

HKBM 7016 strategic change-2023

Session 1. Class exercise

Types of Strategies:

1. Forward Integration
2. Backward Integration
3. Horizontal Integration
4. Market Penetration
5. Market Development
6. Product Development
7. Related Diversification
8. Unrelated Diversification
9. Retrenchment
10. Divestiture
11. Liquidation

Purpose

This exercise can improve your understanding of various strategies by giving you experience to classify strategies. This skill will help you use the strategy-formulation tools in your assignment.

Consider the following 12 actions (strategies) by various firms:

1. Dunkin' Donuts is increasing the number of its U.S. stores to over 15,000.
2. Brown-Forman Corp. selling its Hartmann luggage and leather-goods business.
3. Motorola, which makes TVs, acquired Terayon Communication, a supplier of TV equipment.
4. Macy's department stores adding bistros and Starbucks coffee shops at many of its stores.
5. Dell allowing Wal-Mart to begin selling its computers. This was its first move away from directmail order selling of computers.
6. Motorola cutting 7,500 additional jobs.
7. Hilton Hotels building 55 new properties in Russia, the United Kingdom, and Central America.
8. Video-sharing website YouTube launching its services in nine new countries.
9. Cadbury Schweppes PLC slashing 7,500 jobs, shedding product variations, and closing factoriesglobally.
10. General Electric selling its plastics division for \$11.6 million to Saudi Basic Industries Corp. of Saudi Arabia.
11. Cadbury Schweppes PLC, the maker of Trident gum, buying Turkish gum maker Intergum.
12. Limited Brands selling its Express and Limited divisions to focus on its Victoria's Secret and Bath & Body Works divisions.

Instructions

Step 1. Students are divided into 3 groups. Each group meets separately to discuss and write down their choice of the number (1 -11) of the type of strategy best describes the 12 actions cited. **(30 minutes)**

Step 2. The whole class will meet again and go through the answers for the 12 actions. Each group should explain why they choose the specific strategy for the action if they disagree with that of the other groups.

