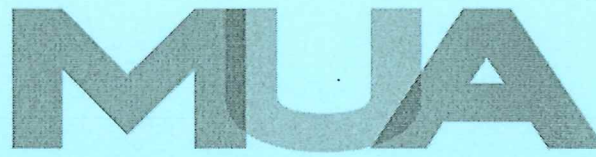


The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BML 400/UCU 400/BDS 404/

BDS 406/BDS 408/BDS 410:

**PRACTICE OF CONSULTING IN
MANAGEMENT**

DATE:

20th July 2022

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 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

There are three main ways your company can generate revenue: acquisition, retention and expansion. Acquisition is bringing in net-new customers, retention is getting those customers to renew subscriptions or make repeat purchases and expansion is upselling or cross-selling to your existing customers.

To have the highest profits and the most sustainable growth, you need to maximize the results you see from all three of those channels along with your pricing strategy.

Unfortunately, many companies focus on just one of those areas, like acquisition, but in order to truly optimize your revenue, you need to take a holistic approach.

Revenue optimization is the management of acquisition, retention, expansion and pricing strategies in order to improve business health and profits.

When you leverage revenue optimization, you are working to not just impact the earnings from each individual sale, but rather improve the sum of your income. So, it does require a balancing act between the different contributing strategies since your efforts might decrease the results in one area in order to create a bigger increase elsewhere. In the long-term, though, revenue optimization leads to more sustainable growth.

In both good and bad economies, companies continually seek to optimize their Revenue model and their Cost structure. The goal, ultimately, is for the company to use Invested Capital as efficiently as possible.

The first client is a low-cost airline based in Suswiss, serving 24 destinations in the Southeast Asian market. The Airline's profitability was strong until 2020 and has since seen a declining trend and is now only just barely profitable. The CEO is

wondering and does not know is causing the profitability decline and possible strategy to reverse this trend.

The second client is a market-leading, niche ski equipment manufacturer based in Colorado. Profitability has remained steady but the CEO has noticed from reading industry annual reports that two publicly-listed competing ski equipment manufacturers have meaningfully higher profit margins and have also been increasing their top line (Revenue). The CEO would like to understand the drivers of these differences.

Required

- a) Assuming you have been hired as a consultant, using information in the case, propose how you will carry out in both cases diagnosis to determine the right remedy to prescribe the two originations in order to reverse the current observed trends. **(10 Marks)**

- b) Discuss the termination Phase of the consulting process **(5 Marks)**
- c) Formulate ways of managing client and consultant Turnover **(5 Marks)**
- d) Assess the critical points of which a client needs to be aware of when selecting a consultant **(5 Marks)**

QUESTION TWO

- a) Analyze SEVEN pricing methods that the consultants use in coming up with the prices. **(7 Marks)**

- b) When a major airline was undertaking retrenchment recently, Catherine the long serving Customer Service director in the airline opted for early retirement. She intended to use her retirement benefits to set up a business while continuing her profession as a consultant. Since she is new in the consultancy business, she is torn between starting her own consultancy firm and being employed as a consultant in currently existing firms. Evaluate the advantages and disadvantages of being employed as a consultant in a consultancy firm she is likely to have. **(8 Marks)**

QUESTION THREE

- a) Successful consulting requires the consultant and the client to nature and maintains a good working relationship throughout the duration of the consultancy. Enumerate the various pitfalls that a client should avoid in an effort to nature and maintain a good working relationship with the consultants
(9Marks)
- b) Illustrate the following main forms of contracting.
- i) Verbal agreement **(2Marks)**
 - ii) A letter of agreement and **(2 Marks)**
 - iii) A written contract **(2 Marks)**

QUESTION FOUR

- a) Evanna is in the final stages of her consultancy assignment. Assess the signs she should look out for to know when it is time to exit? **(5 Marks)**
- b) Training of staff is often part of the solution implementation process. Explain five various ways that the training component can be undertaken. **(10 Marks)**

QUESTION FIVE

- a) You have been invited to submit a proposal to consult for a leading firm in the area of ICT. Indicate the sections you would include in the proposal.
(8 Marks)
- b) In current consulting, there are more and more situations where experience cannot offer any satisfying solution and where both the consulting team and the client organization have to come up with a totally new approach. Discuss SEVEN techniques of creative thinking.
(7 Marks)

QUESTION SIX

- a) All too often managers see opposition to change as being negative and those resisting change as troublemakers who need to be converted. Explain FIVE reasons why individuals resist change. **(5 Marks)**
- b) Discuss TEN categories of clients in the consulting field. **(10 Marks)**

