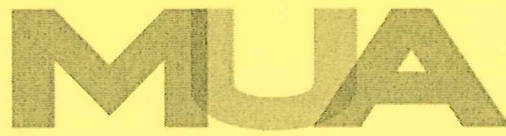


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POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

**SMO 502: ADVANCED STRATEGIC MANAGEMENT**

**DATE: 29<sup>TH</sup> MARCH 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:

**MILTES FOODS COMPANY**

Miltes Foods Company produces and distributes packaged food products such as cereals, biscuits, spices, jams, jellies, syrups, etc. The company serves a national market and also exports small quantities to neighboring countries. It conducts a large national advertising campaign and has 75 plants located all over the country marketing 70 different products: each under its own trade-mark. Though all its products are foods, they are however not closely related. They vary from long margin specialties with comparatively small volume to large-volume items with small profit margins. All products are sold through the same channel.

The management of Miltes Foods Company is centralized. The Chairman of the Board who is also the President has four Vice-Presidents who are responsible for sales, production, purchasing and law. They make up the topmost executive level of the company and operate as a committee on all general policy matters. Sales, advertising and sales promotions come under the Sales Vice-President. Plant operations as well as the research and engineering department report to the Production Vice President. Purchasing is the responsibility of its Vice-President who also governs traffic. Public relations, law and corporate functions fall under the General Counsel. Financial responsibilities are handed by the President and employee relations are covered by each Vice-President in his/her own area of responsibility.

The company was set up by combining several food products with the thinking that there would be great advantage in wholesale distribution if one salesman could cover an entire line on one call as against a number of salesmen, each calling to sell a single



line. Saving in time alone would be of great value to the distributor. This principle has been retained and has proved successful as the company has grown. To avoid neglect or error, single product or a group of products are assigned to one of the 20 Product Managers. Each Product Manager is responsible for seeing that his product receives due attention from the sales organization, the production department, and the advertising and promotion departments. They, however, report to the Sales Vice President, who has the overall control. The Sales Vice-President can curtail any efforts of the Managers if they are using their force for special efforts on some other product or products. There is no institutional advertising. All advertising is coordinated and placed by the Advertising Manager while the final authority rests with Sales Vice-President.

The business has more than doubled in the last ten years and profits, both gross and net, have increased. The number of plants has also more than doubled. Purchases have increased proportionately. New taxes and new reports to the government have added to the complexity. The management feels that certain problems are potentially dangerous and should be solved before they become serious.

There have been periods in which a product has got into difficulty because of loss of favour with public, bad management or even neglect. Attention of the Sales Vice President to the problems of some products has caused him, at times, to fail to recognize difficulties in other products even though the Product Manager of such products had recognized them and brought them to his attention. The burden on the present officers is becoming too heavy to ensure proper attention to all their responsibilities. Employment of assistants erodes the personal touch of the top group that is necessary for successful management.

Opportunities for increasing product lines and expanding the business are being lost because of lack of executives' time to study them or to manage new products. In any business where specialties are sold under trade marks and brands are the major

business of a company, it is necessary for the company to continually bring out new products and to study old ones to determine the point of no return regarding promotion and advertising expenses.

The management feels that in addition to the lost opportunities, market potential and the need for development of present products are not being fully recognized. The business may have grown too big for the form of management. Executives require more responsible attention for each product. At the same time they wish to retain the advantages of central management in purchasing, traffic, institutional reputation and minimum sales approach and to maintain the high-calibre advice and experience now present in law, advertising, accounting and public relations.

### Required

- a) Analyze how far is the existing organizational structure of Miltes effective in the changing conditions of the company (10 Marks)
- b) Evaluate to Miltes top management who should be responsible for what in a good strategic management structure (10 Marks)
- c) Based on your understanding of Miltes case study, explain the role of strategic thinking in the changing business environment (10 Marks)

### QUESTION 2

- a) Examine the limitations of licensing as a strategy for foreign country entry (6 Marks)
- b) Discuss how an organization can use modern Information Communication Technology for gaining and sustaining a competitive advantage (9 Marks)

**QUESTION 3**

Write short notes on the following:

- a) Strategic drift ( 5 Marks)
- b) 5 Ps of strategy execution (5 Marks)
- c) Company positioning (5 Marks)

**QUESTION 4:**

- a) Evaluate the four drivers of home country influence on the internationalization of its firms. (8 Marks)
- b) Examine the process of Strategy Evaluation and its significance in strategic management ( 7 Marks)



