

# 9 Strategic methods: how to pursue strategies

## Essays

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- a Answers may include the following:
- Emerging markets provide opportunities for growth, e.g. Jaguar Land Rover. Growth of the middle class provides a significant market in countries like China.
  - Domestic market has become saturated, providing less opportunity for growth. It is also a competitive market, emphasising the potential of first-mover advantage in overseas markets.
  - Existing products in new markets is a risky strategy according to Porter. This is illustrated by the likes of Tesco trying to enter China.
  - Other less risky strategies might be to target new customers in the existing market or to develop existing products within the existing market using the business's reputation to achieve growth.

Themes for evaluation may include the following:

- Whether it is the best strategy depends on the business and the market it operates in. If home markets are saturated, it may be the only option.
- It can only be the best option if it is approached in the correct way. This may require a local partner, products might need refinement for the international market and the market itself will require considerable research.

- b Answers may include the following:
- Growth brings challenges such as diseconomies of scale. These might be in the form of increased bureaucracy and poor communications, lack of control and coordination and possible alienation of the workforce. This is illustrated in various phases of Greiner's model of growth.
  - Greiner offers solutions to the problems associated with the various phases of growth and in terms of organic growth these may work. However, in the final phase (mergers and takeovers), new challenges and solutions might be presented.
  - External growth has significant problems, illustrated by failure rate, culture clashes, paying too much, lack of experience etc. Good communications and detailed research before a takeover are paramount, but in the end retrenchment might be the only answer.

Themes for evaluation may include the following.

- Success in overcoming the challenges will to some extent depend on the type of growth. Where organic growth is concerned, Greiner offers solutions that may be successful.
- With external growth, the challenges are less easy to overcome and it may depend on how much research is undertaken and how much

has been paid. If too much has been paid or insufficient research has been undertaken, retrenchment may be the solution. In other circumstances, it may be that establishing trust and having good communications is the answer.

- There is no easy answer and it depends on the individual businesses concerned and the circumstances surrounding the growth.

## Using the mark schemes

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These answers give some possible responses, but not all. There are many ways in which most of the questions can be answered and the following mark schemes cannot include all of them. The answers provided are only some possible suggestions. Ask your teacher or lecturer how to use the mark schemes to select the appropriate level for your answer.

### Mark scheme for both essays

Level	Descriptor	Marks
1	A weak response. Analysis lacks development, is mainly descriptive with only a weak knowledge and understanding of the context of the question set. Judgements are assertions only.	1-5
2	A limited response. Analysis has some context, but it lacks development, with only a limited knowledge and understanding of the question set. Judgements are made, but with only limited support and focus on the question set.	6-10
3	A reasonable response. Analysis has some context, but it is not fully developed, demonstrating only a reasonable knowledge and understanding of the question set. There is some supported judgement, but it may not be in context and may lack balance.	11-15
4	A good response. A well-developed, analytical answer in context and using a good range of knowledge to answer the question set. Judgements are built on analysis and show some balance.	16-20
5	An excellent analysis that is extremely well developed, in context and using a good range of knowledge to answer the question set. Judgements stem clearly from the analysis, are well balanced and answer the question set.	21-25