

Explain single and multiple SBU organizations in Indian business. Give relevant, examples to support your answer.

Single SBU Organization:

Definition:

A Single Strategic Business Unit (SBU) organization is a structure where the entire business operates as a single unit, focusing on a specific product, service, or market segment.

Characteristics:

- a. The organization's activities are centered around a single core business.
- b. Decision-making is centralized and focused on the overall objectives of the organization.
- c. Resources are shared and allocated based on the needs of the single business unit.
- d. There is a unified strategic direction and a common set of goals for the entire organization.

Example:

A single SBU organization in the Indian business context is Titan Company Limited. Titan primarily operates in the watch and jewelry industry and is a leading player in India. The entire organization's resources and efforts are dedicated to the development, production, and marketing of watches and jewelry, making it a single SBU organization.

Multiple SBU Organization:

Definition:

A Multiple Strategic Business Unit (SBU) organization is a structure where the business is divided into separate units, each with its own specific product, service, or market segment.

Explain single and multiple SBU organizations in Indian business. Give relevant, examples to support your answer.

Characteristics:

- a. The organization is composed of multiple independent business units, each operating as a separate entity.
- b. Each SBU has its own goals, strategies, and resources.
- c. Decision-making is decentralized, with each SBU having the authority to make decisions related to its specific unit.
- d. SBUs may have different target markets, products, or services.

Example:

Reliance Industries Limited (RIL) is an example of a multiple SBU organization in India. RIL operates in various sectors such as petrochemicals, refining, retail, telecommunications, and energy. Each sector operates as a separate SBU within the overall organization, with its own distinct goals, strategies, and operational autonomy.

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