**ACTIVITY 4**

MB601 Strategic Management

**Lesson 4: Strategy Implementation and Control**

**Activity 4: Differentiation vs. Cost Leadership**

Your Activity responses should be both grammatically and mechanically correct, and formatted in the same fashion as the Activity itself. If there is a Part A, your response should identify a Part A, etc. In addition, you must appropriately cite all resources used in your response and document in a bibliography using APA style. (100 points) (A 4-page response is required.)

Part A Identify two (2) companies, each pursuing a fundamentally different strategy: one diversification, the other, cost leadership. The two firms need not be in the same industry, but they need to be public and based in the U.S.

Part B Explain why each firm has opted for its chosen strategy. Specifically, you should highlight the exogenous and endogenous factors that might have contributed to their choice. For example, is cost leadership the only feasible strategy in the industry in which the firm operates? If so, why? What makes diversification a poor choice? Or, if diversification is feasible and some of the firm’s competitors pursue diversification, what valuable, rare, inimitable resources do those companies hold that would allow them to successfully implement diversification instead of cost leadership?

Part C Given the company’s level of success, should it continue to pursue its current primary strategy or look to change? State whether the fundamental strategies of the companies you have chosen have changed in the recent past. If they have, explain the drivers of the change. (For instance, has there been a change in leadership or in consumer taste?)

Part D Discuss the impact on performance of each company’s chosen strategy. Have these companies been successful relative to their competitors? Why or why not? If so, how? Please be sure to clearly identify the direct link between the company’s strategy and the economic outcome it yielded.

**Grading Rubric**

*Please refer to the rubric on the following page for the grading criteria for this assignment.*

