The Management University of Africa

MUA

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# UNDERGRADUATE UNIVERSITY EXAMINATIONS

## SCHOOL OF MANAGEMENT AND LEADERSHIP

## DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP/ BACHELOR OF COMMERCE

**BML 209/ BML 312/ BCM 422: STRATEGIC MANAGEMENT**

**DATE: 2ND APRIL 2025**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

## INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. DO NOT write on this question paper.
3. This paper contains SIX (6) questions.
4. Question ONE is compulsory.
5. Answer any other THREE questions.
6. Question ONE carries 25 MARKS and the rest carry 15 MARKS each.
7. Write all your answers in the Examination answer booklet provided.

## QUESTION ONE

**Read the Case Study below carefully and answer the questions that follow:**

Political, social/cultural, technological, economic, and ecological factors are some of the external environmental factors with the ability to influence strategic decisions that an organization takes in its operation. Many businesses today have closed shop both locally and internationally from influences from some or all these external factors. Among the local outlets that have already closed their ventures include, Uchumi, Nakumatt and Tuskys, while in the international arena, we have South African retail giant Massmart, which operated the **Game** Stores, that shut down its three outlets in Kenya. All these companies were retail outlets dealing in fast moving goods.

Michael Porter through his Diamond model assumes that competitiveness of a business is relative to the performance of other businesses within the same industry. This means that a company that wishes to survive any turbulence and remain competitive must always understand the performance of other businesses in the same industry. Hence, Porters five forces are key determinants of the shape of an industry that companies can use to assess their competitive environment and make informed decisions.

**Required:**

a) What role did the mentioned external factors play in the closure of the retail outlets as per the case study **(8 marks)**

b) If Nakumatt had hired you as their consultant before closing shop, examine two strategies you would have advised them to adopt, to be more competitive to avoid closure. Refer to the generic strategies to argue your case and highlight the benefits of these strategies. **(8 marks)**

c) Discuss any three elements of Porters five forces that may have played a significant role in the closure of the outlet shops. What would the outlets have done to protect themselves from these forces **(9 marks)**

## QUESTION TWO

a) Strategic management is viewed as a series of systematic tasks. Clearly discuss and illustrate using a diagram the process of strategic management. **(10 Marks)**

b) Examine strategic management using the five Ps by Mintzberg and give objectives of each of them. **(5 Marks)**

## QUESTION THREE

a) Write short notes on the following

i. Emergent strategy **(3 marks)**

ii. Deliberate strategy **(3 marks)**

iii. Balance score card **(3 marks)**

b) Globalization is a key driver for mergers and acquisitions as a growth strategy. In Kenya, we have witnessed several such alliances including the recent acquisition of National bank by CBA. Examine possible motives/benefits for such a strategy by the bank. **(6 marks)**

## QUESTION FOUR

a) Discuss six roles of the top management in strategic planning **(6 marks)**

b) Using a diagram illustration, use a company of your choice, to discuss the BCG portfolio planning matrix to evaluate its business units. **(9 marks)**

## QUESTION FIVE

**a)** Compare and contrast fragmented industries and emerging markets industries using their characteristics **(10 marks)**

a) Elaborate five major trends that are critical to the future of strategic management in organizations **(5 marks)**

**QUESTION SIX**

a) A value chain analysis involves comparing costs along the industry's value chain of, suppliers and the forward channel allies. Discuss any four strategic options for correcting,

   i. Supplier related costs disadvantages **(4 marks)**

   ii. Firm's own internal cost disadvantages **(4 marks)**

b) Explain seven considerations that a business entity must take in selecting an organizational structure? **(7 marks)**