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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR  
FOURTH YEAR, FIRST SEMESTER EXAMINATION  
FOR THE DEGREE OF BACHELOR OF SCIENCE  
(BUSINESS ADMINISTRATION)

Date: 9<sup>th</sup> August, 2023

Time: 11.30am –1.30pm

**KBA 002 - STRATEGIC MANAGEMENT**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

Read the case below and answer the questions that follow:

**CITIZEN COMMERCIAL BANK LTD**

Citizen Commercial Bank (CCB Ltd) was established 50 years ago as a result of a merger between two strong banks which before then were commanding both extensive local and worldwide networks. The synergy from the merger assured Citizen Commercial Bank of a big market share in both local and foreign trade. The bank's market share grew steadily and hence impacting positively on the profit margins. More resources were spent on opening new retail outlets. Further the bank developed new products and service delivery without market research, environmental analysis and a valid strategic plan as the managers thought they knew what was best for the customers. At one point, Citizen Commercial Bank had a State-of-Art information System which worked well for so many years that the need to change or update it was felt to be unnecessary.

In a past board meeting, the idea of reviewing the existing out-dated strategic plan for sustainable business growth and expansion in the increasingly competitive environment was strongly opposed by three of the directors retorting, "Why spend money on strategic plans when we are making huge profits every year? We are also able to exploit any business opportunities that arise." There was mixed reaction from the floor about the views expressed by these directors. While Citizen Commercial Bank Ltd was engrossed with success and the feeling that it was beyond reproach, the financial industry was transforming at a fast pace. The main retail banks adopted aggressive campaign to acquire modern information technology systems, and offered new and competitive products focused on clear market segments. The international banks were busy attracting Citizen Commercial Bank's corporate customers in large numbers due to their stellar service delivery and the ability to negotiate attractive terms. Citizen Commercial Bank Ltd found itself being attacked in all its core market segments without ability to stop erosion of its market share and

profitability. The shareholders have been adversely affected by the huge losses reported by the bank in the last two years. Consequently, they not received any dividend during this period.

The Chief Executive in the Annual General Meeting was quoted saying, “I assure shareholders and all stakeholders that the fortunes of Citizen Commercial Bank Ltd will change as we embark on a recovery journey in the next one or two years through an extensive rationalization programme.

Required:

- a) As an expert in strategic management, being hired recently by Citizen Commercial Bank Ltd, explain to the bank’s management six ways in which strategic planning is absolutely important to the organization. (6 Marks)
- b) Identify and advise management of Citizen Commercial Bank Ltd, three benefits of analysing business environment. (6 Marks)
- c) Explain to Citizen Commercial bank Ltd.’s management and the Board, two key growth strategies that could be adopted in their recovery plan to restore the bank’s lost glory, noting to give two examples in each case. (6 Marks)
- d) Explain to Citizen Commercial Banks Ltd.’s management team;
  - i) Two decision making strategies that can be adopted in their decision making process. (2 Marks)
  - ii) Two offensive market location tactics to enable reclaim the bank’s market share from the competitors in the industry. (4 Marks)
- e) Explain three leadership styles that the management of Citizen Commercial Bank Ltd can adopt for effective and positive impact on the banks performance trajectory. (6 Marks)

### **QUESTION TWO (20 MARKS)**

- a) Decisions are made at different levels in an organization’s hierarchy. Discuss the three strategic decision levels. (6 Marks)
- b) Strategic management is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company’s objectives. Examine the nine critical tasks of strategic management. (9 Marks)
- c) Discuss five potential benefits of Corporate Social Responsibility to a business. (5 Marks)

### **QUESTION THREE (20 MARKS)**

- a) Discuss six ways strategy implementation is important to organizations. (6 Marks)
- b) Examine five different goals and their setters in an organization. (10 Marks)
- c) Identify four benefits of strategy evaluation and control to an organization. (4 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Identify five ways in which organization culture influences strategy implementation. (5Marks)
- b) Discuss five ways in which leadership is essential for effective change management in organizations. (5 Marks)
- c) Analyse five measures of mitigating challenges attributed to issues and emerging trends in strategic management. (10Marks)

**QUESTION FIVE( 20 MARKS)**

- a) Discuss two emerging issues and trends in strategic management. (4 Marks)
- b) Primary value chain activities are the key drivers of value creation for a firm. Analyse five primary value chain activities of a value chain analysis. (5 Marks)
- c)
  - i) Explain the meaning of Strategy Matching stage. (1 Mark)
  - ii) Discuss five components of strategy matching stage in strategic management process. (10 Marks)