



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP

EXAMINATION PAPER

COURSE CODE : CBM401  
COURSE TITLE : STRATEGIC MANAGEMENT  
SPECIAL REQUIREMENTS : NONE  
DURATION : 3 Hours  
LEVEL: : 4.1  
DATE : 11/4 APR 2023

**INSTRUCTIONS TO CANDIDATES:**

1. No cell phones are allowed in the examination venue.
2. The paper comprises of **Part A** and **Part B**
3. Answer a total of **FOUR (4)** questions including **Part A (Question1)** a **COMPULSORY** mini-case study question.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown inbrackets [ ]

## **PART A (COMPULSORY)**

### **Case Study: T&D Ltd**

T&D Ltd. is a manufacturer of a range of cosmetics and over-the-counter drugs. It has developed a good reputation in the industry supplying own-label cosmetic products and generic drugs direct to chemist convenience stores. This reputation has been achieved through close attention to quality, excellent service and competitive pricing.

The company is unknown outside the industry. It has never launched any product of its own into the consumer market. As a company, it works very closely with its retail customers and will develop products to their specification. Recently, the company decided to diversify into men's shaving products. The product would be bought at similar outlets to its existing products and would be developed within the company's existing research and development department.

The shaving product that the company has developed is a men's shaving cream that is applied on the face, left for 5 minutes and then washed off. This process does not require any use of a razor. Initial research has shown that the product might appeal to young people, but no further detailed research has been carried out. The shaving product is revolutionary in that no such product is currently available on the men's shaving market. Extensive tests have been carried out and no risk of harm is entailed in its use except for those men with sensitive skin.

The company decided to develop this product as its own brand. The brand name is 'A Close Shave'. The product is supplied in tubes or containers, and it is priced at approximately double the price of existing shaving foams in the market, but no replacement razors are ever required. It has being distributed through existing channels and not supermarkets like other shaving products. The launch of the product took place using prime-time television slots. The adverts emphasized that the product was 'manly enough for men'.

Despite rave reviews, the product launch was a flop. The company achieved only 30% of its targeted sales in the first 3 months. Comments that have been heard coming from the market include;

"The shaving foam I use is manly enough for me. I had to laugh at that advert. It wasn't me at all."

"I might use it but only if I was convinced it was not harmful to my face."

"It's a bit expensive. I wouldn't pay that much for a shave."

"I like my dry shave and nothing will shift me from that."

**Required:**

- a) What were the possible reasons that might have led to the failure of 'A Close Shave' on its launch into the market? **[9 marks]**
- b) Examine any three (3) tests of diversification that T&D Ltd could have employed to ensure success of this strategy? **[8 marks]**
- c) How can a company such as T&D use strategy and evaluation and control to minimise the risk of failure when developing and introducing new products into the market? **[8 marks]**

**PART B (CHOOSE ONLY THREE QUESTIONS FROM THIS SECTION)**

**Question 2**

**MARKET GROWTH RATE AND RELATIVE MARKET SHARE**

<b>Market Growth Rate</b>	High	A	C
	Low	B	D
		<b>Relative Market Share</b>	
		High	Low

Technovation is a department of a local university that is heavily involved in business ventures in line with the Vision 2030 oriented Education 5.0 thrust. It has business interests in companies, A to D as shown in the figure above. The Technovation's Director, an engineer by profession, has hired you for your renowned strategy skills, to offer investment advice for the future of these businesses. You have undertaken the study and come up with a BCG Portfolio matrix as shown above.

- (a) Using the information contained in the Matrix, how should Technovation plan and manage its businesses, A to D? **[15 Marks]**
  
- (b) What are the advantages and limitations of portfolio models such as the BCG Matrix when used as business planning tools? **[10 Marks]**

### Question 3

Indigenous financial services companies in Zimbabwe have, in general, failed to differentiate themselves as consumers feel all the indigenous banks are the same.

- (a) Conduct a Porter's five forces industry analysis of the Zimbabwean banking industry. **[15 Marks]**
- (b) If you were to advise Zimbabwean indigenous banks, what strategies would you recommend that the banks could use to differentiate themselves from the other competing banks. **[10 marks]**

### Question 4

Hamel and Prahalad argue that the key to competitive advantage is not initial resource endowment, but a company's ability to leverage its resources and capabilities. Discuss how the value chain analysis can help your organisation leverage its primary activity capabilities for competitive advantage. **[25 Marks]**

### Question 5

- (a) 'Following years of management reform, strategic management has become an imperative in every organisation'- (Andersen and Lawrie, 2002). Critically evaluate the statement, and explain clearly if strategic management is indeed a necessity' in Zimbabwean organisations. **[15 Marks]**
- (b) Discuss how each of the four types of strategy implementation tactics as propounded by Nutt (1986) influence the success or failure of strategic initiatives. **[10 Marks]**

.....THE END.....

15/15 Pm.