

A CASE STUDY OF STRATEGIC MANAGEMENT IN ENVIRONMENTAL CONCERNS AND CRISIS- COPING COMPETITIVE ADVANTAGE

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Abstract: In recent days, enterprises were in a position in designing strategies in a predictive manner by thorough investigation of environment. During Pandemic, the world is affected by a constraint of severe uncertainty, major collapses in earlier designed blue prints and their implementation. Strategic Management assists in redesigning the strategies, finalizing policies, using technological edges and support along with moderating organizational structure so that enterprise become able not only in survival of organization but expand their customer connect well by delivering the improved goods & services and ensuring their constant endeavor in customizing it that leads persistence competitive advantage.

Key Words: Customer Connect, Persistence, Constant endeavor, Sustainable, Constraint, technological transformation, EFE, Fortune.

Objective of Study: The purpose of this paper is through light in phenomenal aspects of strategic formulation and their effective implementation during and after COVID-19, so that enterprise become successful in their mission without hampering productivity related concerns and challenges.

Literature Review: Tatiana Grigorievna Bondarenko *et al.*, in the paper, "Optimization of the Company Strategic Management System in the Context of Economic Instability" refers that Level Approach in Strategic Planning and project implementation using SWOT, and VRIO attributes in contributing in general interpretation of strategic Management. Mario Coccia, on her paper "Critical Decisions in crisis management: Rational strategies of Decision Making", emphasis that Endogenous crisis to organization is affected by financial, personal, technological and organizational aspects however Exogenous crises is headed by natural disasters, social, economic, political and terrorist risks. According to Dr. Naveen Prasadula, efficient cognition and right actions assists organization in cope with sequential environmental threats and opportunities well. Karam, MG in his paper "The Impact of

Strategic Planning on Crisis Management Styles in the 5-Star Hotels” J Hotel Bus Manage 7: 171, has emphasis on two dimensions, Strategic planning and Crisis management that are vital in taking right decisions. She investigates that negative between strategic planning and escape, and positive between strategic planning, and confrontation, cooperation and containment.

Research Methodology: The paper is based on secondary data in which descriptive method is used. Author collects pertinent information and data from renowned authors, books, database, and professional periodicals and through available literature.

Introduction: Strategic Management is not a new concern for the business organization, but during and after PANDAMIC it become more indispensable tools that requires by organizations in identifying the environmental challenges, redesigning possible organizational structures, searching new supply chain and opportunities and in strengthening available resources.

As per definition, **Strategic Management** is a dynamic process of formulation, implementation, evaluation and control of strategies to realise the organization’s strategic intent whereas **Crisis** defines as combination of a major threat to the existence of the enterprise, the element of surprise and a short decision time to respond the constraints. During pandemic, major challenges faced by major industries like Health care, Service, FMCG Companies, Transport (Road & Air transport) Hospitality and Tourism etc. It is obvious that industrial pace become decline even almost zero in few sectors, consequently GDP declines worldwide. On the same time, few industries have an amazing opportunity for creating new start-ups and redesigning their establishment in meet out these opportunities and they capitalize their business magnificently during PANDAMIC. After COVID-19, those establishment that recreate and redesign themselves as per contemporary challenges have wonderful response, growth and become very less impact on their viability. Emerging technology plays vital role in confronting the challenges well during and after pandemic to these industries also.

The surviving industries have initiated in following dimensions

1. Identifying Opportunities and threats of respective industries/ Sector.

2. Ensuring Resources and their capitalization.
3. Redesigning Organizational Structure.
4. Technological Transformation
5. Redefining Strategies& approaching Customer Suitably.

1. Identifying Opportunities and threats of respective Industries: it involves major stake during pandemic in which all type of industries face constraints as they are performing better before COVID and manage their environment according to their capabilities. The major opportunities arise to the companies who have better production capabilities following a number of restriction i.e. managing Hygiene factors, packaging and better outbound logistics so the product and service deliver in time. The opportunities rise to health care sectors, medico health equipment's manufacturing companies, dairy industries, sanitizers and PPE kits manufacturers, Educational groups, Food and edible industries and in some what manner transport industries.

On the same time they have to face threats that affect sharply and didn't allow time to reorganize themselves. Economic and Financial challenge were the prime threats which were not recovered after previous constraint as demonetization and increasing inflation world-wide. Another threat is pacing the productivity followed by production guidelines and advisory issued by government periodically and managing workforce suitably.

In this scenario, Strategic Management unhandled providing External Factor Evaluation Matrix that assists in overcome these challenges well. The intention with the best result of overall weighted average should be chosen. EFE Matrix results should be combined with the results of Internal Factor Evaluation matrix.

PESTEL, BCG, GE 9 cell matrix RBW models are few techniques that assists companies in identifying SWOT and act accordingly.

PRODUCT MARKET \	PRESENT	NEW
PRESENT	MARKET PENETRATION	PRODUCT DEVELOPMENT
NEW	MARKET DEVELOPMENT	DIVERSIFICATION

Figure 1.1 Ansoff's Product Market Mix

In market penetration strategy, the organization tries to grow its existing offerings using (products and services) in existing markets through home delivery system. This involves increasing market share within existing market segments. It can be achieved by selling more products or services to established customers or in addition of new customers within current markets. The company seeks an opportunities of increased sales for its present products in its present markets through more aggressive promotion and distribution, Substantial offers and discounts and modest product refinements.

In market development strategy, a firm tries to expand into new markets (geographies, countries etc.) using its existing offerings in improved manner which enabled to deal with different customer segments, new areas of the country that equipped with products offered by company. This can be accomplished by Industrial buyers for a good that was previously sold only to the households.

In acquiring product development strategy, a company tries to create new products aimed at its present markets to achieve sustainable growth. This involves extending the product range available to the firm's existing markets through

- a) Investment in research and development of additional products;
- b) Acquisition of rights to produce someone else's product;
- c) Procurement in the product and “budging” it as one’s own brand;
- d) Joint development with ownership of another company who need access to the firm'sdistribution channels or brands.

In Diversification strategy, Company have to diversify related or unrelatedly in other possible area of productions.

- Marketing-related concentric diversification refers to provide a similar type of product iswith the help of unrelated technology
- Technology-related concentric diversification refers a new type of product/ service provided with help of related technology
- Marketing- and technology-related concentric diversification refers a similar type of product is offered with the help of related technologySee Fig 1.1

Cost leadership: A Company's business model in pursuing a cost-leadership strategy that is based on doing everything it can to lower its cost structure so it can produce and sell goods or services at a lower cost than its competitors. In essence company seeks to achieve competitive advantage and above average profitability by developing a cost leadership business model that positions it on the value creation frontier as close as possible to the lower costs/lower prices axis

Focused Cost leadership: A cost leader is not always a large national company that targets the average customer. Sometimes a company can target one or a few market segments and successfully pursue cost leadership by developing the right strategies to serve those segments.

Differentiation: A differentiation business model is based on pursuing a set of generic strategies that allows a company to achieve a competitive advantage by creating a product that customers perceive as different or distinct in some important or unique way.

Focused Differentiation: A focused differentiation business model based on opt to specialize in serving the needs of one or two market segments of niches One it has chosen its market segment.A focused company position itself using differentiation. See Figure 1.2

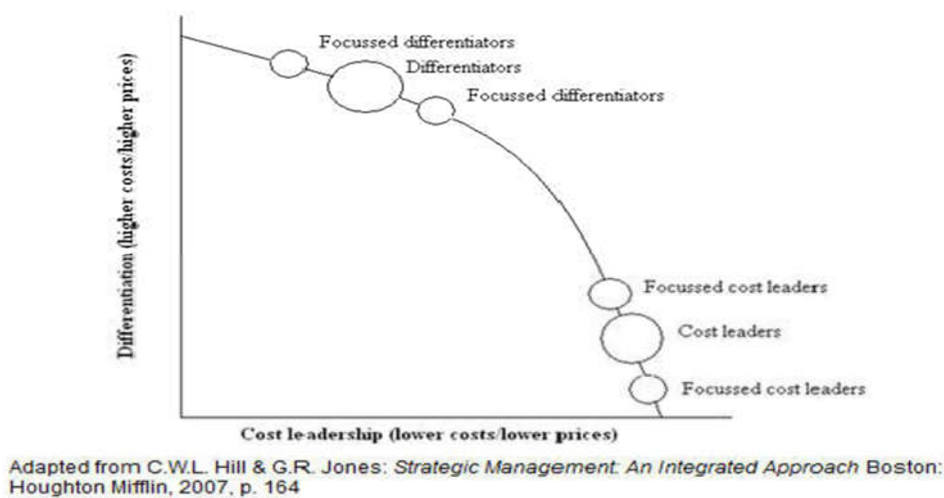


Figure 1.2 Hill & Jones Model of Generic Strategies

Strength	Weakness
1.Rapid growth of the company in accordance with the market demands	1.High attrition of personnel
2.Operation on markets of several regions	2.Inconsiderable share of market
3.Competent Professionals& Standards/ quality of work	Lack of the client base
4.Metrics for estimating efficiency of the company and employees work	3.Lack of formal work with the client feedback
5.Availability and approach of internal training platform for employees and wide product line	4.Lack of the accurate model of integration and coordination between departments
6.Opportunity to form bandwidth of services for clients	5.Limitations for storing data mining to the specific of a large servicer for a great number of clients
Opportunities	Threats
1.Decrease in the level of competition in the segment of cloud technologies	1.Aggravation of competition on the IT market in the cloud technologies segment
2.Stabilization of the global economy	2.Unstable political situation in the world
3.Improvement of the purchasing power of business	3.Transfer of clients to other companies
	4.Economic instability

2. Ensuring Resources and their capitalization: Industrial management has focus on availability of resources during these constraints. The organization that have availability, make advance move on preserving them and make an attribute of treat them rare and precious consequently they gave an edge in not only surviving but in advantage over the rivals also. RBW model and value chain also indicates and proves that primary and support activities of a firm play significant role in enhancing profitability of a firm. The infrastructure support in PANDAMIC proves high margin of profit for the IT Enabled firms and in dealing with COVID related issues well.

The companies who have rich in purchasing raw at these times have also an advantage in dealing production targets and related concerns. Rich combinations of operations accumulated with VRIO attributes & support of outbound logistic ensure their magnificent positioning. See Figure

1.3 & Table 1.1

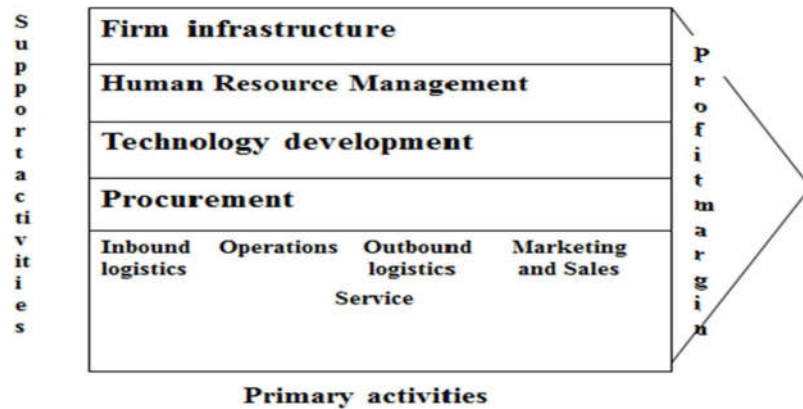


Figure 1.3 Porter Value Chain Analysis

Criteria	Value	Rarity	Imitability	Organization	Strategic Outcomes	Force / weakness
Level of employees' salary	Yes	No	Yes	Yes	Competitive parity	Force
Attuned contacts with suppliers	Yes	No	No	No	Competitive weakness	Weakness
Availability of loyal clients	Yes	No	No	No	Competitive weakness	Weakness
Service/level of servicing	No	No	Yes	No	Competitive parity	Neither force nor weakness
Financial location	No	Yes	No	No	Competitive weakness	Weakness
Trademark, Symbolic/brand awareness	No	Yes	No	No	Competitive weakness	Weakness
Personnel experience	Yes	No	Yes	Yes	Competitive parity	Force
Internal logistics	No	Yes	Yes	No	Competitive weakness	Weakness
Advertising activity	No	No	Yes	No	Competitive weakness	Weakness

Table 1.1: VRIO Analysis of Enterprises

3. Redesigning Organizational Structure: During crisis, redesigning of structure and

hierarchical position make convert constraints into a favorable outcomes. The technology assists in reducing infrastructural resources and their approach and minimizing the structural positions. Technological transformation reduces distance barriers. Zoom, Google meet and other virtual

video platforms makes live streaming that assists in connecting hierarchical positioned people in minimizing unnecessary structural position and making speedy decisions.

4. Technological Transformation: Two dimension of getting pace in during PANDAMIC and other crisis mode are to identifying emerging technology that suits to fulfill organizational requirements and another is its adaptation appropriately. In current scenario, digital transformation enables an organization in making advance move for capturing sustainable development. It reduces possibilities of man made errors and minimizing leads time about B2B or B2C conditions effectively. Even consumer became more sensitive about the tracking process ranging from inventory, order placement towards shipment and delivery. In these all operations Technology play vital role as few industries use Drone technology in effective delivery system followed by issues as touch less/ hygiene matters.

Porter's diamond for Competitive Advantage of Nations

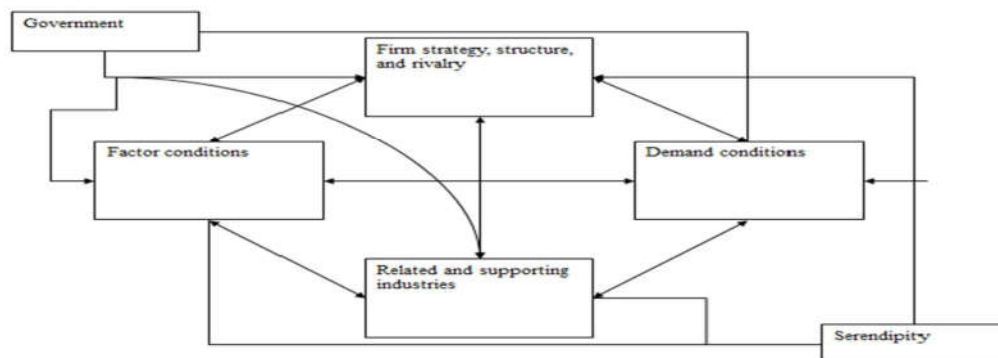


Figure 1.4 Michael Porter Diamond Model of Competitive Advantage

5. Redefining Strategies & approaching customer suitably: As we planned a strategy that suit at the time of strategy planning, a change in environmental aspects enforce us to change accordingly or exploit the situation with driving forces exist in an organization.

Factor Conditions: It refers to production factors like knowledge and infrastructure. These are relevant factors for competitiveness in particular industries. These factors can be grouped into material resources- human resources (Cost of HR, qualifications and commitment) and infrastructure.

Related and supporting Industries: The success of a market depends on the presence of suppliers and related industries associated to a particular company in that region. They can benefit from each other's know-how and benefits each other by producing complementary products.

Home Demand Conditions: It refers the question like What reasons are there for a successful market? What is the nature of the market and what is the market size? There always exists an interaction between economies of scale, transportation costs and the size of the home market. If a producer can realize sufficient economies of scale, this will offer advantages to other companies to service the market from a single location. In addition the question can be asked: what impact does this have on the pace and direction of innovation and product development.

Parameter	Value of the threat level	Description	Strategy
Threat on the part of goods substitutes	High	Due to high competition on the market, there is a threat for the segment	Defining target markets, offering unique goods
Threats of the internal sectorial competition	High	The existing great number of competitors that are well vertically-integrated and have their own production of a number of goods which makes them leaders according to price	Decrease in the impact of the price competition due to unique goods/selection of a narrow segment of goods that does not have wide production/launch of own production
Threat on the part of new players	Low	New brands emerge as a result of the diversified policy of competitors	Constant monitoring, analysis of competitors and potential players of the market
Threat of clients loss	Medium	High competition	Establishing long-term relations with buyers; improved quality of servicing; policy of discounts for loyal customers
Threat of suppliers instability	Low	Stable suppliers due to the competition on the market	Concentration of optimal correlation of the quality and price of materials

Table 1.2: Porter's Five Forces Matrix Analysis

Strategy, Structure and Rivalry: This factor is concern about the way in which an organization is formed and managed, its objectives and to measure the impact of rivalry within its own organizational culture. Cultural aspects play an important role in this. Regions and territory may differ at large from one another and factors like management, working morale and different cultures.

Government: Governments plays avital role in facilitating the development of industries and companies inside and across country.. Governments finance and construct infrastructure (roads, airports) and invest in education and healthcare. They also subsidies and provides financial incentives those industries who uses renewal source of energy.

Chance events: Chance event provides opportunities for innovative companies that are not afraid to start up new operations. Entrepreneurs normally start their ventures in their parent country, without this having any economic advantages, whereas a similar start abroad would provide more opportunities. See Figure 1.4.

- Gradual adaptation to a constantly changing environment
- Aggressive mode of conduct in relation to deal with rivals by using hard strategies like merger and acquisitions
- Active efforts to fetch income for current time
- Maintaining the achieved level constantly
- Focusing more attention on the existing areas of activity
- Stability of financial indicators on a higher level than general players of sectors
- Surviving in crisis periods of business conduct by making available customization and further recreation of business processes
- Constant attempt to implement innovational novelties to develop the innovational potential

Discussion: By studying these factors, a clear frame of strategy appears that suggests better implementation and connects customers suitably. Technological transformation helps in making a customer data base and customization need in product/ service

Study reveals that during PANDAMIC, by following transformational techniques and by initiating necessary restructuring, the following companies become more profitable. They earn profit beyond their expectations globally. For Example, profit of the companies as follows.

Name of Organization	Profit in Billions (\$)	Name of Organization	Profit in Billions (\$)	Name of Organization	Profit in Billions (\$)
Microsoft	270 Billions \$	Shopify	51.4 Billions \$	ASML	27.5 Billions \$
Tesla	108 Billions \$	Zoom Video	47.9 Billions \$	ROCHE	27.1 Billions \$
Tencent	93.0 Billions \$	Jd.Com	44.3 Billions \$	Prosus	24.6 Billions \$
NVIDIA	83.3 Billions \$	Amazon	40.1 Billions \$	Apple	219 Billions \$
Alphabet	68.1 Billions \$	Audi	37.8 Billions \$	Samsung Biologics	20.0 Billions \$
Pay Pal	65.4 Billions \$	AbbVie	37.7 Billions \$	Nova Nordisc	19.8 Billions \$
T-Mobile& Facebook	59.7 Billions \$	Chugai	33.9 Billions \$	Sales force	19.1 Billions \$
Pinduoduo	55.2 Billions \$	Kweichow Moutai	33.5 Billions \$	Eli Lilly	18.8 Billions \$
Netflix	55.1 Billions \$	Alibaba	32.8 Billions \$	Moderna	18.0 Billions \$
MeituanDianping	53.6 Billions \$	Sea Group	31.8 Billions \$	Nestle	14.2 Billions \$

Table1.3: List of most profitable companies during PANDAMIC

Only in India, **Year 2019,47** startups are recognized in which 4 become unicorns. In year **2020** the recognized startups ends **41,061** out of which **10** became Unicorn with providing more than **4,70,00** jobs. In Year **2021**, recognized startups reach a figure of **65,861** in which **44** become unicorns. **As on June 30, 2022** recognized startups were **72,993** Startups **over 50 Unicorns**.

Conclusion: There are no shortcuts and certain pattern to get sustainable competitive advantage particularly in crisis mode. In Crisis mode or during uncertainties, elemental market mechanism provokes constant change of key factors as competition, buyers' conduct, ability of the organization to develop, and the legislation and its updating plays significant role. The development of an efficient strategic plan is pertinent to using the table of strategic changes and objectives that enable organization management to ensure factors in the aggregate of diversified business processes that can undergo management impact with assistance of strategic decisions. In totality of the solutions offered in the research sketch the frame of feasible strategic plan. A

combination of critically diagnostic of environmental opportunities and threats, support of Governmental assistance, a VRIO attribute, capitalization of resources, a balanced value chain, suitably equipped technological transformation, customization and ensuring improved quality of product and service by constant endeavor on R&D driven by Strategic Leadership and wide approach of customer creates an overwhelming contribution in showcase of magnificent performance of an organization.

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