis of the following companies

a) ITC **b)** HUL **c)** Johnson & Johnson **d)** Coca-Cola

11. List out the various businesses in ITC's business portfolio.

12. List out the various SBUs of Tata Group

13. In which way is GE matrix an improvement over BCG matrix? Explain

14. Imagine you are a toothpaste manufacturing company. Explain the different ways in which you achieve market penetration?

15. Write an explanatory note on strategic analysis. **(PM)**

16. How one can compare the industry and competitive analysis? **(PM)**

17. Why organizations undertake portfolio analysis? **(PM)**

18. Explain the strategic implications of each of the following types of businesses in a corporate portfolio: (a) Stars (b) Question marks (c) Cash cows (d) Dogs. **(PM)**

THE END