

**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND  
TECHNOLOGY**

**UNIVERSITY EXAMINATIONS**

**(KISUMU LEARNING CENTER WEEKEND )**

**EXAMINATION FOR THE DEGREE OF THE MASTER OF BUSINESS  
ADMINISTRATION**

**MBA 849: ADVANCED STRATEGIC MANAGEMNT**

**DAY**

**TIME**

**INSTRUCTIONS: ANSWER ANY FOUR QUESTIONS**

**I a)** Strategic management consists of internal and external analysis, strategy formulation, implementation and evaluation. Elaborate (8 Marks)

b) Historical review of the management theory sets the context and reasons for the rise of the strategic management concept. It demonstrates that it is a mature outcome of the searching for the optimal performance process mandated by the dynamics of the environment. Strategic management facilitates organisational survival in the 21st century to the same degree that scientific management facilitated efficiency in the 19th. Therefore, logically concluding, organisations that are armed in the strategic management process out-perform the comparable organisations that do not embrace this technique.

Read carefully the sub-section above and illustrate how several authors (Barry 1986; Bryson, 1988; Burkhart & Reuss, 1993; Eadie, 1991; Steiner, 1979) have pointed out strategic management's helpfulness (7 Marks)

2 a) In March 1973, the Fred Smith invented the express distribution industry. Thirty years later, the FedEx has become a legendary 'hero' in the express transportation and logistics industry and has had the crucial significant means to the field of contemporary strategic management. FedEx invented the overnight delivery service and built the huge virtual information infrastructures, which make the customers more convenient and can accurately track and trace the parcels. That is also make sure many customers want to cooperate with them in supply-chain service. Some new model of marketing, Internet market and e-tailing, also make a lot of money and customers' loyalty for FedEx.

The success of FedEx is also attribute to the external environment chances such as some advantageous policies was implemented in USA, the advances in information technology and the globalization of trade etc. These helped the FedEx to develop the scale of company, and got more market all over the world.

In the case provided above, it can be appropriately said that Mr. Fred Smith had a Strategic Model that enabled his business experience tremendous success. Discuss then, in relation to this case, the concept of Strategic Models (8 Marks)

b) As the literature on Strategic Management has evolved, there has been much emphasis on the planning aspect of the strategy process. However, in many cases strategy is imposed due to circumstances and the organisation has to react to circumstances outside its control. At first sight, it would appear that the communications revolution would have a severe impact on the traditional mail delivery services in many countries around the world that they would have to find new directions for their business.

In the context of the assertion above, explain the twin ideas of Deliberate Strategy and Emergent Strategy (7 Marks)

3) Started as the Rochester Fruit & Vegetable Company in 1916 by two brothers, Walter Wegman and John Wegman, Wegmans Food Markets transformed itself, despite initial turbulence and uncertainty, into one of the most admired in the US' food business. The family-owned high-end grocery store chain with its unusual

mantra 'employees first, customers second', topped Fortune magazine's annual list of '100 Best Companies to Work For 2005'. Many believed that, it was particularly remarkable for Wegmans to remain competitive in the supermarket industry, which was going through crises like labour strikes, consolidations, bankruptcies and increasing pressure to cut costs.

Recent research shows that the most important factor determining the competitiveness and profitability of firms, as the case above may show, is the extent to which they match their strategies and capabilities to the environment in which they operate. For every level of turbulence, Ansoff has identified a particular type of strategy and capability for success, i.e the Strategic Success Formula. Discuss (15 Marks)

4 a) The Real-Time Strategic Planning process takes into account the ongoing nature of forming strategies, as may be illustrated by the following statement; *"You can't expect to come up with one grand organizational strategy and be done with it for years. Rather, you must constantly monitor the market in which your organization does its work to understand where your organization stands and to plan for the future."*

Explain then the Real-Time approach to strategy (8 Marks)

b) Modern strategic planning systems increasingly confront two difficulties: strategic information about impending threats and opportunities is perceived too late to permit timely and effective response; and the corporate planning cycle is too long to permit timely response to fast-developing events. In response to the first difficulty, a technique can be developed for early identification of strategic signals and a method for matching the firm's response to the quality of information. Therefore, management's challenge is not preventing surprise and its subsequent frustrations. It is coping with the effects of those surprises that could be prevented. Discuss (7 Marks)

5 a) Strategic Planning and Operational Planning involve two different types of thinking. Elaborate (8 Marks)

b) Explain both Objective Metrics and Subjective Metrics in the context of Strategic measures of Performance (7 Marks)

6) Draxo Canada Inc. is a pharmaceutical company which established a new division called Praxis to provide pharmaceutical products and technical services exclusively to veterinarians. Before Praxis was established, the over-the-counter market and the ethical market were both served by Etrad, another division of Draxo Canada Inc. With time however, the firm noticed that Praxis was actually eating into Etrad's market base! Draxo Canada Inc was, in effect, competing against itself. Strategic Management observers concluded that this was a typical case of Strategic Myopia. Explain then, this concept comprehensively, bringing out its meaning, impact. The reasons for it and possible solutions to it (15 Marks)