



# 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

June 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**

#### **Daniel Platt limited: the doyen of innovation**

William Wilkes, Roof Tile Technical Manager at Daniel Platt Limited and an experienced brick layer and roofer, recognised the problem precisely. “Builders using clay roof tiles often find that they cannot get the roof tiles they need when they need them, especially when working on the valley area of a roof where two pitches meet.” During 170 years of manufacturing natural clay floor tiles Daniel Platt has had to adapt to market needs in an entrepreneurial way on many occasions and this problem for builders presented an opportunity to create new customers.

The move into the niche market for clay roof tiles was one such entrepreneurial response when the wider market for ceramic products became increasingly competitive. Having made the move, maintaining a strong, distinct position in the selected niche was vital in order to maximise the value of the opportunity. The introduction of a flexible product design would enable the right products to be available ex –stock. Routinely builders might have to wait for up to eight weeks because a particular specification to fit the pitch of the roof they were working on was not available. The implications in terms of time lost and negative cash flow are significant as jobs cannot be completed within contractual terms. Producing only one type of fitting instead of three would reduce stock levels and improve product availability resulting in more satisfied customers and increases in sale revenue.

Roofs are constructed with different levels of pitch (slope), most commonly 40, 45 and 50 degree pitches, each one requiring a different ‘fitting’ which is in fact the term used to describe the angle between the two wings of a valley tile. The task was to design a single tile that would fit all three angles. “It was relatively easy to get it right for two angles but all three required more consideration to ensure the aesthetics and the functionality of the tile were right”, William Wilkes explained. The

process began with a cardboard template, progressed to a metal angled support plate and then to a piece of extruded clay placed on the support plate and cut to required shape. Different angles were tried and tested on a metal frame roof construction fitted with boards and tile laths and located within Daniel Platt's manufacturing facility. The selected best fits were then fired and placed on to the test roof. It was a long and meticulous design engineering process. As the valley tiles do not feature the 'nibs' that hold regular roof tiles on the laths, precision engineering was essential as the valley tiles at every angle must be supported by the regular tiles.

Daniel Platt's capacity to exploit the opportunity was considerably enhanced by the support of the Innovative Actions Programme, West Midlands. This regional development agent provided a mechanism for encouraging companies to think differently and for making innovation 'real' and effective. Daniel Platt's entrepreneurial skills and engineering capability were boosted and a product that may have otherwise never reached the market was successfully created. The team provided David Platt with funding to support the research and product development processes including a coaching and mentoring service. The universal valley tiles are currently on test with the building trade and positive feedback is already being received. Sales of roof tiles are now providing customers for one third of the company's total output.

**Required:**

- a) Explain Daniel Platt's basis for competing the roof and tile industry (8 marks)
- b). Discuss any two components of the entrepreneurial ecosystem which propelled Daniel Platt's to the top of the industry (10 marks)
- c) Explain the significance of product strategy elements of Daniel Platt limited. (10 marks)
- d) Not all business ideas are opportunities. Evaluate Daniel Platt Business idea and indicate whether it's a viable business opportunity. (12 marks)

**[Total marks: 40]**

## SECTION B

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

### Question 2

Samsung has gained the reputation of being a “fast follower” – following Apple’s innovations with rapid product development. Going into 2013, Samsung cell phones dominated market share. Unlike Apple, Samsung has focused heavily on studying existing markets and innovating inside them. “We get most of our ideas from the market,” says Kim Hyun-suk, an executive vice president at Samsung. Samsung’s internal units are forced to compete with outsiders in order to speed up the process for developing innovative new products. Samsung claimed a spot in the world of innovation in the 1990s when it introduced its first memory chip to the market. To date, the company has managed to produce one generation after the other in the cellphone industry and an improved manufacturing process has also benefited the firm.

### Required

Discuss the relevance of Samsung’s approach to corporate entrepreneurship given the competitive environment in which techno firms are operating in. **[20 Marks]**

### Question 3

Toyota Motor Corporation (TMC) intends to alter its organization structure in April to further boost business innovation. The company noted that the structure is a gate way in its overarching goal of making ever-better cars. TMC made substantial changes to its structure in April 2016 to create a company built around a product-based, rather than function-based, organization. Through the changes, it has since continued business innovation, for example by establishing the EV Business Planning Dept. “This structural change is not an answer but an opportunity,” said TMC President Akio Toyoda. Clearly Mr. Toyoda’s vision in leading Toyota is centred on the structure.

### Required

Using rational entrepreneurial reasoning, practical and logical examples expound on reasons why Toyota’s decided to take this route.

**Question 4**

Since its inception, Ecocash as a strategic business unit has experienced accelerated growth as compared to its rivals. For what started as a simple mobile money transaction platform is now more than a bank to most people. Along the way Ecocash implemented several innovations to sustain the business. First was the Ecocash debit card which gave clients options to use swipe in making transaction. With thirst for innovative solutions, Ecocash managed to successfully link their ecocash platform with bank accounts enabling clients to transfer money from their banks to their mobile accounts. Further to that, Ecocash is now linked to various service providers enabling clients to pay bills for local authorities, hospitals, ZESA and Schools.

**Required**

Discuss the foundation principles anchoring such a growth strategy by Ecocash. **[20 marks]**

**Question 5**

Competition and Tariff Commission (CTC) penalised Intercape Ferreira Mainliner (Pvt) Ltd and Pathfinder Luxury Coaches (Pvt) Ltd over RTGS\$75 thousand for violating the merger provisions. Luxury coaches Intercape and Pathfinder, in 2015, entered a joint venture involving a 50-50 shareholding agreement in which both parties contributed an equal number of assets. CTC says the merged parties did not fully cooperate with the Commission as they delayed in responding to its responses. The commission's analysis reveals that the amalgamation between the South African registered Intercape and Pathfinder affected the Zimbabwean luxury coaches since the merger resulted in a loss of market share. The merger did not lead to any changes in the market structure since the merged entity is struggling to adhere to its former timetable and standards," CTC says. "Pre-merger, Pathfinder's performance was strong but post-merger erratic service resulted in a weak performance, which led to a significant loss in market share.

**Required**

The actions of the CTC aside, discuss the rationality of such an approach to business growth

**[20 Marks]**

**Question 6**

Entrepreneurs are authors of disruptive innovation and catastrophic society. Discuss this assertion citing examples from the high tech industry. **[20 Marks]**

**END OF EXAMINATION**