

University of Eswatini
Faculty of Commerce
Department of Business Administration
Main Examination
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TITLE OF THE PAPER : STRATEGIC MANAGEMENT 1
DEGREE : BACHELOR OF COMMERCE
COURSE : BUS 401/BA440
TIME ALLOWED : THREE (3 HOURS)

Instructions

1. There are two sections in this paper, A and B.
2. Section A is compulsory. Answer any three questions in section B

SECTION A-COMPULSORY

Question one

Read the case below and answer the questions that follow.

Sainsbury Limited, once a modest string of High Street provision stores in a family business, is now a multi-million pound retail chain with over 300 supermarkets in UK. It employs more than 120,000 staff of who over 70,000 are part-timers. Two thirds of all staff are women, including some 455 of the management staff. Both in its attitude towards staff and its desire to satisfy customers, the company reflects a developing set of fundamental values in the way it conducts its business-its culture.

In respect of staff, the company aims to maintain ' *a well trained workforce with a good balance of people of all ages and backgrounds*'. The company operates a retail-training scheme for junior employees and a retail management-training scheme for A-level school leavers. It also was among the first companies to pilot the employment of older (i.e. retired) workers in customer service roles, which has been very successful. Such staff are employed on a part-time basis, but on permanent contracts so that they can benefit from profit sharing and other company benefits. Women's needs for flexible and part-time work in permanent position with career opportunities have been recognized by the company, which, while acknowledging the unsocial hours on retail trade, has introduced part-time opportunities for women at supervisory and first-line management levels. All staff vacancies below senior

management are advertised internally on a weekly basis, and the company expects a substantial proportion of jobs to be filled by promotion from within.

In respect of customers, who in real sense also represent the interests of the local community, the company selects its sites and stores in accordance with environmental as well as convenience considerations. Store design '*will be appropriate to local building styles and materials*' and '*comprehensive landscaping schemes are applied to each new site ... wherever possible existing vegetation is used---In a single year Sainsbury plants around 50,000 trees and half a million shrubs*".

In its stores, the company has developed the concept of the '*low energy store*', which has reduced the amount of electricity used in store lighting, refrigeration systems, heating and air-conditioning plant and in its in-store bakeries. The company aims to minimize the packaging content of its products, consistent with hygiene and damage requirements. It uses recycled material for its carrier bags; uses shrink wrap rather than cardboard boxes where practicable, and uses a thinner film for the packaging of products such as bacon and fresh fruit. In terms of the contents of packages, Sainsbury's aim is to provide environmentally friendlier products, some produced organically, others with certain chemicals removed (e.g. phosphates).

No cosmetic items are tested on animals, CFC gases are no longer used in aerosol sprays, and most paper products (toilet rolls, kitchen towels etc) are made from high-grade recycled paper.

Finally, so as to re-assure customers of general hygiene and efficiency, as well as to create an appropriate image of smartness for a good store, the company has spent considerable time and money in designing, trailing and issuing a new staff uniform.

Questions

- a) Undertake SWOT analysis for Sainsbury Limited and explain the impact of each variable on the firm's operations (10 marks)
- b) What does the above account tell you about the organizational culture at Sainsbury? (10 marks)
- c) An organization's philosophy defines and articulates its belief about: markets, customers, employees etc. From the case study, formulate five Sainsbury Limited corporate philosophies (10 marks)
- d) The Resource Based Theory of the firm posits that, a firm's strategy is largely determined by its resource position. Using the case above, suggest and explain any four criterion that may be used to evaluate resource attractiveness (10 marks)

SECTION B

Question two

- a) How does the vision of the organization help an organization to align internal processes to its strategic position in the market place? (10 marks)

- b) Crafting and executing a company's strategy is a five-phase managerial process. Discuss the process (10 marks)

Question three

- a) Strategy is a complex concept that involves many different processes and activities within an organization. If you were appointed as the in-charge of strategy in a small business, discuss four factors that will impact the nature of decisions you will make (10 marks)
- b) Describe the relationship among environmental analysis, competitive analysis, and organizational analysis (10 marks)

Question four

- a) What recommendations would you make to improve the effectiveness of today's Board of Directors? (10 marks)
- b) Porter's Five Forces Model helps with the structural analysis of the environment. What should an organization do to cope with the five forces? Explain (10 marks)

Question five

- a) Should ethics and social responsibility be essential to the study of strategic management? Why or why not? (10 marks)
- b) Over time, most industries have evolved through a series of stages. These stages have long term implication on the performance of the firm. As a student of strategic management, discuss industry evolution and explain the forms of opportunities that exist at each stage (10 marks)

Question six

- a) In what way might an organization's structure and culture be internal strength and weaknesses? Explain (10 marks)
- b) Assess the strength and weaknesses of the strategic audit as a technique for assessing corporate performance (10 marks)