KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2018/2019

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

<u>BBA 862: STRATEGIC MANAGEMENT SEMINAR</u>

DATE: Tuesday 2nd April 2019 **TIME:** 5.30 a.m. - 8.30 p.m.

<u>INSTRUCTIONS</u>:

Answer Question ONE and any other Three Questions

QUESTION ONE:

THE CASE OF SATC LTD STRATEGTIC INTENT

Satc LTD was started five years ago to offer financial services to marginalized communities in the Arid and Semi Arid areas in Kenya. The dream of the founders was to extend financial services to citizens in the ASAL areas whose livelihoods depend on livestock farming. The conditions faced by the farmers are such that their income patterns may not be attractive to the main stream banking institutions and thus majority of the members have remained outside the formal banking. Satc LTD had one of its goals to target these communities and enhance the level of inclusivity to the financial system in Kenya. The first periodic review report on the performance of Satc LTD showed that: (i) there is a huge market potential for the organization (ii) the market demand exceeds the organization's current capacity (iii) Inspite of the demand situation, the organization has not been financially self sustaining (iv) part of the reason the demand exceeds capacity lies with management's inability to interpret the wishes of the founders and translate them into work systems that could have guaranteed the desired results. A consultant was invited to propose a way forward for the organization. Upon consideration of the periodic review report, the consultant indicated that the identified inability needs to be addressed immediately by injecting a strategic thinking capacity in the organization which is deemed to bring in potential to (a) better translate the strategic intent of the founders (b) to ensure in the next five year planning period, Satc LTD will be self sustaining and (c) Satc LTD will be able to cover all the geographical and demographic segments within its defined market scope.

Required:

i. From a strategic management perspective, what is the role of the founders of an organization in setting its strategic intent? **(8 marks)**

ii. In your view, what may have limited the current management's ability to translate the founders strategic intent? **(8 marks)**

iii. From your knowledge of strategic management, propose specific dimensions of strategic thinking that you consider suitable to bring in the needed capability in Satc LTD. **(8 marks)**

INVOLVEMENT IN ANY EXAMINATION IRREGULARITY SHALL LEAD TO DISCONTINUATION

iv. Explain how this strategic thinking enhances management's ability to perceive the business environment. **(6 marks)**

QUESTION TWO:

a. Discuss the concept of a first mover and explain how firms can use organizational resources to attain first mover advantages in their industries. **(6 marks)**

b. Explain using relevant examples the concept of dynamic capabilities. **(4 marks)**

QUESTION THREE:

a. The postulates of the population ecology theory have been used by scholars to explain how firms survive in their changing environments. Explain from this perspective the concept of *"organizational inertia"* and illustrate how you would manage it. **(6 marks)**

b. Discuss how you can apply the 4Is of Transformational Leadership to sustain the momentum for change in organizations. (4 marks)

QUESTION FOUR:

a. Compare and contrast the perspectives of the Balanced Sore Card and the Stakeholder Management theory to performance of firms. **(6 marks)**

b. Discuss the challenges of implementing strategic management in public sector organizations. **(4 marks)**

QUESTION FIVE:

a. Discuss the defining characteristics of a learning company. **(4 marks)**

b. Why is it necessary for managers to embrace organizational learning practices in the modern times. **(6 marks)**

QUESTION SIX:

Organizations differ in the manner they apply strategic management concepts. Some scholars have attributed this to the different approaches the organizations use for their strategic management activities. Identify and explain the various approaches firms use to undertake their strategic management processes. **(10 marks)**