



**UNIVERSITI TUN HUSSEIN ONN  
MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2009/2010**

SUBJECT NAME : STRATEGIC MANAGEMENT  
SUBJECT CODE : BPA 3123  
COURSE : 3 BPA / 3 BPB  
EXAMINATION DATE : APRIL / MAY 2010  
DURATION : 2 HOURS 30 MINUTES  
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF 6 PAGES

Q1 and Q2 is based on the informations in Table 1 below

**Table 1: Airasia Versus Malaysian Airline System (MAS)**



**Vision and Mission**

AirAsia	MAS
<ul style="list-style-type: none"> <li>• <b>Company Slogan</b> "Everyone Can Fly"</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Company Slogan</b> "Going Beyond Expectation"</li> </ul>
<ul style="list-style-type: none"> <li>• <b>The Vision</b> <b>Be the largest low cost airline in Asia and serving the 3 billion people who are currently underserved with poor connectivity and high fares.</b></li> <li>• <b>The mission</b> <ul style="list-style-type: none"> <li>- To be the best company to work for whereby employees are treated as part of a big family</li> <li>- Create a globally recognized ASEAN brand</li> <li>- To attain the lowest cost so that everyone can fly with AirAsia</li> <li>- Maintain the highest quality product embracing technology to reduce cost and enhance service levels</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>The Vision</b> <b>"An Airline of Excellence"</b></li> <li>• <b>The mission :</b> <ul style="list-style-type: none"> <li>- To make Malaysia Airlines one of the leading standard bearers for the airline industry in terms of safety, efficiency and quality of service.</li> <li>- To develop Kuala Lumpur as the preferred gateway into Malaysia and the South-East Asia region.</li> <li>- To make Kuala Lumpur a major cargo transshipments area for the Asia-Pacific rim.</li> </ul> </li> </ul>

**Accomplishment**

AirAsia	MAS
<ul style="list-style-type: none"> <li>- Malaysia's 30 most valuable brands 2008</li> <li>- PIKOM ICT organization, excellence award 2008</li> <li>- Best Asian Low-Cost Carrier</li> <li>- Asia Pacific's Top 1000 Brands 2008 Survey (AirAsia – Top 5 Airline)</li> </ul>	<ul style="list-style-type: none"> <li>- Skytrax's Quality Approved Airlines</li> <li>- Aviation week's top Performing Companies</li> <li>- Inflight Research Services of London (Cabin crew courtesy, meal presentation and quality of meals served).</li> </ul>

Q1 Identify the competitive advantages of the following airlines that make them different from each other.

(a) MAS (2 marks)

(b) AirAsia (2 marks)

Q2 The visions of MAS and AirAsia are clearly stated as in Table 1.

Determine the directions or business of both airlines, based on their visions.

(a) MAS (2 marks)

(b) AirAsia (2 marks)

- Q3 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 level in sustaining its position.

Table 2 shows MAS Variable Factors for Strategy Analysis.

Table 2: MAS Variable Factors for Strategy Analysis

<b>Financial Strength</b>	<b>Ratings</b>
Profit after tax year end 2008 – RM199,075.00	2.0
Low-cost flight, increase in revenue by 60 percent	4.0
Management cost reduce by 15 percent year end 2009	5.0
<b>Industry Strength</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
<b>Environmental Stability</b>	
Less-developed countries experiencing high inflation and political instability	-2.0
Control terrorism attack in all major destination	-1.0
Fuel price decrease to about USD60 a barrel	-3.0
<b>Competitive Advantage</b>	
Established brand name globally	-3.0
Fast on-line and advance booking, reduce queue and hustle	-2.0
Kuala Lumpur preferred gateway into Malaysia and the South-East Asia Region.	-2.0

- (a) Calculate the position of x-axis and y-axis using Directional Vector Coordinates of the Strategic Position and Action Evaluation (SPACE) Matrix. (Calculation of steps must be clearly illustrated) (5 marks)
- (b) Draw a directional vector from the origin of the SPACE Matrix through an intersection point. (2 marks)
- (c) Explain MAS overall strategic position, using the Strategic Position and Action Evaluation (SPACE) Matrix profiles, based on the position of MAS as in the intersection point. (5 marks)

- Q4 The making of strategy-formulation decisions of an organization is always based on analysis and intuition, in order to reveal its feasible alternative strategies. Retail Computer Store has determined two alternative strategies which are  
Strategy 1: Buy new land and build new larger store  
Strategy 2: Fully renovate existing store.

Based on Table 3 in Appendix I;

- (a) Analyse both strategies by giving the score for the Attractiveness Score and Total Attractiveness Score by completing table.

Justify each score for the key factors based on the intuition and judgment of the current market situation and organization internal strength.

(10 marks)

- (b) Justify the best strategies alternatives to be implemented.

(10 marks)

- Q5 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) Strategic-formulation concepts and tools is said not to differ greatly for small, large, for-profit, or nonprofit organization.

Discuss whether the same thing applies for strategic implementation.

(8 marks)

- Q6 In strategic implementation Research and Development (R&D) personnel play important role.

- (a) Describe briefly the functions of Research and Development (R&D) personnel.  
(4 marks)

- (b) Describe briefly **THREE (3)** major R&D approaches for implementing strategies.

(6 marks)

**END OF QUESTION PAPER**

## Appendix 1

**Table 2: The Quantitative Strategic Planning Matrix – QSPM for Computer Retail Store**

Strategic Alternatives					
Fill in your strategic alternatives here:		1	2		
<b>Key Factors</b>	<b>Weight</b>	<b>AS</b>	<b>TAS</b>	<b>AS</b>	<b>TAS</b>
<b>Opportunities</b>					
1. Population of the city growing 10 %	0.10				
2. Rival computer store opening 1 kilometer away	0.10				
3. Vehicle traffic passing store up 12 %	0.05				
4. Small business growth in its area up 5%	0.10				
<b>Threats</b>					
1. Rival opening new stores nearby in 1 year	0.15				
2. local university offers computer repair	0.10				
3. New mall being built nearby	0.08				
4. Vendors raising prices 8%	0.03				
<b>Strengths</b>					
1. Inventory turnover increased from 2 to 5%	0.15				
2. Average customers purchase increased from RM100 to RM200	0.10				
3. Employee morale is excellent	0.05				
4. Newspaper advertising expenditures increase 15%	0.10				
5. Revenue per employee up 10%	0.08				
6. In-store technical support personnel have MIS college degrees	0.05				
<b>Weaknesses</b>					
1. Revenues from software segment of store down 15%	0.10				
2. Location of store negatively impacted by new PLUS Highway 104	0.10				
3. Carpet and paint in store somewhat in despair	0.08				
4. Revenues from businesses down 8%	0.15				
5. Store has no Web site	0.05				
6. Supplier on-time delivery increased to 2 – 4 days	0.10				
7. Often customers have to wait to check out	0.15				
<b>TOTAL</b>					