FACULTY/COLLEGE	College of Business and Economics
SCHOOL	School of Consumer Intelligence and Applied Information Systems
DEPARTMENT	Applied Information Systems
CAMPUS(ES)	APB
MODULE NAME	BUSINESS ANALYSIS 2A
MODULE CODE	BAY02A1
SEMESTER	First
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Final Summative Assessment Opportunity May 2019

ASSESSMENT DATE	28 May 2019	**SESSION**	12:30 – 15:30
ASSESSOR	Dr Patrick Ndayizigamiye		
MODERATOR	Mrs. Maureen Van den Bergh		
DURATION	3 hours (180 min)	**TOTAL MARKS**	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	3

INFORMATION/INSTRUCTIONS:

- This is a closed-book assessment.
- There are 5 questions, please answer all of them.
- Number your answers clearly and correctly as per the question paper.
- Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.

QUESTION 1 **[36 MARKS]**

Many burgeoning new companies suffered in the bursting of the so called ‘dot-com bubble’ in the early 2000s, but perhaps few quite so dramatically or decisively as Boo.com. In the late 1990s, as increasingly more homes became connected to the internet and companies and individual entrepreneurs began to reorganise its huge commercial potential, a race began to be the first to stake claim to a piece of this final frontier. The concept was simple; a short and snappy brand name, followed by ’.com’, capitalising on the new and growing wave of tech-savvy consumers drawn to this lucrative, untapped marketplace. Almost overnight, scores of brand new companies manifested apparently from nowhere yet backed by huge investment from creditors, whilst other existing and established companies rebranded themselves, adding ‘.com’ suffice in attempt to market themselves as technologically on pulse and forward thinking. Yet, as many commentators have since concluded, a large proportion of these ventures were so focused on getting in the first, marking their territory and generating a site traffic that they actually failed to properly consider the fundamental factor of how this would translate into sales in real terms and likewise how their business would operate profitable. Whilst it’s true that many companies, most notably Amazon, have gone on to be hugely successful and are ostensibly here for the long ball, countless others have not, with some seemingly falling into the trap of latching onto a gimmick that was inappropriate for the specific line of business, or relying on projected future revenues to recoup the colossal set-up costs, under estimating the logistical and operational challenged that they would face. This latter case is arguably, what happened with Boo.com. Boo.com was an online fashion outlet, created by Swedish entrepreneurs Ernst Malmsten and Kaysa clothing. Founded in 1998 and officially launched the following year, by May 2000 the company faced receivership before ultimate liquidation. £80 million had been invested into the company to get it off the ground, many millions of this in advertising, which did not pay off as the brand failed to capture its audience’s lasting collective imagination. It was marked as an exciting, on trend and revolutionary ‘experience’ for shoppers with a virtual shop assistant on hand to offer advice. However, the site was over engineered to the extent that most shoppers who actually went to the site did not have an internet connection fast enough to cope, leading to slow loading times and frustrated users. The company’s founder later admitted that they tried to do too much too quickly as they were seeking to service a huge international clientele, rather than testing that the operational model would work on a smaller localised scale then expanding organically. Boo.com’s downfall is neatly summarised in an article in U.K newspaper. The Guardian, which notes that the company ‘spent fast and died young’; a common pitfall often attributed to failed dot.com ventures.

1.1. Based on the Generic Strategic Planning Process, explain in detail, using specific examples from the case study, how Boo.com could have avoided its downfall. (**18**)

1.2. McFarlan’s strategic grid depicts the impact of IT on business operations and a company’s strategy. Explain in detail, using specific examples from the case study, each quadrant of the McFarlan’s strategic grid. (**12**)

1.3. Using McFarlan's strategic grid framework, discuss in detail, with specific references from the above case scenario, where the use of IT in Boo.com is situated in the four quadrants of the framework. (**6**)

QUESTION 2 **[24 MARKS]**

The McKinsey 7S analysis framework is a strategic planning tool designed to help an organisation understand if it is set up in a way that allows it to reach its objectives.

2.1. Identify and explain in detail with specific examples the 7 elements of the framework. (**14**)

2.2. Explain in detail with specific examples the 5-step process that needs to be followed when using the framework. (**10**)

QUESTION 3 **[12 MARKS]**

According to the VRIO framework of the Resource-Based View, a firm's resources must have 4 attributes to provide a sustained competitive advantage. List and explain with examples these 4 attributes. (**12**)

QUESTION 4 **[20 MARKS]**

James and David are planning to start a company that provides financial services. They are aware of the market uncertainty and hence they need advice on the factors that they should consider before they embark on the joint venture.

4.1. Based on the Porters Five Forces model, identify and explain in detail with specific examples the factors that James and David should consider before they embark on the venture. (**20**)

QUESTION 5 **[8 MARKS]**

5.1. List and explain in detail with specific examples the criteria used to select a benchmarking partner. (**8**)