



CS PART III SECTION 6
STRATEGIC MANAGEMENT

THURSDAY: 24 May 2018.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

MTWANA COUNTY

Kapeni Mpewa has recently been elected as the governor of Mtwana County. Kapeni Mpewa is taking over from Keen Engawa, who served the people of Mtwana County for five years. He has taken over the administration of the county at a time when several manufacturing plants have shut down leading to loss of jobs. The County under Keen Engawa was mismanaged and instead of the county residents reaping benefits of devolution, few people close to the governor were enriching themselves.

The executive authority of the county which was legally vested in the county executive committee was instead exercised by the governor, sometimes through roadside declarations. The governor had no respect for the county plans which had been formulated and duly passed by the county assembly. Although Mtwana County's integrated development plan contained priority projects for the county for the past five years, most of the projects under implementation had neither been approved by the county assembly nor subjected to public participation.

Kapeni Mpewa has an arduous task of rebuilding the county. Large scale retailers who moved out of the county to other counties with favourable business environment need to be encouraged to return to Mtwana County. The water and sewerage system needs urgent replacement and upgrading, especially at the town centres. The road network is dilapidated causing traffic snarl up in Umunga and Mawipi towns. The health facilities are run down with neither medication nor equipment. Garbage which had become an eyesore, and security of people and businesses which had deteriorated should be prioritised. Open spaces which had been left for public utilities such as grabbed playgrounds need to be reposessed.

For one to get a job in the county, money had to change hands or one had to be a relative of the county officials. All this has to change. In addition, the county owes suppliers billions of shillings in pending bills. The new governor inherited huge questionable debts.

The county residents have in the past been up in arms over constant water shortages, sprawling and stinking sewage, hawkers menace and insecurity. These and many others are the challenges that the new governor must address.

The county no longer attracts foreign direct investment and most of its employees are highly demotivated. Revenue generation levels have significantly decreased largely due to leakages. The county developed mission and vision statements which bear no semblance to the services offered. Employees no longer care about service delivery.

Kapeni Mpewa was well aware of the challenges facing Mtwana County and he campaigned on the platform that he would turn the county around.

Two weeks ago, Kapeni Mpewa initiated the process of strategic planning. One of the senior county officials, who worked closely with Keen Engawa, was overheard saying, "We have done this before and it did not work".

Required:

- (a) Employees of Mtwana County seem to have a defeatist attitude towards their work. (6 marks)
- (b) Advise the new governor on six measures that he might put in place to change this culture. (6 marks)
- "We have done this before and it did not work", one of the senior county officials was heard saying.
- Cite five reasons why the strategic planning process could have failed in Mtwana County. (10 marks)

- (c) Discuss five ways in which Mtwana County Government might benefit from an organisation development programme. (10 marks)
- (d) As a strategic planning consultant, advise Mtwana County Government on:
 - (i) Contents of the county integrated development plan. (8 marks)
 - (ii) Principles of citizen participation in county strategic planning. (6 marks)

(Total: 40 marks)

QUESTION TWO

- (a) With respect to development of a vision statement, describe the term “values audit”. (1 mark)
- (b) Discuss four areas of concern in corporate level strategy. (8 marks)
- (c) Suppliers form part of a firm’s external environment.
Evaluate six ways in which supplier power increases in an industry. (6 marks)

(Total: 15 marks)

QUESTION THREE

- (a) Discuss five strategy implementation challenges that might be faced by an organisation. (10 marks)
- (b) Analyse five factors which might cause intense competitive rivalry among firms in an industry. (5 marks)

(Total: 15 marks)

QUESTION FOUR

- (a) Explain five merits of team building as a strategy for managing strategic change. (5 marks)
- (b) Suggest five guidelines for effective control in strategy management. (5 marks)
- (c) Analyse five interventions an organisation could use in a turnaround strategy. (5 marks)

(Total: 15 marks)

QUESTION FIVE

- (a) Analyse five reasons why companies form strategic alliances. (5 marks)
- (b) Discuss five types of strategic alliances. (10 marks)

(Total: 15 marks)

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