UNIVERSITY EXAMINATIONS: 2013/2014

EXAMINATION FOR THE MASTERS OF BUSINESS ADMINISTRATION
(MBA) SPECIALIZATION
STRATEGIC MANAGEMENT (KITENGELA)

DATE: APRIL, 2014   **TIME: 3 HOURS**

INSTRUCTIONS: Answer Question One and Any Other Three Questions

QUESTION ONE

Read the case study for DD public ltd and answer the questions that follow.

Public Premier Ltd case study

DD is the Kenya's premier public service broadcaster with more than 1,000 transmitters covering 90% of the country's population across on estimated 42 million homes. It has more than 20,000 employees managing its distribution and regional channels. Recent years have seen growing competition from many private channels numbering more than 65, and the cable and satellite operators (C & S). The C & S network reaches nearly 30 million homes and is growing at a very fast rate. DD's business model is based on selling half – hour slots of commercial time to the programme producers and charging them a minimum guarantee. For instance, the present tariff for the first 20 episodes of a programmeKsh 30,000 plus the cost of production of the programme. In exchange the procedures get 780 seconds of commercial time that DD can sell to advertisers and can generate revenue. Break-even point for procedures, at the present rates, thus is Ksh.750,000 for a 10 second advertising spot. Beyond 20 episodes, the minimum guarantee is Ksh 65,000 lakhs for which the procedures has to charge Ksh.1,150,000 for a 10 second spot in order to break-even. It is at this point the advertisers face a problem – the competitive rates for a 10 second spot is Ksh.500,000. Procedures are possessive about

buying commercial time on DD. As a result the DD's projected growth of revenue is only commercial time on DD. As a result the DD's projected growth of revenue is only 6-10% as against 50-60% for the private sector channels. Software suppliers, advertisers and audiences are deserting DD owing to its unrealistic pricing policy. DD has options before it. First, it could privatize, second it could remain purely public service broadcaster and third, a middle path. The challenge seems to be exploiting DD's immense potential and emerge as a formidable player in the mass media.

(a)   What is the best option, in your view, for DD?   (10 Marks)

(b)   Analyze the SWOT factors the DD has.   (15 Marks)

(c)   Why do you think that the proposed alternative is the best?   (6 Marks)

QUESTION TWO

(a)   Ochida Ltd, a newly established manufacturing firm, intends to adopt the process of differentiation strategy in its operations. Explain the ways in which the firm may implement this strategy.   (12 Marks)

(b)   Some top executives in certain organizations have limited commitment to strategic planning as a managerial responsibility. Outline the factors that may account for such limited commitment.

(11 Marks)

QUESTION THREE

(a)   Outline FIVE objectives of performance appraisal in a business organization.   (10 Marks)

(b)   Discuss the process used in measuring and controlling employees' performance in an organization.   (13 Marks)

QUESTION FOUR

(a)   The business analyst Igor Ansoff outlined some important strategies for business growth, which he identifies as the key approaches to growing a business. Critically analyze these approaches in relation to how each contributes to growth.   (11 Marks)

(b)   Despite the experience of many organizations, it is possible to turn strategies and plans into individual actions, necessary to produce a great business performance. Discuss FOUR ways through which a business organization can judge whether its strategy realization process is working or not.   (12 Marks)

QUESTION FIVE

Porter's generic strategies are ways of gaining competitive advantage – in other words, developing the "edge" that gets you the sale and takes it away from your competitors. Discuss the steps an organization may follow to choose the right generic strategy. (23 Marks)

QUESTION SIX

Discuss how an organization can conduct strategic situational analysis with SWOT geared towards improvement of its business performance. (23 Marks)