

## **BUA 449 –Spring 2020**

### **Essay Question Topics for Test 2 (also a good guide to your multiple choice studying ☺)**

1. What is the difference between a Cost Leadership strategy and a Differentiation strategy (Porter's generic strategies)? Can both of them be used with a Focus product/market approach? Is it possible to combine cost leadership and differentiation? How does each strategy help a firm deal with the environment (5 forces, KSF, etc.)? What differences might you expect in terms of the business capabilities needed to support each strategy?
2. What is the difference between a Prospector, a Defender, and an Analyzer (Miles & Snow's generic strategic types)? What differences might you expect to see in the capabilities needed to support each of these strategic types? How does the approach of Miles and Snow to creating their strategic types differ from the approach of Porter that gave us the Cost Leadership and Differentiation strategy approaches?
3. What is the difference between competitive rivalry and competitive dynamics? What factors would you examine to determine the likely level of competitive rivalry between firms? Would the factors change depending on whether you were looking at strategic versus tactical actions? How are competitive dynamics likely to differ between fast cycle and slow cycle markets?
4. How do characteristics of top managers influence a firm's strategy? What is agency theory? Why might upper management have different goals than shareholders? What are the different mechanisms that can be used to help ensure that upper management acts in the best interest of shareholders? What differences, if any, are there between ethics and corporate social responsibility? Does being socially responsible help or hurt a firm's profits? Why?
5. How do each of the traditional approaches to organizing (e.g., functional, different multi-divisional structures, etc.) differ in what they allow a company to do well and in what challenges they provide for organizations? How does the choice of organizational structure impact firm capabilities? Given this, what differences might you expect in the structures of firms using different strategic approaches? (e.g., might a Cost Leader organize differently than a Differentiator? A Prospector versus a Defender?) What about the relationship between strategy and the use of organizational controls and/or other organization processes? What constraint(s) of traditional approaches to organizing are being addressed by new organizational approaches? Why might this matter?
6. In the chapter on competitive dynamics they addressed the increasing number of fast cycle markets and how this altered the ways that firms compete. What implications does this have for the strategic approach that firms might use? What implications does it have for how firms organize? What implications does it have for the skills needed by managers, the potential for differences in desired outcomes between top management and shareholders, and how the agency problem is addressed?