THE OPEN UNIVERSITY OF SRI LANKA
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC ADMINSTRATION (CEMBA/CEMPA) PROGRAMME
LEVEL 10
OSPA453/MSPA453 – STRATEGIC MANAGEMENT
FINAL EXAMINATION – 2024
DURATION – THREE (03) HOURS

| Date: 11th February 2024 | Time: 1.30 pm - 4.30 pm |
|---|---|

Instructions:

i. Answer **Question 1(Compulsory) and any 3 questions from the others.**
ii. Answers should be focused and methodical. Use suitable examples where applicable.
iii. State your examination index number in every answer script.
iv. This paper has 5 pages and 5 questions. Maximum marks 100.

**Question 1**

Read the following article and attempt the questions given below with your knowledge in Strategic Management.

**7 Tips To Turn Business Strategy Into Execution**

*Matthew Dunlap Forbes Councils Member, Forbes Business Council [Apr 21, 2023,10:30am EDT]*

American entrepreneurship is alive and well. And it's growing like nobody's business. According to U.S. Census Bureau data, more than 15 million new-business applications have been filed since January 2020.

Over the past three years, we've seen a record-breaking startup boom despite a global pandemic and stiffening economic headwinds. It's a remarkable testament to our nation's enterprising spirit. But in these conditions, it is also a constant reminder that a good strategy is only half the battle. To survive and succeed, leaders need a clear plan for implementing their strategies.

As chief operating officer at Rise Brands, I've helped launch multiple brand concepts, growing them from single stores to more than a dozen profitable locations.

When it comes to growing a business, I know nothing comes easy. But these seven tips can help leaders turn a great strategy into solid execution:

**1. Start with a BHAG.**

Every MBA knows that business goals should be SMART: specific, measurable, attainable, relevant and time-based. SMART goals give you a clearer idea of what you want to achieve and how to track your progress. But there's another goal-related element to consider.

At Rise, we believe goals should also be (1) big, (2) hairy and (3) audacious. A big hairy audacious goal (or "BHAG") forces you to plan for long-term success.

A huge goal can inspire people and help propel them forward. Our BHAG is to be a nationally recognized leader in the development of kick-ass people and brands. What's yours?

**2. Communicate horizontally, inclusively.**

The bigger, hairier and more audacious your goals, the more you'll need an effective communications plan. Strong, clear and companywide communication serves a number of useful functions when trying to make change happen.

First, articulating a bold vision helps everyone see the destination clearly, and it gets them excited for the journey. From there, you must master internal communications. It isn't just about giving managers and their teams a to-do list. These days, even the most junior people want to understand why you're asking them to do what they need to do. Further, they need to know what's in it for them.

As you communicate the destination (and people's roles in getting there), remember to also share (a) the reason you've chosen this path and (b) what awaits at the finish line.

**3. Break your strategy down into bite-size chunks.**

Anything that's worth doing often feels overwhelming at first. Don't try to tackle everything at once.

Break your strategy down into manageable, sharable pieces and create milestones for each one. Then cascade those action items throughout the organization.

Prioritize what needs to be done first, then second, third and so on. Never assume change will magically happen on its own. Leaders have a responsibility to do more than demand progress. They must enable it, as well.

**4. Develop realistic budgets and timelines.**

Implementing a big business strategy requires resources galore. Without a realistic budget and timeline, you could miss a killer opportunity.

Make sure you understand—and don't stray too far from—your business's core competencies when attacking a new plan. Let's say your new strategy requires design capabilities your team doesn't have. Do you try to build that function from scratch (costing time and possibly causing you to miss your

window of opportunity) or do you outsource the problem to an expert (costing you more money in the short term) to get to a faster solution?

If you have a great idea, don't assume you're the only one. Nobody wants to be fourth or fifth to market. That's why a reasonable timeline and a smartly designed budget can help you stay on track and ahead of your competitors.

**5. Foster a culture of change and extreme accountability.**

Whether you're a sole proprietor with a plucky idea or a fast-growing enterprise that's fighting to stay lean, you need more than a desire to Get Sh!t Done (GSD). You'll need the right people, process and attitude to pull it off.

Every new business strategy involves change. As part of the change process, encourage feedback from employees and remain open to suggestions. And, in exchange for open, honest, inclusive dialogue, leaders must demand extreme accountability. This involves creating an ownership mentality—treating every team member like an owner of the business.

Give them knowledge, give them respect and give them power. When you do, it's more likely they'll treat every dollar like it's their own.

Lastly, remember that no one cares how much you know until they know how much you care. To GSD, leaders must be willing to roll up their sleeves and get their hands dirty.

**6. Beware of single points of failure.**

Even the best-laid plans can run astray, so it's important to be adaptable with your execution strategy. After all, if something isn't working, leaders need the flexibility of mind to adjust and try something new. But often, disasters can be prevented by being mindful of single points of failure: seemingly small flaws that can cause an entire system to malfunction.

Imagine, for example, you have only one payroll person on staff. If they leave or get hit by a bus, now what? You can solve this problem before it becomes a crisis by documenting everything that person does, creating redundancy on staff or having an outsourcing option at the ready should disaster strike.

By being flexible and being prepared, you can progress toward your goals while avoiding the need to completely reset your plans.

**7. Monitor progress.**

Regularly monitor progress against the action plan and your team's defined metrics. This will enable you to identify potential issues early on and make any necessary adjustments to the strategy. Tracking progress can also help to keep everyone focused and motivated.

Taking the leap from strategy to execution requires careful planning, strong communication, and a culture that embraces change. Follow these tips, and you can successfully navigate your way through almost any important business change.

*(Matt Dunlap is Chief Operating Officer at Rise Brands, a leading brand-strategy firm based in Columbus, Ohio.)*

*Forbes April 21, 2023*

Questions:

a) Explain why strategy implementation is a much more challenging task when compared to strategy formulation. (08 marks)

b) Explain the SMART of objectives and how SMART of objectives play a key role in strategy implementation and control. (08 marks)

c) Critically evaluate the key activities involved in the process of implementing a strategic plan. (10 marks)

d) As per Matt Dunlap article above, expresses how a strategist may get involved in active strategy implementation rectifying potential issues in the implementation process. (10 marks)

e) As per the discussion in the article, what implementation tactics may help the strategists to objectively carry out strategic control of the intended strategies. (10 marks)

*[Total: 46 Marks]*

**Question 2**

The competitive advantage of a company is linked to the strategic development and utilization of its core competencies.

a) Express your view on the above statement explaining the 'competitive advantage' and 'core competencies'. (10 marks)

b) How does VIRO framework elucidate the time bound validity of competitive advantage of an organization. Explain with suitable examples. (08 marks)

*[Total: 18 Marks]*

**Question 3**

Hooley, Saunders & Pierce (1998) emphasized the necessity for a diversified organization to identify approaches for evaluating the equilibrium of its business portfolio and to assist in directing the distribution of resources among these businesses.

a) Discuss a methodology and frameworks used for portfolio analysis, such as the BCG Matrix, and compare their stages with their respective stages of product life cycle. analysis. (10 marks)

b) Explain how strategic managers of an organization manage their portfolios to achieve growth and enhance overall performance of their organization. Highlight potential net users of resources and net suppliers of resources. (08 marks)

*[Total: 18 Marks]*

**Question 4**

Aguilar (1967) Defined Environmental scanning as "the way in which management gathers relevant information about events occurring outside the company in order to guide the company's future course of action"

a) Explain the above statement while elaborating on the diverse types of environments a strategist must carefully examine. (10 marks)

b) Explain the key elements of the industry analysis framework such as Porter's Five Forces. Describe the conditions that make strategists prefer further investment in a particular industry. (11 marks)

*[Total: 18 Marks]*

**Question 5**

Explain **any two** of the following.

a) With suitable illustrations describe the Ansoff matrix. Using suitable Sri Lankan environment explain the four different categories of strategies identifiable with Ansoff Matrix by strategists. (09 marks)

b) Corporate governance practices and their importance for societal wellbeing. (09 marks)

c) Conglomerate diversification strategy and applicability of considering a conglomerate diversification strategy by an export-oriented garment manufacturer in the light of reduced global demand for apparel market. (09 marks)

*[Total (9x2): 18 Marks]*

(All rights reserved except the Article given under Question 1)