The Management University of Africa

Sponsored by the Kenya Institute of Management

POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

SMO 502: ADVANCED STRATEGIC MANAGEMENT

DATE: 30TH JULY 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:

NEXUS FOODS INTERNATIONAL LTD. – STRATEGIC GROWTH IN A DISRUPTIVE GLOBAL ENVIRONMENT

Nexus Foods International Ltd. (NFI) is a rapidly growing food processing and distribution company headquartered in Kenya with operations across East Africa. Established in 2010, the company specializes in producing packaged food products, including cereals, snacks, and dairy products. Over the past decade, the company has benefited from population growth, urbanization, and increasing demand for convenient food products.

However, NFI is facing growing competition from multinational corporations with stronger brands, advanced technology, and greater financial resources. Consumer preferences are shifting toward healthier, organic, and sustainably produced food products. Additionally, digital technologies are transforming customer purchasing behavior, with online shopping and direct-to-consumer channels becoming increasingly important.

To respond to these changes, NFI's management is considering diversifying into plant-based food products, investing in digital commerce platforms, and expanding into selected European and Middle Eastern markets. These initiatives will require substantial investment, organizational restructuring, and enhanced capabilities. At the same time, stakeholders including investors, regulators, customers, suppliers, employees, and environmental groups are demanding greater transparency, sustainability, and corporate responsibility. The board of directors is divided on whether to prioritize international expansion or strengthen domestic operations through innovation and operational efficiency.

As NFI develops its five-year strategic plan, management must evaluate its strategic position, select appropriate growth strategies, and ensure effective implementation while maintaining sustainable competitive advantage.

Required:

a) Critically evaluate the strategic position of Nexus Foods International Ltd. and assess the major opportunities and threats facing the company. **(10 Marks)**

b) Analyze the strategic growth options available to NFI and recommend the most appropriate strategy for achieving sustainable competitive advantage**.**

(10 Marks)

c) Examine how corporate governance, stakeholder management, and strategy implementation can contribute to the successful execution of NFI's five-year strategic plan**.**

(10 Marks)

QUESTION TWO

a) Discuss how strategic thinking, strategic foresight, and competitive positioning contribute to sustainable competitive advantage in dynamic business environments.

(8 Marks)

b) Assess the usefulness and limitations of strategic analysis tools in identifying competitive advantage and supporting strategic decision-making**.**

(7 Marks)

QUESTION THREE

a) A regional healthcare company has experienced declining growth despite operating in a rapidly expanding industry. Management believes competitors are serving market segments that the company has overlooked. Evaluate how strategic group mapping, competitor clustering, and niche identification can assist the company in developing a sustainable growth strategy. **(8 Marks)**

b) A manufacturing company is developing a five-year corporate plan to guide expansion into new markets. Critically evaluate the role of monitoring and evaluation in ensuring successful corporate strategy. **(7 Marks)**

QUESTION FOUR

a) A multinational corporation has experienced governance failures within several overseas subsidiaries. Critically evaluate how the following can improve strategic control and organizational performance:

i. Board effectiveness: (**2.5 Marks)**

ii. Corporate policy formulation : **(2.5 Marks)**

b) A global technology firm is considering substantial investment in research and development (R&D), technology transfer initiatives, and social responsibility programmes. Evaluate how these strategic initiatives can contribute to long-term competitiveness and organizational sustainability. **(5 Marks)**

c) Distinguish between dynamic and stable industry environments and explain how firms should adjust their strategic approaches in each context.

(5 Marks)