



POST GRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF MASTER OF BUSINESS ADMINISTRATION

LSO 506: VALUE CHAIN MANAGEMENT

DATE: 31ST MARCH 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE is compulsory**.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 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:

EAST AFRICA AGRIFOODS LTD.

East Africa Agri-foods Ltd is a Kenyan-based agribusiness company specializing in the processing and export of horticultural products, including fresh vegetables, fruit juices, and canned products. The company has expanded into regional and international markets, supplying supermarkets in Europe and the Middle East. Despite this growth, the firm faces several challenges in managing its value chain.

One of the main issues relates to value chain integration. The company relies on thousands of smallholder farmers for supplies, but weak coordination has led to inconsistent product quality and irregular volumes. Farmers often lack access to modern farming technology, making it difficult to meet international standards. This has exposed East Africa Agri-foods to rejection of consignments in export markets.

The company also struggles with value chain upgrading and innovation. Competitors have adopted lean and agile practices, improved packaging, and invested in cold chain logistics to preserve freshness. East Africa Agri-foods, however, has been slow in leveraging technology such as blockchain for traceability, ERP systems for integration, and digital platforms for supplier engagement. This has limited its competitiveness. Another challenge involves global value chain governance. International buyers impose strict compliance requirements related to sustainability, food safety, and ethical sourcing. East Africa Agri-foods has faced penalties and reputational risks due to non-compliance by its smallholder farmers, who often lack awareness and resources to comply with these standards.

The company's management has also realized the need for benchmarking. Rival firms benchmark against global leaders to continuously improve

product quality, reduce costs, and innovate processes. East Africa Agri-foods, however, has not institutionalized benchmarking, making it harder to identify performance gaps and adopt best practices.

Finally, the role of SMEs in the value chain has emerged as a pressing concern. While smallholder farmers form the backbone of the supply chain, their limited financial capacity, weak bargaining power, and lack of training hinder their ability to participate effectively in global value chains. This not only affects farmers' livelihoods but also threatens the company's supply stability.

You have been appointed as a consultant to advise East Africa Agri-foods Ltd.

Required:

- a) Analyze the main value chain challenges facing East Africa agri-food's Ltd, citing relevant theoretical concepts.

(10 marks)

- b) Propose strategies for value chain innovation, upgrading, and governance that the company could adopt.

(10 marks)

- c) Discuss how benchmarking and SME empowerment could strengthen East Africa agrifood's' competitiveness in global markets.

(10 marks)

QUESTION TWO

- a) Cost optimization as well as quality management needs to be part of firm's success. Explain the importance of value chain analysis in modern organizations. **(7**

marks)

- b) Assume the role of a value chain consultant in an Agri - business enterprise. Discuss the critical success factors for effective value chain management.

**(8
marks)**

QUESTION THREE

a) Global value chains are fast changing the performance of SMEs. Analyze the effect of global value chains on SMEs, highlighting both opportunities and challenges.

(7 marks)

b) Benchmarking is considered a formal process of learning from the best in class or world class organizations. Evaluate different types of benchmarking and their benefits in value chain management.

(8 marks)

QUESTION FOUR

a) Discuss the role of governance in global value chains.

(7 marks)

b) Technology is considered a great enabler in an organization's success. Examine the role of technology in innovation and upgrading of value chains.

(8 marks)