



The Co-operative University of Kenya
END OF SEMESTER EXAMINATION DECEMBER-2019
EXAMINATION FOR THE DEGREE OF BACHELOR OF
COMMERCE/BACHELOR OF CO-OPERATIVES AND COMMUNITY
DEVELOPMENT
(YR 3 SEM 1)
UNIT CODE: BCOM 2301/COCM 2303
UNIT TITLE: STRATEGIC MANAGEMENT

DATE: DECEMBER, 2019

TIME: 2 HOURS

INSTRUCTIONS:

- Answer question ONE (compulsory) and any other TWO questions

QUESTION ONE

Carefully read the case study below and use it to answer Question ONE

JOLLIBEE FOODS CORPORATION (JFC)

Jollibee Foods Corporation (JFC), a Philippine fast-food company, has achieved market dominance in three segments in its home country—burgers and chicken, pizzas, and Chinese food—beating such well-known international competitors as McDonald’s and Pizza Hut. Jollibee commands a 58 percent share of the quick-service restaurant market in the Philippines and some 70 percent of the burger-based meals market. To cater to the ever-changing needs of Filipinos, JFC has acquired a portfolio of complementary fast-food concepts, Greenwich Pizza, Chowking, and Délifrance (a French franchise). The company has been honoured many times, being recognized for its entrepreneurship, as the number one food company in Asia, as the best-managed company in the Philippines, and as Asia’s most admired company. It has also been consistently ranked among Asia’s best employers. To secure its leadership position, JFC intends to focus its efforts on increasing its presence in both local and international markets. However, it has not been particularly successful in establishing the Jollibee and Chowking brands overseas. In 2004, it purchased the Yonghe King chain of Chinese fast-food restaurants in China and has high hopes for the future of this brand in the People’s Republic. Recently Jollibee began experiencing reducing revenue trends due to stiff competition from Shampuk Food company which has begun introducing alternative indigenous dishes in Asia, which are fast picking due to global health concerns. Globalisation is quickly posing the risk of losing on fast foods. All the same, population keeps growing as potential market and therefore Jollibee just needs to cut its own niche. Besides, People’s republic seems to have relatively good business climate.

Required

- (a) You have been contracted as a strategist by Jollibee Foods Corporation. Assist the company to construct a possible
- (i) Vision statement **(2 marks)**
 - (ii) Mission Statement **(2 marks)**
 - (iii) Strategic Objective **(2 marks)**
- (b) Citing at least two (2) examples in each category conduct SWOT analysis of Jollibee Foods Corporation **(8 marks)**

- (c) Discuss two (2) main strategies that Jollibee Foods Corporation is using to outmanoeuvre its competitors **(4 marks)**
- (d) Briefly discuss at least three general environmental factors Jollibee Foods Corporation has attempted to address **(6 marks)**
- (e) Advise Jollibee Foods Corporation on at least three (3) strategic control measures necessary for it to prevent possible business risks **(6 marks)**

QUESTION TWO

- (a) Examine the relevance of balanced score card perspectives in evaluating business performance **(10 marks)**
- (b) Strategic decisions are often confused with survival tactics. Discuss at least five (5 marks) characteristics that distinguish strategic decisions **(10 marks)**

QUESTION THREE

- (a) Examine vertical integration and diversification as may be used by a business to undertake expansion strategy **(10 Marks)**
- (b) Examine any five (5) reasons why external environmental analysis is paramount during strategy formulation process **(10 marks)**

QUESTION FOUR

- a) Using BCG 4 cell matrix for portfolio analysis tool, identify the strategic names given to products falling within the four quadrants and highlight strategies recommended in each cell **(10 marks)**
- b) Focused leadership is critical during strategy implementation. Assess any five (5) leadership qualities recommended during strategy implementation. **(10marks)**

QUESTION FIVE

- a) Value chain analysis is based on the premise that value addition must be demonstrated in all activities in an organization. Examine at least one value addition aspect to be considered at each of the five primary activities **(10 Marks)**
- b) Bargaining power of buyers is one industry competitive force that must be addressed by a firm in order to attain and sustain competitive advantage. Discuss any five (5) strategies a firm can use to reduce bargaining power of buyers **(10 marks)**