



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION

JANUARY 2016 SEMESTER

SUBJECT CODE : EAB 40603
SUBJECT TITLE : STRATEGIC POLICY MANAGEMENT
LEVEL : BACHELOR
TIME / DURATION : 9.00 AM - 12.00 P.M / 3 HOURS
DATE : 25th MAY 2016

INSTRUCTIONS TO CANDIDATES.

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. This question paper consists of **TWO (2)** sections; Section A, and Section B
4. Answer **ALL** questions in both sections
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in English (any other language is not allowed)
7. This question paper must not be removed from the examination hall

THERE ARE FOUR (4) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total 60 marks)**INSTRUCTION: Answer ALL questions****Please use the answer booklet provided****Case/Application : Selman & Saks Inc.**

Selman & Saks, as a maker of men's and women's razors and electric hair trimmers, had little reason to become involved in the global arena. But after acquiring Wellman Enterprise division engages in a licensing agreement with a German firm to produce women's hosiery, managers at Selman & Saks wondered just whether a company-wide global focus would be more profitable after all. The company had been operating for almost 20 years and empowered by highly skilled workers and professionals in innovating new products using latest technology for its demanding market. The company received positive feedback from its customers and resellers.

Despite the new technology, Selman & Saks facing pressure from its competitors and imitation products which are made from China and Taiwan. Their prices are competitive and with variety of design. Thus, the product life cycle getting shorter which require immediate new innovation and improvement. Currently, the electric hair-trimmers priced at RM150 per unit.

Managers at Selman & Saks studied Wellman's licensing agreement in great detail. Still, after seeing first-hand the benefits Wellman found the licensing agreement, it was decided that Selman & Saks would target the French market merely via exporting. However, Selman & Saks decide to enter Malaysian and Indonesian market via licensing or strategic alliance in 3rd quarter 2016.

With the assistance of a domestic export department, the Selman & Saks razors and hair trimmers entered France. For Six months, sales were mediocre. But after that, sales suffered. As a result, the company had to take drastic action by restructuring its organization by downsizing. Opinions varied among numerous managers as to the cause of the failure. "Who knows better the local market than people who live there?" was a comment heard through Selman & Saks. "Maybe we needed an alliance with a French firm or a licensing agreement before racing to get there."

Questions

1) Looking at the nature of Selman & Saks's business and his product offerings, develop suitable Vision and Mission statement for the company.

(4 Marks)

2) From the given case, identify **TWO (2)** main concerns faced by Selman & Saks in meeting the business objectives.

(2 Marks)

3) In assisting Selman & Saks to conduct Internal Audit, complete the following TOWS matrix analysis using the following format:

a. Identify **TWO (2)** elements each of Strengths, Weaknesses, Opportunities and Threats

(8 Marks)

b. Formulate **TWO (2)** future strategies for each quadrant namely SO strategies, ST strategies, WO strategies and WT strategies.

(8 Marks)

TOWS MATRIX	<u>Strengths</u>	<u>Weaknesses</u>
	1. 2.	1. 2.
<u>Opportunities</u>	<u>SO Strategies</u>	<u>WO Strategies</u>
1. 2.	1. 2.	1. 2.
<u>Threats</u>	<u>ST Strategies</u>	<u>WT Strategies</u>
1. 2.	1. 2.	1. 2.

- 4) As a business consultant, using the template below assist Selman & Saks in establishing **EIGHT (8)** short term business objectives for financial year 2017 for Malaysian market from four main components. The business objectives **MUST** meet the **SMART** criteria.

Financial	1.
	2.
Customer	3.
	4.
Internal Business Process	5.
	6.
Learning & Growth	7.
	8.

(8 Marks)

- 5) As a consultant to the business, formulate **FOUR (4)** suitable Marketing Communication (MarComm) activities and provide justifications on revenue impact and effectiveness for each of activity after taking into consideration of the financial constraint, market size and other business limitations. The propose MarComm activities is only applicable for Malaysian market. You may use the following format.

No.	Proposed MarComm Activity	Budget Required for the event (RM)	Justifications on forecast revenue impact and effectiveness of the MarComm activities
1.			
2.			
3.			
4.			

(1m x 4 pts=4 marks)

(0.5m x 4 pts=2 marks)

(1m x 4 pts=4 marks)

(10 marks)

- 6) Strategic Alliance was the preferred mode of entry for Malaysian market. Strategically, outline and explain **FIVE (5)** reasons why it was chosen.

(20 marks)

SECTION B (Total: 40 marks)

INSTRUCTION: Answer ALL questions

Please use the answer booklet provided

Question 1

- a. Strategy evaluation is becoming increasingly difficult with the passage of time.

Outline and explain **FIVE (5)** reasons why the evaluation is getting difficult.

(13 Marks)

- b. Financial ratios being used commonly to evaluate strategies.

Outline **THREE (3)** quantitative comparison criteria in the ratio analysis which being used to evaluate strategies.

(7 Marks)

Question 2

- a. Joint venture is a popular strategy that occurs when two or more companies form a temporary partnership or consortium for the purpose of capitalizing on some opportunity.

Discuss **THREE (3)** common problems that cause joint ventures to fail.

(10 Marks)

- b. Strategy making is not just a task for top executives. Middle and lower level managers also must be involved in the strategic-planning process to the extent possible.

Define and give an example of **THREE (3)** intensive strategies.

(10 Marks)

- END OF QUESTION PAPER -

