Unit 5 Assignment MBA5101

[Name of the Writer]

[Name of the Institution]

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**Question # 1: What is a functional strategy?**

Functional Strategies are those which reflect that tactical and strategic goals or objectives typically need the involvement of several functional areas. Functional strategy organization or company and corporate strategies and tactics in particular ways, often resulting in enhanced and improved bottom positions.

The functional strategy which amazon has utilized the most is production. The company has pursued this functional strategy to boost up its efficiency where they implement highly fixable production and manufacturing systems (Wu, & Gereffi, 2018). Beyond that, another adopted functional strategy by Amazon is information system. This has been pursued for the purpose of reducing the cost through automotive processes (Papulova, & Gazova, 2016). The company has bought KIVA in the year of 2012 to automate the distribution center which led to decrease in the number of employees required per distribution. This decrease has been done up to 40% by the company as well as the productivity has been enhanced accordingly.

Amazon also adopted the functional strategy of material management which have been pursued to boost up customers responsiveness. This helped the company in reducing costs regarding inventory holdings.

**Question # 2: What are stability strategies in business?**

Stability strategies are the strategies in which the company or organization retain/maintain all of the present strategies at the corporate level continuously focuses on the present or existing products and services and target market(s). The most common stability strategies in business are;

**No Change Strategy**

This stability strategy is concerned with doing nothing new. In No Change Strategy, he business or organization continue with the present/existing business line. The business or company continue with the existing business strategy (No Change Strategy) when the business or company has efficient and stable external and internal environment (Papulova, & Gazova, 2016).

**Profit Strategy**

Profit strategy is a stability strategy in which company or business capitalizes on a condition where old and obsolete product, service or technology has been replaced by the new one. Such strategy does not need any new investment and that’s why this is not considered as growth strategy. In this stability strategy, businesses follow existing technology and practices and transit new domains.

**Pros of No Change Strategy**

* Enables the firms to be more efficient in existing business line
* Increase focus on improving external and internal environment

**Cons of No Change Strategy**

* Lack of innovation in business operations
* Firms may face difficulties in competition by not bring changes in today’s competitive business world

**Pros of Profit Strategy**

* New technologies are defined while following existing ones
* No need of investments

**Cons of Profit Strategy**

* Difficulties exist in defining new technologies while following existing
* It is not a growth strategy while it is needed to be

**Question # 3: What are Competitive and Cooperative Strategies?**

**Competitive Strategies**

Competitive strategies are those, which are adopted by companies to gain competitive advantage over the competitors in the market and industry through examining the strengths and weaknesses accordingly. The major competitive strategies are;

1. Cost Leadership Strategy
2. Differentiation Strategy
3. Focus Strategy

**Cooperative Strategies**

Cooperative strategies are the strategies in which more than one firm get in partnership and work together to achieve a particular and shared goal or objectives. These strategies are categorized into two main subsets which are; strategic alliances and collusive strategies.

**What are The Tradeoffs (Pros and Cons) Between an Internal and an External Growth Strategy?**

**Internal Growth Strategy**

The pros of internal growth strategy is the firms can expand and empower the operations internally through identification of the products and services and the known facts about how operations can be grown. The business can easily make strategic changes to cut expenses or costs in operations. The cons of internal growth strategy is management may not be able to make changes without having efficient strategic plan. It may take long enough time to increase revenues while having only internal strategy (Aras, & Crowther, 2016).

**External Growth Strategy**

The major advantage is the company can grow faster and can build strong relationships. Another pro is that companies can easily expand target markets and enhance customers’ base. While the cons of external growth strategy is it might be a bit expensive as well as there is lack of trust of businesses on each other.

* **Which approach is best as an international strategy?**

As an international strategy, both of the approaches are crucial but internal growth strategy could be found as the best approach because no business can operate if it does not have strong and efficient internal growth strategy. Plus, in today’s competitive global business environment, company or company can lead which has strong internal strategies and tactics which can put huge efforts in success of the business or firm (Aras, & Crowther, 2016). Beyond, that internal growth strategies are much cost efficient than external.

**References**

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