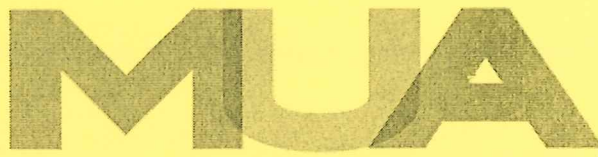


The
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POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

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

SMO 501: INTERNATIONAL STRATEGIC MANAGEMENT

DATE: 19TH 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:

GENERAL MOTORS CASE STUDY

General Motors is one of the leading automotive companies which was founded in 1908 and grew over passage of time. It currently operates under several sectors including GM North America, GM Europe, GM International Operations, GM South America, and Corporate. General Motors is involved in the production of both cars and trucks and are recently trying to create a hybrid revolving around the two. The company initially focused manufacturing, designing and selling on its own production of cars but that have changed over the period with several acquisitions and mergers.

Currently, the company is operating under the banner of General Motors. It comprises of several notable names of 21st Century including Cadillac, Chevrolet, Opel, Vauxhall, On Star, Holden, Maven and FAW. General Motors company was incorporated in 2009 as the company had expanded its presence throughout the world from Canada to Australia. It created individual companies for managing its diversified operations including the opening of customer care center. (General Motors Co (GM.N))

General Motors' mission is to focus on enhancing quality of its operations to improve their goods and services while taking into account the external impact on all kind of stakeholders like customers, shareholders, business partners, subsidiaries, and environmentalists. However, what's new is the change in vision statement of the company which is now focusing on bringing the automotive to run on alternative fuel force and reduce the impact on the atmosphere of gas emissions from vehicles. (TO EARN CUSTOMERS FOR LIFE)

The team involved in General Motors' production process is diversified from including not only the manual workers but also engaged technologists, environmentalist and engineers including collaboration with NASA engineers. This means that they are taking advice and exploring all aspects of their product before its launch.

Failure to innovate is the key reason to the downfall of Old General Motors. Innovation is the process whereby the management team of an organization is charged with the responsibility of introducing something new, which might be a new idea or a methodology or rather, a contrivance to facilitate the operational concerns and production. The Old General Motors failed with innovations in the company. These innovations were needed to ensure that the Old GM able remains competitive, and the company was able to manufacture cars that are in line with the client's demands. This is related to the Old GM' field of business to ensure that the organization do continue to produce the respective consumer centered product. The manufacturing industry such as the General Motors, innovation ensure that the output they deliver to the consumer do meet their needs, and expectations in a way that is realistic and makes their product to have a preference by the consumers against other same need satisfying product.

The fall of the Old General motors' in this context was initially' by the lack of personal innovation. The Organizational management was desperate for people who could see things in a different perspective. This would quickly size up the problems and come up with creative solutions to pinch the organization was facing. The failure of the "Old GM" to innovate made the organization less indispensable to consumers of the company products and other key personalities, who preferred the company output. This was both in the organization and outside its walls. The GM did lack the "go to idea personality," which is essential, to work through intricate challenges and come up with creative solutions such as more performing vehicles. The failure by the Old General Motors to innovate made the company and its technologies obsolete;

thus, the company failed to satisfy the needs of evolved human with its obsolete products.

It was essential for Old General motors to come up with new products for its consumers, because that is what can make them have a bigger realization of sales. Either these new products can be new to the market in that, no any other manufacturer had made such a product before just like the Chrysler invented the minivan, or the product can be new to the company in that it was an invention done by another organization and the organization is coming up with its own version. For example, The Mercedes Benz Company was not the original manufacturers of the personal cars, but they came in after the market depicted a high potential with very satisfying products. This is innovation at its best, which the old General Motors failed to adopt. A product can be innovated to be new to a certain market segment. For instance, the Mercedes Benz sedans were first aimed at the price insensitive segments, but the manufacturers did in latter stages decide to target the price sensitive segment. This was innovation.

The "Old GM" failure could have been caused by his choice of being a laggard in the innovation adoption. The old General Motors Company limited allowed the force of innovation to work against them. The managers did fear the risk associated with innovation and its adoptions that can either be financially bent or rather socially indented. The Old General Motors did as well fear the chance of trying edging ideas towards product development and growth for the organization to be able to remain in business. The organization might as well have resistance towards erudition on how to use the new technologies and innovation towards consumer satisfying products fabrication and pricing as well as positioning.

Innovation does create a desirable environment for product positioning; for instance, the efficiency desired by consumers is critical to ensure that a company is able to satisfy the customers' needs effectively. The resistance and lack of innovation are

reasonable and justified factors to conclude that the fall of the Old GM resulted from the company's lack of innovative ideas. Additionally, the company failed to adopt new technologies when the organization was desperate for innovations.

Adapted from:

- i. Muoio, A, 2007. G M has new model for change, from fastcompany.com/magazine/41/gmhtm.
- ii. General Motor taking swift cost cutting action 2008. from [dailymarkets.com/stock/2008/11/24/General -motor-taking swift -cost-action -cutting](http://dailymarkets.com/stock/2008/11/24/General-motor-taking-swift-cost-action-cutting).
- iii. Driving change at General Motor,2005, [www. cioleadershipnotes.com](http://www.cioleadershipnotes.com)

REQUIRED:

- a. Illustrate the Five forces framework in relation to General Motors Company.
(15 marks)
- b. A product life cycle is the amount of time a product goes from being introduced into the market until it's taken off the shelves. Examine the strategies General Motors managers can use to maintain product leadership?
(15 marks)

QUESTION TWO

- a. You have been selected to brief the board of management on the special difficulties that your firm might encounter in its quest in International Business. Critique these difficulties.
(8 Marks)
- b. Evaluate the Uppsala Internationalization model and its limitation in the new era.
(7 Marks)

QUESTION THREE

- a. Among nations, Kenya has a competitive advantage in the tea export industry while India has significant advantage in terms of low labor cost. Using the diamond model of competitive advantage of nations analyze how Kenya and India can be competitive in the global stage. **(8 Marks)**
- b. Propose the key legal issues to be considered in determining global expansion. **(7 Marks)**

QUESTION FOUR

- a. Illustrate competitive advantages that can be expected from organizations adapting green strategies **(8 Marks)**
- b. Strategic drift is the result of a process of gradual adaptation in a context of change which requires more than just adaptation. Analyze what is meant by the term 'strategic drift? **(7 Marks)**