



Strathmore
UNIVERSITY

STRATHMORE BUSINESS SCHOOL

MASTER OF MANAGEMENT IN AGRIBUSINESS

END-OF-SEMESTER EXAMINATION

MMA 8304: STRATEGIC MANAGEMENT IN AGRIBUSINESS

Date: Monday 12th August 2024

Time: 3 Hours

Instructions:

- This examination contains **FIVE** questions.
- **Question ONE is compulsory** and is worth 30 marks.
- Questions TWO to FIVE are worth 15 marks each.
- Answer the compulsory **question (ONE)** and **ANY OTHER TWO** questions.

Question 1 (Compulsory) (30 marks)

Read the case titled: ‘**Olymel: Strategic Expansion in the Pork Industry**’ and answer the questions that follow:

- a) Drawing from the case, critically review the opportunities and threats in the pork industry that Olymel is facing (give examples from the case) **(10 Marks)**.
- b) Using the VRIO Model (from a Resource-based View) identify and categorise the internal resources and capabilities of Olymel (give examples from the case) **(10 marks)**.
- c) Casey Smit is expected to decide strategically on whether to invest. Drawing on the evidence provided in the case, indicate whether Olymel should proceed with the industry investment identifying a strategic action with supporting evidence from the case **(10 marks)**.

Question 2 (15 marks)

“In April 2018, after an exhausting day spent meeting with the executive team in Tagum, Davao del Norte, Philippines, Rosanna Tuason-Fores managed to find some quiet time to collect her thoughts and reflect on her tenure as president and chief executive officer (CEO) of Hijo Resources Corporation (Hijo) since 2006. Hijo was a conglomerate with business interests in different industries. The company’s diversification strategy initially arose to protect itself from the company’s tumultuous history and the pressures of the volatile banana industry, as well as to take advantage of the emergence of Mindanao as the next corridor for development. Redesigning the company’s organisational structure to form strategic business units (SBUs) placed some shareholders outside of their comfort zone with a new level of responsibility and accountability

for managers and employees. Touson-Fores wanted to take the restructuring even further, to have each SBU embed sustainability into its operations. She viewed industries and their supply chains as sources of solutions for environmental and social problems.

This paradigm shift altered the notion of sustainability at Hijo from merely philanthropic to strategic and transformative. However, this required Tuason-Fores to put some thought into the implementation of sustainability. Although she championed Hijo's sustainability through the organization, so that everyone shared in it, bought it, and became inside with it. Several options for integrating sustainability were available to the company. Hijo board of directors is meeting in two weeks. Tuason-Fores has to decide which path the company should take and then present her decision to the board.” (Except from Hijo Case).

You have been hired as a consultant by Tuason-Fores, to help in the process of evaluating the path that Hijo should take.

- a) Evaluate the five types of business-level strategies, discuss the pros and cons, and advise Hijo which one should be suitable for their strategy. **(10 Marks)**
- b) Given the decision by Tuason-Fores to embed sustainability across the organisation, discuss the pros and cons that this will have on the overall profitability of Hijo in the long run **(5 Marks)**

Question 3 (15 marks)

Twiga Foods is grappling with the dilemma of choosing between rapidly entering multiple international markets to capitalize on early-mover advantages and establishing a strong foothold in a single market to mitigate risks and ensure operational stability. The urgency to scale quickly and capture market share must be balanced against the potential pitfalls of overextension, such as regulatory challenges, cultural misalignment, and strained resources. This strategic crossroads requires careful consideration of the company's long-term goals, resource allocation, and risk management capabilities.

- a) Discuss five criteria that Twiga Foods should prioritize to determine whether to pursue a rapid multi-market entry or a focused single-market expansion, considering both short-term gains and long-term sustainability. **(9 Marks)**
- b) Evaluate three ways in which Twiga Foods can develop a phased approach that allows for gradual international expansion while continuously assessing and mitigating risks associated with regulatory, cultural, and operational challenges. **(6 Marks)**

Question 4 (15 marks)

Wakulima Adventures is facing a severe ethical dilemma as allegations of corruption and malpractice have surfaced involving some of its senior executives. These executives are accused of accepting bribes from contractors in exchange for favourable terms and bypassing environmental regulations to expedite project timelines. This situation not only threatens the company's integrity and reputation but also poses significant legal risks. To address these serious

concerns, Wakulima Adventures must employ stringent corporate governance mechanisms to investigate the allegations, ensure accountability, and restore trust among stakeholders.

- a) Evaluate three corporate governance mechanisms that Wakulima Adventures can implement to thoroughly investigate allegations of corruption and malpractice within its senior management. **(9 Marks)**
- b) Discuss three strategies that Wakulima Adventures can use to strengthen its corporate governance framework to prevent future instances of corruption and malpractice? **(6 Marks)**

Question 5 (15 marks)

KamaKy Farming Ventures is grappling with the challenge of choosing between pursuing incremental innovation, which involves gradual improvements to existing farming practices, and radical innovation, which requires a complete overhaul of its current methods to revolutionize horticultural production. Despite efforts to enhance productivity, the farm continues to experience declining yields, threatening its sustainability. Incremental innovation offers lower risk and requires fewer resources but may not be sufficient to address the fundamental issues causing reduced yields. On the other hand, radical innovation has the potential to significantly boost productivity and sustainability but comes with higher risks and greater resource demands. This dilemma necessitates a careful evaluation to determine the most effective strategy for revitalizing the farm's output.

- a) Discuss three key differences between Incremental and Radical Innovation **(3 Marks)**
- b) Evaluate Four criteria that KamaKy Farming Ventures can consider when deciding between incremental and radical innovation to address declining yields. **(8 Marks)**
- c) Analyse four ways that KamaKy Farming Ventures can use to mitigate the risks associated with radical innovation while pursuing revolutionary changes in farming practices. **(4 Marks)**

THE END