



MANICALAND STATE UNIVERSITY OF APPLIED SCIENCES

FACULTY OF AGRIBUSINESS AND APPLIED SOCIAL SCIENCES

DEPARTMENT: APPLIED BUSINESS SCIENCES

MODULE: ENTREPRENEURSHIP THEORY AND PRACTICE

CODE: BMAN 211/ ENT 205

SESSIONAL EXAMINATIONS

November 2023

DURATION: 3 HOURS

EXAMINER: MR. S. MUPARANGI

INSTRUCTIONS

1. Answer *All* questions in Section A
2. Answer *any three* questions in Section B
3. Start a new question on a fresh page
4. Total marks 100
5. Credit will be given for appropriate use of examples

Additional material(s): None.

SECTION A: COMPULSORY

(Answer all questions in this section. Section A carries 40 marks)

Question 1

Read the following case study and answer the questions that follow

The Shoprite's Success Story: From Discount Retailer to Exceptional Innovator

Established in 1979, Shoprite began its journey in South Africa as a modest chain of eight grocery stores dedicated to offering affordable prices during a challenging economic era. With a traditional brand promise of "Lower Prices You Can Trust", Shoprite's commitment to affordability and value has been fundamental throughout its evolution. Over the past ten years, Shoprite has established itself as a predominant supermarket within Africa and has notably emerged as South Africa's foremost non-state employer. Despite these accolades, Shoprite was not traditionally associated with innovative retail practices. This narrative began to transform in 2017 when a strategic shift in leadership occurred. The appointment of a new CEO led to the conceptualisation and establishment of the Chief Business Officer (CBO) role, specifically tasked with advancing IT, data management, and sustainability initiatives. Creating this executive position highlighted the retailer's dedication to modern retail strategies. The CBO updated Shoprite's traditional brand promise to "Africa's most affordable, accessible, and innovative retailer". As of today, Shoprite seems to be reaching this revised goal. Their 2022 financial figures show a 10% rise in sales and a 25% increase in profits compared to earlier years.

Shoprite's growth across Africa underscores its savvy business strategy and deep grasp of varied African markets. By 2023, Shoprite had established 2 617 corporate outlets and 535 franchises in 15 African nations. Beyond this, Shoprite collaborates

with more than 880 international suppliers and imports more than 25 000 distinctive products annually. Their extensive network spans supermarkets, furniture stores, and fast-food outlets, including brands like Checkers, USave, House&Home, Medirite Pharmacies, and the CheckerSixty60 grocery delivery service.

Shoprite has committed itself to elevating lives daily, championing accessible and affordable goods and services, fostering economic opportunities, and prioritising the environment. A combination of factors drives Shoprite's success. Shoprite prioritises local sourcing, which not only benefits regional farmers and suppliers but also reduces import costs. Their journey towards sustainability is anchored in strategic enhancements, allowing them to become, more innovative and more efficient. Through intelligent system investments, Shoprite has streamlined operations, amplified customer options, reduced food waste, and positively impacted the communities they serve.

Technology plays a pivotal role as they aim to enrich the lives of stakeholders ranging from employees to suppliers. Shoprite's tech-driven systems reinforce their supply chain efficiencies, positioning them at the industry's forefront. Their recent growth is anchored in their commitment to innovation, clearly seen through their innovation arm, ShopriteX. This initiative was established, recognising the change in customer expectations and the necessity for the retail sector to adapt. While traditional retail strategies hold value, the integration of technology for efficient product delivery is pivotal. Projects by ShopriteX, such as the speedy grocery delivery service CheckersSixty60 and the data-centric Rainmaker Media, are game-changers. Shoprite also collaborates with luxury brands like Starbucks, Kauai, and Krispy Kreme to cater to upscale clientele. With the aid of cutting-edge technology, they are perfecting delivery mechanisms, ensuring a regular supply of fresh produce, and heightening the in-store experience.

Required

- a) Provide an analytical overview of how technology facilitates internal supply chain integration at Shoprite (10 marks)
- b) Offer a brief explanation of how investing in technology aligns with Shoprite's updated brand promise. (10 marks)
- c) Develop a short three-step strategy of how you would manage supply chain fraud at Shoprite. (10 marks)
- d) If for instance Bigbyte retail decides to enter retail market currently being dominated by Shoprite, detail probable strategic response by Shoprite. (10 marks)

[Total marks: 40]

SECTION B

(Answer any 3 questions from this section. Each question carries 20 marks)

Question 2

The existing knowledge stock and the absorptive capacity of actors like employees at firms and researchers at universities and research institutions are conditional for the ability to produce, identify, and exploit knowledge (Muparangi 2023). Discuss.

[20 Marks]

Question 3

Comment on the view that opportunities emerge when entrepreneurs perceive 'matches' between new means of supply and markets where those means of supply can be introduced.

[20 Marks]

Question 4

Traditionally, business plans have been highly confidential and quite limited in the audience. From an entrepreneurial perspective, provide a balanced argument on such an approach to business planning. **[20 marks]**

Question 5

In the free software and open-source business model, trade secrets, copyright and patents can no longer be used as effective locking mechanisms to provide sustainable advantages to a particular business. Discuss **[20 marks]**

Question 6

When it comes to innovation, we have learnt that existing solutions never last. In fact, entrepreneurs must embrace 'happy accidents' and 'learn how to steal' when it matters. However, when push comes to shove, just keep it simple. Discuss this assertion giving practical examples from technological industry. **[20 Marks]**

END OF EXAMINATION