

**University of Swaziland**

**Faculty of commerce**

**Department of Business Administration**

**Main examination**

**December 2017**

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TITLE OF THE PAPER: STRATEGIC MANAGEMENT PROCESS 1  
DEGREE : BACHELOR OF COMMERCE

COURSE : BA 440 & BA 504 (IDE)

TIME ALLOWED : THREE (3 HOURS)

Instructions:

1. THIS PAPER CONSIST OF TWO CASE STUDY QUESTIONS
2. ALL QUESTIONS ARE COMPULSORY
3. ANSWER ALL QUESTIONS AFTER READING EACH CASE STUDY

Note: You are reminded that in assessing your work, account will be given of accuracy of language and the general quality of expression, together with layout and presentation of your final answer.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED THE PERMISSION

## Case study 1 – SPTC deregulations

SPTC, a telecommunications company, was recently privatised by government of Swaziland after legislation was passed which removed the state monopoly and opened up the telecommunications market to competition from both national and overseas companies – a process known as deregulation.

Prior to the deregulation, SPTC was the sole, protected, supplier of telecommunications and was required to provide 'the best telecommunications services the nation can afford'. The Government of Swaziland retained a 'golden share' to prevent the acquisition of SPTC to foreign company. However, the privatisation meant that many of the traditional ways in which the industry had operated would need to change under the new regulations. Apart from the money received from the floating in Swaziland Stock exchange, the government privatised SPTC in recognition of both the changing global environment for the telecommunication companies, and the overseas expansion opportunities that might exist for a privatised company. The government recognises that foreign companies will enter the home market but feels that this increased competition is likely to make SPTC more effective in the global market.

You have been recently appointed a senior manager for SPTC and you have a background in the commercial sector. The Board of Directors is unchanged from SPTC's pre-floating days.

### Question 1

#### ***Required***

- a) Explain to the Board of Directors why the vision, mission, values and competitive advantage of SPTC will need to change as a result of privatisation of SPTC and the deregulation of the market. **10 marks**
- b) Advise the Board of Directors of an appropriate strategic management process for SPTC should review and develop in light of the privatisation and deregulation. **18 marks**

- c) Evaluate, using the Porter's five forces model, SPTC's future potential for a profitable telecommunication business within Swaziland. **22 marks**

### **CASE 2 WATER CHARITY**

Based in a European country, Future for Africa is a charity which raises funds to provide portable equipment to remove the poison arsenic from drinking water in villages, in developed countries. Run by the Board of Trustees, the organization operates on 'laissez-faire' management principles. There are few full-time paid employees and Future for Africa is heavily dependent upon the work of volunteers. Although these volunteers are dedicated, many have said that they do not feel the organization knows where it is going and have said that they are not confident about the Future for Africa.

Funding comes from appeals to the general population which are made through newspaper advertisements. Future for Africa does not use the internet to promote or raise donations and, generally, does not use available technology to any extent in its organization. Additionally, Future for Africa receives corporate donations, most of which come from old school friends of the trustees.

There is no government funding and recently, Future for Africa has had difficulty in attracting donations and is a risk of not being able to carry on its work. The charity industry become more competitive and many other organizations within it have become more aggressive in their marketing and promotion.

None of the Board of Trustees has a commercial background. The Chairman knows that there is a serious gap in the knowledge that the trustees have about the environment in which Future for Africa operates. Recognising that Future for Africa needs a more proactive approach to the environment in which it operates, your help as a senior manager has been sought.

## QUESTION 2

### Required

- a) **Discuss** how conducting a frequent and thorough environmental analysis (not using Five Forces) would help the Board of trustees of Future for Africa. **23 marks**
- b) **Discuss** the difficulties that Future for Africa might, as an organization, experience in developing a process of environmental analysis. **12 marks**
- c) **Recommend** with reasons, five strategies from environmental analysis that would enable Future for Africa to build its future success. **15 marks**

**Total marks 100**