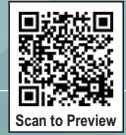


L.M. Prasad



STRATEGIC MANAGEMENT



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Strategic Management

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Author's Acknowledgement: The writing of a Textbook always involves creation of a huge debt towards innumerable author's and publications. We owe our gratitude to all of them. We acknowledge our indebtedness in extensive footnotes throughout the book. If, for any reason, any acknowledgement has been left out we beg to be excused. We assure to carry out correction in the subsequent edition, as and when it is known.

P

Preface



TO THE EIGHTH EDITION

We have thoroughly revised this book so as to meet fully the requirements of All India Management courses in Strategic Management. Apart from adding new topics, the Case studies have been updated based on the recent trends in the corporate sector. Multiple Choice Questions, Short Answer Questions, Application Questions along with Practical Exercises and Case Studies help the students to understand the concepts and assess their knowledge.

Following are the key additions in this edition:

- Corporate Social Responsibility and Business Ethics
- Corporate Governance
- Role of Artificial Intelligence in Strategic Management

We are sure the revised edition would be very useful for both students and teachers. Suggestions and critical comments for improvement of the book are welcome.

The Editorial Team
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TO THE SEVENTH EDITION

In the contemporary business environment, two features – globalization and increasing use of information technology in managing businesses – have changed the competitive structure of business at the global level including India. As a result, organizations have started redefining their sources of developing competitive advantage at the marketplace. At the academic level too, course contents of strategic management (earlier business policy and/or strategic management) have been changed to reflect this reality. Keeping this phenomenon in view, this book in its present edition has been thoroughly revised and restructured to meet the contemporary needs of students for this course. More specifically, the efforts have been made on the following aspects. *First*, while restructuring the book, many details of the earlier edition have been omitted which are no longer considered necessary. Similarly, some details have been abridged in desirable proportion. *Second*, emphasis has been put on contemporary developments in the field of strategic management but without neglecting older

contributions that have proved their worth over the years. *Third*, emphasis has been put on those aspects which are believed to be quite rich in their implications for strategic management not only as guides to immediate actions but in their potential for guiding a long-term process of self-education in the dynamic environment. *Fourth*, attempt has been made to incorporate the latest concepts and practices in the Indian context so that the readers can appreciate how Indian organizations are applying various concepts developed in the field.

Organization of the Text

The book has been divided into five parts, with each part having relevant chapters. Part I deals with framework for strategic management and has been divided into two chapters — first chapter introducing strategic management by presenting its theoretical framework and second chapter dealing with strategic management process. Part II deals with strategic intent and strategy formulation. Chapter 3 presents various issues involved in establishing strategic intent while the remaining six chapters deal with different aspects of strategy formulation. Part III deals with relevant issues involved in strategy implementation. Part IV deals with strategic control. Part V presents how cases can be used in learning process and a few cases. Cases presented in this part have more than one strategic issue involved. Therefore, these cases supplement the cases given at the end of each chapter as those cases are relevant to the basic theme of the chapters concerned.

Changes in the Present Edition

In the present edition, latest concepts of strategic management have been added to enable the readers to get the up-to-date materials in a single text. Similarly, contemporary practices of prominent companies have been added to explain how various concepts of strategic management can be put into practice. In order to incorporate these features, most of the chapters have been revised.

Acknowledgements

The subject-matter of the book has been adapted from various Indian and foreign publications and websites. However, the emphasis has been laid on Indian management practices. I feel indebted to all those writers and researchers whose thoughts and theories have been helpful in bringing out this book. Though it is difficult to mention all these names in an exhaustive manner, some prominent names have, however, been recognized in the form of references at appropriate places. I am thankful to numerous readers of the previous edition of the book who have favoured me with their valuable suggestions from time to time. An attempt has been made to incorporate these suggestions to the maximum possible extent in the present edition. I am sure that they will continue to provide feedback about the book which will always be appreciated and acknowledged.

L.M. PRASAD



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2. Strategic Management Process	3	1	3	2	4	7	1	1
Part II – Strategic Intent and Strategy Formulation								
3. Strategic Intent	4	9	2	4	5	12	1	1
4. Environmental Analysis	7	2	2	4	8	14	1	1
5. Organizational Analysis	7	8	10	4	8	13	1	1
6. Corporate Strategies: Stability, Expansion, Retrenchment	1	10	2	5	16	11	1	1
7. Corporate Strategies: Internationalization and Digitalization	2	–	1	3	4	7	1	1
8. Business Strategies	3	3	2	4	5	8	1	1
9. Choice of Strategy	10	2	5	4	6	10	1	1
Part III – Strategy Implementation								
10. Activating Strategy	4	1	2	3	7	11	1	1
11. Structural Implementation	4	–	3	4	9	9	1	1
12. Behavioural Implementation	2	5	1	3	9	11	1	1
13. Functional Implementation	–	5	2	6	9	9	1	1
Part IV – Strategic Control								
14. Strategic Control	4	2	2	5	6	11	1	1
15. Corporate Social Responsibility and Business Ethics	–	–	–	5	10	4	2	2
16. Corporate Governance	–	–	–	10	10	5	2	1
17. The Role of Artificial Intelligence in Strategic Management	–	–	–	10	10	7	2	1
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About the Book

The current edition of the book reflects a comprehensive revision and restructuring. Each chapter has been rewritten to not only integrate the latest advancements in Strategic Management but also to enhance the clarity and conciseness of the subject matter. Consequently, this edition represents a significant improvement, both in terms of content and presentation.

Key Features

- ⊙ New Topics added “Corporate Social Responsibility and Business Ethics”, “Corporate Governance” and “Role of Artificial Intelligence in Strategic Management”
- ⊙ Includes new and updated case studies based on latest trends in corporate sector
- ⊙ Most comprehensive and authentic coverage of subject-matter with latest development.
- ⊙ Subject-matter presented in simple and lucid style with Figures, Tables, and Exhibits.
- ⊙ Proper blend of theory and practice.
- ⊙ An opening illustration of Strategic Management practice of a prominent company in each chapter to enable readers to relate Strategic Management concepts with Strategic Management practices easily.
- ⊙ Multiple choice questions, short answer questions, discussion/application questions, and practical exercise at the end of each chapter to test the assimilation of subject-matter.
- ⊙ Case at the end of each chapter for class-room discussion to sharpen diagnostic and analytical skills of the readers.
- ⊙ Comprehensive cases involving more than one issue of Strategic Management at the end.
- ⊙ Guidelines for learning through cases at the end of the book to enable the readers to make full use of learning through cases.
- ⊙ Glossary at the end of the book for bird's eye view.

Thus, the present edition is ideally suited to MBA/PGDM and other relevant courses.

About the Author

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