

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**SUPPLEMENTARY EXAMINATION**  
**JULY 2018**

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TITLE OF THE PAPER : STRATEGIC MANAGEMENT PROCESS 11  
DEGREE : BACHELOR OF COMMERCE  
COURSE : BA 441 & BA 505 (IDE)  
TIME ALLOWED : THREE (3 HOURS)

Instructions:

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

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

## **BIDVEST CROWS WITH KFC BACK IN NEST**

KFC has switched the supply of 350 of its UK restaurants back to its original distributor, after a move to German logistics group DHL prompted a chicken shortage at the fast food group's outlets that ruffled British customers' outcry.

The fried chicken chain sold said it had inked a new long term supply agreement for more than a third of its UK restaurants with Divest, the delivery company that used to supply it before KFC overhauled its British supply chain last year, awarding the company DHL. Yum Brands owned KFC was forced to temporarily shut hundreds of its 900 UK restaurants after operational issues at DHL left backlog of chickens at delivery group's sole warehouse in Warwickshire. That led to shortage of the chain 's key ingredient as well as other menu items such as fries and coleslaw and promoted questions as to why it has tried to implement the change to a new supplier with a single, new and untested distribution centre without better contingency plans in place.

A KFC spoke person said the chain had been working hard to resolve the present situation' with DHL and its logistics technology provider, QSL. A decision has been taken that in conjunction with QSL and DHL to revert the distribution contract for up to 350 of their outlets in the north of UK back to Bidvest Logistics to avoid further disruption. Bidvest confirmed that it will provide renewed supply restaurant from 26 March 2018.

Bidvest's Paul Whyte said they are delighted to welcome KFC back to Bidvest Logistics. As the UK's leading service logistics specialist we understand they know the complexities of delivering fresh chicken. He claims that KFC is the valued customer and they will provide them with a seamless return to our network.

KFC spokesperson said the company would continue to operate with QSL and DHL for the remainder of its restaurants in UK. They have been working hard to resolve the present situation with QSL and DHL. The decision will ease the DHL's Rugby depot, to help get their restaurants back to normal as quickly as possible. He says that over 97% of the 900 restaurants are now open for

business, although there will be some limited menus before back to business as usual.

DHL acknowledged KFC's move. Their spokesperson said that, together with its partners, it remained fully committed to deliver excellent service to KFC's remaining 550 restaurants across UK

*Source – The Financial Times*

### **Required**

After reading the case study answer the questions below.

#### **Question 1**

Using the Strengths, Weakens, threats and opportunities analyse KFC business approach to change their distributors and what strategies they should formulate for future award of distributor of their fresh chicken? **(25 marks)**

#### **Question 2**

Using a Porter's value chain strategy, advice on 3 primary and 2 support activities KFC should consider before awarding distributor a contract to avoid public outcry. **(25 marks).**

#### **Question 3**

Performance evaluation of any contracted supplier is very critical for KFC. Explain how KFC could use the balanced scorecard tools to evaluate the performance of their business in the near future. **(25 marks)**

#### **Question 4**

Using Porter's Generic Strategy, discuss which strategy is followed by Bidvest to distribute its logistics and why the others are not relevant. **(25 marks)**

**Total marks 100**