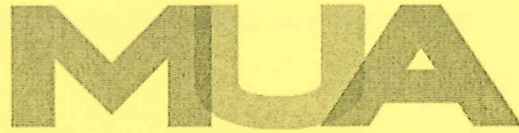


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POST GRADUATE UNIVERSITY EXAMINATIONS  
SCHOOL OF MANAGEMENT AND LEADERSHIP  
DEGREE OF MASTER OF BUSINESS ADMINISTRATION

LSO 506: VALUE CHAIN MANAGEMENT

DATE: 1<sup>st</sup> APRIL 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:**

**EXPERT PRINT (K) LTD**

Expert Print (K) Ltd is a Kenyan business company based in Mombasa. The core business of the company is design, print and sales of birthday and Christmas cards. This is a family business with annual turn over of K.sh. 450 million. Mr. Kwetu is the founder and Managing Director. He is also the sole designer. Mr. Kwetu is planning to retire at the end of this year.

Mr. Kwetu's two sons Edward and James and his daughter Rebecca have recently joined the business after gaining qualification in design and print. The only other staffs in the company are three printers and a sales force of five employed for over the two years to cover the whole country which has been divided into eight regions. There has been a slow progression of the business with little investment in technology.

Mr. Kwetu currently funds any developments to business from profits made in previous years. He is cautious about business expansion and likes to oversee the printing and sales operations personally. Edward, the eldest son has many ideas for the business as he prepares to take over from his father.

Edward has discussed his ideas with James and Rebecca and these are some of his initial thoughts:

- Expansion of the range of cards
- The introduction of new product lines
- An increase in sales throughout the country
- The development of marketing and publicity plans for the next five years
- The introduction of new technology in both design and print
- Recruitment of more staff.
- The re-structuring of the entire business with plans to open divisional offices in the other districts.
- The expansion of the business into the entire East Africa.

**Required:**

- a) Describe the environmental and organizational characteristics which are likely to affect future strategic decisions for the business and its supply chain. **( 10marks)**
- b) If you were Edward, explain whether you would plan for the strategy to expand and develop the business first or whether you would re-structure the business both in Kenya and East Africa first. **( 10 marks)**
- c) Analyse the value analysis and management strategies that the organization may adopt in order to remain competitive. **( 10 marks)**

**QUESTION TWO**

- a) In the history of power source relationships, percentage wise, labor cost went down while material cost went up. Analyze the statement using an organization, industry or sector known to you. **( 9 marks)**
- b) Supply management plays a major role in improving the " bottom line" by driving sales up and costs down. Discuss the statement using an organisation, industry or sector known to you. **( 6 marks)**

**QUESTION THREE**

- a) Analyse the statement: Generally speaking, firms with the fastest time to market with new products by using cross functional teams including suppliers, enjoy higher profits. **( 10 marks)**
- b) Evaluate the statement: some 75% of many manufacturers' quality problems can be traced back to the defects in purchased materials. **( 5 marks)**

**QUESTION FOUR**

- a) Analyse the role of value chain analysis in cost optimization in the agri-business. Use a specific agro based product in your illustration. **( 8 marks)**
- b) Describe the application of benchmarking in value chain management of a specific product. Uses examples from an organization, industry or sector that is known to you. **( 7 marks)**

