

## STRATEGY TERM PROJECT



*The HP Running Case, a related activity for each strategy term project module, is available in Connect.*

### //// Module 8: Vertical Integration

How does your firm decide *where to compete*? In this module, you will study the boundaries of the firm you have selected for your strategy project relative to the vertical value chain activities of its industry.

1. Draw the vertical value chain for your firm's industry. List the major firms in each important activity along the chain. Note that a firm's name may appear multiple times in the value chain. This indicates some level of vertical integration by the firm. If your firm is in many different industries (e.g., GE), then choose the dominant industry or the one that intrigues you the most and use only that one for this analysis.
2. Is your firm highly vertically integrated? If yes, does it also employ taper integration?
3. Are any of the vertical value chain operations offshored? If so, list some of the pros and cons of having this part of the value chain outside the home country.
4. Use the preceding vertical value chain to identify the corporate strategy of the firm. In other words, where within the industry has the firm chosen to compete? Based on where it competes, describe what you now see as its corporate strategy.
5. In Module 2, you were asked to identify the mission and major goals for your selected company. Go back to that information now and compare the mission and goals to what you have found as the corporate strategy. Are the mission, goals, and corporate strategy in alignment? Do you see any holes or conflicts among these three elements? Can you relate the performance of the firm to this finding in any way? (If all three are consistent, is this a well-performing unit?) If there is a conflict between the corporate strategy and the mission, does this lack of alignment contribute to performance problems? Why or why not?