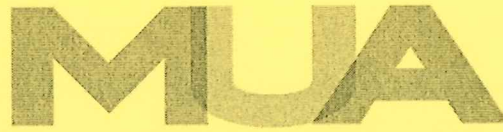


The
Management
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POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION/ MASTER OF
MANAGEMENT AND LEADERSHIP

SMO 502: ADVANCED STRATEGIC MANAGEMENT

DATE: 21ST JULY 2022

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is **compulsory**.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

AN OPPORTUNISTIC PUSH INTO SUSTAINABLE BUSINESS

General Electric Co. decided that sustainability was a business opportunity rather than a cost and pushed into the field in 2005 with its eco-magination initiative, but the products and services weren't only for its customers – they first transformed GE itself. GE began looking at sustainability as part of a demographic trend, realizing that scarcity would increase with population growth. Energy and water use, waste, carbon emissions – all would decline among the most efficient and sustainable companies. GE saw a profitable business opportunity in helping companies along this sustainable path. GE set up its new vision and mission in helping companies along sustainability in the energy sector. GE also gambled that carbon would eventually be a cost, following the implementation of previous regulatory regimes such as limiting acid rain. Although the precise way carbon would be regulated was unknown, as it still is, the company had little doubt that regulation would come to pass. GE's strategic objective was to join a climate coalition with non-governmental organizations to press for a cap-and-trade system in order to build certainty into the future.

Within the company, GE began engaging employees to see where energy savings could be found. That might include turning off the lights when a factory was idle or even installing a switch so that lights could be turned off. Eco-magination sold solutions within GE, whether the project involved installing LED lights on a factory floor, recycling water at a nuclear facility or offering combined heat and power generation units at a plant in Australia. Within GE, managers began to be measured on how much energy savings they had achieved. The company also increased allocation of other

resources to sustainability by 20%. As a trade-off the company stopped its general service line to give it more specific focus on sustainability.

The company so far has saved \$100 million from these measures and cut its greenhouse gas intensity – a measure of emissions against output by 41%, according to the company's sustainability report. The work inside GE became a proof of concept to external customers grappling with similar issues. Ecomagination targeted C-level executives to build this business, since most problems cut across divisions (improving energy efficiency, for example). So far GE has invested \$4 billion in this effort, much of it in research and development. But it reaped sales of \$17 billion in 2008, up 21% from a year earlier, and is striving for \$25 billion in sales in 2010.

Required:

- a) Developing a sound corporate strategy is crucial to consistently meeting goals and achieving long-term success of an organization. Examine how the four key components of corporate strategy were executed in GE. **(10 Marks)**
- b) Determine how the environmental factors may have impacted on GE's business strategy **(12 Marks)**
- c) Having the right strategy analysis tools won't necessarily make you a good strategist but will help a good strategist get the job done more effectively. Evaluate the significance of these tools to the success of GE **(8 Marks)**

QUESTION 2

- a) Organization stakeholders are important contributors to the success of a firm. With reference to stakeholder theory evaluate how a business can seek to maximize value from its stakeholders through good stakeholder management. **(11 Marks)**

- b) Evaluate how a company strategist would use the Positioning school of strategic management to gain strategic advantage. (4Marks)

QUESTION 3:

- a) Analyze why a firm with a strong R&D is best placed to enjoy competitive advantage (8 Marks)
- b) Firms which operate in Dynamic Environments must sometime make drastic strategic choices in order to survive. Evaluate the two main ways by which a dynamic environment is created and then highlight any five characteristics of a dynamic industry environment. (7 Marks)

QUESTION 4

- a) Although innovation is intangible, it allows business to see beyond the present and create the future. Managers must create a culture that promotes creativity in the firm as a strategic move. Examine any five organic structures in the firm that promote innovation. (5 Marks)
- b) Justify why strategic managers should embrace the role played by free market economy in ensuring ethical standards are maintained in the market place. (5 Marks)
- c) Historically many businesses played significant roles in their local communities by providing financial support to a variety of non-profit organizations and charitable causes. Evaluate the recent events and trends that have contributed to companies changing the way they approach philanthropy. (5Marks)