

The Open University of Sri Lanka  
Master of Business Administration in Human Resource Management  
Final Examination September 2020  
MSP9336/MCP2255 – Strategic Management



Duration: Three (3) Hours

Date: 19<sup>th</sup> September 2020

Time: 9.30 am to 12.30 pm

**Instructions:**

- Answer Question 1 (Compulsory) and any 3 questions from the rest.
- Illegible handwriting is liable to lose marks.
- Answers should be focused.
- Cite Sri Lankan examples where necessary.
- This question paper has five questions in five pages.
- Total marks: 100

**Question 1**

Read the following article on the “Application of Three Tips for A Better SWOT Analysis” and attempt the questions given at the end.

**Three Tips for a Better SWOT Analysis**

Have you ever found yourself in a job interview being asked the dreaded question, "What's your biggest weakness"? Why do employers ask this? Is it to see how people react when pushed out of their comfort zone? Possibly, but the answer also sheds light on an individual's self-awareness. People with a strong grasp on their strengths and weaknesses seem a little more objective and, from what I've seen, are usually more confident in situations and coachable in others. They're typically good at planning a few steps ahead by zooming out every once in a while to recognize opportunities and challenges in their ecosystems. The same applies to organizations.

The SWOT Analysis framework has been shaping marketing strategy since the 1960s. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. A comprehensive SWOT analysis provides significant insights into a brand's product and positioning in relation to its competitors.

When these insights are aligned with consumer insights, a strong brand message is born. A meaningful brand message is one of the most important tools in a marketer's toolbox, for it provides the focus and guidance necessary for enhancing creativity.

Strengths and Weaknesses are internal to the brand and within its control. Examples include a product's packaging or a store's location. Assessing the internal factors helps marketers choose what to highlight when positioning their brands and which conversations to start. Opportunities and Threats, on the other hand, are external factors and are out of the organization's control. An example of an opportunity for a hotel could be the Olympics coming to its city. And a growing health-conscious trend would be considered a threat to a typical fast-food chain. Understanding the external environment allows strategists to come up with a long-term plan that intentionally benefits from opportunities in the market while evading potential threats.

I've noticed common oversights that people experience while gathering their insights. The tips below can help you avoid common mistakes and compile a well-rounded SWOT analysis.

### **Be specific.**

SWOT analyses can get overwhelming when you start considering multiple perspectives. To overcome that, pick a target that matches up closely to the objective of your campaign. When listing strengths and weaknesses, be sure to find some that are considered as such in the eyes of your intended target audience.

A nonprofit, for example, could be analyzed from multiple perspectives: the perspective of the recipients of their social functions, such as lupus patients to the Lupus Foundation, or the perspective of donors who financially support the organization. A strength to one target is not always a strength to another.

If I'm preparing a SWOT for the Lupus Foundation, I may ask myself if they offer something their competitors don't. A competitor to the Lupus Foundation from the perspective of a donor may be any nonprofit organization. Factors I might consider would include how closely the organization adheres to its mission, the organization's reach, or recognition opportunities for patrons. Analyzing it from the perspective of a patient as the target will produce a different set of competitors that may include lupus support groups, online studies or other nonprofits that specifically help lupus patients.

### **Perform your research with competitors in mind**

A weakness isn't necessarily a weakness if all the competitors in the market suffer from it. When performing research, marketers should do their best to zoom out and evaluate SWOT components from the entire market's perspective.

The same applies to strengths. What is strong needs to also stand out from the competitors. For example, a 20-year-old computer is still a fascinating machine, but when comparing it to competitors in today's market, it's useless. For the purposes of your research, the only opinion that matters is the consumers', and they have access to your competition. Businesses must be cautious not to ignore this. Many marketers are so focused on what their companies have been doing that they lose sight of their competition. Because of this, marketers often forget to step back and challenge their products from their customers' perspective. This is particularly a problem in high-velocity markets like the mobile app market.

### **When analyzing the external environment, utilize Porter's Five Forces**

Opportunities and threats seem to be a little harder for people to examine. Common factors that contribute to opportunities and threats may include the state of the economy, fluctuations in the market, or a significant shift in the target consumers' behaviors. To paint a better picture of external factors, Michael Porter created a framework to help marketers and strategists accurately identify the competitive forces in an industry.

Porter's lens explores the threat of substitute products or services in the market, the bargaining power of suppliers, the bargaining power of buyers, the threat of new entrants and the threat of rivalry among existing competitors.

Marketers who examine the threats and weaknesses through Porter's lens may be better equipped to craft strategies that offer comprehensive support for a brand. If you're a well-established company, and you learn that too many entrants are coming into the market, you may recognize a need to raise the barrier to entry in the market to make it harder for competitors to enter. You might leverage your power and influence in the market to raise industry standards in ways that new entrants wouldn't be able to afford, or you may grow your volumes and utilize economies of scale to lower the price.

Companies that don't follow Porter's blueprint may find themselves in trouble. This USA Today article demonstrates Walmart's increasing buying power in the 1990s and how it affected the environment by driving many suppliers to change their ways of doing business. It also gives the example of 66-year-old Rubbermaid as a supplier that suffered immensely after raising prices without Walmart's approval. Using the three pointers above when performing a SWOT analysis will help you dig deeper. When executed thoroughly, a polished SWOT analysis can give you the necessary guidance to identify areas of improvement, highlight your company's true benefits, guide future decisions and provide critical ingredients to your marketing plan.

Source: Forbes, Ahmad Kareh, Jul 19, 2019

Questions.

- a) "SWOT analyses can get overwhelming when you start considering multiple perspectives"  
Critically evaluate this statement. (12 Marks)
- b) Explain the importance of environmental scanning for SWOT Analysis. (14 Marks)
- c) "Companies that don't follow Porter's blueprint may find themselves in trouble". Explain  
Porter's Five Forces analysis with an example of branded tea in the Sri Lankan market.  
(14 Marks)

*(Total: 40 Marks)*

*Attempt any 3 questions from the following.*

Question 2

Setting a vision, mission, goals, and objectives are primary components of a strategic plan.

- a) Describe four purposes a mission statement can serve for an organization. (04 marks)
- b) 'Vision is broader than mission'. Comment on this statement bringing out the key differences  
between vision and mission of an organization. (06 marks)
- c) Describe the key features of a good objective with suitable examples. (04 marks)
- d) Explain the association among the vision, mission, goals, and objectives of a strategic plan.  
(06 marks)

*(Total: 20 Marks)*

Question 3

The Boston Consulting Group Matrix for portfolio analysis is a convenient tool that allows a company to determine the status of its different divisions and/or products.

- a) Briefly describe the four categories of business divisions/products that are identified by the  
BCG matrix. Show how they relate with the different phases of the Product Life Cycle.  
(12 marks)
- b) Explain the strategic implication of the businesses falls under above said categories. Give  
suitable examples. (08 marks)

*(Total: 20 Marks)*

#### Question 4

Michael Porter suggested four "generic" business strategies that could be adopted in order to gain competitive advantage to face competitive, turbulent, and unstable markets.

- a) Explain Porter's generic business strategies model with an illustration and suitable examples. (12 marks)
- b) It is always emphasized that strategists should avoid 'stuck in the middle'. Explain this situation. (08 marks)

*(Total: 20 Marks)*

#### Question 5

Answer any 2 of the following.

(10 marks each)

- a) Distinguish between corporate strategy and business strategy
- b) Describe the 'concentric diversification' and 'conglomerate diversification' strategies and the reasons for adopting such strategies
- c) Explain "Seeking 'Blue Ocean' strategies over 'Red Ocean' strategies by strategists with innovative thinking".
- d) Explain 'Covid 19 and Importance of proactive strategies for businesses'.

*(Total: 20 Marks)*

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