

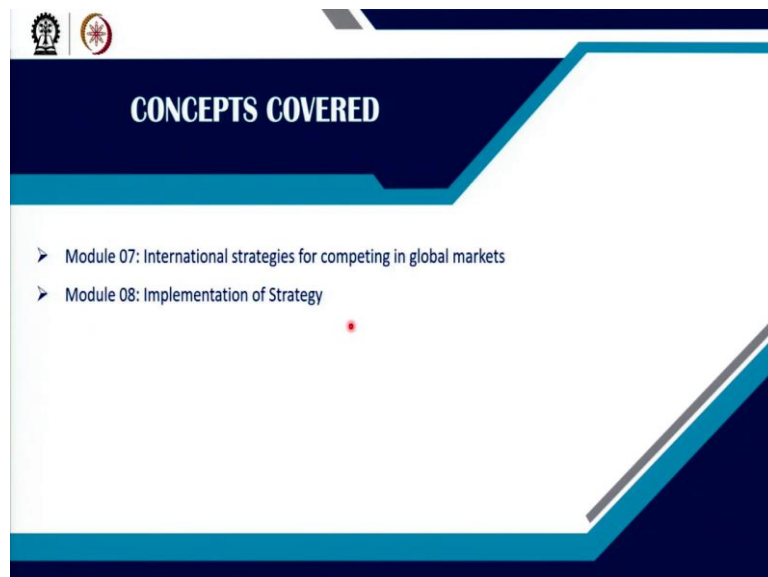
Strategic management for Competitive Advantage
Professor. Sanjib Chowdhury
Department of Management
Indian Institute of Technology, Kharagpur
Lecture 59
Summary of Modules 7 -11

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Welcome to the course Strategic Management for Competitive Advantage. We are continuing with the summary of the course; in the next lecture, we will be covering the summary of modules 7 to 11.

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This includes module 7, an international strategy for competing in global markets. Module 8 is the implementation of strategy; module 9 is strategy and structure; module 10 is we will cover strategy implementation and leadership; module 11 is the functional strategy.

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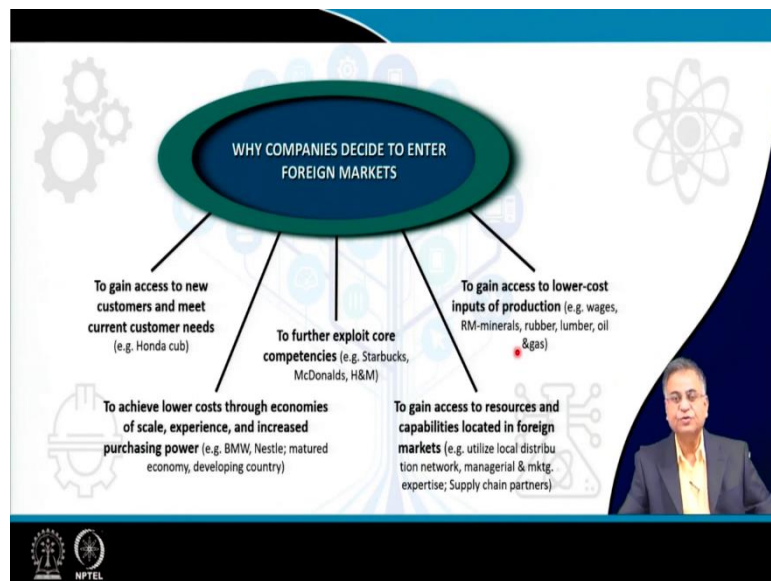


Module 07: International strategies for competing in global markets

- Discussed the reasons for companies venturing into foreign markets, Porter's "diamond of national advantage" for competitive advantage, the "entry mode" options for entering the foreign markets, the three main approaches for competing globally viz. global, transnational, and multidomestic strategy.
- In multidomestic strategy product offerings and competitive approach varies from country to country based on buyers need and local market conditions. Global strategy follows undifferentiated competitive approach and standardized product, and reap the benefits of economies of scale. Transnational strategy is a middle-ground strategy where mass-customization of local responsiveness and appreciable benefits from standardization are realized. It incorporates elements of both multidomestic and global strategies.
- Discussed strategic options for competing in developing countries, which is distinctly different from that of developed countries. Elaborated strategies for local companies in developing countries to defend against global giants.

So, module 7, is about international strategies for competing in the global market; we have discussed in detail the reasons for companies venturing into a foreign market and the porter's diamond and national advantage for competing for advantage. Then we have also discussed the entry mode options for entering the foreign market and three main approaches competing globally, then global strategy, transnational strategy and multi-domestic strategy. We will be going through each of these points very quickly, like reasons for companies venturing into the strategic market.

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Why do they do this, The reasons are to gain access to new customers and meet current customers' needs, like the Honda car, launched in Japan 70 years back, and Japan's market was saturated within a few years. So, otherwise, this would have been had there not been gone ventured out globally it would have died. But even after 70 years in developing countries, this Honda cab is cub is going very strong demand is strong, and they are doing very well.

So, similarly, to achieve lower costs through economies of scale experience and increased purchasing power like BMW, the BMW market for economies of scale requires a global market. Only it started with Germany will not be they will not have those economies of scale. So, they have expanded globally.

Similarly, Nestle and not only that, globally BMW has a particular segment of customers who have the money to buy BMW cannot be bought very heavily by India or Brazil, but in North America, Germany and some other affluent countries, they have their customers. So, these are this is one of the reasons.

Then further exploit core competencies like your Starbucks then McDonald's H&M have the core competence those core competencies they can exploit in the global market, and they are doing that. So, that way, they are going to the foreign market to gain access to resources and capabilities located in the foreign market, like utilise the local distribution network. Manager's capability, marketing expertise, the supply chain that partners these are you can leverage that those Coke and all when came to India; they came through the some other that

Thumbs up and all those things, though the with partnering because they wanted to access the already having distribution channels.

So, and the managerial experience and all. That they gain access to lower-cost inputs of production like companies go foreign as we do for the low wages, low energy cost, low the best raw material cost like China, if everyone is a global factory because of low wages, skilled manpower is available and all those factors, then the raw materials like mineral industry, rubber forestry, oil and gas mining industries.

These you have to open your shop nearer your sources; inputs raw materials were there available agro-based industries, they will be nearer to the where the productions the crops are growing there. So, to gain access to lower-cost inputs of production, these are the reasons companies go for foreign markets.

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Why competing across national borders makes strategy-making more complex

1. Different countries with different home-country advantages in different industries (e.g., Chile, Japan)
2. Location-based value chain advantages for certain countries (e.g. China for mfg., India/Ireland for call centers, S.Korea for R&D)
3. Differences in government policies, tax rates, and economic conditions (e.g. Ireland, UAE- Dubai)
4. Currency exchange rate risks
5. Differences in buyer tastes and preferences for products and services (e.g. buyer's preference: washing m/c in France and other European countries; appliances in HK & Taiwan; Novelty ice cream flavor; electrical devices in US and European countries; RH/LH driving car)

The slide features a list of five factors explaining why competing across national borders makes strategy-making more complex. Each factor is numbered and includes specific examples. To the right of the list, there are five blue arrows pointing right. In the bottom right corner, there is a small video inset showing a man in a suit speaking. The slide also includes a logo in the bottom left corner and a decorative graphic in the top right corner.

Then foreign Mark competes across national borders, which makes the strategy making very complex because different countries with different home country advantages in different industries like, say Chile, Chile is endowed with many natural resources like fisheries, forestry, and the wine industry. Your copper mining all these are endowed with natural resources. In contrast, Japan is a scarcity of natural resources; they have developed their core competencies in miniaturisation in low defect, high-quality products, consumer electronics, semiconductors, speciality steel, and speciality chemicals.

These are the things you do it, then location-based value chain advantages for certain countries like other inform that China is for manufacturing because they are location based

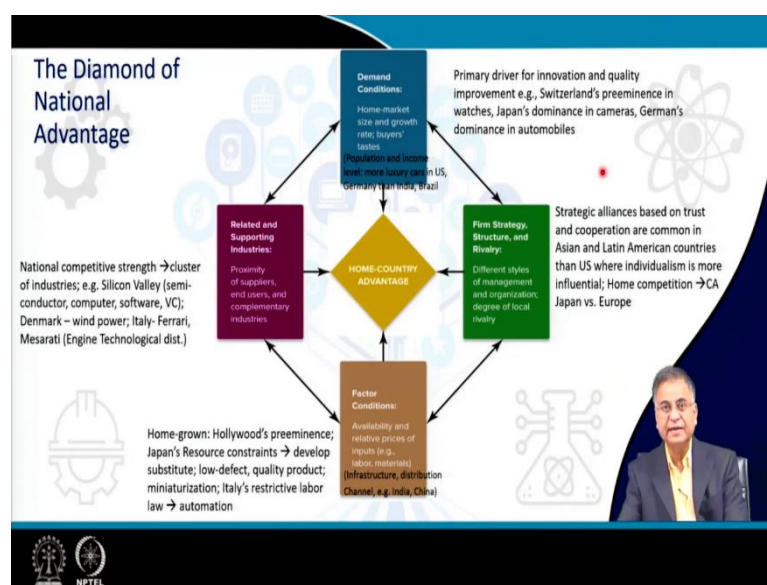
low wages, low energy costs, skilled manpower, India and Ireland for those local those call centres, BPO services there have those resources in the good English speaking populations and the software industry they have the software industries competent and the educated manpower.

Then South Korea is for R&D. Similarly, the difference in government policies, tax rates and economic conditions like some countries, UAE, Dubai and all they give a lot of 0 the tax rate. So, they invite those companies to open their shop. Ireland, give the infrastructure they train their local populace to be a skilled worker. So, companies though want to open their shop there, they readymade they get those infrastructures.

The difference in buying the currency exchange rate is that you go to different countries because the currencies fluctuate. So, you can have a balanced one, you know, somewhere your currency grows in some countries where you are operating currency slides.

So, to keep it balanced, you go for that foreign market with the difference in buyers' tastes and preferences for products and services. As you know, in some countries, French people want their top-loaded washing machine, whereas in the rest of Europe, they prefer front-loaded washing machines. So, these are the two accordingly you have to change your product. Then similarly, ice creams East Asia, Japan, and Korea, prefer a certain type of ice cream or flavour that Europeans or Americans do not like. So, these are the difference in buyer tastes and all.

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Then this is called Diamond up national advantage. This is Porter's model. Porter's find that to take their home country advantages and go for a foreign market. These four factors are very important; those are the demand conditions that is the home market growth size up in the growth of the go home market, then the populations and income have the level of the home market, then the more luxury cars in the US, Germany, then India and Japan.

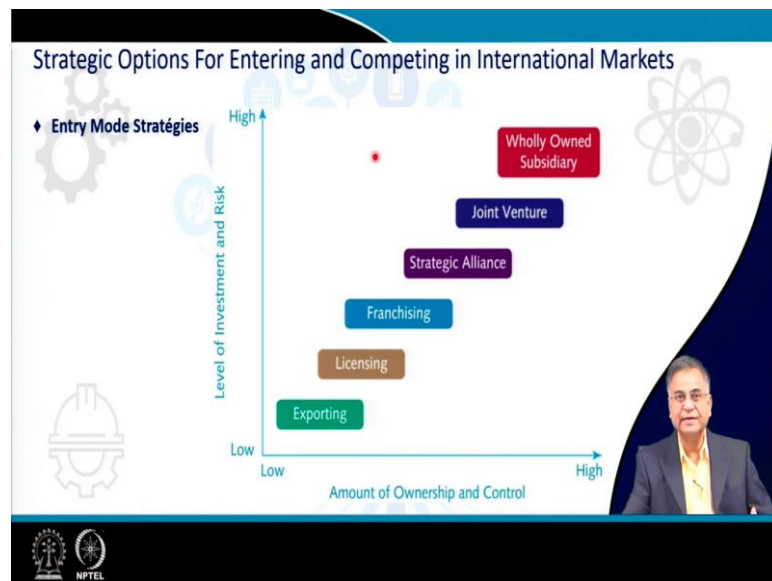
So, these are the demand conditions. There may be production factor conditions like availability of raw materials, low wages. Prices inputs, infrastructure, distribution channels, these also spur the, your that advantage, you know competitive advantages, like homegrown things like saying Hollywood preeminence, preeminence is because they have those two UCLA those Film Institute's in UCLA and another is the that San Francisco nearby.

So, they provide your skilled manpower cameraman, technician actors, all those Japan's we are a resource-constrained country. So, it develops substitutes, low defect, high-quality products miniaturisation, then similarly Italy's restrictive labour law forced them to go for automation.

Similarly, there is the related and supply-supporting industries. If that national competitive strength comes in the cluster in some countries, you will see the clusters of industries like Silicon Valley, the clusters of semiconductor, computer, software, and venture capitalist. Similarly, Denmark is for wind power, Italy for Ferrari, and Maserati all have technological engine districts. So, this improves your competitiveness. They supplement each other knowledge and also going improve, and this is where you get a competitive advantage.

And the last one is firm strategy structure and rivalry, different management styles and organisations like strategic alliances, needs, trust based on trust, mutual trust and cooperation. Still, these are very successful in Asian and Latin American countries because they have that culture, whereas, in the USA, they prefer individualism is more influential. So, these are the some of the ways some of the factors which give you the national advantage for competitive competing in a market in a global market.

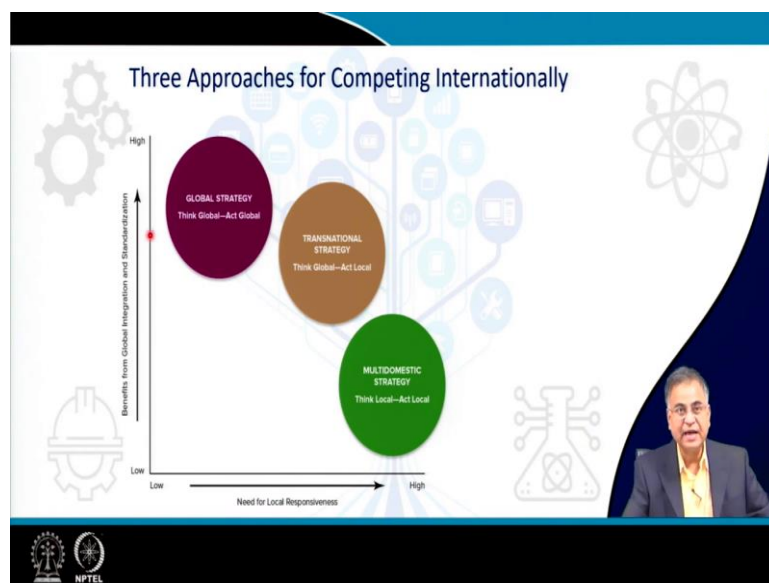
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So, these are the entry mode strategies for strategic options for entering and competing in the international market; what are those? Those are exporting strategy, licensing strategy, franchising strategic alliances, joint venture and wholly owned subsidiary; yes, you go for a way the amount of ownership and control increases as well as level up investment and risk.

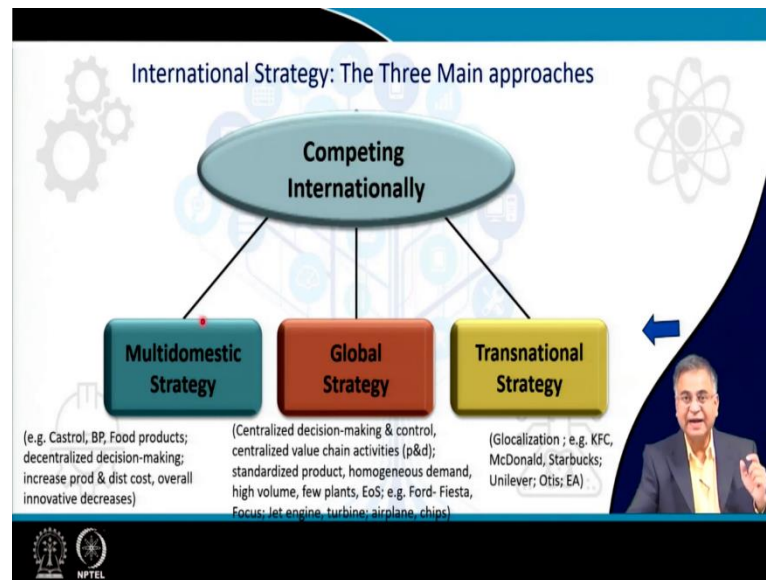
So, these are low-risk, and the amount of ownership and control is also low. And if you go up, this is the maximum control you can have, and also, the level of investment is required high, and the risk is also high. These are some of the strategic options for entering the global market.

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Then, we have also discussed the three approaches to competing internationally that is a global strategy, a transnational strategy and a multi-domestic strategy. Global strategy is your thing global act global like the need for local responsiveness is low, and the benefits from global integrations and standardisations are high, this where do we use this global strategy.

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Global strategies are generally used in that centralisation decision making and control, centralised value chains activities like production and distribution, when your products are standardised and homogeneous demand high volume and very few plants, you get the economies of scale you use these, this global strategy like a jet engine, then the turbine.

Then you are the Mike that chips of the entails and all those computer microprocessor chips, aeroplanes, manufacturing, these are the only these are also high R&D are high technology products demand is homogeneous. It requires centralised decision-making and centralised value chain activities. These brands are the same. You do not compromise with the brand same brand goes to different countries, and all this is a global strategy.

And another is the multi-domestic strategy; what is it multi-domestic strategy is you think local act local life's need for local responses is very high and the need for standardisations and global integration is low. So, this requires a multi-domestic strategy. What is this multi-domestic strategy? For here, Castrol has 3000 lubricates BP, BP uses those petrol's, and all different types, because different European countries have different emissions levels different their requirements are different.

So, they have to satisfy those environments like government policies. So, they have a product, the food products, and different countries have different standards of this thing. So, it requires decentralisation decision making, and this also increases production and distribution costs because you cannot have that mass economy of scale it is divided.

So, distribution cost increases overall innovation also decreases. These are the multi-domestic strategy. Then we talked about the global strategy; then there is the transnational strategy, KFC, McDonald's, and Starbucks; these are what they hear your requirement local need for local responsiveness is medium-high, and also your global integrations and the standardisation says medium-high.

So, in this Starbucks and all that KFC what you do, you do not compromise with the quality but you or the price or the other features what you do but you change that test McDonald's serve something in veg the hamburger, and all veg which place in India, they Germany, they with that hot dog, they serves the beer somewhere the cold drinks, so, these things changes, taste also changes in Japan, Philippines that McDonald's stay is those ingredients and all tastes flavours changes without compromising your quality or price or the brand name this is transnational strategy.

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Then we have also discussed building a competitive advantage in the international markets; this is done through these three routes' use of international location to lower the cost of differentiation products. So, how do you do it here? You concentrate your few come to few plants and against the distributed things, few plants, big plants you take the economies of

scale advantage of it and like you had said China and South Korea here is of athletics, footwear and all the Nike and all they produce there and channelised to all over the globe.

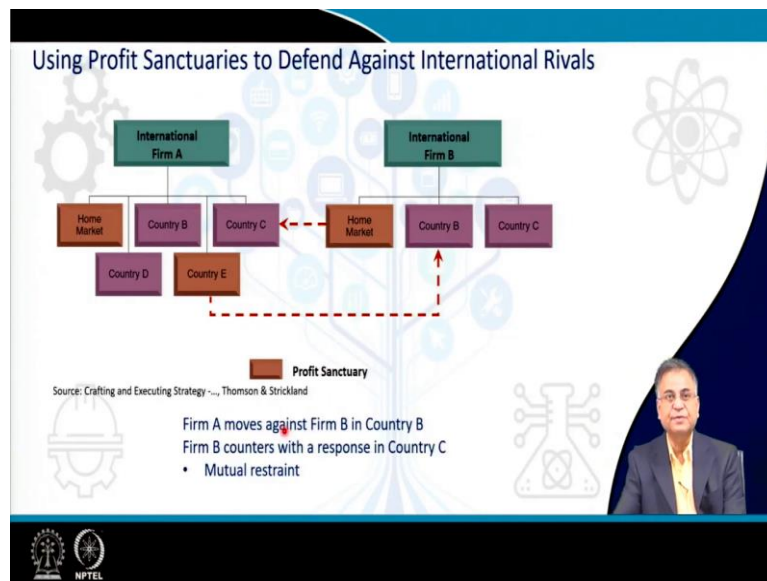
Similarly, South Korean PC circuit boards, and Taiwan digital cameras, are concentrated there. They have the skills and manpower, but the rates are lower. They do it there. Then there is dispersed location; whether it is related buyers related activities, this is where you require the day that after sales, so the distribution after-sales services, the like the mining industry, oil and gas industry, there you have to be close to your those customers because any breakdown, services has to be done.

So similarly, for legal international legal firms and international financial firms have to be close to their client. So, they are dispersed to different cities, and in different countries, there are lower costs of differentiation products. Then they share the resources and capabilities across the border. How do you do it? You do it through differentiation-based competitive advantages like Gucci, Prada, and Hermit. They are the brand name from those brands that can be leveraged in different countries.

Then there is the transfer of technological know how like Whirlpool; they operate in 17 countries, they have that maintenance, whatever they have a platform knowledge management platform through there they can share across the globe, there to their specialist or their maintenance people or their technical people. So, this is shared resources and capabilities across borders.

Then again, border coordination benefits, like shifting production from one plant in one country to another, if that is conducive or some price gain, you anticipate, if some obstacle comes in one country, you shift the production to other where it is cheaper. So, this way, you gain cross-border benefits.

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Then using profit sanctuaries, we have discussed it that gives mutual restraint, you know, one company do not attack the other company, because the other company will also attack them that way it goes. So, these are the things we have discussed in the all these; we have discussed it all these points we have discussed.

So, this is in summary, multi-domestic strategy product offerings, and competitive approach varies from country to country based on buyers' needs and local market conditions; global strategy follows and differentiated competitive approach, standardised product and reaps the benefits of economies of scale we have discussed that. So, all transnational strategy is a middle-ground strategy, where mass customisation and local, responsive initiatives and appreciable benefits from standardisation and realised it.

We have discussed strategic options competing in developing countries also, which is distinctly different from those have developed countries like here in a developing country; if a multinational has to come, they have to accept the low-cost strategy and also many other things, have discussed. Then the elaborated strategies for local companies in developing countries to defend against global giants, that what the things we have all discussed about it are? That is all about module 7.

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The slide is titled "Module 08: Implementation of Strategy". It contains two bullet points. The first bullet point states: "The value of strategy is realized upon its successful implementation, this module highlights the requirement of resources for implementation of strategy, methods of resource allocation, budgeting and forecasting of resources for successful implementation of strategy." The second bullet point states: "Implementation of new strategy is generally associated with organizational changes, which is not simply a matter of structure and strategy. It is a complex relationship between 7-Ss. Multiplicity of factors influence the ability to change and mode of change." The slide features a background with a stylized tree diagram and various icons. A small inset video shows a man in a suit speaking. The NPTEL logo is visible in the bottom left corner.

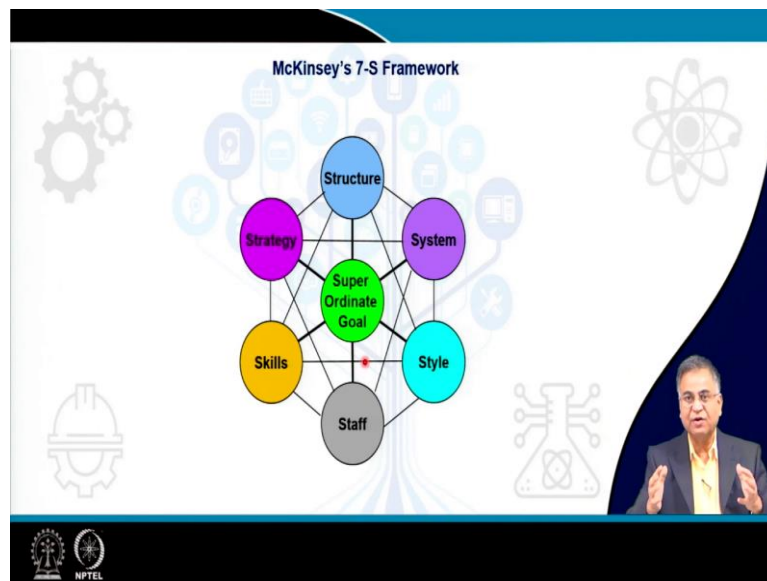
Module 08: Implementation of Strategy

- The value of strategy is realized upon its successful implementation, this module highlights the requirement of resources for implementation of strategy, methods of resource allocation, budgeting and forecasting of resources for successful implementation of strategy.
- Implementation of new strategy is generally associated with organizational changes, which is not simply a matter of structure and strategy. It is a complex relationship between 7-Ss. Multiplicity of factors influence the ability to change and mode of change.

Then we have gone for module 8; module 8 talks about the implementation of strategy, and the value of the strategy is realised upon its successful implementation. This module highlights the recruitment, requirement of resources for the implementation of strategy, what are the resource requirements, resource or the say physical resources, human resources, financial resources, and technological resources for the methods of resource allocation like capital budgeting, performance budgeting, zero-based budgeting, strategic budgeting and the forecasting of resources for successful implementation of the strategy we have done.

Then implementation of a new strategy is generally associated with organisational change, which is not simply a matter of structure and strategy; it is a complex relation between 7-Ss we have a multiplicity of factors for these 7-Ss.

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So, when you implement a strategy, you required organisational change and organisational changes not only depend on your strategy and structure; it is these 7-Ss all complicit or multiplicity, then these we have seen that these are hierarchical in nature; there is no one no is factors that are superior to others, these to have an effective organisational change, you have to have all these 7-Ss aligned then only it will go for it that effective organisational changes.

So, these are the 7-Ss, and these Ss may be like at some point in time, one may take the lead, driving lead, but that does not mean that the others are less important; this one cannot go alone unless all these Ss are moved along are aligned. So, this is the 7-Ss framework, and we have discussed it.

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8. Implementation of Strategy

➤ Challenges of change

- “Change is the only constant” said Heraclitus.

Process of Change

Unfreezing

Moving

Refreezing

Module 08: Implementation of Strategy

- The value of strategy is realized upon its successful implementation, this module highlights the requirement of resources for implementation of strategy, methods of resource allocation, budgeting and forecasting of resources for successful implementation of strategy.
- Implementation of new strategy is generally associated with organizational changes, which is not simply a matter of structure and strategy. It is a complex relationship between 7-Ss. Multiplicity of factors influence the ability to change and mode of change.
- Discussed challenges of change, process of change, managing change and resolving conflict in the organization. Furthermore, discussed importance of communication of strategy, and stakeholder analysis to engage with various stakeholders as per their interest and influence/power.

Then we have also discussed the implementation challenges, the challenges any change is required when you implement strategy, the organisational changes are implicit, and that change is how you manage that change that may be the change comes with the resistance.

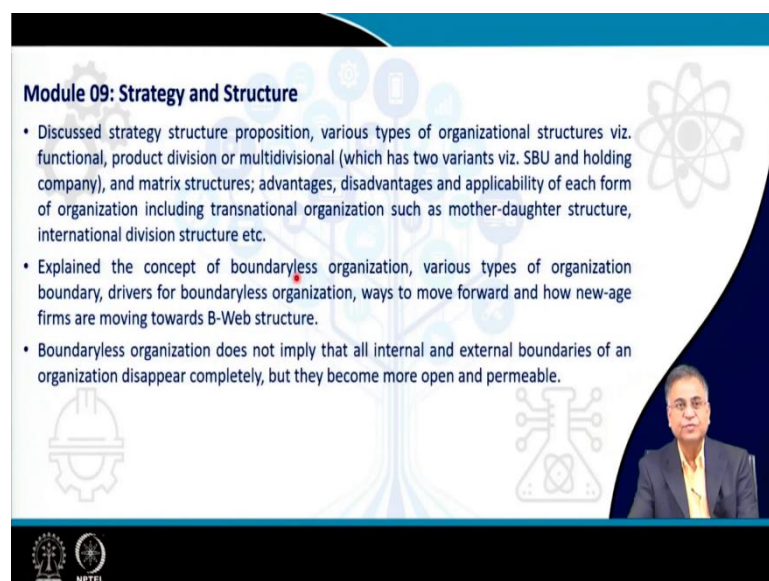
So, this process of change we have discussed is a three-stage process that is, unfreezing. This is the unfreezing of that unlearning, that is your status quo that is deep-rooted; if the status quo is deep-rooted, it will be very difficult to unfreeze, you know, the wasted interests are there. So, you unfreeze that. That is unlearning. Then you the moving, moving is you are making the change making the change happen, or that is the moving this is the making that change happen, you are implementing your strategy.

Then, refreezing means making the change permanent. So, once that change will be that this is also called unlearning, learning and relearning. So, this way, the process of changes goes on. And when it changes, there is a strategy, this 7-Ss, that if the number of Ss is affected more, that is, there is more resistance to change.

And we have also discussed how to overcome those resolving configs; then, you will do a stakeholder analysis based on the interests and the power or influence of the stakeholders. Accordingly, you develop your communications that change management communications are very important for change management. So, these are the challenges of change we have talked about. So, this is chapter 8.

So, we have talked about these implementations of new strategies associated 7-Ss. We have discussed it, then discussed the challenge of change, the process of change, managing change and resolving conflict in the organisation. Furthermore, we have discussed the importance of communication of strategy and stakeholder analysis to engage with various stakeholders as per their interest and influence, and on power we have done.

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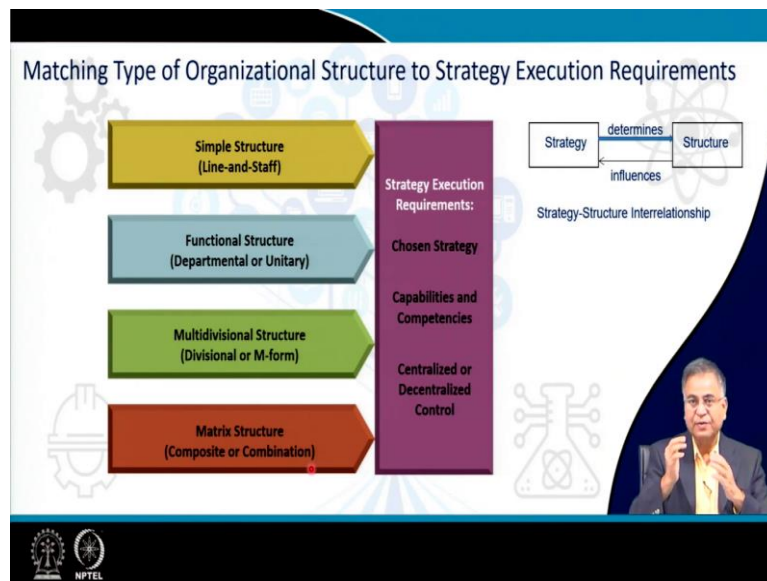
Module 09: Strategy and Structure

- Discussed strategy structure proposition, various types of organizational structures viz. functional, product division or multidivisional (which has two variants viz. SBU and holding company), and matrix structures; advantages, disadvantages and applicability of each form of organization including transnational organization such as mother-daughter structure, international division structure etc.
- Explained the concept of boundaryless organization, various types of organization boundary, drivers for boundaryless organization, ways to move forward and how new-age firms are moving towards B-Web structure.
- Boundaryless organization does not imply that all internal and external boundaries of an organization disappear completely, but they become more open and permeable.

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Then the next chapter module, we discussed strategy and structure, discussed strategy structure propositions, and whether structure follows strategy or strategy follows structure. So, we have discussed that. Then, we discussed various types of organisational structures like functional structure, product divisions, or multi-divisional structure. Then, the matrix structure, their advantage, disadvantage and applicability of each form of the organisation, including transnational organisations and mother-daughter structure international structure; we have talked about it.

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So, we will go through it once more; this is the strategy and what is the strategic structure proposition? Generally, we find that strategy determines structure and structure influences strategy; we have discussed this. Then what are the different types of organisation structure, this is there is a simple structure line and stuff structure like a that is it your business volume is a low single line of business like startups and all. It is the owner, the top man and the flat structure; this is a simple structure.

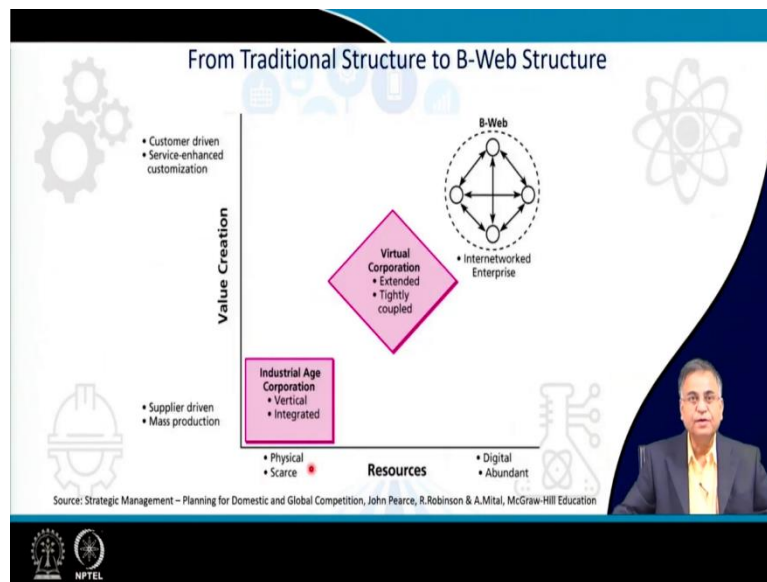
Then there are functional structures. Functional structures are based on functional specialisations like HR specialisation, finance, specialisation, supply chain management, operations, specialisation, engineering specialisation, and R&D specialisation; you will find that way the organisation is there in the hospital, there may be a cardiac cardiology department, nephrology department, neurology department, ENT department So, these are the functional structures.

In universities, there may be the humanities department; there may be the commerce department; there will be the engineering department against in engineering there may be so, many electrical engineers, mechanical engineers and then electronics engineer computer science engineers. So, these are based on functional structure.

The product divisions or multi-divisional structures when they are multiple products using different technologies having different locations. These are the works based on the multi-divisional structure. It is a product division structure under that there may be a functional structure where one business or product comes under all these activities comes under one roof; as a result, your strategy implementation is much easier.

Then there is matrix structure; matrix structures are when the product division structure is overlaid on a functional structure. It gives a matrix structure which is a dual control, and it is not a way it is used when your resources are scarce. You will have limited resources but your number of projects works or more. So, you use a matrix structure; usually, EPC companies or consulting companies or high product development and all use is the matrix structure.

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Module 09: Strategy and Structure

- Discussed strategy structure proposition, various types of organizational structures viz. functional, product division or multidivisional (which has two variants viz. SBU and holding company), and matrix structures; advantages, disadvantages and applicability of each form of organization including transnational organization such as mother-daughter structure, international division structure etc.
- Explained the concept of boundaryless organization, various types of organization boundary, drivers for boundaryless organization, ways to move forward and how new-age firms are moving towards B-Web structure.
- Boundaryless organization does not imply that all internal and external boundaries of an organization disappear completely, but they become more open and permeable.
- Illustrated boundaryless organization designs such as barrier-free, modular, and virtual organizations. Boundaryless organization design is **not** intended to replace the traditional forms of organization structure, but to complement it.

Then there is a; we talked about the boundary layers organisations you know the boundary layers organisations we talked about. So, we explained all these types of structures and then explained the concept of boundaryless organisations, like various types of organisations boundaries like horizontal boundaries and vertical boundaries. Geographical boundaries, interface the interface boundaries and all we talked about it.

Drivers for boundary-less organisation and ways to move forward and how New Age firms are moving towards B web structure, we have also explained this B web structure. Now this nowadays, this is the conventional Industrial Age, which is a pyramid. The base is the Pyramid. It goes that the top is a pyramid structure. And there are many layers.

Now, these layers are nowadays going, you know, are reducing. So, here is what you have your physical, physical resources are scarce as you go here; it is the digital resources which are abundant and valuable and customer driven. So, if you go here, it is a virtual corporation, and this B web structure is like a web-like you. Everyone is supplementing each other like your suppliers are also giving you the part of your web. So, it is internet interwoven so that everyone is a partner. You depend on all your suppliers, customers, and even manufacturer outsourcers. Everyone depends on that.

We have discussed this at length. So, now that we have done this, then we have also talked about boundary-less organisation does not imply that all internal and external boundaries of an organisation disappear completely, but they become more open and permeable. Then illustrated boundaryless organisation designs such as barrier-free modular and virtual organisations. Boundaryless organisation design is not intended to replace that traditional form of organisation structure but to complement it. So, we have discussed their strategy and structure.

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Module 10: Strategy Implementation and Leadership

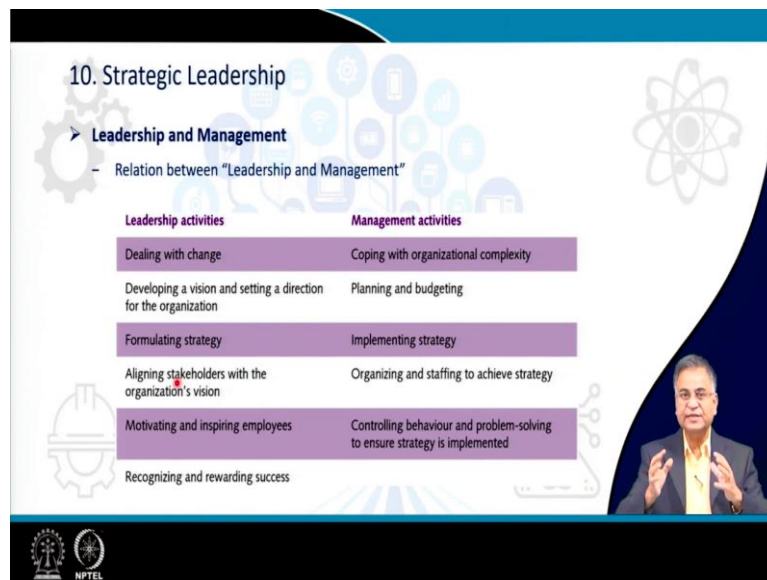
- Strategic leadership is an important aspect for setting direction, formulation and implementation of strategic plan, and motivating employees to achieve the goals and objectives of the organization.
- Discussed the difference between leadership and management, leadership roles, functions, and process – to be, to do, to see, and to tell.

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Then the module 10, module 10 is strategy implementation and leadership. What we have done, we have done strategic leadership is an important aspect of setting directions, formulations and implementation of the strategic plan and motivating employees to achieve

the goals and objectives of the organisation. So, in this, we discussed the day difference between leadership and management, leadership roles, functions and processes so that we will quickly go through this.

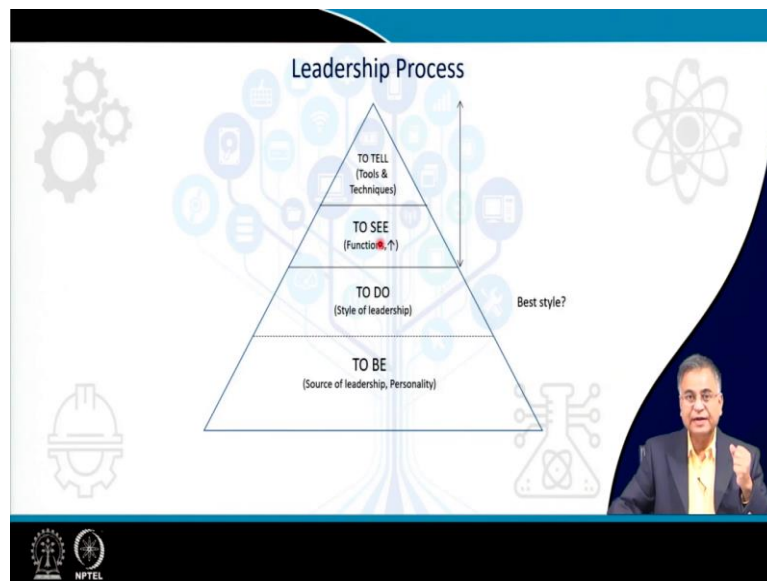
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What is the relationship between leadership and management? Have we talked about it? Leader management is a tool of leadership, and this leader leadership deals with what it is dealt with the changes in the organisation leadership develops the shared vision and sets a direction for the organisation; it formulates strategy and motivates and inspires the employees to carry it out that strategy knows, to implement it to carry it out those visions, these are the leadership roles.

Management roles are coping with organisation complexity by implementing the strategy that strategy has been formulated by leadership; they implement the strategy. They plan the budget, their organisation and staffing to achieve those strategic goals and control the behaviour of the problem-solving. So, it copes with the organisational complexity and leadership is dealing with the change and formulating strategy shared vision and directions.

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Leadership process or this, to be, to do, to see, to tell. To be in the actual personality of the leader, it is the total of the person's knowledge, distinctive characteristics, competence, and quality in all these that is the source of the leadership, and to do is the style of leadership, and this is just a reflection of your personality, how you do it and to see is that you the leaders have to be grounded with reality. Only his implementations or decision-making will be successful, and to tell means the communications part of it; communication should be through the heart and not mere lip services; these are the leadership processes.

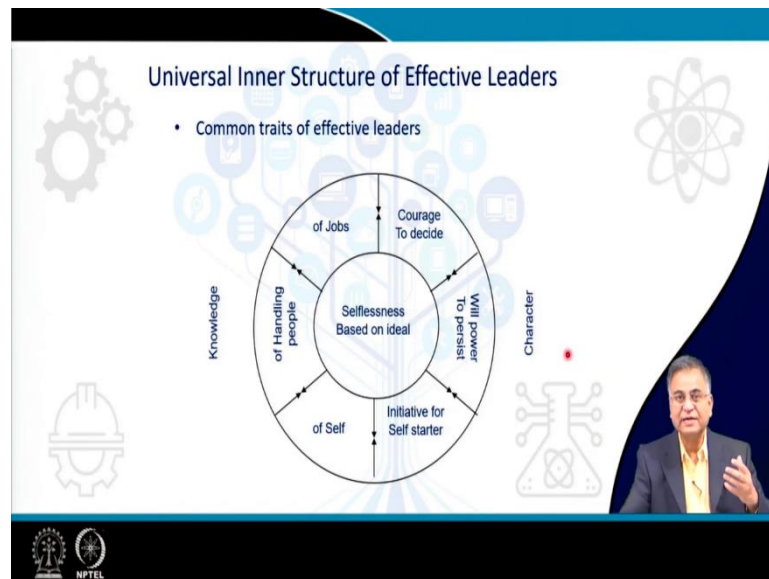
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So, we talked about then functional leadership; functions of leadership are three task needs, that is your mission, then objectives, goals, those things you fix, and the leader has to achieve

that; how will that achieve? You achieve it through the group needs like different groups, different functional groups, they will carry out those missions and strategic objectives to its logical conclusion, you have to have to satisfy these group needs and you leaders have also to satisfy the individual needs, the group consists of individual, so, you have to attend to the needs of the individual like their training, their promotions, their development, their rewards, all those things are the functions of leadership.

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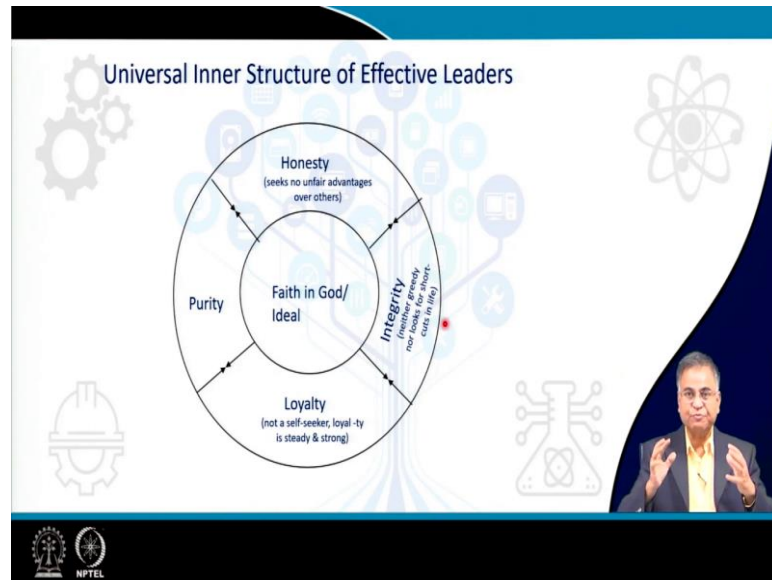
Then, the universal inner structure of effective leaders, here, we have seen all the leaders of all ages of different domains; you will find that great leaders have some commonalities; what are those commonalities? Those common traits of effective leaders are that they are all gentlemen and have some universal inner heart core structure; what is this universal inner headquarters structure?

These have three components like knowledge, selflessness based on the ideal and the character; knowledge is knowledge of jobs, knowledge of handling people, and knowledge of self; a leader must know their limitations; he or she has to improve then only he or she can improve, and the character is the courage to decide courage to take decisions and courage to say no and willpower to persist and the initiative for self-starter means, the leader should be two steps ahead of the contemporaries.

So, he should make decisions through intelligent guessing anticipations based on a sound information system. So, these and selflessness is the sacrifice of the leader. So, all these three have to be balanced because no one can be 100 per cent selfless; no one has 100 per cent

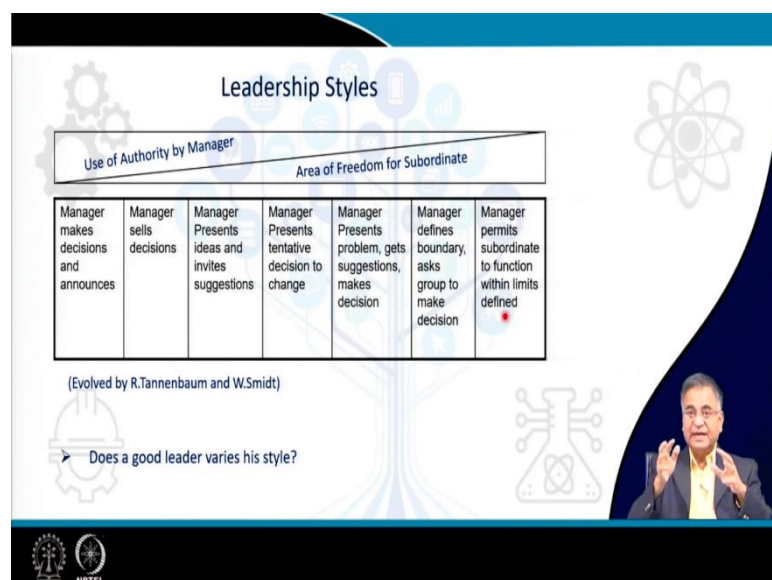
knowledge and character. There has to complement or supplement each other, and these character selflessness and knowledge must be balanced; we have discussed this in detail.

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So, next is the what are components of selflessness, the faith in God or faith in ideas and ideals it depends and the characteristics that the leader has. Integrity has to be more uncovering integrity, and his loyalty should be without doubt and pure at heart; these are the same components of selflessness.

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So, then we have also discussed the leadership style. A good leader varies in style usually; that leadership style goes from extreme authority tip to participative you know, he or making manager makes a decision and announces that you have to do that; that is authoritative as you

go right-hand side the manager sales decision, these are authoritative decreases an area of freedom for subordinates increases, and it is manager permits subordinates to function within limits that are defined.

So, usually, a good leader varies the style bit depending on the task needs depending on the situation depending on the type of people he or she is handling for these; this is the management leadership style.

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The slide is titled "Module 11: Functional Strategies". It features a central graphic of a tree where the trunk and branches are composed of various business-related icons such as gears, a smartphone, a bar chart, a lightbulb, and a target. The background is white with a blue header and footer. In the bottom right corner, there is a small video inset of a man in a suit speaking. The NPTEL logo is visible in the bottom left corner of the slide.

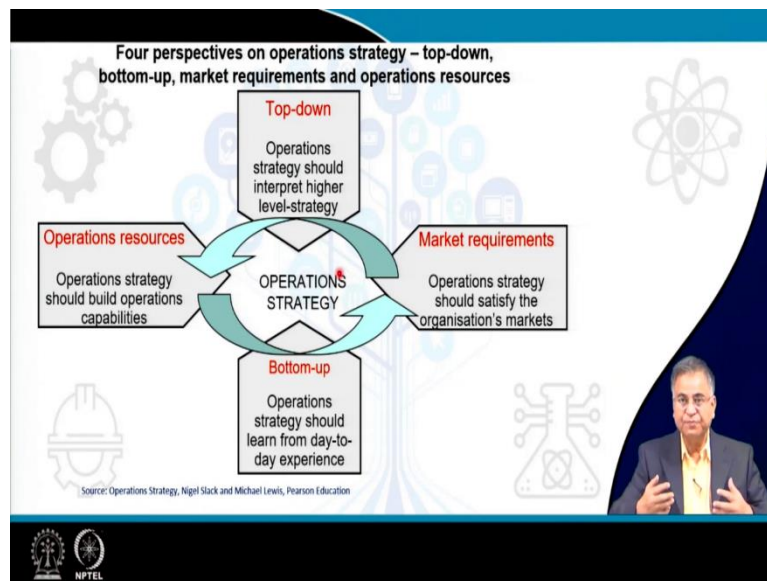
Module 11: Functional Strategies

- Corporate strategy sets overall directions and create roadmap for achieving long term goals and objectives of an organization. Functional strategies need to align with the corporate strategy and help to achieve these organizational goals.

So, we have discussed as all these, as you can see, three main components of all this we have discussed. Now, coming to module 11 is the functional strategies. Here corporate strategy sets the overall direction and creates a roadmap for achieving the long-term goal and objectives of an organisation.

Now, functional strategies are the operations strategy, marketing strategy, engineering strategy, IT strategy, and finance strategy; all these needs to align with the corporate strategy and help to achieve these organisational goals because your corporate strategy will be satisfied by the functional and operational strategy.

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For example, this is a, say, operation strategy. It will have to be reconciled with the market requirements, and it has also to be top-down, you know, top-down whatever the corporate strategy says it has to go for it. So, the bottoms are that you take the day-to-day experience of the organisation.

So, these are the processes top down, and bottom up, which are the reconciliations of your market requirement demand and your in-house resource capability. This way, you get operational excellence, which is just an example. So, these were the functional strategies you improve for them and get the operational extended. Thank you very much for attending this module.