KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

DIGITAL SCHOOL OF VIRTUAL AND OPEN LEARNING

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF COMMERCE

BBA 862: STRATEGIC MANAGEMENT SEMINAR

DATE: **Wednesday, 20th June 2018** TIME: **9.00 a.m. - 12.00 p.m.**

INSTRUCTIONS:

ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

Manks Ltd is a Multi-National Corporation (MNCs) operating from Europe. It manufactures and sells household goods suited to most consumer markets. The company has been in operation since the 1970s. Most of their brands have excelled in the European markets and parts of the North American market. In the last ten years, these markets have been registering declining sales due to market stagnation owing to maturing markets. As a result, the board of directors passed a resolution to support a market development strategy that would see their brands launched and marketed in the developing countries markets. The company has approached the developing country markets using the same strategy that has been used by most multinationals operating from Europe. Most of these MNCs have approached their target foreign markets using their experiences gained from their home markets by which their marketing strategies were focused on meeting needs of their home country local markets. As a result when these strategies have been applied in the foreign markets in the same form they are in the home markets, it has been noted that even though they draw the attention of the markets, the fail to yield the required market response through sales. A global management expert advises that the strategies lack relevancy in the foreign markets as the cultural demands of the foreign market are not adequately met. Those that have approached the same markets from the American setting having used a different strategy for localization of their marketing programmes have registered better sales performance. The multinationals from Europe have however spent very little of their resources in understanding the characteristics of the local cultures that would make it possible for them to localize their marketing programs.

Required:

a) Discuss the philosophical orientation from which this company has approached its foreign markets. (6 Marks)

b) Explain how the postulates of the Institutional theory explain the dilemma faced by the company. (8 Marks)

c) What is the source of the difference in the perspective employed by multinationals operating from Europe and those operating from America? (8 Marks)

d) What advice can you offer to the company on its strategic approach to the targeted foreign markets? (8 Marks)

QUESTION TWO

a) Strategic management is concerned with how organizations build their knowledge systems so as to be able to respond to environmental changes that may affect strategic objectives. Discuss the knowledge management processes in organizations which have potential to drive strategic choice in organizations. (5 Marks)

b) Explain the concept of a learning organization and its contribution to the strategic management process in organizations. (5 Marks)

QUESTION THREE

a) Strategy in organizations results from different approaches and scholars in this area have proposed diverse approaches to strategy development. Identify and explain the strategy development approaches and situations where they are applied, as proposed by Barbuto 2002). (5 Marks)

b) Strategic management in public sector is currently gaining attention in the management of a country affairs. Explain the ways in which strategic management in the public sector differs from that of the private sector. (5 Marks)

QUESTION FOUR

a) The modern business environment has been characterized by high turbulence. Discuss how organizations can apply the learning concept in this environment to survive. (5 Marks)

b) Strategy plan implementation is a critical process that poses challenges to senior management and its success depends on the culture in the organization. Discuss the components of corporate culture and how they contribute to strategy implementation in organizations. (5 Marks)

QUESTION FIVE

a) Organizations achieve and sustain competitive advantage through the strategic resources that they possess. Discuss the nature of these resources and the challenges strategic managers face in acquiring, developing and sustaining them. (5 Marks)

b) Identify and explain key developments in the field of strategic management and show how they influence future research in strategic management. (5 Marks)