



ZCAS University

SMS 4922-STRATEGIC MANAGEMENT

Monday 3rd, June 2024

TIME

08:30 to 11:30

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

INSTRUCTIONS:

1. **Section A: Question One in Section A is compulsory.**
2. **Sections B: Answer *ANY THREE (3)* questions from this section.**
3. **This examination paper carries a total of 100 marks.**
4. **Candidates must not turn this page until the invigilator tells them to do so.**

KOPALA CERAMICS LIMITED (K.C.L)

Kopala Ceramics Limited (K.C.L) was established 15 years ago in Kitwe, Copperbelt Province of Zambia. Its founder and CEO is a retired road construction Engineer of a leading international construction company. The founder decided to use his expertise to form a company that would manufacture and market good quality ceramic products. By then, the construction of industry business was booming. Over the period, **K.C.L** has become a market leader in the supply of ceramic and porcelain tiles for the local market.

K.C.L is considering adding the production of concrete slabs and kerbs to its product portfolio. The company's success could be attributed to its reliance on a highly competent and dedicated workforce and knowledge of the local market.

In expanding its product portfolio, **KCL** feels that the employees have the required competency to deal with the new product lines. The company has a Head Office and a manufacturing plant including a distribution warehouse along Tokyo road in heavy industrial area in addition to the ten (10) distribution depots across the country. **KCL** has a workforce of 250 employees but is currently recruiting in readiness for production of the new products.

KCL has a medium-sized transport department with a fleet of 11 trucks. The company provides subsidised transport services to its customers who buy in bulk. In recent times however, the management of **KCL** has been facing challenges in managing the transport aspect of the business. The company has decided to outsource the service so as to concentrate on its core business of manufacturing. This decision was initially resisted by employees in the transport department for fear of job losses. However, the manufacturing has agreed that as part of their separation deal, **KCL** will sell the department at very competitive terms to the employees and then outsource transport services from them. The employees have welcomed this decision which is a win-win for both the company and its employees.

Competition in the industry is becoming more intense as new entrants both foreign and local are attracted by the booming real estate market. These new entrants have more advanced technology and competitive prices. **KCL** has no option but to reposition itself as a leader in the industry.

Recently, the strategy department was of the opinion that the future of the company lies in diversification and more control of process through vertical integration. The managing director of KCL and his management team have prepared a strategic growth plan for the next five years to address the environmental challenges facing the company, grow revenue, and manage risks. At a meeting to discuss the draft plan, the following strategic choices were proposed:

- More aggressive marketing within the existing markets
- Development of new markets locally and regionally
- Research and development of new products targeted at the current customers and the building industry.
- Diversification into real estate development to ride into the booming market in the region.

The strategy meeting also considered a market survey report by Soko Marketing Research, a marketing consultancy company. The research report identified business opportunities in the COMESA region. The Managing Director pointed out that in considering these growth opportunities, thought should be given to all the limiting factors. However, he challenged his team to ensure that all is done to have a business presence in all the Countries in the COMESA region within the next five years.

Required

- a) Considering the growth ambitions of Kopala Ceramics Limited (K.C.L), List and explain the growth strategic options that KCL can leverage on to achieve their ambitions. [8Marks]
- b) Considering, the competition facing KCL from both Foreign and local Competitors, give an account of the five generic competitive strategies that the management of KCL can implement to remain relevant in the business market. [8Marks]
- c) List and explain the Corporate Turn-Around Strategic Options that KCL management can implement to turn around the fortunes of KCL and make the company competitive again. [8Marks]
- d) Outline the dynamics that comes with managing a multinational corporation (MNC's) and provide at least 4 strategies that a business can implement in order to survive competition in a foreign environment. [10Marks]

- c) Explain how Corporate Governance is linked to strategic Management and how corporate governance influence the successful execution & implementation of the strategic plan.

[6Marks]

[Total:40Marks]

Section B: Answer any THREE (3) questions from this section

QUESTION TWO

Imagine you are a consultant advising a traditional brick-and-mortar bookstore chain that is facing increasing competition from online retailers and digital books. Customers are increasingly drawn to the convenience of purchasing books online and the vast selection available digitally. Additionally, there's a growing trend of e-readers and audiobooks, further challenging the bookstore's traditional business model.

Required

- a) How would you identify and analyze the driving forces behind the changes in the bookstore industry? [7Marks]
- b) How would you advise the bookstore chain to adapt to these driving forces to remain competitive and relevant in the evolving market landscape? [7Marks]
- c) What strategies would you recommend to leverage the strengths of the bookstore while addressing the emerging trends in digital reading and online retailing? [6Marks]

[Total:20Marks]

QUESTION THREE

You've been appointed as the Chief Strategy Officer of a multinational technology company. The company has recently undergone a strategic planning process and has developed an ambitious new growth strategy centered around expanding into emerging markets and diversifying its product portfolio. As the leader responsible for strategy execution, you're tasked with overseeing the implementation of this new strategy.

Required

- a) Describe how you would approach each of the ten tasks of strategy execution in this scenario. Consider aspects such as setting objectives, aligning resources, establishing accountability, driving change, and fostering a culture of continuous improvement. [10Marks]
- b) How would you ensure that the company effectively executes its new growth strategy and achieves its strategic objectives? [10Marks]

[Total:20Marks]

QUESTION FOUR

You are the newly appointed Chief Strategy Officer (CSO) of a medium-sized manufacturing company that specializes in producing consumer electronics. The company's board of directors has recently approved a new strategic plan that aims to expand into international markets and launch a new line of eco-friendly products over the next three years. As the CSO, you are responsible for overseeing the strategy execution process.

Required

Imagine you have just taken charge as the CSO, and you are tasked with implementing the new strategic plan.

- a) Outline a step-by-step strategy execution process you would follow, highlighting key considerations, potential challenges, and metrics for measuring progress. **[10Marks]**
- b) How would you ensure that the organization's day-to-day operations align with the new strategy, and what mechanisms would you put in place to monitor and adjust the execution as needed? **[10Marks]**

[Total:20Marks]

QUESTION FIVE

You are a management consultant hired by a luxury automobile manufacturer facing declining sales in key markets. The company's traditional customer base is shifting preferences towards electric vehicles and sustainable transportation options. As part of your consulting assignment, you are tasked with conducting a strategic analysis to identify the factors impacting the company's performance and recommending a course of action.

Required

Using appropriate strategic analysis tools such as SWOT analysis, PESTEL analysis, and Porter's Five Forces, assess the internal and external factors influencing the luxury automobile market and the company's position within it. Identify the company's strengths, weaknesses, opportunities, and threats, as well as the broader industry trends and competitive forces at play.

Based on your analysis, develop strategic recommendations for the company to address its declining sales and capitalize on emerging market trends. Consider aspects such as product innovation, market segmentation, distribution channels, and partnerships with technology companies. How can the company leverage its strengths and mitigate its weaknesses to regain market share and achieve sustainable growth in the evolving automotive landscape?

[20Marks]

All the best