TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Business Administration

UNIVERSITY EXAMINATION FOR:

MASTER OF BUSINESS ADMINISTRATION

BSM 5222: STRATEGIC ANALYSIS, TOOLS AND TECHNIQUES

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 (Compulsory)

PELI CORPORATION

Peli Corporation is a multinational fast-food distributor that was started 20 years ago by an American couple. The Chief Executive Officer (CEO) of Peli Corporation, Mr. Greenberg, and his wife has enjoyed the steady success of their firm. Witnessing what started as a small family business expands to over 20 countries in four continents. Mr. Greenberg realized there was a major problem in the year 2013 when their earnings started declining steadily. The net income not only shrunk by 40% but also suffered from slow sales growth way below the industry average during that period. Although their market share was still significant compared to their main competitors, there was little growth.

The question of what was the cause of the decline was raised. It was observed that there was a growing trend of customers moving to healthier types of meals that were taking over one of their main competitors. Customers were also getting conveniently available alternatives at the supermarket's convenience stores and even at the petrol stations. This convenience has caused many patrons to switch away from the fast-food outlets.

Besides that, it was realized that there seemed to be an increasing trend in fast casual dining which has affected sales. Patrons are now willing to spend extra for the traditional fast serving but with better and classy ambience. Due to this phenomenon, the growth of fast casual segments grew from 15% to 20% compared to only 2% growth for the fast-food chains.

Peli Corporation was also facing stiff competition from fast food chains such as Lily's and Fiona's. These competitors were catching up fast by recognizing the importance of drive-through customers. They were enhancing their preparation methods and speeding up their delivery process. They were competing on new innovations and speed in responding to upcoming market trends and customer preferences.

Upon analyzing the causes of the problem, it became apparent that the situation had to be addressed urgently to avoid a chain reaction and decline in the global market. It was therefore necessary for Peli Corporation to re-strategize and develop new and innovative product lines, promotion facilities and even to venture into new market segments.

Required:

(a) Conduct a SWOT Analysis for Peli Corporation based on the facts of this case. (10 marks)

(b) Explain to the management of Peli Corporation three benefits and three risks of formal strategic planning. (6 marks)

(c) Explain the application of Porter's Five Forces Model in analyzing Peli Corporation's competitive environment. (15 marks)

(d) In relation to Peli Corporation's case facts, demonstrate the relationship between planned and emergent strategies. (9 marks)

(Total: 40 marks)

Question TWO

a) Barriers to entry and exit make it difficult for new firms to enter the industry and existing ones to quit. Examine five factors that cause entry barriers. (10 marks)

b) Discuss the importance of environmental scanning to an organization. (10 marks)

Question THREE

a) With respect to environmental analysis, distinguish between "SWOT analysis "and "SOAR approach". (10 marks)

b) Describe five micro environmental factors a business might analyze during the strategic planning process. (10 marks)

Question FOUR

a) TOWS matrix is a tool used to develop strategic options from an external-internal analysis of an organization's environment. With the aid of a diagram, discuss four strategic options an organization could pursue from TOWS analysis. (10 marks)

b) Analyze five factors which might cause intense competitive rivalry among firms in an industry. (10 marks)

Question FIVE

a) Examine five techniques of assessing the level of business excellence development in an organization. (10 marks)

b) Discuss the application of Balanced Score card as a strategic management control tool. (10 marks)