



UGANDA MANAGEMENT INSTITUTE

POSTGRADUATE DIPLOMA IN BUSINESS ADMINISTRATION
(DBA): (DFM) K'LA; MRA; GULU, MBL: (WKD)

SECOND SEMESTER EXAMS 2015/2016

**MODULE: BUSINESS POLICY AND STRATEGIC
MANAGEMENT (E)**

Date: Thursday 6 October 2016

Time: 09.00 AM – 12.00 NOON

INSTRUCTIONS

1. Answer **FOUR** Questions.
2. Question **ONE** of Section A is compulsory and carries 40 marks.
3. Answer any other **THREE** Questions from Section **B**. Each question carries **20 marks**.
4. Write clearly and legibly.
5. **Do not** write anything on the question paper.
6. **Do not** take Mobile Phones into the examination room.
7. Follow the instructions of the examination supervisor.
8. Indicate questions answered on the Answer Sheet in the column of Questions.

This paper consists of 4 printed pages

~~GOOD LUCK~~

SECTION A:

COMPULSORY

40 MARKS

QUESTION ONE

The Pepsi Company

Pepsi Company is multi-national beverage company with a global network of suppliers and customers. PepsiCo has many diversified business units such as soft drinks (Pepsi, Slice, Mountain Dew), beverages (Tropicana Juices, Dole Juices, Lipton tea, Aquafina bottled water, Sport drinks, Tropicana Juices), Snacks (Rold Gold pretzels and Frito-Lay). PepsiCo proudly serves consumers of every income group and ethnicity, on every continent, and in intensely competitive markets. Pepsi Cola has a very concise mission statement which offers its employees, shareholders and consumers a clear understanding of what Pepsi Co embodies.

"We have absolute clarity around what we do: We Sell Soda. We commit ourselves to these Operating Principles: Rules of the Road

- i. Drive local market success*
- ii. Act Now. Do it today. Get Results.*
- iii. Set Targets. Keep Score. Win.*
- iv. Respect Each other.*

Our success will ensure: Customers build their business, Employees build their futures, Shareholders build their wealth."

PepsiCo knows that women make the majority of food and beverage buying decisions. Understanding how to meet the needs of such a diverse cross-section of global consumers requires diverse strategies. Management at PepsiCo has been concerned about their industry's current profitability given a number of changes happening in their business environment.

Of recent, PepsiCo has seen a rise of the middle class and the growth of women in the workforce across the globe. Concurrently, as consumers worldwide are shifting more of their spending to higher-quality products, they are favoring companies that can deliver these products through strong, trusted brands

Secondly, the global retail environment changed dramatically over the past decades. Around the world, PepsiCo has witnessed the emergence of organized, efficient, modern trade in many countries, followed by increasing consolidation and sophistication of retailers in each market.

Thirdly, the emergence and acceleration of consumers' focus on health and wellness (more recently also a focal point of government regulations) has increasingly challenged companies with Fun-For-You portfolios to adapt their products. At the same time, this trend has also created significant growth opportunities in the Better-For-You and Good-For-You categories.

Besides the above trends, PepsiCo's current website was set up 5 years ago. The website is informational, outlining all of PepsiCo's products, innovative marketing initiatives such as "Do Us a Flavor", "Live for Now", contact details and PepsiCo's forthcoming events. There are currently no online contact facilities for customers on the website. Customers who wish to participate in the innovative marketing initiatives, buy tickets for sponsored events and concerts and must do so by telephone or through personal visits to PepsiCo.

PepsiCo recently appointed a Finance Manager, Andrew Okello, who has worked in the Foods and Beverages industry for 20 years. Andrew was surprised to find that PepsiCo does not undertake any strategic analysis of its business environment and that its advertising and marketing efforts are largely focused on very traditional methods. Andrew wishes to undertake an immediate review of PepsiCo's strategic direction. He believes that through a better understanding of its business environment it could target its customers more effectively. Andrew also believes that PepsiCo should use the Internet more effectively to engage with its customer segments, using an e-business approach.

Required

- a) Using any strategic analysis tool, determine Pepsi Co competitive intensity and attractiveness of a market. **(10 Marks)**
- b) Given your analysis in (a) above, suggest a range of recommendations PepsiCo should follow. **(10 Marks)**
- c) Discuss the benefits for PepsiCo of employing an e-business approach to engage with its customer segments. **(20 marks)**

SECTION B: ANSWER ANY THREE QUESTIONS FROM THIS SECTION

QUESTION TWO

Sustainability is increasingly becoming a domain in our operation context. The signing up of 16 United Nations (UN) Sustainability Goals has accelerated the need for organizations to think and act sustainably. In reaction to this agenda, organizations are increasingly developing and implementing Corporate Social Responsibility (CSR) led strategy.

Required

- a) Cite and discuss any five (5) CSR dimensions that need to be considered when developing CSR led strategies. **(10 marks)**

- b) Explain the value that CSR led strategy can offer an organization in improving its state of competitiveness. **(10 marks)**

QUESTION THREE

Examine the value that strategic management can offer any organization of your choice in contributing to its competitive edge. **(20 marks)**

QUESTION FOUR

“Strategy comes along with change”. Discuss how change can be successfully implemented when implementing strategy. **(20 marks)**

QUESTION FIVE

Discuss approaches that are used by organisations in monitoring the performance of their strategy. **(20 marks)**

QUESTION SIX

“Mergers and acquisitions are a corporate strategy that has often been used by organisations that wish to grow and manage risk”. Discuss the benefits and limitations of using mergers and acquisitions as strategic corporate strategies. **(20 Marks)**

END