Time : 3 Hours   Total Marks : 60

N.B: Question no. 1, Case study is compulsory and carry 20 marks.

   Solve any FOUR from remaining questions. Each carry 10 marks.

Q. 1 <u>Case study</u>

Twenty years ago, Arvind Clothing Ltd., a subsidiary of Arvind Brands Ltd., signed up with the 150 year old US based Arrow company for licensed manufacture of Arrow shirts in India. What this brought to India was not just another premium dress shirt brand but new manufacturing philosophy to its garment industry which combined high productivity, stringent in-line quality control, and a conducive factory ambience. Arrow's first plant, with 55,000 sq.ft. area and capacity to make 3000 shirts a day, was established in Bangalore in 1993 with an investment of Rs 18 crores. The condition inside – with good lighting on the workbenches, high ceilings, ample elbow room for each worker, and plenty of ventilation, were a decided contrast to poky, crowded, and confined sweatshops characterizing the usual Indian apparel factory in those days. It employed a computer system for translating the designed shirt's dimensions to automatically mark the master pattern for initial cutting of the fabric layers. This was installed, not to save labour but to ensure cutting accuracy and low wastage of cloth.

The over two dozen quality checkpoints during the conversion of fabric to finished shirt was unique to the industry. It is among the very few plants in the world that makes shirts with 2 ply 140s and 3 ply 100s cotton fabrics using 16 to 18 stitches per inch. In March 2003, the Bangalore plant could produce stain-repellent shirts based on nanotechnology.

Reputation of this plant has spread far and wide and now it is loaded mostly with export orders from renowned global brands such as GAP, Next, Espiri and the like. Recently the plant was identified by Tommy Hilfiger to make its brand of shirts for the Indian market. As a result, Arvind Brands has had to take over four other factories in Bangalore on wet lease to make the Arrow brand of garments.

In fact, the demand pressure from global brands which want to outsource from Arvind is so great that the company has had to set up another large factory for export jobs on the outskirts of Bangalore. The new unit of 75000 sq.ft. can turn out 8000 to 9000 shirts per day. The technical collaborators are the renowned C & F of Italy.

Among the cutting edge technologies deployed here are a Gerber make CNC fabric cutting machine, automatic collar and cuff stitching machines, pneumatic holding for tasks like shoulder joining, threat trimming and bottom hemming, a special machine to attach and edge stitch the back yoke, foam finishers which use air and steam to remove crease in the finished garment, and many others. The stitching machine in this plant can deliver upto 25 stitches per inch. A continuous monitoring of the production process in the entire factory is done through a computerized apparel management system, which

is hooked to every machine. Because of the use of such technology, this plant can be easily replicated in other parts of the country or countries.

In 2005, Arvind Brands launched a major retail initiative for all its licensed brands viz. Arrow, Lee, Wrangler and had grown at a healthy 35 per cent rate. The company has plans to expand its manufacturing as well as retail business, not only in India but also in fast emerging countries.

1. **How did outsourcing contracts helped Arvind?**
2. **How does Arvind contribute to India's success?**
3. **Guide Arvind Brands in their pursuit of continuous growth and expansion.**

Q. 2 Answer any Two from the below. Each carry Five marks.
   a. Explain Differentiation and Cost Leadership.
   b. Explain functional level, business level and corporate level strategies.
   c. What is Core Competency? How it can be achieved?

Q. 3 Answer any Two from the below. Each carry Five marks.
   a. Balance Score Card
   b. What do you mean by Strategic Evaluation?
   c. Explain different types of Strategic Controls.

Q. 4 Answer any Two from the below. Each carry Five marks.
   a. SWOT Analysis.
   b. Explain the Five Forces of Porter Model?
   c. Explain the soft and hard aspects of McKinsey7S Model?

Q. 5 Answer any Two from the below. Each carry Five marks.
   a. Explain Horizontal and Vertical Integration with examples.
   b. What is concentric and conglomerate diversification?
   c. Explain Ansoff expansion by concentration.

Q. 6 Answer any Two from the below. Each carry Five marks.
   a. Explain Joint Venture with examples.
   b. What are the advantages of Mergers & Acquisitions?
   c. By Globalisation, what business organizations achieve?

Q. 7 Answer any Two from the below. Each carry Five marks.
   a. Define Strategy. Explain Mintzberg's 5 Ps for Strategy.
   b. What is Vision? What is Mission? How is it important for Business Organisations?
   c. Explain business environment by distinguishing micro and macro environment.

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