

The
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POSTGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF DOCTOR OF PHILOSOPHY IN
MANAGEMENT AND LEADERSHIP

DML 903: ADVANCED STRATEGIC MANAGEMENT

DATE: 8TH APRIL 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 50

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 **10 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:

KENYA NATIONAL AGRIBUSINESS CO-OPERATIVE UNION (KNACU)

The Kenya National Agribusiness Co-operative Union (KNACU) emerged in the mid-1990s during a period of significant restructuring in Kenya's agricultural sector. As market controls were progressively dismantled, cooperative societies faced new pressures to operate competitively within liberalized and increasingly fragmented value chains. In response, KNACU evolved as a coordinating body intended to strengthen the collective position of agricultural cooperatives engaged in diverse subsectors, including perennial crops, livestock-based enterprises, and food staples.

Over time, the KNACU has expanded its footprint through a network of affiliated primary and secondary cooperatives distributed across the country. These affiliates differ widely in scale, organizational maturity, and market orientation. KNACU's operational model emphasizes coordination rather than direct production, relying on centralized services to support marketing, value enhancement, and information sharing. Decision-making authority is formally shared among representative member organs, while day-to-day activities are undertaken by a professional secretariat tasked with translating collective priorities into operational programs.

In an effort to remain relevant within rapidly modernizing agri-food markets, KNACU has progressively adopted technology-enabled solutions. These include platforms intended to improve visibility of produce flows, support quality assurance, and provide market intelligence to member organizations. The Union has also cultivated relationships with public agencies, non-state actors, and commercial firms, often positioning itself as an intermediary between smallholder

producers and larger downstream markets. These engagements have opened new possibilities for structured marketing arrangements and downstream processing, though their outcomes have varied across commodities and regions. Notwithstanding these initiatives, KNACU operates in an environment characterized by growing uncertainty. Agricultural markets have become more exposed to price fluctuations and climatic variability, while shifts in regulatory frameworks have altered compliance obligations for cooperatives and agribusiness actors alike. At the same time, new forms of competition have emerged, particularly from privately organized aggregators that operate with fewer collective constraints and are often more attractive to commercially oriented producers. Internally, the Union must contend with uneven governance practices among its affiliates and changing expectations from a younger generation of farmers whose engagement with cooperative structures is less assured.

Looking ahead, KNACU finds itself at a strategic crossroads. The external environment presents openings linked to regional integration, agro-processing, and digitally mediated trade, yet these opportunities place increasing demands on organizational capabilities, coordination mechanisms, and strategic coherence. The extent to which the Union can translate its historical role as a collective platform into sustained strategic advantage will depend on how effectively it aligns its internal arrangements with the evolving dynamics of the agricultural sector.

Required:

- a) As a strategic management consultant engaged by KNACU, develop the following strategic statements derived from the case study:
 - i. Vision statement (2 Marks)
 - ii. Mission statement (2 Marks)
 - iii. One strategic objective (2 Marks)

- b) Conduct a situational analysis of KNACU using the SWOT framework.

**(8
Marks)**

- c) Applying Porter's Five Forces Model, analyze how competitive rivalry and threat of substitutes influence KNACU's strategic choices. **(10 Marks)**

- d) Recommend and explain any three strategic control mechanisms suitable for monitoring the implementation of KNACU's strategy. **(6 Marks)**

QUESTION TWO

- a) Corporate governance structures play a critical role in strategy execution. Discuss five ways through which effective governance enhances strategic accountability in organizations.

(5 Marks)

- b) Industry rivalry is a major determinant of firm performance. Explain five strategic actions an organization can adopt to cope with intense competitive rivalry.

(5 Marks)

QUESTION THREE

- a) Diversification is a common corporate-level strategy. Distinguish between related diversification and unrelated diversification, highlighting one strategic advantage and one strategic risk in each case. **(5 Marks)**

- b) Explain five reasons why internal organizational analysis is essential during the strategy formulation process.

(5 Marks)

QUESTION FOUR

- a) Using the Ansoff Product-Market Growth Matrix, compare two strategic options suitable for market penetration and product development.

(5

Marks)

- b) Strategic change often encounters resistance within organizations. Assess five leadership competencies required to successfully manage strategic change.

(5

Marks)