



MOI UNIVERSITY

**OFFICE OF THE DEPUTY VICE CHANCELLOR, ACADEMIC
AFFAIRS, RESEARCH & EXTENSION**

**UNIVERSITY EXAMINATIONS
2014/2015 ACADEMIC YEAR**

END OF SEMESTER II EXAMINATIONS

**FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION**

EXAM CODE:- MBA 871

COURSE TITLE:- STRATEGIC MANAGEMENT

DATE:- 3RD JUNE, 2015

TIME:- 9.00A.M. – 12.00NOON.

INSTRUCTION TO CANDIDATES

➤ **SEE INSIDE.**

THIS PAPER CONSISTS OF (3) PRINTED PAGES

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Instructions To Candidates

Answer Question One and any other Three

QUESTION ONE (COMPULSARY)

Read the following case and answer the Questions below

Dr. Misra inherited his father's Medi Heal Lab in Kenya in 2000. Till 2010, he owned 4 labs in Rift Valley. His ambition was to turn it into a national chain. The number increased to 7 in 2013 across the country, including the acquisition of Lovington Lab in Nairobi. The number is likely to go to 50 within 2-3 years at present. Infusion of Kshs. 50 Million for a 26% stake by St. Lukes Hospital in Eldoret has its growth strategy.

The lab with revenue Kshs. 175 million is among top three Pathological labs in Kenya with Lovington Lab (Kshs. 77 million) and St. Lukes Hospital (55 million). Yet its market share is only 2% of Kshs. 3.5 million markets. The top 3 firms command only 6% as against 40-45% by their counterparts in the USA.

There are about 10,000 to 50,000 stand alone labs engaged in routine pathological business in Kenya, with no system of mandatory licensing and registration. This is why Dr. Misra has not gone for acquisition or joint ventures. He does not find many existing laboratories meeting quality standards. His six labs have been accredited nationally whereon many large hospitals have not thought of accreditation. Through Kenyan Medical Association for Pathologists, Dr. Misra expects to reach other potential clients outside Kenya.

In Medi Heal Lab, the bio-chemistry and blood testing equipment are sanitized every day. The bar coding and automated registration of patients do not allow any identity mix-ups. Even routine tests are conducted with highly sophisticated systems. Technical expertise enables them to carry out 1650 variety of tests. Same day reports are available for samples reaching by 3 p.m. and by 7 a.m. next day for samples from 500 collection centre's located across the country. Their technicians work round the clock, unlike competitors. Home services for collection and reporting is also available.

There is a huge unutilized capacity. Now it is trying to top other segments. 20% of its total business comes through its main laboratory which acts as a reference lab for many leading

hospitals. New mega labs are being built to en-cash preclinical and multi-center clinical trials within Kenya and provide postgraduate training to pathologists.

Questions

- (a) What do you understand by the term **Vision**? What is the difference between '**Vision**' and '**Mission**'? What vision Dr. Misra had at the time of inheritance of Medi Heal Lab? Has it been achieved? (5 marks)
- (b) For growth, what **business strategy** has been adopted by Dr. Misra? (5 marks)
- (c) What is the **marketing strategy** of Dr. Misra to overtake its competitors? (5 marks)
- (d) In your opinion what could be the **biggest weakness** in Dr. Misra's business strategy? (5 marks)

QUESTION TWO

- (a) **List and describe** Environmental factors that can affect an organization's Strategy. (7 marks)
- (b) How would you analyze Competitive Environment of an Organization? (8 marks)

QUESTION THREE

- (a) **Discuss** the role of policies and procedures in facilitating good strategy implementation, giving examples to enhance your answer. (8 marks)
- (b) **Discuss** the key trends in organization design and **explain** its' managerial implications. (7 marks)

QUESTION FOUR

- (a) **Explain** with examples the functions of corporate strategy in an organization (5 marks)
- (b) What is strategic plan and formulation? Discuss. (5 marks)
- (b) "Organizational capabilities and Organizational competencies are closely related". Support your answer with suitable example. (5 marks)

QUESTION FIVE

- (a) **Define** the concept of Organizational change. **Discuss** its importance. What are the various types of changes? (8 marks)
- (b) What are the **major factors** determining the Organizational change? (7 marks)

QUESTION SIX

- (a) Identify and discuss five key stages involved in formulating and executing the Strategic management process, citing examples. (8 marks)
- (b) What is the purpose of Strategic Management? Discuss. (7 marks)

QUESTION SEVEN

- (a) **Describe and discuss** major actions that should guide the development of Monitoring and Evaluation in any organization. (7 marks)
- (b) **Discuss** the value of strategic leadership in determining the firm's strategic direction, giving examples to support your answer. (8 marks)

QUESTION SEVEN

Rose Food Processing Company has proposed you as a management consultant. The firm seeks to implement the balanced scorecard tool in an attempt to monitor performance.

The management of Rose has no idea about the balanced scorecard model and has approached you for guidance regarding the approach to implement it and the challenge such a model presents.

- (a) Describe the balanced scorecard. **(5 marks)**
- (b) Explain the steps that Sylva can take in designing and implementing the balanced scorecard. **(5 marks)**
- (c) Evaluate why the cost of implementing the balanced scorecard can outweigh the benefits derived from the use of the model. **(5 marks)**

E...N...D