

The  
Management  
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POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

LSO 506: VALUE CHAIN MANAGEMENT

DATE: 22<sup>ND</sup> 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:**

***SIMBA FINANCES LTD.***

Simba Finances Ltd is an international banking organisation with its headquarters and the majority of its banking activities centered in Kenya. However, its growth within Kenya has slowed down considerably over the last three years mainly due to increasing competition.

Of late the organisation has been struggling to venture into the finance related activities to achieve positive business growth. Such diversification programmes have been disastrous. Thank God, due to success on the money markets and a more business awareness creation approach to the existing customers, some profits have been realised. There is, however, a feeling among some top management staff within the organisation that such approaches for increasing short-term profits are likely to impact negatively on the overall strategic outcomes.

In the last Annual General Meeting, a new chairman was appointed. After studying internal audits and reports she feels that the following actions need to be taken:

- i) A complete review is required of the existing strategies of Simba Finances Ltd.
- ii) More effective marketing of the organisation's existing business
- iii) Overhaul review of all existing investments with a view to selling off unprofitable activities as soon as the market will allow.
- iv) Introduction of a less bureaucratic management structure more able to deal with the rapid changes faced by the organisation.
- v) Need to introduce throughout the organisation world-class management thinking.

Finally, the chairman has been particularly worried about the purchasing activity across the organisation. At the moment, it is totally fragmented and poorly managed.

## Required

- a) Propose and explain any three strategic tools of analysis that Simba Finances Ltd could use to unearth its problems. **(15 marks)**
- b) The case mentions that purchasing activity across the organisation is totally fragmented and poorly managed. In five points, explain what you understand by this assertion. **(15 marks)**

## QUESTION TWO

- a) A three star restaurant with established branches in various parts of the country has hired your services as a consultant to advise it on a suitable purchasing structure to adopt. Explain any five factors that would influence your recommendation for a devolved purchasing structure for the firm. **(10 Marks)**
- b) Discuss two challenges which the firm is bound to face with the adoption of a devolved purchasing structure. **(5 Marks)**

## QUESTION THREE

- a) Explain, using appropriate examples, three roles of benchmarking in quality assurance in an organisation/ industry or sector. **(6 marks)**
- b) Analyse, with reference to a particular organisation/ industry or sector, three merits of sourcing from a single source. **(9 marks)**

## QUESTION FOUR

- a) Most traditional performance measurement's as used in purchasing and supplies management are part of minimum performance measurement. Critique. **(10 Marks)**

- b) Early supplier involvement tends toward “long term relationship” between buyers and suppliers. With the aid of relevant examples, evaluate the arguments for and against long term relationships. (5 Marks)