

EASTERN UNIVERSITY, SRI LANKA

Faculty of Commerce and Management

Final Year/First & Second Semester Examination in Business

Administration/Commerce –2007/2008

(February 2010)

(Repeat)

MGT 4114 Strategic Management

Answer all five (5) questions

Time: 03 hours

Q1) Read the following case and answer the questions that follows

THE NATIONAL TRUST

The National Trust acquires and preserves countryside and historical places of interest for the benefit of us all generally allowing access to members and free paying visitors. At the end of 1995 the National Trust was responsible for over half a million areas of land, 550 miles of coastline and some 250 houses and gardens. The trust relies heavily on members' subscriptions to help fund its various activities; and gifts and endowments, together with some (limited) government funding, enable new acquisitions. Maintenance standards are high (and expensive) and conservation is seen as more important than commercial exploitation and where necessary, access. On occasions, but not very often, the numbers of visitors will be restricted either directly or indirectly, by, for example, limiting the parking facilities.

Stakeholders and interested parties-those whose interests the Trust must serve.

- National trust members and visitors
- Donors of properties
- Conservation agencies and ramblers' associations
- Financial benefactors
- NT employees
- Government ,and
- The nation as a whole

Skills required

- Property management- both upkeep of the buildings the management of land resources. Large areas of farmland are leased
- Expertise in arts and furnishing
- Public relations and marketing
- Financial skills- the trust has substantial funds invested to yield income streams.

Values

The National Trust has proved successful in developing and deploying resources to meet the needs and expectations of its stakeholders. Staff are typically more 'proper management' oriented than they are marketing oriented but they are knowledgeable and experts. Preservation and the presentation of the properties to the standard maintained by their original owners are seen as important aspects of the service by both the Trust employees and its members. Theme parks and activities have no place in the National Trust and there is a high moral tone to every activity, including the National trust shops which tend to sell high quality selected products at premium prices.

In addition, trust staff appear to share an ethos (typically shared by people who work for other charities) which combines the feeling of working for a good cause, close identification with its purpose and principles, and a certain readiness to accept lower rewards than those normally earned in manufacturing and service businesses.

National Trust members doubled from 1 million to 2 million during the 1980s. This presents a dilemma and a new challenge for the National Trust would arise if a more commercial orientation became necessary in order to fund desired activities.

(a) Who are the main stakeholders of National Trust?

(10 marks)

(b) Identify the strengths & weaknesses of National Trust?

(10 marks)

(c) How will the National Trust face the competition?

(08 marks)

(Total 28 marks)

Q2) a. What are the three **grand strategies** that are available for an organization at its corporate level?

(06 Marks)

b. What is the contribution of **Value chain analysis** in identifying the competences of any organization

(06 Marks)

c. How can a BCG matrix be used by ^{an} organization in order to decide on the resource allocation for different [^]SBUs?

(06 Marks)

(Total 18 Marks)

Q3) a. Briefly describe the strategic-management process with support of a ***Strategic Management Model***

(07Marks)

b. Analysts now recommend a broad range of methods to evaluate the success or failure of a strategy, in this respect describe the **balanced scorecard approach** for strategy evaluation.

(07 Marks)

c. What are the most important components that should be included when writing a **mission statement**? Why?

(04 Marks)

(Total 18 Marks)

Q4) a. List out and briefly explain the **administrative tasks** that are involved in the strategy implementation.

(08 Marks)

- b. List out and describe the five different **competitive strategy options** (Business Level Strategies) an SBU can use in an organization.

(10 Marks)

(Total 18 Marks)

- Q5) a. Explain the concept of **suitability, feasibility and acceptability** in relation to judging strategic options. What different tools and methods can be used to evaluate each of them?

(07 Marks)

- b. According to Porter, what are the **barriers** the existing firms in the industry can put forward in order to block the entrance of new comers?

(06 Marks)

- c. Identify the major stakeholders and their claim for your University and plot them in the **stakeholder mapping** based on power and interest (The source of power should be clearly identified)

(05Marks)

(Total 18 Marks)
