



# UTHM

Universiti Tun Hussein Onn Malaysia

## UNIVERSITI TUN HUSSEIN ONN MALAYSIA

### FINAL EXAMINATION SEMESTER I SESSION 2016/2017

**TERBUKA**

COURSE NAME : STRATEGIC MANAGEMENT  
COURSE CODE : BPB 33803  
PROGRAMME CODE : BPA  
EXAMINATION DATE : DECEMBER 2016 / JANUARY 2017  
DURATION : 2 HOURS 30 MINUTES  
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF FOUR (4) PAGES

**Q1** MAS’s motto is “Going Beyond Expectation” with the vision of “An Airline of Excellence”. These statements show high competition faced by MAS at domestic and international market levels in sustaining its position. Below are the internal and external dimensions of MAS that will help to determine its overall strategic position.

**Table 1: Determinants of MAS Overall Strategic Position Analysis**

<b>Financial Strength (FP)</b>	<b>Ratings</b>
Profit after tax year end 2008 – RM199,075.00	2.0
Low-cost flight, increase in revenue by 60 percent	5.0
Management cost reduce by 15 percent year end 2009	3.0
Impact of global crisis, 1.174 billion ringgit net loss for the 12 months ended 31 December 2013	1.0
<b>Industry Strength (IP)</b>	
Deregulation provides geographic and flight freedom	3.0
Increase demand in oversea routes	2.0
Internet services allow on-line booking for domestic and international flight.	3.0
Offering world’s Best Cabin Crew eight times since 2000.	5.0
<b>Environmental Stability (SP)</b>	
High competition for market share caused significant erosion in passenger average fares and yields.	-3.0
Less-developed countries experiencing high inflation and political instability	-2.0
Control terrorism attack in all major destination and MH370 disaster	-4.0
Fuel price decrease to about USD40 a barrel	-5.0
<b>Competitive Advantage (CP)</b>	
Fast on-line and advance booking, reduce queue and hustle	-3.0
Kuala Lumpur preferred gateway into Malaysia and the South-East Asia Region.	-2.0
Delivering world-class service to 55,000 passengers on 360 flights each day over 60 destinations world wide.	-2.0
Achieve the Skytrax-5 star rating, highest quality ranking for commercial airline 2013.	-5.0

- (a) Calculate the average score for FP, IP, SP, and CP by summing the values given to each variables as Strategic Position and Action Evaluation (SPACE Matrix) **(steps must be shown clearly)**. (10 marks)
  
- (b) Plot graph for the intersection point for the average score for FP, IP, SP and CP accordance to the SPACE Matrix. (4 marks)

- (c) Discuss the MAS overall strategic position, using the Strategic Position and Action Evaluation (SPACE) Matrix profiles as in **Q1 (b)**.

(16 marks)

**Q2** The strategic management process does not end when the firm decides what strategy or strategies to pursue. There must be a translation of strategic thought into strategic implementation.

- (a) Define strategic implementation.

(2 marks)

- (b) Changes in strategy lead to changes in organizational structure. However, there is no optimal organizational structure for a given strategy or type of organization. It is described that Small firms tend to be functionally structured, Medium-sized divisionally structured, Large Strategic Business Unit or matrix Structure.

Discuss **FOUR (4)** types of organizational structure accordance to a firm.

(8 marks)

- (b) Discuss **FIVE (5)** differences between strategic formulation and strategic implementation with examples.

(10 marks)

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**Q3** (a) In strategic implementation Research and Development (R&D) personnel plays important role.

- (i) Describe the functions of Research and Development (R&D) personnel in strategy implementation.

(4 marks)

- (ii) Describe R&D policies that can enhance strategy implementation.

(14 marks)

(b) Market Segmentation and Product Positioning are central importance to strategy implementation, especially for small and specialized firms.

- (i) Define Market Segmentation and Product Positioning.

(4 marks)

- (ii) Discuss the important of Market Segmentation and Product Positioning in strategy implementation.

(8 marks)

**Q4** Strategy evaluation is important because organizations face dynamic environments in which key external and internal factors often change quickly and dramatically. The success of today is no guarantee for tomorrow success, therefore no organization is to be complacent with success.

(a) Discuss the Rumelt's Criteria for evaluating strategies. (12 marks)

(b) Discuss the characteristics of an effective evaluation system. (8 marks)

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**-END OF QUESTIONS-**