

SHR Short Answer Questions

1) Common Elements in successful strategies (2 examples, consistently applied to all 4 elements)

a. 4 common elements – explain each

- Vision: Goals that are simple, consistent and long term (Usually 10-20 years)
- Analysis (External and Internal Environment)
 - External Environment – Set of conditions outside the firm that affect the firm's performance
 - Purpose: Identify opportunities and threats that affect how it will pursue its mission
 - Internal Environment – Pinpoint strength and weaknesses of organization.
 - Conditions (strengths, resources, capabilities) that affect the choice and use of strategies
- Implementation – Strategy implementation is the set of actions firms take to use a strategy after it has been selected
 - Business level: How do we compete in the market?
 - Corporate level: In what markets should we compete?

b. Use at least 2 examples

1) Toms

- Vision – Demonstrate the effect of how working together as a society can “create a better tomorrow by taking compassionate action today”
- Analysis (Internal)
 - Leveraging Mycoskie's experiences
 - The Amazing Race: Went on the Amazing Race and visited different countries and he wanted to give back to them
 - Entrepreneurial Experience – Started 5 businesses and had connections with Alejo, and used this to create the supply chain of Toms
- Analysis (External)
 - Corporate social responsibility
 - If people keep buying Toms, then donations will continue to those in need
 - Customers feel they are taking part in changing the world by purchasing shoes & will keep buying more
- Implementation – Sold his old business to fund TOMS.
 - Launched successful marketing campaigns, used social media to get more personal with customers

c. 1 example must be your own for full marks

2) Arnold Schwarzenegger

- Vision – Come to America and become the greatest bodybuilder in history. Also to learn English and educate himself and then move into acting. Wanted to be millionaire by age of 30. Had no superior resources (came from small European village & arrived speaking no English)
- Analysis (Internal)
 - Had strong will and determination to accomplish goals he set by certain age

- Analysis (External)
 - He knew he had opportunity of The American Dream coming to America
 - Entering Mr. Universe contests
- Implementation
 - Won Mr. Universe multiple time and invested contest winnings in property & body building equipment company
 - Became a millionaire by age 22

2. Stakeholder Analysis – Break down company of your choice into stakeholder groups.

- a. Know definition of stakeholders
 - Definition – Individuals and groups who have an interest in a firm’s performance and an ability to influence its actions
- b. 3 segments and know subdivision within these sections
 - 3 segments are Owners, External Stakeholders and Internal stakeholders
- c. Give examples for EACH within the 3 segments

Stakeholder Analysis for Macy’s

Owners	External	Internal
<u>Individual</u> - Terry J Lundgren (681,110 shares) - Karen M Hoguet (188,556 shares)	<u>Customers</u> - The United States - Mid-range to upscale shoppers	<u>Managers</u> - Terry J Lundgren (CEO) - Karen M Hoguet (CFO)
<u>Institutional</u> - Vanguard Group, Inc (24 million shares) - State Street Corporation (16 million shares)	<u>Suppliers</u> - Private Vendors - Private Brands	<u>Employees</u> - 175,700 employees
	<u>Local Communities</u> - Operates 840 locations in US - Midtown Manhattan, NYC	
	<u>Government Agencies</u> - Securities and Exchange Commission (SEC) - IRS	

	<u>General Society</u> - Niche in popular culture - Diverse Merchandise	
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3. Strategic leadership and 6 actions—give examples of strategic leader

a. Know definition of Strategic Leader

- Definition: Strategic leadership involves developing a vision for the firm, designing strategic actions to achieve the vision and empowering others to carry out those strategic actions

b. Explain 6 actions. Be able to apply an example of a strategic leader for each of the 6 actions (This does not have to be one example for all 6 (i.e. you can pick 6 different leaders if you wish for the 6 actions))

1) Establishing the Vision and Mission

- Mission – Why we exist
- Vision – Where we are going
- Leaders can develop a vision of the future and inspire stakeholders to commit to sharing it

Ex: For Apple, Steve Jobs had a vision to rebuild Apple's future to be a long-lasting company. He wanted people to be motivated to work, because they would make better products and bring his innovative visions to life. He started to develop new products and enter different markets. He created the Mac, reshaped the music industry and introduced iPhone, apple tv and ipad.

- Shows how his vision changed the cell phone, computer and music industries

2) Developing the Management Team and Succession

- Leaders must develop people who can succeed them. Hiring from the inside motivates employees.
- Form a succession plan and develop a strong set of training programs
- If firm is performing poorly, more common to select an outside successor

Ex: Steve Jobs planned his succession out for years. He built a large library of instructional & multi-media materials to help continue his legacy. Tim Cook was his successor and was well trained under Jobs' plan.

3) Managing the Resource Portfolio

- Resources help a firm's competitive advantage and strategies
- Raises question of how leader manages resources
 - Tangible: Consist of financial and physical
 - Intangible: Contribute more than tangible
 - Human resources: Productive services that human beings offer to the firm in terms of skill, knowledge, and reasoning
 - Social Capital: All internal & external relationships that help the firm provide value to customers and to other stakeholders
- Leaders need to be good at building, fostering, and influencing a web of relationships

Ex: Boeheim's committed decision for a 2-3 zone shows how he manages the resource portfolio

- Boeheim strongly believes in what he does and ability to teach it (from his own knowledge)