

## **Strategic segmentation of the company's activities**

### **CASE 01 :**

The Moroccan Transport Company (CTM), which was privatized in 1993, continues to get significant developments affecting all levels, both functional and organizational. Indeed, this company is considered the leader in a market where competition is increasingly tough with an increase in demand that remains cyclical. CTM has a two-pole activity: passenger transport (intercity, international and tourist) and freight transport (courier) in which it stands out with competitive advantages, but also suffers from weaknesses that are however insurmountable, in particular its high and fixed prices. The ambitious development strategy that CTM had implemented in recent years is beginning to bear fruit in terms of market share and profitability. CTM's net income increased from 16 million DH to 29 million DH, an increase of 83%, while turnover improved by 51%.

**1: What are the strategic business unit of the CTM?**

**2: Carry out a strategic diagnosis of the CTM by distinguishing between strengths/weaknesses and opportunities/threats.**

**3: Identify the CTM growth indicators from the text and specify their nature?**

## **CASE 02:**

The heavy goods vehicle has become a sure and essential value for DAX company. This sector alone represents a quarter of the equipment manufacturer's turnover and contributes to nearly 40% of the company's overall results. Suffice to say that the world's number one tire manufacturer remains focused on its subject, determined to assert its supremacy and to bare its claws to maintain this leadership.

"Our strategy is simple: we must maintain and strengthen our presence in the United States and Europe even if growth in these countries is weak. But to do this, we will still have to be competitive." In other words, the administration does not hesitate to reduce all budgets, starting with that of the workforce, "which is about 30% of a tire." Thus, employees, 50% of whom will reach retirement age within seven years in the United States, will not all be replaced.

At the same time, the DAX group is counting on the strong growth of the global heavy goods vehicle market (4 to 5% per year) to conquer new horizons, particularly in emerging countries such as China. "It is the most promising country in Asia in terms of its size and potential," continues the CEO. "Russia also offers good prospects, as do India, Thailand, Eastern Europe and Brazil" (...) the fact remains that the economic situation is not really favourable, between the rise in oil prices and that of raw materials. The administration has also confirmed that it would be obliged to increase the prices of its tires next year in North America. For heavy goods vehicles, the increase could even reach up to 14%, which risks tarnishing the group's good prospects

**1: Explain the underlined terms.**

**2: What is the SBU preferred by the group?**

**3: Carry out a strategic diagnosis of the DAX group by distinguishing between strengths/weaknesses and opportunities/threats.**

**4: Identify from the text the vision of the DAX group.**

**5: Identify from the document the objectives set by DAX as part of its strategy.**