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CS PART III SECTION 6

STRATEGIC MANAGEMENT

FRIDAY: 27 November 2020. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

PASA FOODS LIMITED (PFL)

Pasa Foods Limited (PFL) is the local manufacturing subsidiary of Pasa International Ltd. whose headquarters are in Turin, Italy. Established in 1976, Pasa International is one of the oldest food products manufacturing company in Northern Italy. PFL was incorporated in Kenya in 2008 with the objective of developing a foothold in the growing and untapped markets in East and Central Africa.

PFL has a food products processing factory on the outskirts of Narok town which is surrounded by one of the largest wheat growing areas in Kenya and operates a major distribution depot in Gisenyi on the shores of Lake Kivu in North Western Rwanda. This depot serves markets in the Democratic Republic of Congo (DRC), Central Africa Republic (CAR), Cameroon as well as Rwanda. The official language in the Central African countries is French and PFL has to consider this fact in branding and labelling its products. While Kenya and Rwanda enjoy political stability and increasing gross domestic product (GDP) growth rates, the Central African countries have encountered political instability in one form or another. However, recent World Bank projections indicate fair rates of economic growth in the next ten years. All the East and Central African countries enjoy low labour costs. In terms of infrastructure development, Kenya and Rwanda enjoy good roads, power and telecommunications networks. Some of the other countries do not have well developed infrastructure, but they have been working with the Chinese government to address this challenge.

In locating its African manufacturing hub in Kenya, PFL considered the relative political stability, low labour costs, competent work force, vibrant financial market, robust service industry, multicultural and diversified population and good infrastructure. Kenya and Rwanda are also signatories to major international treaties and are both members of the East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA). In 2019, DRC applied to join the 6 member EAC. PFL considers this as a positive move since DRC is its second largest market after Kenya. The East and Central African countries, PFL operates in are enjoying growing populations with substantial and exponentially increasing middle class.

PFL has a narrow product line consisting mainly of wheat products and sources its wheat from only one market, Kenya. The company manufactures spaghetti, pasta and biscuits. Recently, the company commissioned a state-of-the-art manufacturing plant in its Narok factory, which increased its production capacity three fold. PFL has been using a manufacturer's brand strategy for its three products line. The company protects its brands by registering them in countries where it markets its products. However, due to its products' success instances of counterfeits have been reported especially in its export markets of Central Africa.

Due to increasing demand for its products in the Central African Markets, PFL is considering other international market entry strategies other than export. This is projected to have a number of benefits accruing to PFL including but not limited to: lower distribution costs, better market knowledge as well as government incentives. The PFL strategic planning department for East and Central Africa has been tasked to prepare a five-year strategic plan to exploit the opportunities identified in this huge market.

PFL's operations in the region have not been without controversy. In 2017, PFL was accused by a local environmental lobby group of encouraging the local community to increase wheat acreage by clearing forests. This led to increased bush fires, pollution and soil erosion in the area. In response PFL established the Sustainable Living Plan (SLP) in 2018. The SLP initiative has three components namely: empowerment through corporate social responsibility (CSR), ecological preservation and sustainability and sustainable manufacturing which includes supporting wheat farming through sustainable farming methods, research and extension. The SLP seems to be working and PFL has won a number of environmental awards. Its production methods have also won recognition from the national manufacturing association.

Required:

(a) Citing relevant examples, evaluate PESTLE factors that PFL might face while executing their East and Central Africa business strategy. (12 marks)

(b) Develop a SWOT framework for PFL strategic planning department. (8 marks)

(c) Discuss five challenges that PFL could face in crafting a global business strategy. (10 marks)

(d) Examine five benefits that could accrue to PFL from product branding in its foreign markets. (5 marks)

(e) Assess five risks that PFL is likely to face in its international business expansion strategy. (5 marks)

(Total: 40 marks)

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QUESTION TWO

(a) Explain the term "strategic benchmarking". (1 mark)

(b) Analyse five limitations of formal strategic planning in an organisation. (10 marks)

(c) Assess four roles of risk analysis in the development of corporate strategy. (4 marks)

(Total: 15 marks)

QUESTION THREE

(a) Explain the term "strategic drift". (1 mark)

(b) Discuss the implementation process of a newly developed strategy. (10 marks)

(c) Describe four characteristics of strategic management in small enterprises. (4 marks)

(Total: 15 marks)

QUESTION FOUR

(a) After formulating various strategies, an organisation then needs to select the right one.

Examine three ways of evaluating strategic options. (6 marks)

(b) Describe four characteristics of strategic planning that makes it distinct from tactical planning. (4 marks)

(c) (i) Explain the term "change management" in the context of strategic management. (1 mark)

(ii) Citing a relevant example in each case, distinguish between "strategic change" and "operational change". (4marks)

(Total: 15 marks)

QUESTION FIVE

(a) Citing a relevant example in each case, describe the three levels of strategy. (6 marks)

(b) Discuss four drawbacks of using the balanced scorecard during strategy evaluation. (4 marks)

(c) Explain five benefits that might accrue to an organisation from carrying out an external analysis. (5 marks)

(Total: 15 marks)

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CS PART III SECTION 6

STRATEGIC MANAGEMENT

WEDNESDAY: 27 November 2019. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

POLY CERAMICS LIMITED (PCL)

Poly Ceramics Limited (PCL) was established 15 years ago in Nairobi, Kenya. Its founder is a retired road engineer of a leading international construction company. The founder decided to use his expertise to form a company that would manufacture and market good quality ceramic products. By then, the construction industry business was booming. Over the period, PCL has become a market leader in the supply of ceramic and porcelain tiles for the local market.

PCL is considering adding the production of concrete slabs and kerbs to its product portfolio. The company's success could be attributed to its reliance on a highly competent and dedicated workforce and knowledge of the local market.

In expanding its product portfolio, PCL feels that the employees have the required competency to deal with the new product lines. The company has a Head Office and a manufacturing plant including a distribution warehouse along Mombasa road in addition to ten (10) distribution deports across the country. PCL has a workforce of 250 employees but is currently recruiting in readiness for production of the new products.

PCL has a medium sized transport department with a fleet of 11 trucks. The company provides subsidised transport services to its customers who buy in bulk. In recent times however, the management of PCL has been facing challenges in managing the transport aspect of the business. The company has decided to outsource the service so as to concentrate on its core business of manufacturing. This decision was initially resisted by employees in the transport department for fear of job losses. However, the management has agreed that as part of their separation deal, PCL will sell the department at very competitive terms to the employees and then outsource transport services from them. The employees have welcomed this decision which is a win win for both the company and its employees.

Competition in the industry is becoming more intense as new entrants both foreign and local are attracted by the booming real estate market. These new entrants have more advanced technology and competitive prices. PCL has no option but to reposition itself as a leader in the industry.

Recently, the strategy department was of the opinion that the future of the company lies in diversification and more control of processes through vertical integration. The Managing Director of PCL and his management team have prepared a strategic growth plan for the next five years to address the environmental challenges facing the company, grow revenue and manage risks. At a meeting to discuss the draft plan, the following strategic choices were proposed:

- More aggressive marketing within the existing markets.
- Development of new markets locally and regionally.
- Research and development of new products targeted at the current customers and the building industry.
- Diversification into real estate development to ride into the booming market in the region.

The strategy meeting also considered a market survey report by Soko Marketing Research, a marketing consultancy company. The research report identified business opportunities in the COMESA region. The Managing Director pointed out that in considering these growth opportunities, thought should be given to all the limiting factors. However, he challenged his team to ensure that all is done to have a business presence in all the countries in the COMESA region within the next five years.

Required:

(a) As the planning director of PCL, assess four benefits of a diversification strategy to the company. (8 marks)

(b) Argue a case for PCL outsourcing transport services. (10 marks)

(c) With reference to the case study, discuss five advantages of adopting a vertical integration strategy. (10 marks)

(d) Evaluate four export strategies that PCL could use to access the regional markets. (4 marks)

(e) Describe the Ansoff Product-Market Matrix and how PCL could make use of it while selecting its strategic options. (8 marks)

(Total: 40 marks)

QUESTION TWO

(a) Summarise five internal factors which might influence an organisation's mission statement. (5 marks)

(b) With reference to global strategic management, discuss five drivers of globalisation. (10 marks)

(Total: 15 marks)

QUESTION THREE

(a) Explain what is meant by the term "strategic fit". (2 marks)

(b) Analyse four challenges likely to be faced by firms which adopt concentration strategies. (8 marks)

(c) Mawasiliano Ltd. and Mapokeo Ltd. are communication companies in your country which have been in operation for the last ten years. Mapokeo Ltd. was incorporated in Britain and most of the technology used by the company today is imported from Britain. The management of Mapokeo Ltd. has approached you to advise on a possible joint venture between the two companies.

Required:

Advise the management of Mapokeo Ltd. on why companies undertake joint ventures. (5 marks)

(Total: 15 marks)

QUESTION FOUR

(a) A firm must initiate creative strategic offensives to beat competition.

With reference to the above statement, highlight six ways of mounting strategic offensives. (6 marks)

(b) Describe six ways in which a strategic planning expert might improve the effectiveness of PESTEL analysis in an organisation. (6 marks)

(c) Explain three issues that might be considered during the strategic evaluation stage of strategic planning. (3 marks)

(Total: 15 marks)

QUESTION FIVE

(a) A key element in the successful implementation of strategies is the design of a suitable organisation structure.

With reference to the above statement, examine Henry Mintzberg's alternative organisational configurations and suitability of each configuration. (10 marks)

(b) Suggest five reasons why ethical issues have become important in corporate planning in recent years. (5 marks)

(Total: 15 marks)

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CS PART III SECTION 6

STRATEGIC MANAGEMENT

THURSDAY: 23 May 2019. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

PIRATI LIMITED (PL)

Pirati Limited is a company engaged in the design, manufacture and marketing of gas cylinders, gas pressure gauges, gas pipes and regulators for both domestic and industrial consumers. The company's main market is the countries in the East African region but it also exports to the South and West African countries. PL's current investment in assets is about Sh.1.5 billion and its turnover in the year 2018 was Sh.100 million.

Sales have not been adequate to allow the company to break even and this has become a great concern to shareholders and the executive management.

There has been a general recession in the economy due to political turbulence. The company has witnessed a decline in market share and stagnation in prices over the last couple of years due to an influx of imported competing products. Many customers have been switching to cheaper imported products from Asia.

The company has received an offer of co-operation from a foreign competitor who is similarly placed in respect of product range and market positioning. The offer includes the following:

1. Transfer of a manufacturing line from the competitor to Pirati Limited.
2. Manufacture of a range of products by Pirati Limited for the competitor to the latter's specifications and brand name.
3. Marketing by the competitor.

Benefits that are expected to accrue to Pirati Limited include better utilisation of PL's installed capacity and appropriate financial compensation for manufacturing undertaking. The production manager of Pirati Limited has welcomed the proposal since it will enable the company make profits and navigate through the economic slump facing the economy. The sales manager is however pessimistic about the perceived rosy future outlook since PL is unable to clear inventories and its export markets in South and West African countries are becoming too competitive due to increased production and competition by companies based in the South and West African countries.

The Chief Executive Officer (CEO) of PL is studying the offer and has suggested that PL should divest from less profitable products in its product line. However, the strategy and planning manager has insisted that PL requires to explore other stability and growth strategies. He insists that the company has been too conservative, has a narrow product line and is inward looking and risk averse.

The CEO has issued a notice for a top management strategy meeting and has included the following agenda items:

- Strategic direction of PL in light of changing competitive environment.
- Growth strategies for the medium term.
- Competitive advantage.
- Appropriate strategic management tools and techniques for Pirati Limited.

In preparing for the meeting, the CEO has requested the top managers to take into account protectionist policy measures targeting imports that have been introduced by some neighbouring trading countries, diversification possibilities and integration strategies.

Required:

(a) Assess five functional synergies likely to occur in case Pirati Limited merges with the foreign manufacturer. (10 marks)

(b) Discuss five strategies that Pirati Limited could make use of to overcome the neighbouring countries import restrictions. (10 marks)

(c) Describe four instances when a divestment strategy could be more beneficial to Pirati Limited. (4 marks)

(d) Explain using Porter's five forces model, the factors that could impact on Pirati Limited's business operations. (10 marks)

(e) Examine six factors that could hinder successful implementation of strategies pursued by PL. (6 marks)

(Total: 40 marks)

QUESTION TWO

(a) With reference to industry life cycle, comment on the activities which take place at the:

(i) Growth stage. (2 marks)

(ii) Maturity stage. (2 marks)

(iii) Decline stage. (2 marks)

(b) (i) Define the term "global corporation". (1 mark)

(ii) Evaluate four benefits that firms could derive from global products standardisation. (4 marks)

(c) In the context of implementation of a learning philosophy in an organisation, distinguish between "learning intent" and "learning capacity". (4 marks)

(Total: 15 marks)

QUESTION THREE

(a) Distinguish between "business level plan" and "business level strategy". (2 marks)

(b) Discuss five ways of managing strategic alliances. (10 marks)

(c) State three strengths often associated with virtual organisations. (3 marks)

(Total: 15 marks)

QUESTION FOUR

(a) Explain the contribution of SWOT analysis to strategic planning. (4 marks)

(b) Discuss Henry Mintzberg's 5P's of strategy. (10 marks)

(c) With reference to strategic planning, explain the term "critical success factors". (1 mark)

(Total: 15 marks)

QUESTION FIVE

(a) Give four justifications of contingency planning in strategy evaluation. (8 marks)

(b) Identify seven merits of using Robert Kaplan and David Norton's Balanced Scorecard model in the strategy implementation process. (7 marks)

(Total: 15 marks)

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CS PART III SECTION 6

STRATEGIC MANAGEMENT

THURSDAY: 29 November 2018. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at end of the question.

QUESTION ONE

SHOPFRONT SUPERMARKETS LTD. (SSL)

Shopfront Supermarket Ltd. (SSL) is one of the pioneer retail chains in the country. SSL was established in 1971 by Manup Patel. At its peak, SSL had over 90 outlets in all the major towns in the country. SSL's success strategy was based on targeting the low income and middle income groups, a factor that dictated the location of its retail outlets.

In the late 1990s, the company recruited a new managing director who promised its shareholders that the retail chain would not continue being called the poor man's supermarket and whose vision was to take the chain to the high end market. However, this strategy was faced with a number of challenges including lack of suitable real estate in upmarket locations and shortage of financial resources.

During one of SSL's strategy board meeting, the new managing director informed board members that he had consulted some of the real estate companies in the country and had secured three strategic plots which were available for sale near state house. The company needed only to buy and develop them. A number of directors were however not convinced on the viability of the idea of buying land to build. They argued that such investment would tie up capital for a long period of time which might not augur well for a fast moving goods retailer. The managing director further informed the members of the Board that he had been able to negotiate a number of short-term loan facilities from a financial institution to finance the expansion. After much deliberations characterised by disagreements, the proposals were adopted and the necessary agreements signed.

During the same period, other large scale international retailers were getting some foothold into the local market. They looked for already existing retail space for letting and were able to establish their presence immediately while SSL was still constructing its facilities.

By the time SSL's new upmarket location was ready for occupation, four foreign retailers were already established in the local market and competition was fierce. SSL was also facing competition from on-line retailers who offered convenience shopping platforms for its target markets, the middle class and high end. SSL started facing cash flow problems which resulted in difficulties while servicing its short-term facilities with banks and other financial creditors. Its suppliers could go for months without being paid. Some of the suppliers took SSL to court to enforce payment.

To make matters worse, due to prolonged political unrest in the country, SSL faced low turnover in many of its low income outlets. The company also experienced a glut of retail space in the newly built shopping malls. To make use of the underutilised capacity, the company introduced a franchise system with the Shopfront brand name. The strategy seemed to work since the brand name was well known in the market.

In the meantime, the financial woes of SSL increased due to a rise in interest rates given that most of its loan facilities had floating rate terms. Some of the creditors of the company were able to obtain judgement against SSL making the company sell some of its prime properties in order to discharge liabilities. Suppliers were also demanding cash payments for deliveries. Employees in some outlets were also withdrawing their services and picketing. They were demanding payment of salary arrears.

To ensure business continuity, SSL sought a strategic partner to invest capital to shore up the financially strapped retail chain. As part of the deal, SSL sold its loss making outlets and ceded top management positions to the strategic investor. As a result of the strategic partnership and consolidation, 876 of SSL's employees were retrenched.

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Required:

(a) Evaluate five PESTEL factors which might have impacted on Shopfront Supermarkets Ltd. (SSL) when executing their strategy. (10 marks)

(b) Discuss five advantages of franchising as a business strategy for SSL. (5 marks)

(c) Using the Ansoff Matrix, illustrate four options that were available to SSL in expansion of sales and profits. (10 marks)

(d) To reduce costs and control supply, SSL is considering backward integration business strategy.

Required:
Explain five disadvantages of this strategy to SSL. (5 marks)

(e) List five stakeholders of SSL and highlight each stakeholder's interests. (10 marks)
(Total: 40 marks)

QUESTION TWO

(a) Outsourcing to offshore locations is a strategy based on the theory of comparative advantage.

In the context of the above statement, analyse five reasons why the strategy could be employed by multinational corporations (MNC's). (5 marks)

(b) Evaluate the process of effective implementation of strategy. (10 marks)
(Total: 15 marks)

QUESTION THREE

(a) In the context of learning organisations, explain the difference between "tacit knowledge" and "explicit knowledge". (2 marks)

(b) Not all business units in an organisation are strategic business units (SBU's).

Required:
With reference to the above statement, examine the criteria used to determine whether a business unit qualifies as a strategic business unit (SBU). (5 marks)

(c) TOWS matrix is a tool used to develop strategic options from an external – internal analysis of an organisation's environment.

Required:
With the aid of a diagram, discuss four strategic options an organisation could pursue from TOWS analysis. (8 marks)
(Total: 15 marks)

QUESTION FOUR

(a) Explain four roles of organisation culture in strategic management. (4 marks)

(b) In the context of strategic management process, analyse six areas of review of an organisation's internal environment. (6 marks)

(c) Assess five characteristics of strategic decisions. (5 marks)
(Total: 15 marks)

QUESTION FIVE

(a) In the context of strategic tools and techniques, explain the term "gap analysis". (1 mark)

(b) Summarise four benefits which could be derived by an organisation from gap analysis. (4 marks)

(c) Discuss five limitations of Porter's five forces of competitive position analysis model. (10 marks)
(Total: 15 marks)

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CS PART III SECTION 6

STRATEGIC MANAGEMENT

THURSDAY: 24 May 2018. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

MTWANA COUNTY

Kapeni Mpewa has recently been elected as the governor of Mtwana County. Kapeni Mpewa is taking over from Keen Engawa, who served the people of Mtwana County for five years. He has taken over the administration of the county at a time when several manufacturing plants have shut down leading to loss of jobs. The County under Keen Engawa was mismanaged and instead of the county residents reaping benefits of devolution, few people close to the governor were enriching themselves.

The executive authority of the county which was legally vested in the county executive committee was instead exercised by the governor, sometimes through roadside declarations. The governor had no respect for the county plans which had been formulated and duly passed by the county assembly. Although Mtwana County's integrated development plan contained priority projects for the county for the past five years, most of the projects under implementation had neither been approved by the county assembly nor subjected to public participation.

Kapeni Mpewa has an arduous task of rebuilding the county. Large scale retailers who moved out of the county to other counties with favourable business environment need to be encouraged to return to Mtwana County. The water and sewerage system needs urgent replacement and upgrading, especially at the town centres. The road network is dilapidated causing traffic snarl up in Umunga and Mawipi towns. The health facilities are run down with neither medication nor equipment. Garbage which had become an eyesore, and security of people and businesses which had deteriorated should be prioritised. Open spaces which had been left for public utilities such as grabbed playgrounds need to be repossessed.

For one to get a job in the county, money had to change hands or one had to be a relative of the county officials. All this has to change. In addition, the county owes suppliers billions of shillings in pending bills. The new governor inherited huge questionable debts.

The county residents have in the past been up in arms over constant water shortages, sprawling and stinking sewage, hawkers menace and insecurity. These and many others are the challenges that the new governor must address.

The county no longer attracts foreign direct investment and most of its employees are highly demotivated. Revenue generation levels have significantly decreased largely due to leakages. The county developed mission and vision statements which bear no semblance to the services offered. Employees no longer care about service delivery.

Kapeni Mpewa was well aware of the challenges facing Mtwana County and he campaigned on the platform that he would turn the county around.

Two weeks ago, Kapeni Mpewa initiated the process of strategic planning. One of the senior county officials, who worked closely with Keen Engawa, was overheard saying, "We have done this before and it did not work".

Required:

(a) Employees of Mtwana County seem to have a defeatist attitude towards their work.

Advise the new governor on six measures that he might put in place to change this culture. (6 marks)

(b) "We have done this before and it did not work", one of the senior county officials was heard saying.

Cite five reasons why the strategic planning process could have failed in Mtwana County. (10 marks)

(c) Discuss five ways in which Mtwana County Government might benefit from an organisation development programme. (10 marks)

(d) As a strategic planning consultant, advise Mtwana County Government on:

(i) Contents of the county integrated development plan. (8 marks)

(ii) Principles of citizen participation in county strategic planning. (6 marks)

(Total: 40 marks)

QUESTION TWO

(a) With respect to development of a vision statement, describe the term "values audit". (1 mark)

(b) Discuss four areas of concern in corporate level strategy. (8 marks)

(c) Suppliers form part of a firm's external environment.

Evaluate six ways in which supplier power increases in an industry. (6 marks)

(Total: 15 marks)

QUESTION THREE

(a) Discuss five strategy implementation challenges that might be faced by an organisation. (10 marks)

(b) Analyse five factors which might cause intense competitive rivalry among firms in an industry. (5 marks)

(Total: 15 marks)

QUESTION FOUR

(a) Explain five merits of team building as a strategy for managing strategic change. (5 marks)

(b) Suggest five guidelines for effective control in strategy management. (5 marks)

(c) Analyse five interventions an organisation could use in a turnaround strategy. (5 marks)

(Total: 15 marks)

QUESTION FIVE

(a) Analyse five reasons why companies form strategic alliances. (5 marks)

(b) Discuss five types of strategic alliances. (10 marks)

(Total: 15 marks)

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CS PART III SECTION 6

STRATEGIC MANAGEMENT

THURSDAY: 30 November 2017. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

HEPO GROUP INC. (HGI)

Hepo Group Inc. (HGI), a Chinese refrigerators manufacturing company started operations in 1970. Min Lee took charge of the company in 1980 and his first action as the Chief Executive Officer (CEO) was to take a hammer and smash one hundred and twenty refrigerators because of their poor quality. This action was informed by a customer who had returned a faulty refrigerator to the factory. Min Lee and the customer went through the entire inventory of three hundred refrigerators looking for a replacement and in the process he discovered that his stock had a 40% failure rate. To emphasise importance of product quality to employees, the CEO would smash any refrigerator which had defective parts. For Min Lee to succeed, he had to pursue a global strategy. He was dedicated to producing quality products which could be sold globally.

Min Lee joined HGI when the company was in deep financial trouble with more than Sh.900 million in debts. By then, the company had only one product and 800 employees. Today, the company has over 10,000 employees working in various locations around the globe. The company manufactures 150 different products in over 16 categories ranging from air conditioners to mobile phones to vacuum cleaners and other electronics. It has manufacturing facilities in 13 countries. In addition to manufacturing, it also has 18 research, development and design centres around the world. On average it innovates one new product per month. Continuous innovation is the soul of HGI's corporate culture. Its products are now known globally for quality and innovation.

In Min Lee's push to make the brand global, HGI began sponsoring a basketball team now known as the Hepo Pushers. It also recently signed a sponsorship deal with the Lions Rugby League team and has become the marketing partner of a number of hockey leagues in many countries.

HGI was selected as the official home appliances sponsor of a recently held athletics championship. This type of exposure is likely to go a long way toward HGI's strategic goal of becoming a truly global brand.

Required:

(a) Evaluate four competitive advantages exhibited by HGI. (8 marks)

(b) Explain six benefits which could accrue to HGI from conducting environmental analysis. (6 marks)

(c) With reference to Min Lee, assess six characteristics of strategic leadership. (6 marks)

(d) Strategic posture is an approach company leaders take while applying business strengths to the current and long term needs of the market place.

With reference to the above statement and in the context of differences in the strength of pressure for cost reduction versus those for local responsiveness, illustrate four strategic postures which HGI could adopt in order to compete internationally. (10 marks)

(e) With the aid of a diagram, describe how Min Lee and the management team designed a strategic control system to ensure that the company's strategies were effective. (10 marks)

(Total: 40 marks)

QUESTION TWO

(a) (i) Explain the term "vertical integration strategy". (2 marks)

(ii) Discuss four reasons why a company might adopt the strategy in (a) (i) above. (8 marks)

(b) Argue five cases in favour of a stability strategy. (5 marks)

(Total: 15 marks)

QUESTION THREE

(a) Analyse three steps in the strategic planning process. (6 marks)

(b) Discuss the three levels of strategy. (6 marks)

(c) With respect to products and technologies, explain three aspects of innovation strategy. (3 marks)

(Total: 15 marks)

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QUESTION FOUR

(a) Assess Michael Porter's business level strategies. (8 marks)

(b) Summarise seven management interventions central to strategy implementation. (7 marks)

(Total: 15 marks)

QUESTION FIVE

(a) Discuss five disadvantages of adopting cost leadership strategy in a highly competitive market. (10 marks)

(b) Analyse five risks associated with international expansion. (5 marks)

(Total: 15 marks)

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CS PART III SECTION 6

STRATEGIC MANAGEMENT

THURSDAY: 25 May 2017. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

EDENMARK LTD.

Edenmark Ltd., a retail chain of supermarkets in the region was established in 2002. The retailer's success over the years is often attributed to institutionalisation of Michael Porter's value chain model in the organisation.

Edenmark Ltd. spends a quarter of its expenditure on information technology and the company's ability to spot changing preferences among its customers has been exemplary. All the offices of Edenmark Ltd. have an open plan layout. The open office plan fosters frequent discussions and promotes sharing of real-time data as well as field observations and anecdotes. Non specialised employees are rotated among different functions every six months. By exposing these employees to different functions, they acquire new skills and competencies and the company in return is able to develop a holistic feel of the retail market, appreciate how their work fits within the organisation and explore new opportunities as they arise.

Recently, Edenmark Ltd. has been experiencing tremendous growth and increasing market share. The company increased its revenue from Sh.10.7 billion in year 2014 to Sh.11.5 billion in year 2015. Its net income nearly doubled during that period. In the same financial year, the company was a recipient of an award for good corporate governance practices.

Edenmark Ltd. opened seven new retail outlets in year 2016 when other retailers were struggling to keep their doors open. The low prices and the company's wide variety of high quality products have continued to attract thousands of new customers. The management attributes this to the company's well thought out new strategies. The new strategies were formulated after realising the limitations of SWOT (strengths, weaknesses, opportunities and threats) analysis. Edenmark Ltd. moved away from SWOT to a different approach to strategic planning – SOAR (strengths, opportunities, aspirations and results), building strength-based strategies and the use of the Balanced Scorecard.

The management's strategic approach is in the belief that everything the company does is for the long-term. This strategic approach has resulted to integrated financial analysis and stakeholder analysis, increased sales at existing locations through improved customer service. Improved customer service was due to use of enhanced technology and 24 hour operation in outlets located in highly populated areas. Other strategies put in place by Edenmark Ltd. include establishment of online retail system targeting thousands of its social media customers.

The company has a free after sales service system that guarantees delivery of products within two days. This service is known as "EL Serve". EL Serve is a complex system which proved difficult for competitors to copy. EL Serve depends on several factors such as Edenmark Ltd.'s wide selection of products at low prices, wide network in the supply chain and a finely tuned distribution system.

Today, two years after the programme was created, competitors, both online and offline have realised the increasing threat posed by EL Serve and are reacting through various interventions. Edenmark Ltd. continues to add more merchandising categories to EL Serve in response to market demand. The service has thus turned out to be ingenious and an effective customer loyalty programme in e-commerce within the region.

Required:

(a) Examine five critical limitations of SWOT analysis that might have led the management of Edenmark Ltd. to switch to SOAR during the development of the company's current strategic plan. (10 marks)

(b) Explain how Edenmark Ltd. could enhance its use of internet and other digital technologies to streamline its operations. (8 marks)

(c) Discuss the importance of the four perspectives in the Balance Scorecard strategy to the management of Edenmark Ltd. (8 marks)

(d) Advise Edenmark Ltd. management on how to:

(i) Recognise a good business opportunity. (6 marks)

(ii) Evaluate a business opportunity. (8 marks)

(Total: 40 marks)

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QUESTION TWO

(a) Summarise four distinguishing features between "strategy formulation" and "strategy implementation". (4 marks)

(b) Explain five strategy related responsibilities of corporate level managers. (5 marks)

(c) Discuss three types of strategic change. (6 marks)

(Total: 15 marks)

QUESTION THREE

(a) Analyse five features of an effective strategy evaluation system. (5 marks)

(b) Explain four steps to follow when changing an existing organisation culture to match a new strategy. (4 marks)

(c) With reference to monitoring and review methodologies, explain the following terms:

(i) Strategic report cards. (2 marks)

(ii) Strategic audit. (2 marks)

(iii) Vulnerability analysis. (2 marks)

(Total: 15 marks)

QUESTION FOUR

(a) Assess four reasons that might cause a company to lose its competitive advantage. (4 marks)

(b) Even the most creative strategies have no value if they cannot be translated into action.

With reference to the above statement, describe five methods which could be used to ensure effective strategy execution. (5 marks)

(c) In the context of strategic leadership, discuss three Vroom-Yetton-Jago decision making model approaches. (6 marks)

(Total: 15 marks)

QUESTION FIVE

(a) Analyse six forms of organisational learning. (6 marks)

(b) Organisation culture could contribute or hinder successful strategy execution.

With reference to the above statement, enumerate five reasons why a good fit between strategy and organisation culture is important. (5 marks)

(c) Argue the case against the use of mission statements by organisations. (4 marks)

(Total: 15 marks)

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KASNEB

CS PART III SECTION 6

STRATEGIC MANAGEMENT

THURSDAY: 24 November 2016. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

Benfica International Limited (BIL)

Benfica International Limited (BIL) is a successful multinational company which manufactures high quality photocopying machines. BIL shipped its first 1,000 copiers in 1980 and for the subsequent fifteen years, it dominated the photocopier market in the world. However, by the year 2000 the company was facing problems. Two Japanese companies, Cassidy and Baiku had emerged as significant global competitors, selling high-quality copiers at a price equivalent to BIL's. Fuelled by relatively high costs and prices, BIL's market share fell by half and its return on assets slumped by 8 percent in the year 2003. BIL's misfortunes increased when it began to produce and market copiers in the United States of America that had been designed by its Japanese affiliate, Beng Copiers. The rejection rate of Beng Copiers parts was 80%. Visits to Beng Copiers revealed that quality in manufacturing does not increase costs, it decreases costs by reducing the number of defective products and service costs.

In 2005, BIL launched a series of initiatives which transformed the way the company ran its operations. Before then, the company had more than 5,000 individual suppliers worldwide. The management realised that by consolidating the company's worldwide supply base, the company could regain its competitive advantage over its rivals. This was achieved using the following two strategies:

- Simplifying the procurement process, which enabled the company to reduce overheads significantly.
- Having each supplier produce a specific part for BIL's photocopiers.

The interventions enabled the suppliers to achieve economies of scale in production. The saved costs were passed on to BIL in the form of lower prices of the photocopier parts. By cutting down the number of suppliers, BIL found it easier to work with fewer suppliers and improve the quality of component parts. Consolidation of suppliers was achieved through formation of commodity teams which included buyers' engineers, costing experts and quality control personnel. These teams were able to reduce BIL's supplier base from 5,000 to 325 suppliers. This indeed was a great achievement. In order to support the suppliers, BIL introduced a quality training programme with its suppliers. The goal of the programme was to reduce the number of defective parts coming from suppliers to under one thousand per million (0.1%). They managed this and even went further to a defect rate for parts of under 300 per million (0.03%).

To further improve operations, BIL introduced effective leadership through quality programmes. Groups were formed throughout the company from top management down to the factory floor. Each group received training on quality improvement programmes. Emphasis was placed on identifying quality shortfalls, determining the cause, developing solutions and implementing them. The company started to focus on its new product development process. The first goal was to design products that could be customised to market conditions in different countries. The products were to contain a large number of globally standardised parts. The second goal was to reduce the time it took to design new products. BIL managed this by establishing multifunctional and multinational product development teams. The teams managed the design, component sources, manufacturing, distribution and follow-up customer service. The new approach enabled the company to come up with new improved photocopiers including the unique 5100 brand. The company also enhanced its collaboration with Beng Copiers.

BIL was able to eliminate over Sh.1 billion costs in inventory and Sh.200 million in other related costs by linking worldwide customer orders more closely with production. The company formed a subsidiary multinational organisation named Brown logistics whose aim was to achieve tight integration between individual customer orders and plant production levels thereby reducing the need to hold excessive inventory. As a result of all these steps, BIL's position improved markedly and the company was able to regain its market share from its competitors. BIL's profits and revenues also went up after its market share increased from a low of 10 percent in the year 2004 to 20 percent in 2009.

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Required:

(a) Highlight five functional strategies implemented by BIL towards improving the effectiveness of its operations. (10 marks)

(b) Discuss six ways in which the concept of value chain was applied in Benfica International Limited (BIL). (12 marks)

(c) Illustrate five ways in which the managers of BIL created a sustainable competitive advantage. (10 marks)

(d) Explain two of Michael Porter's competitive strategies which were adopted by BIL. (4 marks)

(e) Examine four factors which could have contributed to the diminished market share of BIL before year 2005. (4 marks)

(Total: 40 marks)

QUESTION TWO

(a) With reference to organisational structure, explain the term "modular organisation". (2 marks)

(b) Analyse three circumstances that might lead to forward integration of organisations. (3 marks)

(c) Assess five product development strategies that an organisation could implement. (5 marks)

(d) Examine five areas that an organisation might focus on while evaluating their strategic performance. (5 marks)

(Total: 15 marks)

QUESTION THREE

(a) Evaluate four strategic orientations of global firms. (8 marks)

(b) (i) With reference to Henry Mintzberg (1988) "typology of generic competitive strategies", distinguish between "differentiation strategies dimension" and "scope strategies dimension". (2 marks)

(ii) In relation to (b)(i) above, discuss five differentiation strategies. (5 marks)

(Total: 15 marks)

QUESTION FOUR

(a) Summarise six limitations of using BCG product portfolio matrix analytics in an organisation. (6 marks)

(b) Analyse four external environmental factors that might have greatly contributed to increased importance of strategic management in organisations. (4 marks)

(c) With reference to Michael Porter's Model of competitive forces, evaluate five barriers to market entry. (5 marks)

(Total: 15 marks)

QUESTION FIVE

(a) Discuss five barriers that could hinder successful strategy implementation. (5 marks)

(b) Explain eight measures that could be instituted in an organisation to deal with organisational politics. (8 marks)

(c) Examine the role of monitoring and evaluation frameworks in strategic management. (2 marks)

(Total: 15 marks)

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KASNEB

CS PART III SECTION 6

STRATEGIC MANAGEMENT

THURSDAY: 26 May 2016. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

BE MY FRIEND (BMF) LTD.

Be My Friend (BMF) Ltd. is a social media networking company which owns the popular social media platform "Freddy". The company was started in the year 2005 from humble beginnings within Hpad University's halls of residence. Freddy was developed by two undergraduate students, James Pie aged 18 years and Peter Kane aged 17 years by then. Through the strategic leadership of James Pie the company was able to outrun its main competitor, Myfield, which was very popular with the online community before Freddy was developed. The Chief Executive Officer (CEO) of BMF has been able to manage the value proposition of Freddy's users and customers by ensuring that users have positive online experiences.

From 2005 until early 2008, Myfield was the most visited social networking site in the world. The owners of Myfield failed to manage the quality of user experiences on their network and began losing customers to Freddy. The founders of BMF had a vision to provide a social networking site with a clean design and better user experience. The unique focus on relationship management enticed users to visit Freddy more often and stay much longer. This attracted advertisers who were willing to invest aggressively. Consequently, Freddy quickly caught up with Myfield by providing quality online services and became the number one social networking site in the world.

Freddy has been able to fundamentally change how people use the web and access information. Freddy's focus on building a network of relationships has been enticing internet users to change the way they interact and communicate online. This is why companies that make money by providing e-mail services and search engines feel threatened. Online users are moving away from a search for content approach to one of managing relationships.

Freddy offers a business model where users get free access to the social networking site in return for posting personal information to facilitate connecting with friends. Revenues are generated through leveraging on the personal information of users in ways that benefit advertisers, who then pay generous sums in order to implement marketing campaigns which are targeted at specific demographics of interest. The social network users input their data into Freddy, like products they just purchased online, or update the status of events thereby helping Freddy mount targeted campaigns to advertisers by defining items that the users are more likely to require. This has made organisations hoping to do online brand advertising to seek advertising services from BMF. Myfield failed to innovate and stuck to building an audience around entertainment and music. While BMF focused on creating a platform that allowed developers to build new applications, Myfield built everything in-house. According to Myfield's former head of marketing, John Armstrong, the social media platform failed because it had a lot of products that were shallow. Myfield users had also to contend with pages cluttered with distracting advertisements, annoying features, an unstable host platform subject to crashing and customisable profile pages that littered its network with garbage in the form of flashing pictures, auto starting music players and tacky background pictures that rendered text unreadable. Myfield network was under engineered and caused some sites to get bogged down to the point that users reported page loads repeatedly timed out. In contrast, Freddy network could easily accommodate its user load. Users of Myfield complained of too much spam, too many advertisements, profile pages that were not visually appealing nor fun to browse. In comparison, Freddy had less information intensity, a standard profile page layout which allowed users to quickly find information of interest. It also allowed users to set up a webpage and create their own personal show about their experiences and was generally perceived to be more fun by the younger generation.

The gains at BMF could not be achieved without the great leadership of the CEO. From the outset the CEO created a friendly, democratic and high performance culture suitable for nurturing innovations. The company plans to diversify its product portfolio within the next five years.

QUESTION ONE

(a) Analyse the BMF Ltd. case using the Ansoff (1957) matrix. (10 marks)

(b) Examine the innovate process that BMF Ltd. could have followed while developing and rolling out Freddy. (12 marks)

(c) Describe eight qualities of a strategic leader which are exhibited by the CEO of BMF Ltd., James Pie. (8 marks)

(d) Assume that you were hired by the management of Myfield platform to advise on diversification strategy.

Advise the management on circumstances when unrelated diversification might be an effective strategy. (10 marks)
(Total: 40 marks)

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QUESTION TWO

(a) Examine seven qualities of a good strategic plan. (7 marks)

(b) Discuss three categories of the criteria used while evaluating strategic options. (6 marks)

(c) Explain the term "corporate strategy" as used in strategic management. (2 marks)
(Total: 15 marks)

QUESTION THREE

(a) Describe six challenges a production manager of a local newspaper would anticipate while implementing a strategy for increasing the number of pages in the newspaper by 50%. (5 marks)

(b) Discuss five techniques of assessing the level of business excellence development in an organisation. (10 marks)
(Total: 15 marks)

QUESTION FOUR

(a) Discuss the following strategies:

(i) Stay on the offensive strategy. (6 marks)

(ii) Fortify and defend strategy. (6 marks)

(b) Explain three approaches to strategy formulation. (3 marks)
(Total: 15 marks)

QUESTION FIVE

(a) Argue the case for and against implementation of a matrix structure in an organisation. (10 marks)

(b) Illustrate the strategy evaluation and control process. (5 marks)
(Total: 15 marks)

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CS PART III SECTION 6

STRATEGIC MANAGEMENT

THURSDAY: 26 November 2015 **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

PLASTIC BAGS LTD. (PBL)

Plastic Bags Ltd. (PBL) is a medium sized company incorporated in Uganda and having subsidiaries in Kenya, Tanzania, Malawi and South Africa. The company manufactures a wide range of plastic bags which includes food wrapping bags, industrial packaging bags and grocery bags. The plastic bags are supplied to various supermarkets in Uganda and other countries where it has operations. PBL also supplies its products to retail shops, food stalls, and factories through a well established network of suppliers.

The plastic bags industry in Uganda, Kenya and Tanzania is very competitive. There are many manufacturers leading to price undercutting. Sometimes plastic bags are sold below the cost of production. The political climate has not been encouraging either since plastic bags are heavily taxed to discourage their use. This has led to increased sales of biodegradable bags from other manufacturers. There has been a long standing debate on how plastic bags degrades the environment. PBL in its strategic plan wishes to diversify its products to enable it remain in business. Already, one of the countries where PBL's operations and sales are very high, wants to ban the sale of plastic bags through enactment of a new law. A bill has been introduced in the country's parliament on banning the sale of plastic bags.

To increase sales, PBL has been considering heightening its presence in countries where it operates and venturing in more countries. Some of the countries PBL intends to venture into include Congo, Namibia and Egypt. Congo offers a very high potential for higher profits since it currently has very few plastic bag manufacturers. The competition in Congo is not as stiff as in Uganda, Tanzania and Kenya.

PBL has made a good name due to its high quality products and this has enabled the company to stay afloat in many countries. The sound management of PBL has developed an export expansion strategy that is anchored not only on production of high quality goods but also on offering products at very competitive prices.

Recent technologically advanced machines have enabled PBL to produce its products at a lower cost per unit. In the short run, this might be beneficial to PBL but might also encourage customers to produce their own plastic bags driving PBL out of business especially if it fails to diversify its product portfolio. PBL has gained valuable experience as an exporter over the years and it enjoys good relationship with its suppliers. Misunderstandings between the company and the suppliers are normally solved amicably without resulting to the court of law. The supplier contracts provide for alternative dispute resolution.

Resin, the major component in production of plastic bags is currently imported from South America. Shipments take considerable delays. The company is however searching for other sources of raw materials to ensure production is at no time stopped due to shortage of resin. It is generally believed within the company that if resin is sourced from Africa, the prices of plastic bags would drastically come down hence more sales.

In the last few years, PBL has undergone a process of reengineering which resulted in some employees being declared redundant. The salaries for the remaining employees were enhanced so as to boost motivation. Various positions in the organisation were consolidated and some scrapped. This however did not go well and led to resistance by some employees. It is evident that the management of PBL is not supported by all the employees. The management has however put in place measures to ensure that all employees embrace change and work towards achieving the vision of PBL.

A market research conducted by PBL revealed that customers in Malawi and South Africa prefer PBL's products to those offered by competitors. The reduction of custom duty in many countries due to regional integration has greatly reduced the cost of cross border trade. More countries in Africa are nowadays trading with one another unlike in the past. This is good for PBL since most of its sales are made in Africa.

PBL's printing process is said to produce sharper, better toned prints than those offered by competitors. Economies of scale in printing the bags is achieved by increasing production. It is for this reason that PBL has formed joint ventures with other manufacturers in countries where it has no manufacturing plants. The company has also used existing networks utilised by other manufacturers in foreign countries. The joint ventures and strategic relationships are considered important and management banks on them to move PBL to another level.

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Required:

(a) Identify PBL's strengths, weaknesses, opportunities and threats. (12 marks)

(b) Describe five issues that should be covered by PBL's marketing department during conduct of a market research. (10 marks)

(c) Suggest how PBL could enhance its distribution strategy in order to ensure that customers receive quality goods at the right time. (5 marks)

(d) Prepare the guidelines which could be used by PBL's management while developing a marketing plan in order to gain a competitive advantage over its competitors. (8 marks)

(e) Apart from shifting production closer to the market and minimising transportation costs, explain the benefits which could accrue to PBL from joint ventures with foreign companies in countries where sales of PBL products are low. (5 marks)

(Total: 40 marks)

QUESTION TWO

(a) Explain six prerequisites for effective strategy development. (6 marks)

(b) Strategic management is regarded as a process with four different elements.

With reference to the above statement, illustrate using a well labelled diagram, how each element of strategic planning adds value to the strategic management process. (9 marks)

(Total: 15 marks)

QUESTION THREE

(a) Suggest four reasons why organisations are increasingly adopting a lower cost strategy in a highly competitive market. (4 marks)

(b) Explain six benefits of strategic management that could accrue to a marketing department of a manufacturing company. (6 marks)

(c) Evaluate five measures of an effective strategy in an organisation. (5 marks)

(Total: 15 marks)

QUESTION FOUR

(a) The Institute of Certified Secretaries has organised a one day workshop for chief executive officers and other top managers in various organisations.

As a key facilitator in the workshop, prepare a brief presentation on "strategic decisions made by the top management in an organisation". (9 marks)

(b) Examine six strategies which could be used by managers to enhance corporate culture in an organisation. (6 marks)

(Total: 15 marks)

QUESTION FIVE

(a) Discuss five factors which could shape the strategies a company adopts in any given circumstance. (5 marks)

(b) Emerging technologies have led to new industries that leverage on modern technologies.

In relation to the above statement, describe ten challenges to strategy makers brought about by emerging industries through technologies. (10 marks)

(Total: 15 marks)

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CS PART III SECTION 6

STRATEGIC MANAGEMENT

PILOT PAPER

September 2015. **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

PELI CORPORATION

Peli Corporation is a multinational fast-food distributor that was started 20 years ago by an American couple. The Chief Executive Officer (CEO) of Peli Corporation, Mr. Greenberg and his wife have enjoyed the steady success of their firm witnessing what started as a small family business expand to over 20 countries in four continents. Mr. Greenberg realised there was a major problem in the year 2013 when their earnings started declining steadily. The net income not only shrunk by 40% but also suffered from slow sales growth way below the industry average during that period. Although their market share was still significant compared to their main competitors, there was slow growth.

The question of what was the cause of the decline was raised. It was observed that there was a growing trend of customers moving to healthier types of meals that were being offered by some of their main competitors. Customers were also getting conveniently available alternatives at the supermarkets convenient stores and even at the petrol stations. This convenience has caused many patrons to switch away from the fast food outlets.

Besides that, it was realised that there seemed to be an increasing trend in fast casual dining which has affected sales. Patrons are now willing to spend extra for the traditional fast serving but with better and classy ambience. Due to this phenomenon, the growth of fast casual segments grew from 15% to 20% compared to only 2% growth for the fast food chains.

Peli Corporation was also facing stiff competition from other fast food chains such as Lily's and Fiona's These competitors were catching up fast by recognising the importance of drive-through customers. They were enhancing their preparation methods and speeding up their delivery process. They were competing on new innovations and speed in responding to upcoming market trends and customer preferences.

Upon analysing the causes of the problem, it became apparent that the situation had to be addressed urgently to avoid a chain reaction and decline in the global market. It was therefore necessary for Peli Corporation to re-strategise and develop new and innovative product lines, promotion facilities and even to venture into new market segments.

Required:

(a) Conduct a SWOT Analysis for Peli Corporation based on the facts of this case. (10 marks)

(b) Explain to the management of Peli Corporation three benefits and three risks of formal strategic planning. (6 marks)

(c) Explain the application of Porters five forces model in analysing Peli Corporation's competitive environment.(15 marks)

(d) In relation to Peli Corporation's case facts, demonstrate the relationship between planned and emergent strategies.(9 marks)

(Total: 40 marks)

QUESTION TWO

You have been invited by an association of youth entrepreneurs seeking funding from National fund. They have been informed that one of the requirements for the funding is to prepare a strategic plan for their respective proposed enterprises.

(a) Explain to the youth entrepreneurs the key steps in the strategic planning process. (9 marks)

(b) Outline to the entrepreneurs the six key components of a firm's mission statement. (6 marks)

(Total: 15 marks)

QUESTION THREE

(a) The essence of strategy is to build competitive advantage faster than competitors can imitate. Based on Porters generic strategic options, explain the main basis of competitive advantage at the business level. (6 marks)

(b) Discuss the application of Balanced Score Card as a strategic management control tool. (9 marks)

(Total: 15 marks)

QUESTION FOUR

(a) After developing a strategy, it's important to ensure effective implementation in order to realise the intended benefits.

Explain the four key steps through which successful strategy implementation goes through. (8 marks)

(b) Briefly explain the contribution of the following to strategy implementation:

(i) Structure.

(ii) Leadership.

(iii) Organisational culture.

(7 marks)

(Total: 15 marks)

QUESTION FIVE

(a) Implementation of a new strategic plan requires introduction of change in the organisation. Explain what strategic leaders can do to manage resistance to change. (8 marks)

(b) Discuss the relevance of "knowledge management" in today's organisation. (7 marks)

(Total: 15 marks)

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