ITSM

Self Study Guide

MEMORY BASED EDITION™

For CA IPC / Intermediate

Key Features of the Book

Learn ITSM in one week

Memory Code™ (Mnemonics) based to facilitate quick grasp over the subject

Revise the subject in 5 hours with Memory Codes™

Multi-colored to highlight the most noticeable & important points

Entire Subject has been dealt with in a "Self-Study Style"

Step-wise Bifurcation of Lengthy Chapters into smaller sections

Supported by Author's Tutorial Notes for easy learning

Understand the concepts in just one reading

Rich and Lucid Examples to illustrate and clarify complex topics

Diagrams and Charts for marks oriented presentation

Glimpse of the Book

Memory Code™ (Mnemonics) based to facilitate quick grasp over the subject

Que - Objectives of a Business

Business is profit seeking activity firm. Profit is the biggest stimulus for maintains the survival of the business and its future development. Business also adds to society's value by earning of a profit. The major task of business is to create and retain customers. Customers pay money to buy/acquire organisation's products and services to satisfy their demand and desire. A business can exist only because of its customers.

Important objectives of a business are as follows -

1. **Profitability**
2. **Efficiency**
3. **Growth**
4. **Stability**
5. **Survival**

*For complete discussion refer **Self Study Guide - ITSM***

The Memory Code™ works like this:

P = Profitability
E = Efficiency
G = Growth
S = Stability, Survival

(Link to Learn)

For complete answer - refer Self Study Guide - ITSM Chapter 1A of SM, Page 1.1

Que - Elements of Micro Environment

The elements of micro environment are as follows -

1. **Customers / Consumers**
2. **Organization Itself**
3. **Market**
4. **Intermediaries**
5. **Competitors**
6. **Suppliers**

(Link to Learn)

Memory Code™ © Manish M. Valechha **Comics**

*For complete discussion refer **Self Study Guide - ITSM***

Organizations have to closely analyse & monitor all the elements of micro environment in order to stay competitive. ***For complete answer - refer Self Study Guide - ITSM Chapter 1C of SM, Page 1.6***

Que - Effects / Manifestation of Globalization

Globalization manifests itself in many ways, important of them are -

1. Configuring anywhere in the world -
2. Skilled resources -
3. Privatization -
4. Entrepreneurship -
5. Regional blocks -
6. Market-side efficiency -
7. Interlinked & independent economies -
8. Infrastructural & inputs at International prices -
9. Trade & tariff barriers -

*For complete discussion refer **Self Study Guide - ITSM***

Step-wise Bifurcation of Lengthy Chapters

Memory Code™ © Manish M. Valechha **CS Permit**

For complete answer - refer Self Study Guide - ITSM Chapter 1F of SM, Page 1.10

Que - Diversification Strategies

Diversification - It involves the selling of new products in new markets. Simultaneous novelty in both dimensions, products and markets, is an essential element of diversification. It represents the riskiest of all of the strategic decisions because it requires both product and market related skills, experience, and capabilities that the firm may not adequately possess. It is suitable when present market is fully saturated.

There are two general types of diversification strategies: related diversification and unrelated diversification.

Related diversification - It involves developing new products to sell in new markets but within the same industry.

Unrelated diversification - It occurs when a company decides to enter a new business area as well as developing new products and finding new customers.

Based on the nature and extent of their relationship to existing businesses, diversification endeavours have been classified into four broad categories -

1) Vertically integrated diversification (Vertical Integration)
2) Horizontally integrated diversification (Horizontal Integration)
3) Concentric diversification
4) Conglomerate diversification

Multi-colored to highlight important points

1. Vertical Integration - Vertical integration occurs when a company gets into the business of one's suppliers (backward vertical integration) or one's buyers (forward vertical integration). For example, a firm that begins producing its own supplies has practiced backward (upstream) integration, & a firm that buys its distributor has practiced forward (downstream) integration. Vertical integration helps an organization to reduce its dependence on suppliers or its channels of distribution to end users. Vertical integration, however, gives rise to a different set of costs.

Vertical Integration

Backward, or upstream, integration
(when a company acquires a supplier)

E.g., Apple Inc. is using backward integration strategy to shield Apple technology from rival firms. Apple is using its own internally developed chips for its iPhone and iPod Touch devices.

Forward or downstream integration
(when a channel of distribution or customer is acquired)

E.g., Microsoft is opening its own retail stores, a forward integration strategy similar to rival Apple Inc., which currently has more than 400 stores around the world.

Rich and Lucid Examples to illustrate and clarify complex topics

For complete answer - refer Self Study Guide - ITSM Chapter 4D of SM, Page 4.10

Chapter 1B of IT - Business Process

1. A business process is a series of individual tasks, in which each task is executed in a specific order to accomplish a clearly defined goal. ***For example, credit approval process follows rules that take into consideration credit scores, debt, & annual salary to estimate the borrower's risk. The goal is to extend credit to those who are below some risk level.***
2. A business process is initiated by a particular kind of event, has a well-defined beginning & end, and is usually completed in a relatively short period. ***For example, order fulfillment process - the act of a customer placing an order initiates a process to record the order, approve their credit, and trigger the production & delivery...(For further detail see the textbook)***

For complete answer - refer Self Study Guide - ITSM Chapter 1B of IT, Page 1.2

Chapter 1C of IT

Business Process Management #   # Continuous Process Innovation

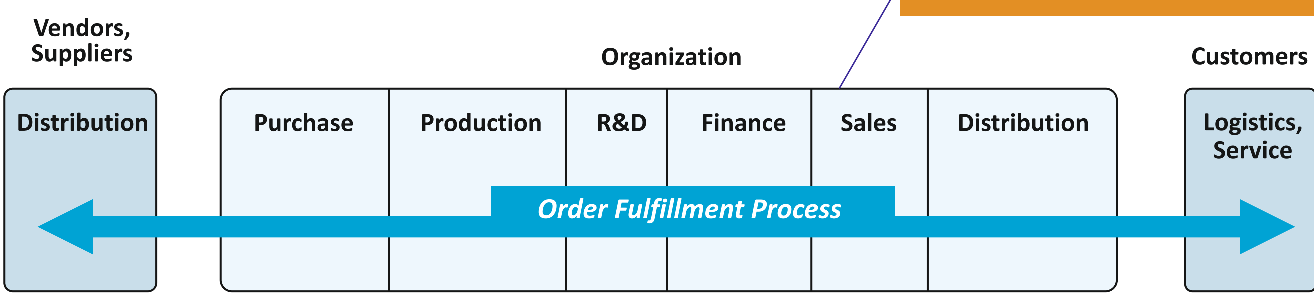
Author's Tutorial Note - BPM is a collaborative effort between business units and the IT world, and this effort fosters a new paradigm of efficient & logical business processes. **BPM is an approach that's designed to produce better business processes.** *Better business processes produce lower cost, higher revenues, motivated employees, and happy customers.*

BPM's emphasis, therefore, is on processes rather than functions.

Processes vs. Functions - Processes are very different from functions

- **A function** is a group of people performing similar tasks. Functions focus on completing tasks.
- **A process** encompasses a range of tasks, and multiple departments participate in the creation of a process's outcome. A function, by itself, does not.For example, the shipping department may be responsible for sending orders to customers, but it can't do so without the rest of the activities that make up the order fulfillment process, such as manufacturing, transportation and so forth. Processes cut across functional departments, such as marketing, manufacturing, accounting and so forth. As a result, the traditional focus on functions hides processes - they often are not identified, understood or owned by anyone in the organization. For example, product development is a process — and it is more than R&D. It also involves marketing, manufacturing and other functions. Because they cross traditional functional boundaries.

Diagrams for better marks oriented presentation



Business Process across functional areas and organizational boundaries

For complete answer - refer Self Study Guide - ITSM Chapter 1C of IT, Page 1.5