Chapter 4
Corporate Level Strategies

4.1 Introduction
Corporate level strategies cover actions dealing with the objective of the firm, acquisition and allocation of resources and coordination of strategies of various SBUs for optimal performance**.**
4.2 Typologies of Strategies
William F Glueck and Lawrence R Jauch discussed four generic strategies including stability, growth, retrenchment and combination. These strategies have also been called Grand Strategies/Directional Strategies by many other authors. Michael E. Porter suggested competitive strategies including Cost Leadership, Differentiation, Focus Cost Leadership and Focus Differentiation, which could be used by the corporates for their different business units. We can classify the different types of strategies on the basis of levels of organisation, stages of business life cycle and competition:
Levels: Corporate | Business | Functional
Life-cycle: Entry | Growth | Maturity | Decline
Competition:
Competitive: Differentiation | Cost Leadership | Focus
Collaborative: Joint Venture | M&As | Strategic Alliance
There is no watertight compartmentation between different typologies. For instance, a startup or a new enterprise might follow either a competitive strategy i.e., entering the market where a number of rivals are already operating, or a collaborative strategy, i.e., enter into a joint venture with an established company.
4.2.1. Stability Strategy [I Characteristics and II Reasons]
The firm stays with its current businesses and product markets; maintains the existing level of effort; and is satisfied with incremental growth. Stability strategy is not a 'do nothing' strategy. It involves keeping track of new developments to ensure that the strategy continues to make sense. This strategy is typical for those firms whose product have reached the maturity stage of product life cycle more so after a fierce expansion; the issue is of consolidation of gains made; and where further expansion might be perceived as threatening and evoke retaliatory measures.
4.2.2. Growth/Expansion Strategy [I Characteristics and II Reasons]
Growth implies an increase in scale /scope or both. This strategy that tends to be equated with dynamism, vigour, promise and success. It might be triggered by initial success; might also be a defence against impeding competition; might enable a firm to erect / reinforces entry barriers; might be the only way to reduce cost and leverage learning.
III. Types of Growth/ Expansion Strategy
1. Expansion through Intensification [Penetration | Product Development | Market Development] and Diversification [Vertically Integrated | Horizontally Integrated | Concentric | Conglomerate
2. Expansion through Mergers [Vodafone-Idea; Bank Mergers] and Acquisitions [Wal-Mart-Flipkart; Flipkart- Wal-Mart (Reverse Acquisition); Dentsu-WatConsult]
Horizontal | Vertical | Co-generic | Conglomerate
3. Expansion through Strategic Alliance
A strategic alliance is an arrangement between two companies to undertake a mutually beneficial project while each retains its independence. The agreement is less complex and less binding than a joint venture, in which two businesses pool resources to create a separate business entity. For example the strategic alliance between ICICI Bank and VMPL (Vodafone M-Pesa Limited) for the launch of mobile money transfer service for all telecom subscribers.
4.2.3. Retrenchment/Turnaround Strategy [I. Characteristics of Retrenchment/Turnaround Strategy | II. Major Reasons for Retrenchment/Turnaround Strategy]
Retrenchment is is followed when an organization substantially reduces the scope of its activity. It might include discontinuance of a product line or divestment of a business.

Turnaround strategy is a comeback from a setback strategy. It usually entails: Changes in the top management | Credibility-building /restoring actions | Neutralising external pressures | Identifying quick payoff activities | Quick cost reductions |Revenue generation | Asset liquidation /monteisation for generating cash | Better internal coordination

4.2.4. Combination Strategy [I. Major Reasons for Combination Strategy]

Typically true of a multibusiness firm, here one seeks stability in some areas of activity, expansion in some and retrenchment in the others.

Identify the Corporate Strategy

i. Starbucks partnered with Barnes and Nobles bookstores in 1993 to offer in-house coffee shops, helping both retailers

ii. Zara owners shut down 4000 stores worldwide

iii. Amazon India on Tuesday said it is adding five sort centers and expanding eight such existing facilities in the country to strengthen its capacity ahead of the festive season. The five new sort centers will be launched in Visakhapatnam, Farukhnagar, Bengaluru, Mumbai and Ahmedabad.

iv. The Star Alliance network was established in 1997 as the first truly global airline alliance to offer worldwide reach, recognition and seamless service to the international traveller

v. Byju acquires Akash Educational Services Ltd.

vi. Havells India aims to grow market share in the fans segment backed with new launches

vii. Signify (Euronext: LIGHT), the world leader in lighting, today [March 19] launched India's first tailor-made 3D printed luminaires. This highly flexible and more sustainable form of manufacturing, using a 100% recyclable polycarbonate material, enables the company to produce luminaires that have bespoke designs or are tailored to customer's exact needs and recycled at the end of their life, supporting a circular economy.

viii. Andhra and Karnataka governments launch India's first Ambulance for Animals

ix. Tupperware Brands Announces "Turnaround Plan" Success & 17% Sales Increase in Q4 2020

x. Oswal group diversifies into the direct selling industry and announces the launch of their new venture Wesafe India to promote their Health, Nutrition, Wellness and Fitness products.

xi. Mukesh Ambani's Reliance hives off O2C business ahead of Aramco deal

xii. Kanger announces forays into construction business. The new construction business is expected to generate synergy with its property investment and management segment through leveraging on the existing business network of property developers and owners for new construction contracts.