UNIVERSITI TUN HUSSEIN ONN MALAYSIA

FINAL EXAMINATION
SEMESTER I
SESSION 2012/2013

COURSE NAME	:	STRATEGIC MANAGEMENT
COURSE CODE	:	BPB 33803 / BPA 3123
PROGRAMME	:	4 BPA
EXAMINATION DATE	:	DECEMBER 2012/JANUARY 2013
DURATION	:	2 HOURS 30 MINUTES
INSTRUCTION	:	1. PART A ANSWER ALL QUESTION
		2. PART B ANSWER FOUR OUT OF FIVE QUESTIONS
		3. ATTACH APPENDIX II WITH YOUR ANSWER BOOKLET

THIS QUESTION PAPER CONSISTS OF SEVEN (7) PAGES

PART A

Q1 Ahmad's Computer store has decided on two strategic alternatives to improve its business operation after carried-out the matching stages in strategic formulation. Next, Ahmad's Computer Store has to make a choice out of the two alternatives, which are; **Strategic 1**: Buy new land and build new larger store and **Strategic 2**: Fully renovate it existing store. In order to do so, Ahmad's Computer Store has to carry-out Quantitative Strategic Planning Matrix (QSPM) analysis to make a good and an accurate choice.

(a) Complete QSPM analysis in **Table 1(Appendix 1 and 2)** to get the total score for both the strategic alternatives to able Ahmad's Computer Store to make a decision.

(5 marks)

(b) (i) State the best strategic alternative (choice) from the QSPM analysis.

(1 mark)

(ii) Justify the best strategic alternative (Choice) in Q1 (b) (i) to be implemented in Ahmad's Computer Store business operation.

(14 marks)

PART B

Q2 "Objectives can be compared to a compass bearing by which a ship navigates. A compass bearing is firm, but in actual navigation, a ship may veer off its course for many miles. Without a compass bearing, a ship would neither find its port nor able to estimate the time required to get there."

Peter Drucker

(a) Explain your understanding of the quotation above based on strategy formulation and implementation.

(5 marks)

(b) Discuss the **FIVE (5)** differences between strategy formulation and implementation based on the format below.

No.	Formulation	Implementation

(10 marks)

(c) In strategy-formulation the concepts and tools are do not differ greatly for small, large, for-profit, or nonprofit organizations. However, strategy-implementation varies substantially among different types and sizes of organizations.

Discuss **TWO (2)** variation of strategy implementation among different types and sizes of organizations.

(5 marks)

Q3 The success of strategic implementation process requires various management actions including establishing annual objectives, developing a good policy, allocating resources, managing conflict and matching organizational structure with strategy.

(a) Define **FIVE (5)** of the management actions in strategic implementation.

(10 marks)

(b) Discuss **THREE (3)** reasons why policies become important instruments for strategic implementation.

(10 marks)

Q4 Assuming that Ahmad is the owner of a tourism company in Kuala Lumpur and he has just set-up a new subsidiary in Kota Kinabalu, Sabah. In order to ensure the success of the company he has developed human resource, production and marketing planning.

(a) Discus **THREE (3)** benefits that Ahmad can get by employing diverse types of workforce.

(10 marks)

(b) Explain **TWO (2)** variables that he needs to consider for marketing segmentation of his new business in Kota Kinabalu.

(5 marks)

(c) Explain **TWO (2)** factors that he need to study if he plan to built a new resort in Kota Kinabalu.

(5 marks)

Q5 (a) Explain **TWO (2)** limitations of financial budget in strategy implementation.

(5 marks)

(b) Differentiate **TWO (2)** approaches for determining the worth of a business.

(6 marks)

(c) Discuss **THREE (3)** major Research and Development (R&D) approaches to implementing strategies.

(9 marks)

Q6 Strategy formulation and implementation become obsolete as the external and internal organization environments change. Therefore, organization needs to review, evaluate, and control the execution of any strategies.

(a) Explain the **THREE (3)** basic activities in strategy evaluation.

(6 marks)

(b) Discuss **Richard Rumelt's Evaluation Strategies**, in evaluating a strategy.

(10 marks)

(c) Classify **TWO (2)** basic requirements for strategy evaluation to be effective.

(4 marks)

- END OF QUESTION-

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INSTRUCTION FOR QSPM

1. Weight for the external and internal factors have already being done

2. **Determine the Attractiveness Score (AS);**
   - defined numerical values through examining the external and internal factors, make sure the factors affect the choice of the strategies being made.
   - Score 1 - is not attractive, 2 – somewhat attractive, 3 – reasonably attractive, and 4 – highly attractive
   - If you assign an AS score to one strategy, then assign AS score to the other. In other words, if one strategy receives a dash, then all others must receive a dash in a given row.

3. **Compute the Total attractiveness Score;**
   - Multiply the weight to the AS score to get TAS score
   - Total Attractiveness score indicate relative attractiveness of each strategy.

4. **Compute the Sum Total Attractiveness Score;**
   - Add Total Attractiveness Score in each strategy column of the QSPM.
   - TAS reveal which strategy is the most attractive in each set of alternatives.
   - Higher scores indicate more attractive strategies, also indicate desirable of one strategy over another.

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Table 1: QSPM for Ahmad's Computer Store

Key Factors	Weight	Strategy 1 Buy New Land And Build New Larger Store		Strategy 2 Fully Renovate Existing Store	
		AS	TAS	AS	TAS
Opportunities					
Population of the city is growing 10%	0.14				
Rival computer store opening 1 mile away	0.14				
Vehicle traffic passing store up 12 %	0.09				
Vendors average six new products per year	0.07				
Senior citizen use of computers up 8 %	0.07				
Threats					
Best buy opening new store nearby in 1 year	0.17				
Local university offers computer repair	0.09				
New mall being built nearby	0.09				
New bypass for Highway 34 next year will divert traffic	0.14				
1.00					
Strengths					
Inventory turnover increased from 5.8 to 6.7	0.08				
Average customer purchase increased from RM97 to RM128	0.09				
Revenues from repair/service segment of store up 16 %	0.17				
Store's debt-to-total assets ratio declined to 34 %	0.06				

Weaknessses					
Revenues from software segment of store down 12 %	0.14				
Location of store negatively impacted by new Highway 34	0.18				
Carpet and paint in store somewhat in disrepair	0.05				
Bathroom in store needs refurbishing	0.05				
Revenues from businesses down 8 %	0.08				
Often customers have to wait to check out	0.10				
Total	**1.00**				