



# MANICALAND STATE UNIVERSITY OF APPLIED SCIENCES

FACULTY OF AGRI-BUSINESS AND COMMERCE

**Business Management Department**

**STRATEGIC MANAGEMENT**

**CODE: HBM425**

**SESSIONAL EXAMINATIONS**

**SEPT/OCT 2021**

**DURATION: 3 HOURS**

**EXAMINER: DR G. MURIDZI**

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## ***INSTRUCTIONS***

- 1. Answer ALL questions in Section A and ANY **Three (3)** questions in Section B.*
  - 2. Section A carries 40 marks*  
*Each question in Section B carries 20 marks.*
  - 3. Total marks 100.*
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**SECTION A:****Case study: Answer all Questions in this section****Question 1**

Read the case study below and answer the questions that follow.

Holiday Inn serves most South African Tourists through its national group hotels. They are in strategic locations, supported by public transport and near other essential shopping and customer services. There are 5 hotels in Namibia, 3 in Botswana and 2 each in Lesotho and Swaziland.

Hotel layout is designed for customer comfort with wide aisles and vibrant, good scenery, where services are easy to access and are clearly priced. Availability of booking rooms ensures ongoing availability to customers. Casino and DSTV facilities continue to adding to customer excitement and also providing a very targeted marketing tool. Holiday Inn is a value group of Hotels offering services at unbeatable prices, meeting its customer promise to give “just what you need”. It offers an exciting range of co-ordinated mainstream services such accommodation, food and beverages that appeals to value-seeking consumers.

Not only does Holiday Inn range of services such as accommodation, food and beverages but customers will find an assortment of more styled services leading price points including spur services such as massage.

Holiday Inn has steadily grown its market share and is also the leading brand in certain categories of its target market. Its highly successful services appeals to consumers across the income spectrum. Holiday Inn recognises that services of accommodation have to be kept affordable. It has instituted a policy of either maintaining or lowering prices year-on-year to keep them within the reach of southern African tourists. This has resulted in the Hotel being ranked the no 1 within their target market.

The Hotel offers consumers five payment options. Customers can choose to use cash, advance payment or credit card.

Currently 30% of Holiday Inn management are black women, Career growth is actively encouraged through life skills and technical training to create an ever better, more motivated, skilled and productive staff complement. Holiday Inn has developed its own highly sophisticated information systems modelled on world-class examples.

Holiday Inn maintains:

- A very competitive price positioning;
- A stringent quality focus that ensures outstanding value;
- A close understanding of customer needs through regular research;
- High visibility through through localized, national and international advertising;
- Strategic alliances with suppliers in an effort to contain costs throughout the supply chain, as well as to ensure just-in-time deliveries;
- Support of local suppliers;
- High levels of staff productivity through self-development and life-skills courses and incentive schemes for all personnel.

1. What is strategic management? [2 marks]
2. What are the resources and capabilities that lead (or support) the core competencies of Holiday Inn? [4 marks]
3. Using the value chain analysis, determine which are the real value-adding activities of Holiday Inn. [10 marks]
4. If you were the CEO of this company what would you consider to be the future challenges for Holiday Inn. [ 4 marks]
5. Apply a SWOT analysis to Holiday Inn. [ 10 marks]
6. Board of Directors for Holiday Inn is considering to achieve better performance in its business operations and is therefore contemplating to redefine its organization strategy. Take through the board of directors the strategic management process and how it can be applied by Holiday Inn. [10 marks]

**SECTION A – TOTAL [40 MARKS]**

**SECTION B: ESSAY QUESTIONS**

**Answer any THREE of the following FOUR questions.**

**Question 2**

Using Porter's Five Forces Model, analyse the hotel industry in Zimbabwe.

**[20 marks]**

**QUESTION 3**

Implementing the Balanced Scorecard system company-wide should be the key to the successful realisation of the strategic plan/vision. With an organization of your choice explain how the Balanced Scorecard system is being used. **[20 marks]**

**QUESTION 4**

“An organization's capacity to execute its strategy depends on its “hard” infrastructure and systems– and on its “soft” infrastructure—its culture and norms.” (Amar Bhide). Discuss this statement. **[20 marks]**

**QUESTION 5**

Discuss factors that influencing managers in leading strategy implementation Process. **[20 marks]**

**SECTION B TOTAL [60 MARKS]**

**TOTAL MARKS [100]**

**THE END**