



# TECHNICAL UNIVERSITY OF MOMBASA

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School of Business

DEPARTMENT OF BUSINESS ADMINISTRATION

## ORDINARY UNIVERSITY EXAMINATION FOR:

MASTER OF BUSINESS ADMINISTRATION

**BSM 5221: STRATEGY IMPLEMENTATION AND OPERATIONALIZATION**

**SERIES: APRIL 2025**

**TIME: 3 HOURS**

**DATE: 9 May 2025**

### **Instructions to Candidates**

You should have the following for this examination

*-Answer Booklet, examination pass and student ID*

This paper consists of five questions. Attempt ~~question ONE (Compulsory) and any other TWO questions.~~

**Do not write on the question paper. Answer question one and any other three questions**

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### **Question ONE (40 MARKS)**

#### **WESTERN AGROCHEM LTD. (WAL)**

Western Agrochem Limited (WAL), is a private limited liability company established in 1985 by Wesonga, an Agricultural Extension Officer who had worked with the Ministry of Agriculture and Livestock Development. He had seen an opportunity to market agricultural chemicals in his local area, the rich agricultural area around Eldoret Town. He started small with the objective of making enough money to support his lifestyle seeing that he was about to retire from government service. When Wesonga retired in 1995, his son Wafula who had assisted him since the start of the business ten years ago, took over. Wafula, a Business Management graduate was well liked by his staff and had extensive contacts and networks with farmers and suppliers in the region.

Since he took over, Wafula transformed WAL into a modern agrochemical company with manufacturing, retailing, wholesale distribution and exporting to the East African region.

To manage an increasingly complex organization, Wafula appointed five executive directors and three non-executive directors including his retired father as the Chair of the Board. During a recent strategic management retreat, the Board highlighted the following strategic issues:

- The role of the Board and effectiveness in providing strategic leadership
- Change management in the digital economy
- Winning strategies in a competitive economy

Wafula is aware that the business environment is changing rapidly. He is also informed that he needs to modify the culture, structure and technology used in the business. Appointment of new directors had positively impacted on the culture and a different approach to business operations. However, it was noted that the bottom line, profit, remained wanting. The board resolved that there was need for a strategic review. Other than Wafula who had strategic management qualifications, the other board members lacked any experience in structuring a strategic review and the Board resolved to engage a strategic management consultancy firm to lead the process. Triple Bottom Consulting led by Clement Dennings was engaged to carry out the review. The brief given was that Mr. Dennings would be engaged on fulltime basis for 3 months to carry out the strategic review effective, January 2022. Mr. Dennings was a seasoned practitioner with wide experience and exposure in organizational restructuring, governance, change management, strategic planning and business re-engineering.

In carrying out the assignment, Mr. Dennings did a thorough review of the resources of the business, previous performance, business development processes and corporate culture. At the beginning, Mr. Dennings knew that the strategic perspective of WAL ought to be future oriented rather than focusing on past results. To get an overview of the business, he spent time engaging the directors, employees, competitors and other stakeholders. Mr. Dennings was able to establish the following on internal review of WAL:

- WAL was driven by a mission to provide a full range of quality agrochemical products at reasonable prices in Kenya and the region.

- WAL had consolidated its position as the biggest distributor of agrochemicals across Kenya and the East African region.
- That WAL was made up of four main divisions; manufacturing, retail, wholesale and export.
- That WAL had four product lines; pesticides, fertilizers, animal feeds and veterinary products.
- That the current manufacturing plant and equipment was outdated and inefficient.
- That WAL had initiated an investment program to build a new and integrated fully Good Manufacturing Practice (GMP) compliant facility that will increase output across product lines by about 250 percent.
- WAL continues to extend its vast distribution network to provide quality and affordable agrochemicals to other regions.

A market position report indicates that WAL is not performing well due to the fragmented nature of the markets. Growth rates in most of the divisions served have fallen steadily over the last three years due to external competition from companies from Pakistan and India. WAL is now facing a series of markets that are stagnant or in decline. While WAL is still profitable due to substantial market shares, market decline should be addressed. Minimal growth is forecasted in the WAL current markets for the next four years due to foreign competition.

Mr. Dennings has prepared a brief to the Directors of WAL to help them formulate a successful growth strategy. The brief contains the following salient issues:

- The East Africa region enjoys a stable political, legal and economic system. Recent attempts to improve the economy have been largely successful, with inflation projected between 5% - 10% in the next three years.
- Taxation is projected to remain at an average of 30%.
- Public tenders are attractive target segments for large revenues and long-term commitment. However, public sector payments shall continue to be a challenge with the associated negative impact on WAL's cash flow since it is WAL's largest customer.

- Government procurement through competitive bidding is the cheapest despite the process bottlenecks but contributes significantly to the agrochemical market's bottom line.
- Government is the main contributor to the agrochemical industry's cash flow problems due to delays in payments after supplies to central medical stores.
- Branded agrochemical marketers are expected to adopt a differentiated pricing strategy specific to market segments and geographies in East Africa to make agricultural products affordable to a wide range of customers, thereby significantly expanding their customer base.
- Foreign competitors in East Africa are expected to multiply their distribution channels by engaging in strategic partnerships with trustworthy local stakeholders through joint ventures and agency relationships.

All in all, recent market data and both public and private sector projections indicate that the agrochemical industry and markets remain stable and show growth potential due to government initiatives to boost food security. WAL is poised to exploit this market potential by reviewing its business strategies and business model.

#### **Required:**

- (a) Explain to the Board of WAL **SIX** benefits of carrying out a competitor analysis in strategy development. (12 marks)
- (b) Using Bowman's Strategy clock, evaluate **FIVE** groups of business strategies that WAL could adopt to gain a competitive advantage. (10 marks)
- (c) Triple Bottom Consulting established that WAL is driven by a mission to provide a full range of agrochemical products at reasonable prices in Kenya and the region. Explain **FOUR** characteristics of a good mission statement. (8 marks)
- (d) To counter the competition from Asia, WAL is considering establishing a strategic joint venture with a company from India. Discuss **FIVE** reasons why WAL may consider joint venture as a method of entry into international business. (10 marks)

#### **Question TWO**

- a) Explain FIVE merits of team building as a strategy for managing strategic change.

(10 marks)

- b) Examine the role of monitoring and evaluation frameworks in strategic management.

(10 marks)

### **Question THREE**

- a) Briefly explain the contribution of the following to strategy implementation:

i). Structure (3 marks)

ii). Leadership (4 marks)

iii). Organization culture (3 marks)

- b) Distinguish between “strategy formulation” and “strategy implementation”. (4 marks)

- c) Illustrate the strategy evaluation and control process. (6 marks)

### **Question FOUR**

- a) Discuss FIVE justifications of the use of policies in strategy implementation. (10 marks)
- b) Assess FIVE critical tasks that could determine successful implementation of a strategy in an organization.(10 marks).

### **Question FIVE**

- a) Evaluate FIVE justifications of contingency planning in strategy evaluation. (10 marks)
- b) A functional organizational structure is a structure where an organization is divided based on functional areas. With reference to the above statement, explain FIVE strategic advantages and five strategic disadvantages of functional organizational structure. (10 marks)





