



# UTHM

Universiti Tun Hussein Onn Malaysia

## UNIVERSITI TUN HUSSEIN ONN MALAYSIA

### FINAL EXAMINATION SEMESTER I SESSION 2017/2018

COURSENAME : STRATEGIC MANAGEMENT  
COURSECODE : BPB 33803  
PROGRAMME CODE : BPA  
EXAMINATION DATE : DECEMBER 2017/JANUARY 2018  
DURATION : 2 HOURS 30 MINUTES  
INSTRUCTION : ANSWER ALL QUESTIONS

**TERBUKA**

THIS QUESTION PAPER CONSISTS OF **FOUR (4)** PAGES

- Q1** MAS reeled after Flight MH 370 vanished in March 2014 with 239 people on board and a second Boeing 777 carrying 298 people was shot down over Ukraine a few months later. The company was then removed from Malaysia's stock exchange the year, with the government pumping in 6 billion ringgit under a radical restructuring. The ambition of Malaysian Airlines is to grow again. The internal and external dimensions of MAS below that will help to determine its overall strategic position in supporting its growth.

**Table Q(1): Determinants of MAS Overall Strategic Position Analysis 2017**

<b>Financial Strength (FP)</b>	<b>Ratings</b>
Forecast unit costs will fall by a further 3% in 2017, and that it will transport over 15 million passengers.	4.0
Revenue has improved and costs are down, underpinned by low jet fuel prices.	3.0
Customers increase by 12.9% to 3.57 million passengers and load factor at 79.4% versus 68.9% last year in the financial reports of the first quarter, 2017.	6.0
Continuous strong bookings of flights with 45% improvement in forward bookings for the next six months (from June to November 2017) compared to the same period 2016.	4.0
<b>Industry Strength (IP)</b>	
Deregulation provides geographic and flight freedom	2.0
Increase demand in oversea routes	
Internet services allow on-line booking for domestic and international flight.	3.0
Great battle in aviation history among low-cost flights among airlines.	3.0
Air travel is expected to grow 7.4% on a year-over-year basis, cargo demand is projected to grow 7.5% in 2017	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	-6.0
Control terrorism attack in all major destination and MH370 disaster and Boeing 777 shot down in Ukraine.	-7.0
Enormous growth potential from inbound tourism from China to Malaysia.	-2.0
<b>Competitive Advantage (CP)</b>	
New mobile application with cutover for reservation, inventory, and ticketing, by 10th. June 2017.	-1.0
Added new destinations to its network through the Emirates partnership.	-2.0
The introduction of "Golden Rule – treat customers as you would wish to be treated yourself", for customers satisfaction rating improvements by 71% (CSI) compared to 68% the previous year.	-2.0
Seek additional widebody aircraft to increase seats and improve product quality on existing routes.	-4.0

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- (a) Compute the average score for FP, IP, SP, and CP using the Strategic Position and Action Evaluation (SPACE Matrix), with appropriate steps and calculation. (8 marks)
- (b) Plot a graph for the x-axis and y-axis for SPACE Matrix based Q1(a), to show the intersection point for FP, IP, SP and CP. (2 marks)
- (c) Discuss MAS position and type of strategic to be recommended, using the Strategic Position and Action Evaluation (SPACE Matrix) as in Q1 (b). (10 marks)

Q2 (a) 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 or action in helping the organization to be successful.

(i) Define strategic implementation. (2 marks)

(ii) 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)

(iii) Discuss **FIVE (5)** differences between strategic formulation and strategic implementation with examples. (10 marks)

(b) Restructuring and reengineering are becoming commonplace on corporate landscape to build better performance and competitive advantage.

Discuss the following factors with examples;

- (i) Restructuring
- (ii) Reengineering

(5 marks)

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

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

(4 marks)

(ii) Discuss the 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 in evaluating strategies.

(7 marks)

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

(10 marks)

(c) Measuring organizational performance is important for strategy evaluation activity.

Discuss the factors that involved in the performance measurement.

(8 marks)

**END OF QUESTIONS**

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