



**THE OPEN UNIVERSITY OF SRI LANKA**  
**COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC**  
**ADMINISTRATION**  
**FINAL EXAMINATION – 2016**  
**MCP 1653 – STRATEGIC MANAGEMENT**

DURATION: THREE HOURS and FIFTEEN MINUTES (3 ¼ Hours)

**Date: 16<sup>th</sup> July, 2016**

**Time: 1.30 pm – 4.45 pm**

**INSTRUCTIONS TO CANDIDATE**

1. **Section A: Answer Question ONE. (Compulsory question.)**
2. **Section B: Answer any TWO (2) out of THREE (3) questions in this section.**

**SECTION A**

**Question 1 (Compulsory question)**

**Your Strategy Should Be As Unique As Your Business**

The marketplace can be a difficult ecosystem in which to thrive. Fortunately, your business has its strengths that differentiate it from the competition. What are those unique strengths, and how does your strategy capitalize on them?

You can look at any company's uniqueness and gain a basic understanding about its viable strategic options. Building your strategy on the foundation of your uniqueness emphasizes your competitive advantage and makes it harder for the competition to catch up with you. This article highlights four of companies I have come across that have successfully injected what makes them different into their strategies. Which of them offers insights into a strategic direction that you could take advantage of for your company?

**1. Simplicity as a strategy.** So what if your product is not some hi-tech, cloud-based, umpteen-gigabyte, SaaS app. Go with what you have and keep it simple. Modern technology and all the blinking, ringing gadgets it offers might blind you to the reality that innovation can at times be simple and unplugged. At Pocket Poppet, co-founders Helen Tyler and Karen Hill-Krolow are successfully selling a stylish ladies' cardigan sweater that conveniently folds into a purse-sized bundle. My wife has

two of them and finds them to be both clever and convenient, especially when we travel. Tyler and Hill-Krolow started their company in July 2012 and have sold more than 5,000 units since. "Women often find themselves in places where the temperature is set too low for their comfort. Whether in a museum on vacation or in a cubicle at work, it's a consistent issue," says Tyler. "We call it 'packable travel clothing,'" adds Hill-Krolow. "We're glad to offer something that can make women's lives both easier and more enjoyable. And we're very proud that it's made in the USA!"

**2. Niche marketing.** Identify an under-served segment of your market and you can go after it aggressively, rather than waiting for customers to come to you. For example, most owners of apartment buildings run ads when they have units for rent and then rent to just about any qualified applicant. It's a passive form of marketing and it's worked really well for a very long time. But Ultris is not the typical landlord. Ultris actively seeks out tenants from a pool of identified consumers, namely military, former military, and supporting civilian workers who require extended residential accommodations because of work re-locations. They offer a very diverse range of housing options from a hotel-like experience to completely unfurnished apartments. Says Matt Steele, Vice President of Operations, "We offer a full range of service options depending on the needs of the tenant." They currently have 2,800 units located in 7 states and aim to grow to 10,000 units in the next few years. Adds Steele, "The military and the people who work closely with it are always on the move. We're striving to provide them with great housing options so they can focus on their important work."

**3. Customized Outcomes.** There really is no "one size fits all" in business. While there are uniform processes used by many companies, the uniqueness of each company manifests in the outcomes. This is evident in superior software development. Orbit Media, a web design and development company in Chicago focuses on content strategy and content management for its clients. "The process of web design is much the same for each client, but the outcome is always completely different," says CEO Andy Crestodina. If every company is unique, as the premise of this article suggests, then one brilliant strategy is to always try to make your customers' uniqueness shine through. "By customizing the outcomes to highlight the distinct advantages our clients possess, we

help them maximize the ROI (return on investment) of the development cost,” according to Crestodina. Crestodina has also written a great book on the subject titled *Content Chemistry*, which I have read and can highly recommend.

**4. Automated Customer Experience.** Monscierge has an app that helps guests not only connect with the hotel they’re staying at, but also take full advantage of the local offerings. Like a “concierge,” Monscierge helps you get more out of your travel experience, but is as easy as swiping and tapping your smart screen. Monscierge provides kiosks in hotel lobbies as well as an app to download and use before and during your stay.

“About three quarters of hotel guests want local information. This puts it at their fingertips,” says Monscierge CEO and Founder Marcus Robinson. But that, according to Robinson, is not the biggest benefit. “The app facilitates two-way communication between the guest and the hotel. That’s what our clients and their guests appreciate most.” Monscierge has another benefit for the 1,500 hotels already using it. At a time when the hotel industry is being disrupted by Airbnb and similar enterprises, Monscierge is helping its clients disrupt right back. “Monscierge gives guests greater control over their travel experience than ever before. The benefits cannot be matched by anything offered in a coop-style rental service.”

Businesses are as individualized as the entrepreneurs who run them. Honing your business strategy to play to your unique strengths will let you shine in a busy marketplace. Is your strategy making the most of your unique strengths? (Source - Larry Myler(Forbes- AUG 22, 2015)

- (a) Explain the importance of Understanding Key Factors for Succession (KFS) .You should relate your answer into given case study. (18 Marks)
- (b) “ Modern technology and all the blinking, ringing gadgets it offers might blind you to the reality that innovation can at times be simple and unplugged”.
- (c) Critically analyze how “value chain” can be used as strategy for innovation. (18 Marks)
- (d) “Identify an under-served segment of your market and you can go after it aggressively, rather than waiting for customers to come to you”. Explain this statement with Blue Ocean Strategy. (14 Marks)

(Total-50 Marks)

## SECTION B

Answer any TWO (2) out of THREE (3) questions in this section.

### Question 2

Information gathering from external environment is very important in order to create competitive advantage for hotels. Because of this, hotels are very sensitive to the external information and sustain the systems gathering, disseminating information and transforming it into the response. (Türkay, Solmaz and Şengül, 2011)

- (a) Explain why it is necessary for a hotel to engage in continuous environmental scanning. (10 Marks)
  - (b) Critically evaluate "TOWS" matrix using an example of any hotel in Sri Lankan context. (15 Marks)
- (Total-25 Marks)

### Question 3

For most people involved in the strategic management field, teaching competitive strategy involves teaching Porter's model of generic strategies. Critics of the model have however exposed some severe limitations to its application. There are also some serious sources of confusion, both within the model itself and in its relationship with the other principal concepts and models used in the teaching of competitive strategy (Hendry, 1990).

- (a) With supporting examples, distinguish between the four Porter's generic strategies that a business can adopt to gain competitive advantage. (9 Marks)
  - (b) Critically evaluate Porter's model of generic strategies suggesting some alternatives. (16 Marks)
- (Total-25 Marks)

### Question 4

Explain any FIVE from the following in relation to strategy.

- (a) Resource Based View (RBV)
- (b) Strategic Business Units (SBU)
- (c) ANSOFF matrix
- (d) The McKinsey 7S Framework
- (e) Vision, mission and objectives
- (f) Corporate social responsibility and success of organizations