

**University of Swaziland**  
**Faculty of commerce**  
**Department of Business Administration**  
**Supplementary examination**  
**Jan / Feb 2019**

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TITLE OF THE PAPER : STRATEGIC MANAGEMENT 1  
DEGREE : BACHELOR OF COMMERCE  
COURSE : BUS401; BA440 & BA 504 (IDE)  
TIME ALLOWED : THREE (3 HOURS)

Instructions:

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1. THIS PAPER CONSIST OF SECTION A AND SECTION B)
2. SECTION A IS CASE STUDY AND IT IS COMPULSORY QUESTION
3. ANSWER ANY TWO QUESTIONS FROM SECTION B
4. CASE APPLIES TO ALL QUESTIONS

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

## CENTRALISATION LEADS TO ULTIMATE EFFECIENCY – THE JWAYELANI RETAIL OPERATION SHOWCASES ITS SUCCESS

A stream lined operation – from meat packing plant to convenience supermarket – is why Jwayelani has established as the store of choice for customers looking for quality, value-for-money and good service and situated predominately on the transport nodes of KwaZulu Natal.

### **The right start**

Jwayelani, which means ‘welcome and be happy’ is in isiZulu, was established in 1987 as a retail operation focused on fresh and frozen meat products. Rather than opening a number of butcheries and conveniences supermarkets where the meat processing and packing takes place in-house (as is the general case), they spent five years building a 4 000m<sup>2</sup> state-of-the-art factory. ‘You can not only build a business around people, but rather you need to ensure a system to support those people. So we just built such a system first’, explains Jwayelani director Schneiderman. With 21 stores at present and R1 billion turnover per annum, it seems they have the recipe right.

### **Why meat really matters**

For most customers, the quality and price of meat in the supermarket butchery largely determines their choice of store. Having the advantage of a centralized factory, with all of its benefits, sets Jwayelani apart from its competitors. This has proven particularly important to its existing customer base, which has come to expect the same quality of product and standard of in-store experience as customers in more affluent areas.

### **How central works**

'Following supermarket trends in Europe and the US, we believe that central is the only way to go', says Schneiderman. The benefits of improved productivity and efficiency within the system are made clear, by the simple fact that the Jwayelani stores never experience out-of-stocks. Apart from the meat plant, Jwayelani also has a centralized bakery, which produces bread and a limited number of confectionary items, and a dry good distribution center. According to the Distribution Control (DC) manager, Trevor Coppin, their average shrinkage is approximately 0.03% per year. Around R30 million worth of stock passes through the DC each month – 'we are very efficient with turnaround time' he says. The DC system may still be rudimentary in terms of manual packaging and loading, but it is adequate for the volume and number of lines present, and there is still enough space to double or even triple operations.

### **Convenience for commuter traffic**

Situated predominately around the transport nodes, has meant that Jwayelani stores have been able to position themselves as a convenient one-stop-shop. These small store formats have proven to be very attractive to passing commuters (despite heavy competition all around), as they have come to be known as a place where shoppers can get in and out really quickly with everything they require.

### **Expansion**

'We opened three stores in four months last year', says Schneiderman. 'The plan going forward is to expand the Jwayelani footprint in KwaZulu Natal, particularly along major highway routes'. New store formats include specialized

butchery offerings and entry into established shopping centers, though this has been difficult due to the restrictive exclusivity clauses placed by other supermarkets. Supplied with the latest equipment from around the world, the meat processing and packing plant in Durban currently sees 300 – 350 tons of meat and chicken processed – 20% of the factory's capacity. As the group expands the volume of fresh and frozen meat and chicken will increase accordingly, 'without the need for too much more capex', says he.

*Source: Adapted from Durban (2011:33-35).*

## SECTION A

### Question 1- compulsory

- a. Identify the strength, weakness, opportunities and threats of Jwayelani Retain Shop **15 marks**
- b. Develop and discuss SWOT Matrix strategies for Jwayelani **20 marks**
- c. Identify three priority strategies they should follow and give brief justification **15 marks**

## SECTION B

### ANSWER ANY TWO (2) QUESTIONS FROM THIS SECTION

#### Question 2

- a. Identify and explain the business model, strategic plan and business plans Jwayelani for management its business **15 marks**.
- b. Identify and explain Jwayelani's strategic decisions (strategies) they should follow to develop a clear organizational strategy **10 marks**.

#### Question 3

Discuss the four building blocks of competitive advantage of Jwayelani Retail shop **25 marks**.

#### Question 4

Using Industry Analysis – Porter's five forces model explain how Jwayelani Retail could expand its business operations to the whole of South Africa **25 Marks**

**Total marks 100**