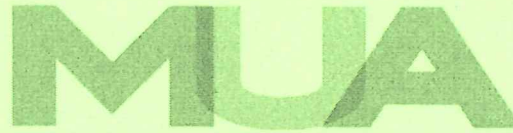


The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR BACHELOR OF COMMERCE/ DEGREE
OF BACHELOR OF MANAGEMENT AND LEADERSHIP

MGT 314 : INNOVATIONS MANAGEMENT

DATE: 29TH JULY 2024

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:

Innovations management in Kenya

For decades Africa was regarded as a continent dependent on western aid. However, a different picture has started to emerge. The continent is changing. Today Africa is generating innovations that are relevant to international markets. The introduction of a mobile payment system from Kenya, M-Pesa, in Romania clearly illustrates this paradigm shift. Both mobile services as a basic infrastructure and the continuous increase of fast and powerful Internet access capabilities have played an important part in this. In 2012 Africa's annual economic output rose by 4.7 percent - constant economic growth and increasing investments are anticipated in coming years.

Beyond the economic success stories, an aspirational technology scene has grown up on the continent. Kenya's capital Nairobi, the birthplace of M-Pesa, has established itself as the "tech center" in Africa within seven years. The rise of M-Pesa is impressive: in 2007 the local mobile services provider Safaricom in partnership with its shareholder Vodafone launched a mobile-based money-transfer service as a nonprofit project. Just six years later a third of Kenyans (17 million people) were using their mobile phone to transfer or save money. The project's success and the national and international attention it attracted as a result are considered to be particular catalysts for the differentiation and professionalization of the Kenyan tech scene.

The interplay of "from above" (a mobile services company that drove innovations forward) and "from below" (individual actors interested in technology) facilitated a culture that was unique in Africa at that time. An economic and social climate emerged in which resources could be pooled and the key thinkers of the Kenyan tech and start-up scene cooperated to offer mobile services and use mobile technology as a distribution channel. The opportunities for developing innovative products in Africa are particularly wide-ranging: successful apps such as the mobile learning

software Eneza, m-Farm, a service for farmers, and the medical information service med Africa illustrates the cross-sector potential. Despite these impressive developments, the challenges remain substantial: Kenya's tech ecosystem is young and still unstable. The success story of M-Pesa has yet to repeat itself. The media-inspired nickname "Silicon Savannah" makes it difficult to discuss the potential of the Kenyan technology sector objectively. In fact, the framework conditions for entrepreneurship in Kenya are considerably less favourable than in the Western world and setting up a profitable company entails enormous risks. Funding instruments from the Western technology sector cannot be transferred one-to-one. In order for Kenya's technology ecosystem to establish itself in the longrun, the specific regional conditions must be foregrounded within the activities of innovation policy.

Required:

- A. Assess five needs for innovation in the Kenyan economy **(10 marks)**
- B. "Instruments from the Western technology sector cannot be transferred one-to-one". Define Technology diffusion and highlight the General Typology of Technology Diffusion **(10 marks)**
- C. "In order for Kenya's technology ecosystem to establish itself in the long run, the specific regional conditions must be foregrounded within the activities of innovation policy". Propose 5 reasons why Kenyan MSMEs are slow in adapting innovative processes **(5 marks)**

QUESTION TWO

- A. Assess any five institutions in Kenya which are engaged in the development and nurturing of Innovation **(10 marks)**
- B. Discuss any three types of intellectual properties **(5 marks)**

QUESTION THREE

- A. For a business to remain sustainable beyond its developmental stage, it must remain steadfast in its quest for innovation. Discuss the critical business sectors where innovation is necessary (10 marks)
- B. Evaluate any four external sources of financing innovations (5 marks)

QUESTION FOUR

- A. Evaluate any five advantages of value analysis for innovations (10 marks)
- B. The innovation process is a series of steps that aim to create and implement new or improved products, services, or processes. Propose the steps involved in the innovation process (5 marks)

QUESTION FIVE

- A. Propose ways that an entrepreneur can establish innovative process in his organization (10 marks)
- B. Assess any five drivers of innovation in MSME (5 marks)

QUESTION SIX

- A. Evaluate any four sources of innovation (10 marks)
- B. Discuss the statement that "Innovation is a catalyst for business growth" (5 marks)