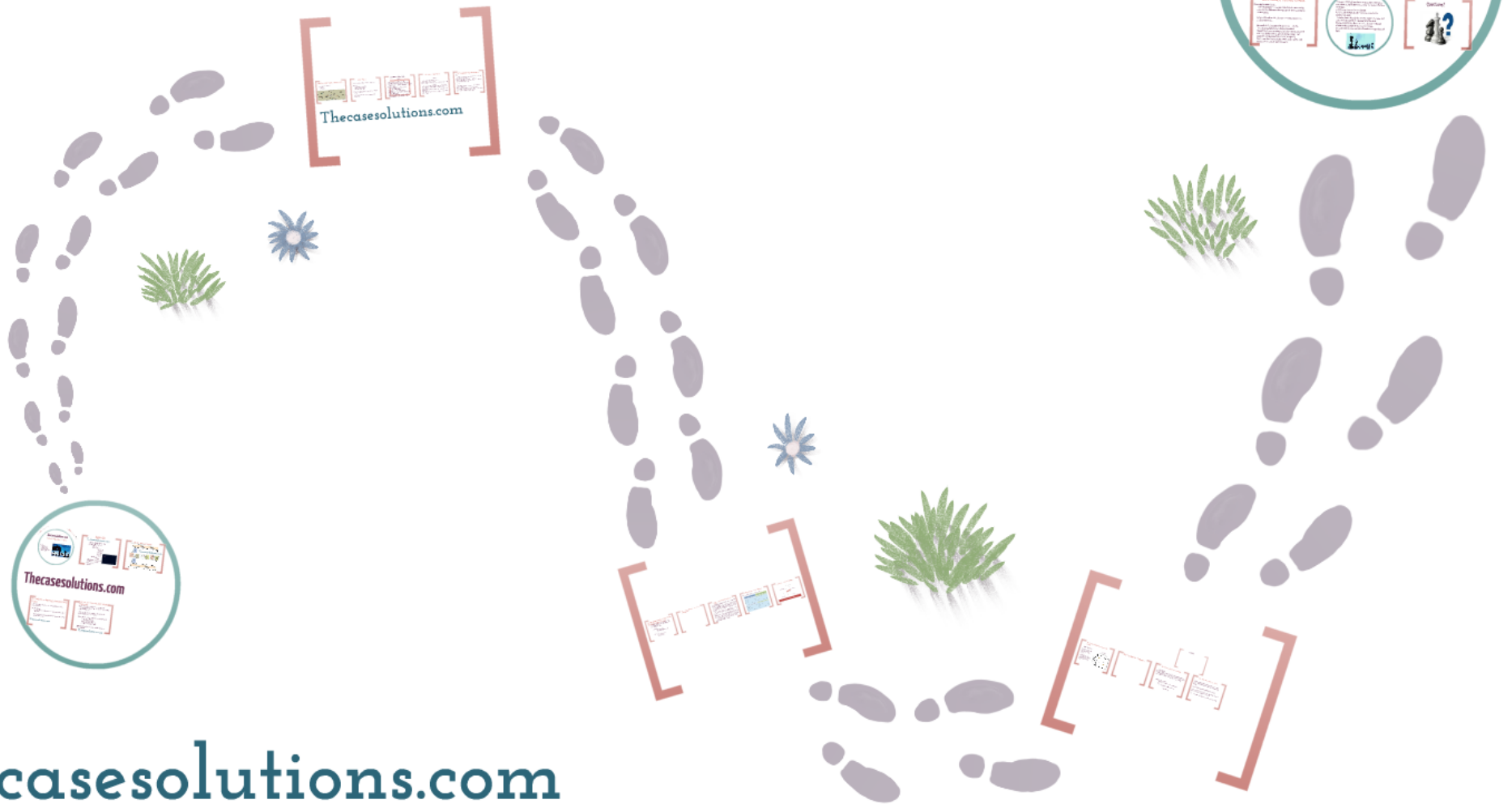
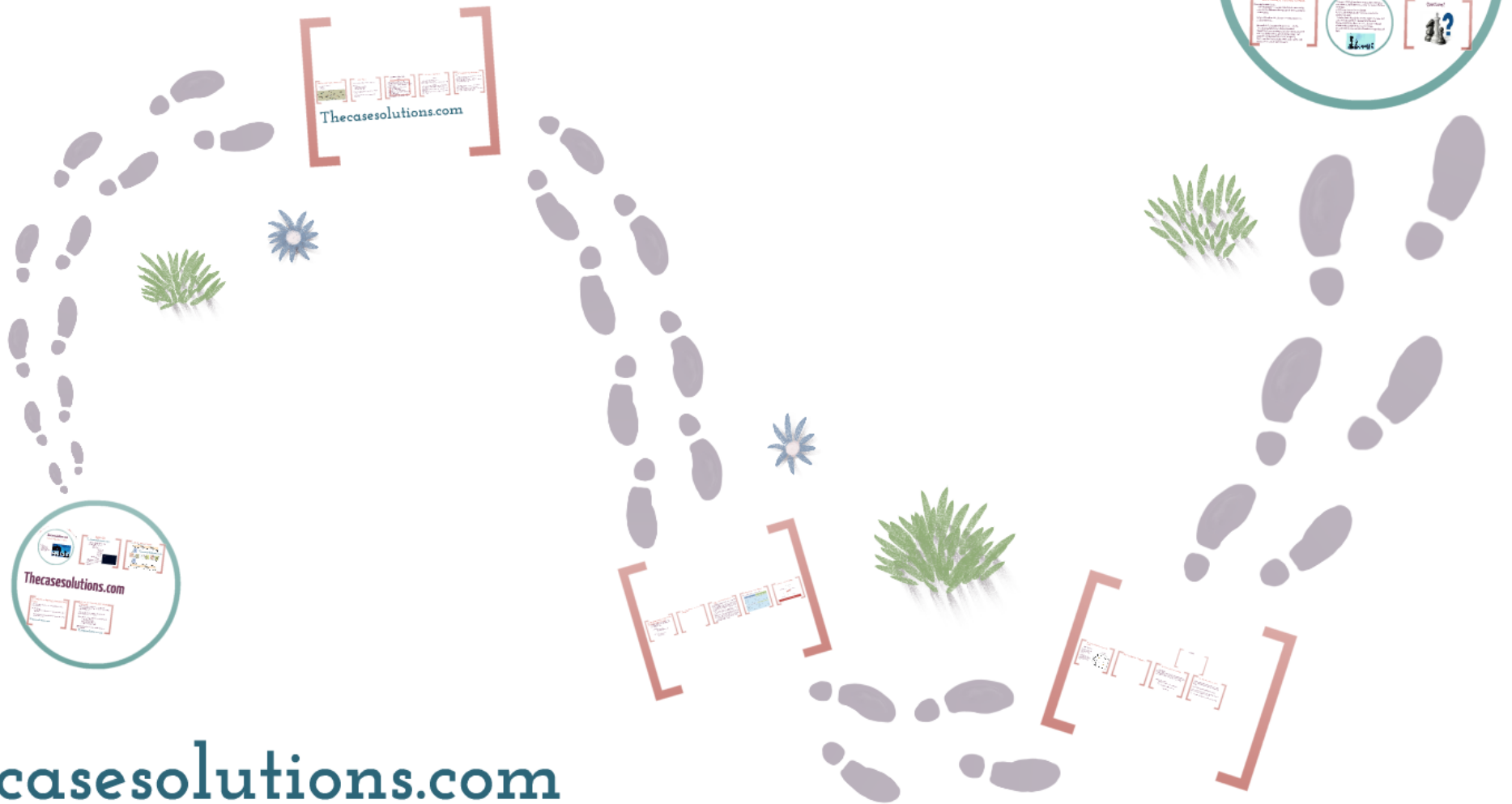


Sri Lanka's Aitken Spence Hotel Holdings: Competitive Strategy and Sustainable Tourism



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Strategy Analysis and Choice

Group Members
 • Chandra Priya
 • Anusha Aravind
 • Anusha Aravind
 • Anusha Aravind



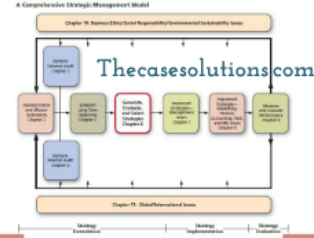
Agenda

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The Nature of Strategy Analysis and Choice
 Strategy Formulation Framework
 Input Stage
 Matching Stage
 Decision Stage
 Cultural Aspects of Strategy Choice
 The Politics of Strategy Choice
 Governance Issues
 Conclusion



Where are we now?



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The Nature of Strategy Analysis and Choice

Determine alternative courses of action that could best enable the firm to achieve its mission and objectives.

Alternative strategies:

Represent incremental steps that move the firm from its present position to a desired future position

Derived from firm's present strategies, objectives & mission, coupled with the external and internal audit information.

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Process of Generating and Selecting Strategies

Should involve managers & employees who earlier assembled the organizational vision & mission statements, performed the external audit, & conducted the internal audit.

Alternative strategies proposed should be considered & discussed. Proposed strategies should be listed in writing.

Strategies should be ranked in order of attractiveness by all participants.

- 1 = should not be implemented.
- 2 = possibly should be implemented.
- 3 = probably should be implemented.
- 4 = definitely should be implemented.

Output is a prioritized list of best strategies that reflects the collective wisdom of the group.

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Strategy Analysis and Choice

Group Members

- Chirantha Pitigala
- Danushka Jeyasuriya
- Ilhavanchi Kanaganayagam
- Manesha De Silva



Agenda

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The Nature of Strategy Analysis and Choice
Strategy-Formulation Framework

Input Stage

Matching Stage

SWOT Matrix

SPACE Matrix

BCG Matrix

IE Matrix

Grand Strategy Matrix

Decision Stage

QSPM

Cultural Aspects of Strategy Choice

The Politics of Strategy Choice

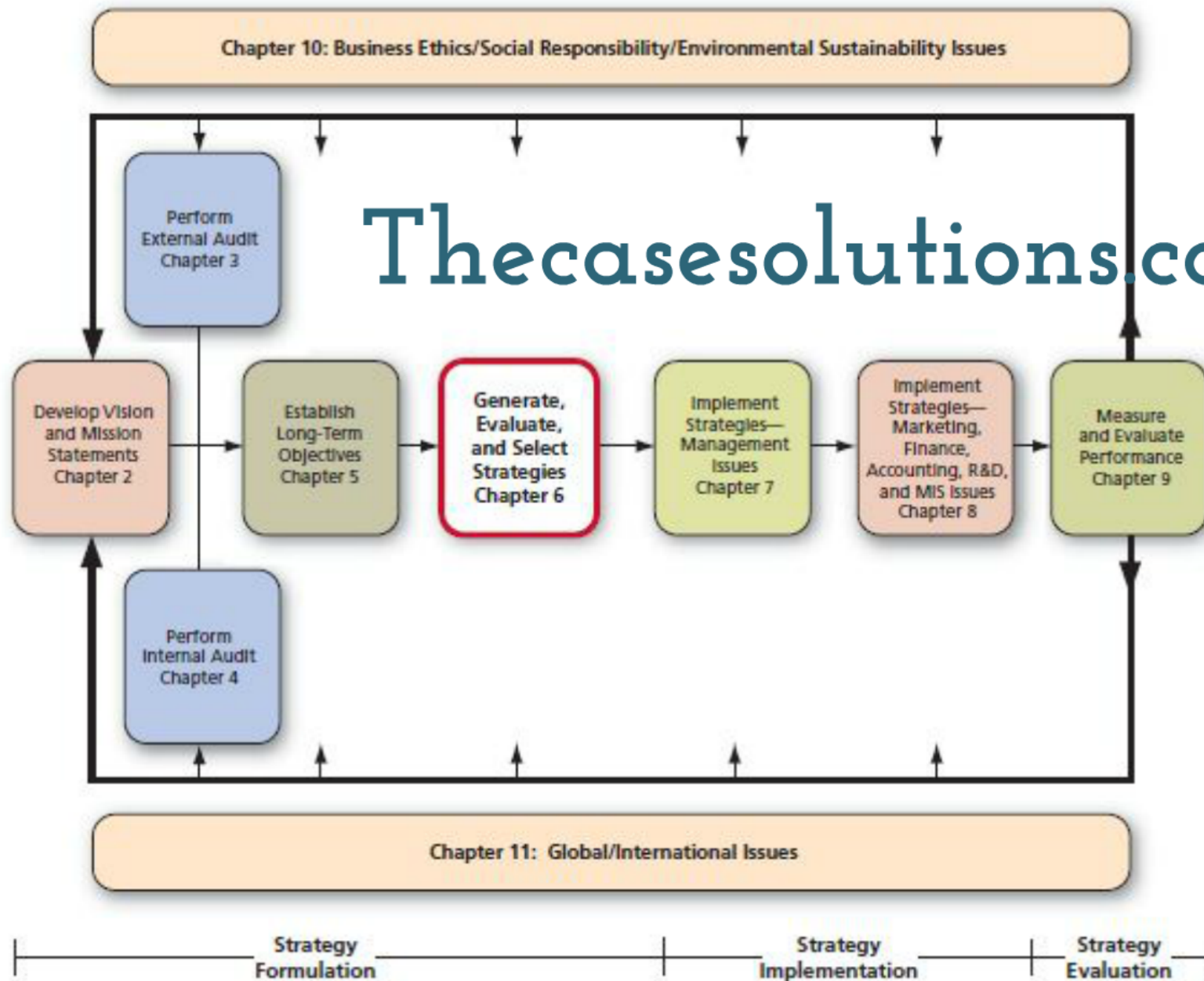
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Where are we now?

A Comprehensive Strategic-Management Model



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Strategy-Formulation Framework

A three-stage decision making framework
Input Stage
Matching Stage
Decision Stage



Input Stage

Summarizes the basic input information needed to formulate strategies.

Consists of:
External Factor Evaluation (EFE) Matrix
Internal Factor Evaluation (IFE) Matrix
Competitive Advantage Matrix (CAM)

Input tools require strategists to quantify subjectively during early stages of the strategy-formulation process.

Good intuitive judgment is always needed in determining appropriate weights and ratings.

SWOT Matrix – Aitken Spence

Threats

- Damage of country image during war situation
- Competition from John Keels, Hayleys and Vallibel holdings
- Increase of fuel, electricity and commodity prices in Sri Lanka hit the hotel industry badly.
- Land is expensive in India compared to Sri Lanka.
- Local competition is huge in India.
- Domestic tourism is not actively used in India.
- Sustainable concepts may not like by average Indian people.
- Political instability in India.
- Multi-branding and HR management is difficult in Oman.
- Low frequency flights to and from overseas markets

SWOT Matrix - Aitken Spence

SO Strategies

- Establish new hotels in the heritage regions (S1, O1, O4)
- Target to reach more international markets (S3, O3)
- Launch more hotel resorts by implementing ecological concepts in all over Sri Lanka (S6, O10)

WO Strategies

- Build a Human Resource management centre which is acting as a central place for Aitken Spence's hotels all over the world and switch employees based on their interests among countries (W2, O2)
- Involve the community people more in the operations of the resorts to get more customer loyalty (W4, O5)
- In India, target for different types of tourism such as mass tourism, geo tourism, adventure tourism, etc. (W10, O6, O8)

SWOT Matrix - Aitken Spence

ST Strategies

- Establish business relationships with travel agents and air services to increase the tourists visit from overseas to ASH (S7, T10)
- Create joint ventures with existing local competitors in India (S12, T5)
- Diversify into different segments in India such as government, manufacture, education agency and infrastructure development (S5, T6, T8)

MT Strategies

- Promote employment opportunities in between ASG's Sri Lanka branch and ASG's overseas branches (W2, T1)
- Target the high yield domestic tourists to some specific resorts (W4, T3)
- Introduce some effective employee performance audits in the ASG resorts to improve the employee performance to compete with competitors. (W10, T2)

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