



ZCAS University

BBA 2101 ENTREPRENEURIAL GROWTH STRATEGIES

FINAL EXAMINATION

03 JUNE 2024

TIME: 16:30 TO 19:30

TIME ALLOWED: THREE HOURS (plus 5 minutes to read through the paper)

INSTRUCTIONS:

1. Section A: this question is **compulsory** and must be attempted.
2. Sections B: Answer Three (3) questions from this section.
3. This question paper carries a total of **100 marks**.
4. Candidates must **not turn this page** until the invigilator tells them to do so.

SECTION A - COMPULSORY

QUESTION ONE

Case Study: InnovateTech Inc.

InnovateTech Inc. is a mid-sized technology company specializing in developing innovative software solutions for small and medium-sized enterprises (SMEs). The company has been in operation for ten years and has experienced steady growth through its initial product offerings. Recently, the executive team has decided to pursue more aggressive growth strategies to scale the business and increase market share. They are considering several internal growth strategies, including market penetration, product development, and diversification.

Current Scenario:

1. **Market Penetration:** InnovateTech is contemplating intensifying its marketing efforts to capture a larger share of its existing market. This would involve increasing advertising spend, running promotional campaigns, and enhancing customer loyalty programs. The goal is to attract more customers from their existing market segments and encourage higher usage rates among current customers.
2. **Product Development:** The Company is also considering expanding its product line by developing new software solutions that complement its existing offerings. This would involve significant investment in R&D and the hiring of additional technical staff to support the development process. InnovateTech believes that by introducing new products, they can meet more of their customers' needs and tap into adjacent markets.
3. **Diversification:** Another strategy under consideration is diversification into new markets or industries. InnovateTech has identified a potential opportunity to develop software solutions for the healthcare sector, which would require building new expertise and potentially acquiring a smaller company with existing knowledge in this field. This strategy aims to spread risk and open new revenue streams.

Required:

As a consultant hired by InnovateTech Inc., you are tasked with evaluating these internal growth strategies and providing a comprehensive recommendation to the executive team.

Part A: Comparative Analysis

1. **Market Penetration:**

- Explain the advantages and disadvantages of pursuing a market penetration strategy for InnovateTech.

(10marks)

2. **Product Development:**

- Discuss the benefits and potential challenges InnovateTech might face with a product development strategy.

(10marks)

3. **Diversification:**

- Analyze the pros and cons of InnovateTech diversifying into the healthcare sector.

(10marks)

Part B: Recommendation and Justification Based on your analysis, which internal growth strategy would you recommend InnovateTech Inc. pursue? Justify your recommendation by considering the company's current capabilities, market conditions, and long-term goals.

(10marks)

Total Marks 40

QUESTION TWO

Case Study:

ABC Tech Solutions, a software development company, was founded in 2010 by two university friends, John and Emily. Initially, the company focused on providing custom software solutions for local businesses. Over the years, ABC Tech Solutions experienced significant growth and expansion. By 2015, the company had established a strong reputation and had a diverse client base. They hired more employees, expanded their service offerings, and moved into a larger office space.

In 2018, the company faced several challenges. Rapid growth led to organizational inefficiencies, and internal communication issues became more prevalent. Additionally, they struggled to manage the increased complexity of their projects and client demands. Despite these challenges, the company continued to innovate and introduced a new product line in 2019, which became a major success.

By 2022, ABC Tech Solutions had evolved into a mid-sized enterprise with multiple departments and a more complex organizational structure. However, the founders noticed a decline in employee morale and a decrease in overall productivity. They decided to seek external consulting to help navigate these challenges and ensure the company's long-term sustainability.

Required:

- 1. Identify and describe the stage of the organizational lifecycle ABC Tech Solutions was in during each of the following periods:**
 - 2010-2015
 - 2015-2018
 - 2018-2019

o 2019-2022

Support your identification with specific characteristics and challenges the company faced during each period.

(20marks)

QUESTION THREE

Case Study:

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Required

Compare and contrast at least two different organizational lifecycle models (e.g., Greiner's Growth Model, Adizes' Corporate Lifecycle, or the 5-Stage Model by Churchill and Lewis).

(20 marks)

QUESTION FOUR

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Required

Discuss how each model explains the transitions and challenges ABC Tech Solutions encountered.

(20marks)

CASE STUDY

XYZ Manufacturing Company

XYZ Manufacturing Company produces high-quality custom furniture. Recently, the company has experienced delays in meeting customer orders, resulting in a drop in customer satisfaction. The production process involves several stages:

1. **Design:** Creating custom designs based on customer specifications.
2. **Material Preparation:** Cutting and preparing raw materials.
3. **Assembly:** Putting together the prepared materials.
4. **Finishing:** Sanding, painting, and applying final touches.
5. **Quality Control:** Inspecting the finished product for defects.

The company has identified that the assembly stage takes longer than the other stages, causing a bottleneck in the production process. This bottleneck has led to an increase in lead times and a backlog of orders.

The management team has gathered the following data for a typical month:

- **Design:** Average time per unit: 5 hours
- **Material Preparation:** Average time per unit: 8 hours
- **Assembly:** Average time per unit: 20 hours
- **Finishing:** Average time per unit: 10 hours
- **Quality Control:** Average time per unit: 2 hours

The assembly team consists of 10 workers, each working 160 hours per month. The company has the option to hire additional workers, invest in new machinery, or re-engineer the process to reduce assembly time.

Required:

Identify the Bottleneck:

Using the data provided, identify the bottleneck stage in XYZ Manufacturing Company's production process. Explain your reasoning. (20 marks)

END OF EXAMINATION