# TECHNICAL UNIVERSITY OF MOMBASA

School of Business

DEPARTMENT OF BUSINESS ADMINISTRATION

**UNIVERSITY EXAMINATION FOR:**

MASTER OF BUSINESS ADMINISTRATION

**BSM 5221: STRATEGY IMPLEMENTATION AND OPERATIONALIZATION**

SPECIAL/SUPPLEMENTARY EXAMINATION

**SERIES:**AUGUST Pickyear2025

**TIME:**3HOURS

**DATE:** Pick DateAug 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**

**Question One (30 MARKS)**

**PQR ENERGY (PQRE)**

PQRE Energy (PQRE) is a government agency (parastatal) in the energy sector. The parastatal recently adopted strategic planning practice with the first strategic plan being developed in the year 2019.

The board of directors had actually considered the possibility of developing a strategic plan in the year 2018 and had provided the leadership commitment needed to make strategic planning a reality. The efforts of developing the first strategic plan were led by the Chief Executive Officer (CEO) working with a 12-member strategic planning team, facilitated by an external consultant. Using the balanced scorecard approach, the planning team developed ten objectives. These objectives were spread across the four quadrants of the balanced scorecard and were formulated along the lines of profit-making organizations.

For each of the developed objectives, one or more types of performance measures were identified for tracking success. In addition, for each strategic objective, strategies were identified whose accomplishment would lead to achieving the overall strategic objectives. Furthermore, for each identified target, the strategic plan identified specific initiatives to be undertaken to accomplish the target.

Once the organization level strategic plan was approved by the Board, PQRE established a training division and constituted office teams made up of a cross-section of managers and employees. Employees were trained on strategic planning and the use of the balanced scorecard model. All the agency's scorecards were to be reviewed at least annually and updated as appropriate. Each of the scorecards was assigned a champion who would ensure implementation of the entire plan. Typically, the champion was the head of the organizational unit for which the balanced scorecard perspective was derived from. The framework was then cascaded to lower levels.

To track overall success, PQRE used performance measures for each objective and encouraged the use of more focused office teams made up of a cross-section of managers and employees. Random surveys for both customers and employees conducted in the first few months showed that the results of the strategic planning activities were paying off in nearly all departments. The cost-benefit analysis projected that all start-up costs of the strategic planning initiative will have been recovered a year before the end of the planning cycle primarily through business improvements to be brought about by the implementation of the strategic plan.

Towards the end of year 2020, a new Board assumed office with the responsibility of charting a strategic direction of the agency. The new Board assembled a new executive team. The Board however, decided to retain the strategic process and the senior management team closely associated with it during the tenure of the previous Board, even though it was considering altering strategic priorities going forward. This was expected to help provide a sense of continuity in an agency that was operating in a changed environment.

Having initiated its first strategic plan in 2019, the agency may not, like other experienced parastatals have all the elements in place. The parastatal presents a success story of hard work from dedicated people who are committed to achieving successful long-term outcomes. It relies primarily on action plans developed for individual strategic objectives and targets as a means of implementing strategic plans at each level of the organization. PQRE places great importance on assigning individual managers to take the lead responsibility for implementing strategies and achieving strategic objectives. The performance measures for each strategic objective includes a mix of output and outcome indicators.

Training has been provided to managers regarding strategic planning, performance measurement and related elements of strategic management. The Board of PQRE has put in place a process for reviewing strategic agenda and environmental circumstances, refreshing relevant data collected both internally and externally and revalidating or upgrading the first strategic plan.

**Required:**

(a) (i) Identify four environmental obstacles that could pose special challenges to effective strategic planning at PQRE. (4 marks)

(ii) Propose how each of the identified obstacles in (a)(i) above could be addressed. (4 marks)

(b) The Board of PQRE is planning to undertake a comprehensive review of the current strategic plan. Advise the Board on the following:

(i) The strategic role of managers at different levels in the organization. (6 marks)

(ii) Six non-financial benefits for an organization engaging in strategic management. (6 marks)

(iii) Five benefits of policies in enforcing strategy implementation. (5 marks)

(iv) Five principles of policy formulation which could determine the effectiveness of policies developed by PQRE in relation to strategy implementation. (5 marks)

(v) Four roles of the Board in strategy development. (4 marks)

(c) Identify six limitations of using the approach of strategic planning adopted by PQRE. (6 marks) **(Total: 40 marks)**

**Question Two**

(a) In most organizations, the transition from strategy formulation to strategy implementations requires a shift in responsibility from strategists to divisional and functional managers. Required: Explain five management issues central to strategy implementation in a large organization (10 marks)

(b) A key element in the successful implementation of strategies is the design of a suitable organization structure. With reference to the above statement, examine Henry Mintzberg's alternative organizational configurations and suitability of each configuration. (10 marks)

**Question Three**

(a) Evaluate the process of effective implementation of strategy (10 marks)

(b) Even the most creative strategies have no value if they cannot be translated into action. With reference to the above statement, describe five methods which could be used to ensure effective strategy execution (10 marks)

**Question Four**

(a) Implementation of a new strategic plan requires introduction of change in the organization. Explain what strategic leaders can do to manage resistance to change (10 marks)

(b) Organization culture could contribute or hinder successful; strategy execution. With reference to the above statement, describe the five reasons why a good fit between strategy and organization culture is important (10 marks)

**Question Five**

(a) Explain five challenges likely to be faced by an organization while implementing strategic plan (10 marks)

(b) Wabora county government has hired you as the lead consultant during the development of their strategic plan. With reference to the above statement:

i). Distinguish between vision statement and mission statement (2 marks)

ii). Advise them on activities usually carried out during strategy formulation, strategy implementation and strategy evaluation (8 marks)