

Instead, Firehouse reclaimed their local marketing fee, and then gave franchisees the option to take part in a new marketing campaign, requiring them to pay double for local marketing, but in return, becoming part of an \$8 million advertising campaign poised for success. Experts commend Firehouse for having the courage to ask franchisees for more money where it was needed, even when times were tough.

Questions:

- (a) Discuss the strategy adopted by the company in detail.
- (b) Critically review whether the strategy adopted is correct.

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M.B.A. DEGREE EXAMINATION, MAY 2026.

Second Semester

Common

STRATEGIC MANAGEMENT

(2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (5 × 4 = 20 marks)

Answer any FIVE questions.

1. What do you mean by Mission Statement?
2. List the different types of strategies.
3. Explain Environmental Diagnosis.
4. What is Strategic Advantage Analysis?
5. Explain the Value Chain Analysis.

6. Differentiate merger and acquisition.
7. Define Strategy implementation.
8. Give the importance of Strategic Evaluation and Control.

PART B — (5 × 8 = 40 marks)

Answer any FIVE questions.

9. Explain the steps to be followed when making strategic decisions.
10. How does the SBU contribute to the organization's competitive advantage?
11. Discuss the role of environmental scanning in strategic planning.
12. List out and explain the key components of the external business environment.
13. What are the main factors that influence strategic choice in an organization?
14. What are functional strategies and how do they support the overall business strategy?
15. Categorise the most common issues organizations face during strategy implementation.
16. Evaluate the main techniques used for strategic evaluation and control.

PART C — (1 × 15 = 15 marks)

Answer the following.

17. Case Study (Compulsory)

Advertising costs money, which many businesses find themselves short of these days. But forgoing ad spending in favor of better profits can be a mistake. Experts say that in a slump, one of the best things you can do is adopt or increase your advertising strategy to attract customers. During a recession, this is especially true, as other businesses may be cutting back on their ad spending, making your voice even more prominent to customers. After seven years of growth, building from 30 to 300 locations, Firehouse Subs' growth fizzled, and company leaders realized they had to do something about it. So they returned local advertising fees collected from franchisees, not to put in their pockets, but to take hold of their own local marketing. Sales fell even more, revealing that this was not a good strategy at the time.