



Department of Industrial Engineering and Management
Institute of Strategy
Professor Thomas Keil

TU-91.1011 Principles of Strategic Management

Read these instructions carefully before you start writing the exam

- Do not fill in any personal information except your student number and the course code on the exam paper (the paper on which you provide your answers).
- If you are taking this exam to complete TU-91.1003, please mark this clearly on you exam paper
- Answer all questions
- Please answer in the course language
- After you have finished the exam, please return ALL papers (including this question sheet) to the supervisors.

Good Luck

Question 1: Briefly (MAX two sentences) define the following terms.

- a) Mission statement (2p)
- b) Hypercompetition (2p)
- c) Business model (2p)
- d) Stakeholder (2p)
- e) Corporate level strategy (2p)
- f) Multidivisional structure (2p)

Question 2: Shortly answer the following assignments.

- a) Discuss different types of first-mover advantages. What are potential disadvantages from first mover strategies? (7p)
- b) Briefly discuss the signs of bad strategy according to Rumelt (2011) that were discussed in class. (7p)
- c) Briefly discuss the criteria to assess what strategic capabilities have the potential to provide competitive advantage for a firm. (7p)

Question 3:

Write a short essay (½-1 page) discussing and comparing Porter's generic strategies with Bowman and D'Aveni's strategy clock as ways to think about

competitive strategy. Compare these two concepts in terms of underlying assumptions, main uses, and limitations. (12p)

Question 4:

Your task is to analyze the corporate strategy of Virgin Group using the short case below. Start by reading the case. The analysis is divided into smaller questions that you can answer in the manner that suits you best. Bullet points, pictures and figures (in addition to raw text) are all valid ways to illustrate your points. Be explicit in utilizing concepts and frameworks from the course. Keep your answers short and to the point.

- a) Multiple rationales for diversification exist. Which of these rationales have driven Virgin's diversification strategy? (6p)
- b) What organizational mechanisms has Virgin used for diversification? What would have been the alternatives? (6p)
- c) Analyze the role of Richard Branson in Virgin's expansion strategy? (6p)
- d) How does the Virgin Group, as a corporate parent, add value to its businesses? What are the relationships of a strategic nature between businesses within the Virgin portfolio? (6p)
- e) How should Virgin modify its corporate strategy given the strategic issues it is facing? (6p)