INTERMEDIATE EXAMINATION
GROUP - II
(SYLLABUS 2016)

SUGGESTED ANSWERS TO QUESTIONS

DECEMBER - 2017

Paper-9 : OPERATIONS MANAGEMENT AND STRATEGIC MANAGEMENT

Time Allowed : 3 Hours **Full Marks : 100**

This figures in the margin on the right side indicate full marks.
This paper contains 2 Sections.
Both Sections are compulsory, subject to instructions provided against each.
All working must form part of your answer.
Assumptions, if any, must be clearly indicated.

Section - A
(Operations Management)

1. (a) Choose the correct answer: 1x10=10

(i) Number of product varieties that can be manufactured in Mass production is
- **(A) one only**
- **(B) two only**
- **(C) large varieties in small volumes**
- **(D) few varieties in large volumes**

(ii) The act of assessing the future and make provisions for it is known as
- **(A) Planning**
- **(B) Assessment** *
- **(C) Forecasting**
- **(D) Scheduling**

(iii) Generally in continuous production, the production is carried out to:
- **(A) meet customer's order**
- **(B) provide for stock and supply**
- **(C) meet Government orders only**
- **(D) satisfy a few rich customers**

(iv) Which one of the following activities does not fall into special project control under a production control system?
- **(A) Construction of bridges**
- **(B) Construction of office building**
- **(C) Construction of hospitals**
- **(D) Internal order for general stock in anticipation of orders**

(v) Transportation models typically arise in situations involving physical movement of
- **(A) goods from one shop to another within the plant as and when required.**
- **(B) goods from different plants to different warehouses.**
- **(C) goods requisitioned by an important customer to be delivered instantly.**
- **(D) goods resulting from excess stock to be shifted to a distant warehouse owned by the company.**

(vi) Which of the following statements is not correct in case of a Network Analysis in Project Management?
- **(A) A job for which the slack is zero is known as critical job.**
- **(B) An activity having independent float can be rescheduled without affecting the other activities—preceding or succeeding.**
- **(C) Negative float signifies increase in target time to finish the work in time.**
- **(D) Free float is total float minus slack time of the head event.**

(vii)Which one of the following is a disadvantage of Material Requirements Planning?
- **(A) Reduced Inventory**
- **(B) Better customer service**
- **(C) Lack of top management commitment**
- **(D) Ability to price more competitive**

(viii)To plan for future manpower requirement
- **(A) long range forecasting is used.**
- **(B) short term forecasting is used.**
- **(C) medium range forecasting is used.**
- **(D) there is no need to use forecasting, as future is uncertain.**

(ix) Most suitable layout for continuous production is
- **(A) Process layout**
- **(B) Line layout**
- **(C) Group technology**
- **(D) Matrix layout**

(x) Which one of the following standards is associated with the "Quality Assurance in Design, Production, Installation and Servicing"?
- **(A) ISO 9001**
- **(B) ISO 9002**
- **(C) ISO 9003**
- **(D) ISO 9004**

(b) Match Column A with Column B: 1x6=6

Column A	Column B
(A) Environmental Issues	(i) Customer satisfaction
(B) Plant Location	(ii) Examination of human work
(C) Process Design	(iii) Social responsibility
(D) Work Study	(iv) Availability of labour
(E) TQM Focus	(v) Discipline of organising resources
(F) Project Management	(vi) Sequences of operations

(c) State whether the following statements are 'True' or 'False': 1x6=6

(i) Operations management in an organisation is not responsible for producing goods and/or services.

(ii) One of the important steps in forecasting is gathering information to be used in forecasting both from primary and secondary sources.

(iii) The concept of product failure is applicable only for existing products and not for new products.

(iv) Simulation models are useful for determining optimal solutions.

(v) The most common financial ratio for measuring productivity is Added Value/ Labour Costs.

(vi) A good product design does not ensure maintainability.

Answer:

1. (a) (i) (d)
(ii) (c)
(iii) (b)
(iv) (d)
(v) (b)
(vi) (c)
(vii) (c)
(viii) (a)
(ix) (b)
(x) (a)

(b)

Column A	Column B
(A) Environmental Issues	**(iii) Social responsibility**
(B) Plant Location	**(iv) Availability of labour**
(C) Process Design	**(vi) Sequences of operations**
(D) Work Study	**(ii) Examination of human work**
(E) TQM Focus	**(i) Customer satisfaction**
(F) Project Management	**(v) Discipline of organising resources**

(c) (i) False
(ii) True
(iii) False
(iv) False
(v) True
(vi) False

2. Answer any three questions from the following: 16×3=48

(a) A defence Contractor is evaluating its machine shops current process layout. The figure below shows the current layout and the table shows the trip matrix for the facility. Health and Safety regulations require departments E and F to remain at their current positions.

E	**B**	**F**
A	**C**	**D**

Current Layout

From/To	A	B	C	D	E	F
A		**8**	**3**		**9**	**5**
B				**3**		
C					**9**	**10**
D						**3**
E						**3**
F						

Can layout be improved? Also evaluate using load distance (ld) score. 8

(b) List recent trends in Production/Operations Management as a result of global competition and the impact on manufacturing firms. Explain in one or two sentences the implication of any four of such trends as listed. 4+4=8

Answer:

2. (a) Keep the departments H and Fat the current locations. Because C must be as close as possible to both E and F, put C between them. Place A directly south of E. and B next to A. All of the heavy traffic concerns have been accommodated. Department D is located in the remaining place. The proposed layout is shown in figure below:

Proposed Layout

E	C	F
A	B	D

Evaluation of (ld) score for existing and proposed layout

Dept. Pair 1	No. of trips (1)	Existing	Layout	Proposed	Layout
		Distance (2)	Load x Distance (1)x(2)	Distance (3)	Load x Distance (1)x(3)

A-B	8	2	16	1	8
A-C	3	1	3	2	6
A-E	9	1	9	1	9
A-F	5	3	15	3	15
B-D	3	2	6	1	3
C-E	9	2	18	1	9
C-F	10	2	20	1	10
D-F	3	1	3	1	3
E-F	3	2	6	2	6
Total			96		69

The load distance (ld) scores for the existing and proposed layout are shown above. As ld score for proposed layout is less, the proposed layout indicates improvement over existing.

(b) Recent Trends in Production/Operations Management:
Recent trends in production/operations management relate to global competition and the impact it has on manufacturing firms. Some of the recent trends are:

i) Global Market Place,
ii) Production/Operations Strategy,
iii) Total Quality Management (TQM),
iv) Flexibility,
v) Time Reduction,
vi) Technology,
vii) Worker Involvement,
viii) Re-engineering,
ix) Environmental Issues,
x) Corporate Downsizing (or Right Sizing),
xi) Supply-Chain Management,
xii) Lean Production.

Elaboration on the various aspects of recent trends in brief:

i) Global Market Place Globalisation of business has compelled many manufacturing firms to have operations in many countries where they have certain economic advantage. This has resulted in a steep increase in the level of competition among manufacturing firms throughout the world.

ii) Production/Operations Strategy: More and more firms are recognising the importance of production/ operations strategy for the overall success of the business and the necessity for relating it to their overall business strategy.

iii) Total Quality Management (TQM): TQM approach has been adopted by many firms to achieve customer satisfaction by a never-ending quest for improving the quality of goods and services.

iv) Flexibility: The ability to adapt quickly to changes in volume of demand, in the product mix demanded, and in product design or in delivery schedules, has become a major competitive strategy and a competitive advantage to the firms. This is sometimes called as agile manufacturing.

v) Time Reduction: Reduction of manufacturing cycle time and speed to market for a new product provides competitive edge to a firm over other firms. When companies can provide products at the same price and quality, quicker delivery (short lead times) provide one firm competitive edge over the other.

vi) Technology: Advances in technology have led to a vast array of new products,

new processes and new materials and components. Automation computerization, information and communication technologies have revolutionised the way companies operate. Technological changes in products and processes can have great impact on competitiveness and quality, if the advanced technology is carefully integrated into the existing system.

vii) Worker Involvement: The recent trend is to assign responsibility for decision making and problem solving to the lower levels in the organisation. This is known as employee involvement and empowerment. Examples of worker involvement are quality circles and use of work teams or quality improvement teams.

viii) Re-engineering: This involves drastic measures or break-through improvements to improve the performance of a firm. It involves the concept of clean-slate approach or starting from scratch in redesigning the business processes.

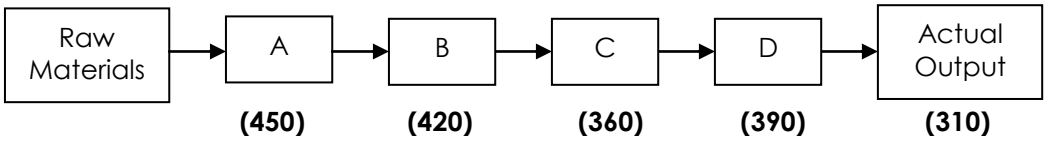
ix) Environmental Issues: Today's production managers are concerned more and more with pollution control and waste disposal which are key issues in protection of environment and social responsibility. There is increasing emphasis on reducing waste, recycling waste, using less-toxic chemicals and using biodegradable materials for packaging.

x) Corporate Downsizing (or Right Sizing) : Downsizing or right sizing has been forced on **firms to shed their obesity. This has become necessary due to competition, lowering productivity**, need for improved profit and for higher dividend payment to shareholders. xi) Supply-Chain Management: Management of supply-chain from suppliers to final customers reduces the cost of transportation, warehousing and distribution throughout the supply chain.

xi) Supply-Chain Management : Management of supply-chain , from suppliers to final customers reduces the cost of transportation, warehousing and distribution throughout the supply chain.

xii) Lean Production: Production systems have become lean production systems which use minimal amounts of resources to produce a high volume of high quality goods with some variety. These systems use flexible manufacturing systems and multi-skilled workforce to have advantages of both mass production and job production (or craft production).

3. (a) A firm has four work centres, A, B, C & D, in series with individual capacities in units per day shown in the figure below:



(i) Identify the bottle neck centre.
(ii) What is the system capacity?
(iii) What is the system efficiency? **3x3=9**

(b) A manager has to decide about the number of machines to be purchased. He has three options i.e., purchasing one or two or three machines. The data are given below:

Number of machine	Annual fixed cost	Corresponding range of output
One	₹ 14,000	0-350
Two	₹ 17,000	351-550
Three	₹ 23,000	551-900

Variable cost is ₹ 30 per unit and revenue is ₹ 70 per unit.

(i) Determine the break-even point for each range.

(ii) If projected demand is between 540 and 570 units, how many machines should the manager purchase? 3+4=7

Answer:

3. (a) **(i)** The bottle neck centre is the work centre having the minimum capacity. Hence, work centre 'C is the bottleneck centre.

(ii) System capacity is the maximum units that are possible to produce in the system as a whole. Hence, system capacity is the capacity of the bottle neck centre i.e., 360 units.

(iii) System efficiency = Actual output/ System capacity
= (310/360) × 100 (i.e.. maximum possible output) = 86.11%

(b) (i) Break-even point
Let Q_{BEP} be the break-even point.
FC = Fixed Cost. R = Revenue per unit, VC = Variable Cost
Then Q_{BEP} R = FC + (VC) Q_{BEP}
Q_{BEP} = FC/(R-VC)

Let Q_1 be the break-even-point for one machine option
Then, Q_1 = 14000/(70 – 30) = 14000/40 = 375 units (Not within the range of 0 to 300)

Let Q_2 be the break-even-point for two machines option.
Then, Q_2 = 17000/(70 - 30) = 17000/40 = 425 units (within the range of 351 to 550)

Let Q_3 be the break-even-point for three machines option.
Then, Q_3 = 23000 / (70 - 30) = 23000 / 40 = 575 units (within the range of 551 to 900)

(ii) The projected demand is between 540 to 570 units.
The breakeven point for single machine option (i.e., 375 units) is not feasible because it exceeds the range of volume that can be produced with one machine (i.e., 0 to 350).

Also, the break-even point for 3 machines is 575 units which is more than the upper limit of projected demand of 540 to 570 units and hence not feasible. For 2 machines option the break even volume is 425 units and volume range is 351 to 550. Hence, the demand of 540 can be met with 2 machines and profit is earned because the production volume of 550 is more than the break even volume of 425. If the manager wants to produce 570 units with 3 machines, there will be loss because the break even volume with three machines is 575 units. Hence, the manager would choose two machines and produce 540 units and meet demand upto 550 units.

4. (a) After observing heavy congestion of customers over a period of time in a petrol station, Mr. Petro has decided to set up a petrol pump facility on his own in a nearby site. He has compiled statistics relating to the potential customer arrival pattern and service pattern as given below. He has also decided to evaluate the operations by using the simulation technique.

Arrivals		Services	
Inter-arrival time (minutes)	**Probability**	**Service time (minutes)**	**Probability**
2	**0-22**	**4**	**0-28**
4	**0-30**	**6**	**0-40**
6	**0-24**	**8**	**0-22**
8	**0-24**	**10**	**0-10**

Assume:

(i) The clock starts at 8 : 00 hours.

(ii) Only one pump is set up.

(iii) The following 12 Random Numbers are to be used to depict the customer arrival pattern:
78, 26, 94, 08, 46, 63, 18, 35, 59, 12, 97 and 82

(iv) The following 12 Random Numbers are to be used to depict the service pattern:
44, 21, 73, 96, 63, 35, 57, 31, 84, 24, 05 and 37

You are required to find out the

(i) probability of the pump being idle, and

(ii) average time spent by a customer waiting in queue.

(b) The following data is available for a manufacturing unit: 10

No. of operators	**12**
Daily working hours	**8**
No. of days per month	**25**
Std. Labour hours per unit	**8**

The following information was obtained for November 2016:

Man-days lost due to absenteeism	**25**
Unit produced	**240**

Find the following:

(i) Percent absenteeism

(ii) Efficiency of utilisation of labour 3+3=6

Answer:

4. (a)

	Inter -arrival lime				Service time		
Minutes	Probability	Cumulative probability	Range	Minutes	Probability	Cumulative probability	Range
2	0.22	0.22	00-21	4	0.28	0.28	00-17
4	0.30	0.52	22-51	6	0.40	0.68	28-67
6	0.24	0.76	52-75	8	0.22	0.90	68-89
8	0.24	1.00	76-99	10	0.10	1.00	90-99

Sl. No	Random No. for inter arrival	Inter arrival time	Entry lime in queue	Service start time	Random no for service	Service lime	Service end time	Waiting Time of customer	Idle time
1	78	8	8.08	8.08	44	6	8.14	-	8
2	26	4	8.12	8.14	21	4	8.18	2	-
3	94	8	8.20	8.22	73	8	8.30	-	9
4	08	2	8.22	8.30	96	10	8.40	8	-
5	46	4	8.26	8.40	63	6	8.46	14	-
6	63	6	8.32	8.46	35	6	8.52	14	-
7	18	2	8.34	8.52	57	6	8.58	18	-
8	35	4	8.38	8.58	31	6	9.04	20	-
9	59	6	8.44	9.04	84	8	9.12	20	-
10	12	0	8.46	9.12	24	4	9.16	26	-
11	97	8	8.54	9.16	05	4	9.20	22	-
12	82	8	9.02	9.20	37	6	9.26	18	-
	Total time							162	10

Average waiting time spent by the customer = 162/12= 13.5 minutes
Probability of idle time of petrol station = 10/86 = 0.1 163

(b) No. of days per month = 25
Daily working hrs. = 8
No. of operators = 12
No. of Man days= 12x25 = 300
Man days. Total working hrs.= 300 x 8 = 2.400
Hours lost in absenteeism = 25 x 8 = 200

(i) Percent absenteeism = (200 hrs./2400 hrs.) x 100 = 8.33%
(ii) Efficiency of utilisation of labour:

Standard labour hour to produce 240 units 240 x 8 = 1920 hrs.
Total labour hour = 2400
Efficiency of utilisation of labour
= (Standard labour hours/ Total labour hours) x 100
= (1920/2400) × 100
= 80%

5. (a) A workshop has 25 nos. of identical machines. The failure pattern of the machine is given below:

Elapsed time after maintenance attention (in month)	Probability of failure
1	0-20
2	0-15
3	015
4	0-15
5	0-15
6	0-20

It costs ₹ 200 to attend a failed machine and rectify the same. Compute the yearly cost of servicing the broken down machines. 8

(b) Draw the network for the following activities and find critical path and total duration of the project. 3+2+3=8

Activity	Duration (months)
1-2	3
2-3	4
2-4	2
3-4	3
4-5	4
5-6	3
5-7	5
6-8	2
7-8	4
8-9	5

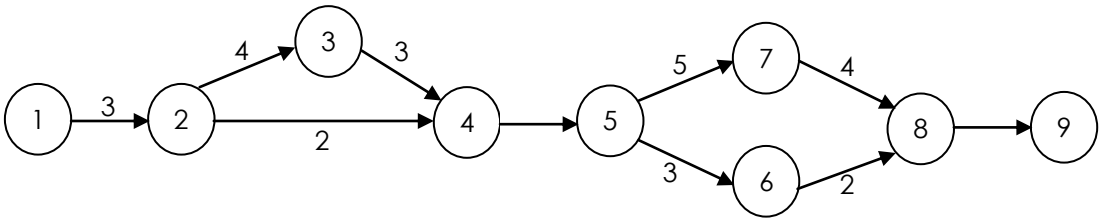
Answer:

5. (a) Expected time before failure.
= 0.20x1 +0.15x2 -0.15x3 + 0.15x4 + 0.15x5 + 0.20x6
= 3.5 months Therefore number of repair/machine/annum
= 12/3.5

Considering 25 machines and ₹ 200 to attend a failed machine the yearly of servicing
= 12/3.5 x 25 x 200

= ₹ 17.142.86

(b) Network diagram:



Paths	Duration (months)
1-2-3-4-5-7-8-0	3+4+3+4+5+4+5=28 (Critical Path)
1-2-3-4-5-6-8-9	3+4+3+4+3+2+5=24
1.2-4-5-7-8-9	3+2+4+5+4+5=23
1-2-4-5-6-8-9	3+2+4+3+2+5=19

Section B
(Strategic Management)

6. Choose the correct answer:

(a) For an entrepreneur
- **(i) mission is before the vision**
- **(ii) vision is before the mission**
- **(iii) both are developed simultaneously**
- **(iv) profitability is most crucial** **1x6=6**

(b) The managerial task of implementing strategy primarily falls upon the shoulders of
- **(i) the Chief Executive Officer (CEO).**
- **(ii) all managers, each attending to what needs to be done in their respective areas of authority and responsibility.**
- **(iii) first line supervisors, who have day-to-day responsibility for seeing that key activities are done properly.**
- **(iv) All of the above**

(c) Marketing Research Studies are undertaken:
- **(i) to understand product-price relationships.**
- **(ii) to measure brand loyalty of a class of consumers.**
- **(iii) to predict market potential of a product on a future date.**
- **(iv) All of the above**

(d) Business Process Re-engineering (BPR) is applicable to a company that satisfies the following criteria:
- **(i) Minimum Number of employees: say, 20 (at least 4 in management positions).**
- **(ii) Strong management commitment to new ways of working and innovation.**
- **(iii) Well-formed IT infrastructure.**
- **(iv) All of the above**

(e) A supplier group is powerful if
- **(i) it is not concentrated.**
- **(ii) its customers can backward integrate.**
- **(iii) it offers unique products.**
- **(iv) there are no switching costs.**

(f) A company's actual strategy is
- **(i) mostly hidden to outside view and is known only to top-level managers.**
- **(ii) partly proactive and partly reactive to changing circumstances.**
- **(iii) typically planned well in advance and usually deviates little from the planned set of actions and business approaches because of the risks of making on-the-spot changes.**
- **(iv) mostly a function of the strategies being used by rival companies (particularly those companies that are industry leaders).**

Answer:

6. (i) (b)
(ii) (b)
(iii) (d)
(iv) (d)
(v) (c)
(vi) (b)

Answer any two questions from the following: 12×2=24

7. (a) Explain, in one or two statements, each of the following Company Goals: 2x3=6
(i) Survival, (ii) Growth and (iii) Profitability

(b) In SWOT analysis, list the threats that may occur in business. What step is necessary if a threat does arise? 4+2=6

Answer:

7. (a) (i) Unless a firm is able to survive, it will be incapable of satisfying any of its stakeholders' aims and therefore, survival is such an assumed goal that it is often neglected as a principal criterion in strategic decision making. When this happens, the firm often focuses on short-term aims at the expense of the long run.

(ii) A firm's growth is inextricably tied to its survival and profitability. While growth in market share has been shown by the product impact market studies (PIMS) to be correlated with firm profitability, other important forms of growth do exist, for example, growth in the number of markets served, in the variety of products offered, and in the technologies used to provide goods or services frequently leads to improvements in the company's competitive ability. Growth means change, and proactive change is a necessity in a dynamic business environment.

To let our growth be limited only by our profits and our ability to develop and produce technical products that satisfy real customer needs.

(iii) Profitability is the mainstay goal of a business organisation, no matter how it is measured. Profit over the, long term is the clearest indication of a firm's ability to satisfy the principal claims and desires of employees and stockholders. A firm might overlook the enduring concerns of customers, suppliers, creditors, ecologists, and regulatory agents. In the short term the results may produce profit, but over time the financial consequences are likely to be detrimental.

(b) Threats:
- (i) Globalisation
- (ii) Competition
- (iii) Price cutting war
- (iv) Free imports
- (v) Industrial unrest

(vi) Political instability
(vii) Quality thrusts
(viii) High and adverse debt equity ratio
(ix) Increase in financing cost
(x) Economic slowdown due to international recession impact

Each and every threat of the SWOT would be analysed critically to find out a best alternative out of various alternatives available.
Each such threat as and when arises must be examined and necessary action taken to be free from these or to solve these prudently so that loss to the organisation may be minimum.

8. (a) Identify the ways by which the employees of an organisation can be recognized in HRD. What should be manpower strategy in this regard? 4+2=6

(b) Categorise the systematic steps in formalizing strategic planning. 6

Answer:

8. (a) The concept of Human Resource Development (HRD) has evolved over time with the recognition of people employed in an organisation as a resource. In a comprehensive sense, HRD is defined as a process by which employees are encouraged and helped in a continuous and planned way to (a) acquire and sharpen capabilities to perform functions relating to their present or future positions, (b) develop their general abilities as individuals. (c) identify and make use of their own inner potentials for their own and/or organisational purposes and (d) develop an organisational culture whereby superior-subordinate relations, team work and collaboration among sub-units may lead to strengthening healthy work ethos, motivation and pride of employees.

Strategic management of human resources includes assessing staffing needs in the light of strategies formulated and developing a staffing plan for implementation of strategy. The compensation and incentive payments necessary to motivate technically skilled employees and managers also need to be kept in view in connection with the staffing plan. The basic policy in that respect is to be that of linking corporate earnings with individual benefits.

(b) A systematic approach to formalizing strategic plans consists of the following steps:

(i) An internal analysis that encompasses assessing company strengths and weaknesses, financial performance, people, operational limitations, corporate culture, current positioning in the market(s), the overall characterization of the condition of the company and critical issues facing by the organization.

(ii) An external analysis that focuses on analyzing competitors, assessing market opportunities and threats, evaluating changing technology that could impact the organization, analyzing regulatory or legislative concerns, changes and trends in the market(s) the company operates in and other potential outside influences on the organization.

(iii) Summarizing the current situation based on the information gathered and evaluated in steps one and two. This step is important to the process because it brings together relevant and critical data and information and allows members of the planning team to more easily get a feel for what opportunities and obstacles lie ahead.

(iv) Development of a mission, vision or purpose statement. It really does not matter what it is called, but this step is important perhaps more because of the process

that the team will go through to develop it than the words that eventually end up on paper. In this step, the team is starting the process of focusing the organization and its people on what the organization is all about and what is important to the organization.

(v) Goal setting. Every organization needs goals. Again, focus is a critical element in the success of any business. This step may be the most important of all of the strategic planning steps because it establishes the framework and basis for the development of the other key elements of the plan.

(vi) Defining objectives that support the goals. Objectives are more specific in nature and are supportive of the goal. They bring into even greater focus to the goals of the organization.

(vii) Development of strategies. Strategies begin defining how the goals and objectives are going to be achieved.

(viii) While not all strategic plans include tactics, a good strategic plan will include at least the key tactics thought to be important to supporting the strategies developed in step 7. Generally tactics are more fully developed and added to the plan as time goes on. Tactics are the specific tasks associated with carrying out strategies.

9. Write short notes on any three of the following: 4×3=12

(a) Related Diversification
(b) Expected results on implementation of a BPR project
(c) Importance of Strategic Management
(d) Advantages of SBU structure in a big organisation

Answer:

9. (a) Related Diversification

Here there is some relationship, and therefore potential synergy, between the firm's existing business and the new product/market space:

(i) Concentric divers ideation means that there is a technological similarity between the industries which means that the firm is able to leverage its technical know-how to gain some advantage.

(ii) Vertical integration means that the firm is moving along the value system of its existing industry towards its customers (forward vertical integration) or towards its sup pliers (backward vertical integration). 1 he benefits of this are assumed to be:

- taking over the profit margin presently enjoyed by suppliers or distributors;
- securing a demand for the product or a supply of key inputs;
- better synchronisation of the value system;
- reduction in buyer or supplier power.

However, it also means increasing the firm's investment in the industry and hence it's fixed cost base.

(b) Expected results on implementation of a BPR project

The expected results for a company that implements business process reengineering are the following:

- Reallocation of jobs and processes so as to be combined into fewer, to be executed in natural order, simultaneously and by the least possible number of employees.
- Reorganization of the company's structure (downsizing) and employee empowerment

- Jobs and processes become flexible so as to be executed according to the needs of each case, company's and customer's need's (hybrid centralized/ decentralized operations) The above changes will bring reductions of costs in the company, better quality (as far as price, promptness of delivery and offerings of related services) in the products and services provided to the customers. BPR shows that there is 'more than one way to skin a cat' and enables a fresh view without ingrained prejudice affecting judgment. It can produce huge initial savings where a business is struggling and often has the effect of turning around an unprofitable operation. Also, it leaves the business with a fully documented model of the operation, which is invaluable if embarking on a quality programme. The expected outcome from a successful BPR process should the desired one for the favour of the business concerned.

The dramatic changes that are caused involve people's jobs and working relationships as it is very often that jobs are eliminated and the entire process is not as beneficial for all.

(c) Importance of Strategic Management
(i) Discover organization's strengths and weaknesses
(ii) Identify the available opportunities and possible threats
(iii) Discover the objectives and goals in line with organisation's strengths and available opportunities
(iv) Implement changes to overcome weaknesses and manage the threats.
(v) Provide vision/mission or direction to future of organisations
(vi) Build a dynamic and strong organisation
(v) Help to achieve growing and stable organisation.

(d) Advantages of SBU structure in a big organisalion.

Big organisation like Unilever, etc. have many SBUs for their different categories of products like Cosmetics. Food products and Beverages, etc, and each is managed through separate unit head.

Advantages:
(i) Promotes accountability since units' heads are responsible for individual SBU profitability.
(ii) Career development opportunities are further higher in this structure.
(iii) Allow better control of categories of products manufacturing, marketing and distributions.
(iv) Helps to expand in different related and unrelated businesses.