Appendix A: ASSIGNMENT COVER SHEET

Programme	MASTER OF BUSINESS ADMINISTRATION (NQF 9)
Module Name	Project Management
Surname	Mtombeni
First Name/S	Phillip Mandla
Student Number	516000131
Date Submitted	23 March 20120
Postal Address	4 Midrand Ridge
	George Road
	NoordWyk Ext1
	Midrand 1687
E-MAIL *myregent email address*	516000131@myregent.ac.za
E-Mail *(alternate email address)*	pmmtombeni@gmail.com
Contact Numbers	Cell :0765685999
	Home :076 544 4098
	Work :0116326930
Alternate contact :	
Name:	Tsholofelo
Relationship:	Wife
Contact number:	0827230343

I PHILLIP MANDLA_MTOMBENI ID/Passport No. 8012145460082 hereby confirm that the assignment submitted herein is my own original work.

Date: 3 April2020

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Question 1.1

STRENGTH	WEAKNESS
Tyme Bank is controlled by Patrice Motsepe. As the Forbes rich list has it, Motsepe is one of the 1,000 wealthiest individuals in the world, with a fortune of $2.4bn. Discovery, TymeBank and Bank Zero are pursuing a branchless model, with their apps being their shop window. The three new banks are not just aiming for the tech-savvy. Though Tyme doesn't have any of its own branches, it will have 750 points of sale through Pick n Pay and Boxer stores. Most transactions are free if carried out at Pick n Pay or Boxer, and cost only R2 if done elsewhere, and the bank pays up to 10% interest on positive balances. TymeBank has such low costs because it is cloud-based and highly scalable and has minimized the bells and whistles. Incredibly, there are just 125 staff keeping the bank running. Clients can join through the TymeBank website, but by far the most popular recruitment tool has been self-service kiosks, which provide a new card within five minutes. We were able to issue 1-million cards to members of the Zion Christian Church to facilitate cashless transactions," he says. For now, though, Pick n Pay stores are more than happy to offer excess cash to TymeBank customers at no charge. And a central feature of TymeBank is its access to the information gathered by Pick n Pay on the 11-million members of its Smart Shopper programme, which provides rewards points on all purchases, not just at Pick n Pay. whereas TymeBank has developed products exclusively for digital clients. He says he would not try to set up a bank as a subsidiary of a retailer again, but an alliance between a retailer and a bank makes sense. "I am impressed that TymeBank has signed up 120,000 customers in a few months," he says. "[It shows] there is pent-up demand for a good-value, no-frills bank account. Three new banks are set to change the face of SA banking with a leaner, cheaper business model TymeBank is one of them	Though Tyme doesn't have any of its own branches, Capitec's Fourie warns, however, that while new fintech technology providers might be adding value, they fall short on wo issues — handling volume and maintaining security a weakness for Tymebank Gore challenges the view, expressed by FirstRand CEO Alan Pullinger recently, that SA's banks already use a behavioural approach to assess the quality of their clients when it comes to risk . "We don't agree," says Gore. Most banks reward clients for taking out more products, which specifically increases their debt and credit levels, he says. This means there are now 8 million more credit-active consumers than employed people — a big risk to society. Already they're scrambling, introducing innovations like joining up with just a selfie. But they may have left it too late to ride the tsunami of change. The branches have proven invaluable as the predominant sales point for the half-a-million Sanlam funeral polic Capitec over the past year, FNB must also reduce branches More than 25 years after the launch of the internet, most banks still distribute a large portion of their products through a branch network, FNB is one of them. None of the big banks will rock the boat; they want to protect their income. That era has come to an end. TymeBank chair Coen Jonker tells the *FM*: "The banks have done their best to protect their legacy income streams for years, and the transactional fees on simply taking money in and out of accounts is the hardest to justify" FNB is one of the banks The big four banks have long operated as if they were an informal cartel FNB is one of them. Discussing the rationale for the bank in an interview with the *FM*, Narsai says SA ranks among the five countries with the highest bank fees in the world, bank charges of FNB

To date FNB has been the leading bank for innovative features, such as registering as a customer using a selfie from your phone. Botha says Standard's natural market share has fallen thanks to the success of Capitec and FNB, in different parts of its client base. "At least, in most cases, the big four banks still own the relationship with the customer and can persuade them to stay(FNB). "At least, in most cases, the big four banks still own the relationship with the customer and can persuade them to stay(FNB is one of them).	are too high.
OPPORTUNITIES Customers were desperate for something different; this is an opportunity that Tymebank can use. In the past few months, three new banks have launched with a leaner, cheaper business model that will change the face of SA banking — Discovery Bank, TymeBank and Bank Zero. Standard Bank CEO Sim Tshabalala called it "realigning the retail and business banking model to the changing needs of customers". And, of course, the convenience of digital banking makes so much more sense than travelling to a branch and queuing. It is almost an accident that Motsepe's ARC took full control of the bank after CBA pulled out suddenly to retreat to its home market and cut exposure to emerging markets, opportunity for TymeBank. TymeBank, he says, will ride the wave away from cash transactions to digital payments. "We expect the amount of cash in the system to be cut back by two-thirds over the next three years. Increasingly shareholders in the Ubuntu-Botho group find carrying cash dangerous. Avior's Botha says SA is still a long way from a zero-fee banking regime, even among the new entrants.	THREATS Until now, none of the large banks has been prepared to jeopardise their lucrative income stream from transactional fees with a price war. But now they will have no choice, threat to FNB. No-one can ignore the competitive threat of cheap banking this is a threat to FNB. The question, however, is what the existing big four banks — FNB, Standard Bank, Absa and Nedbank — will do to counter the threat. "The big banks ignored Capitec in the early 2000s,"and lost considerable market share. I am sure they will not make the same mistake again." TymeBank chair Coen Jonker tells the *FM*: "The banks have done their best to protect their legacy income streams for years, and the transactional fees on simply taking money in and out of accounts is the hardest to justify. As new banks we won't have that legacy to defend." Van Zyl says the Reserve Bank does not want TymeBank to become a Sanlam group company as it wants to keep banks and insurers as separate as possible. This means it will be the big four who will bear the brunt of the ind Says Botha: "The big banks will cut fees, but only gradually — they need to cut costs first before they can afford to do so.

Question 1.2

Yes, I agree, the case study shows that the big four banks have long operated as if they were an informal association, banking changed even more slowly. More than 25 years after the launch of the internet, most banks still distribute a large portion of their products through a branch network. These branches will still be perfectly recognizable to anyone visiting SA for the first time in 30 years. None of the big banks will rock the boat; they want to protect their collective income.

The question, however, is what the existing big four banks — FNB, Standard Bank, Absa and Nedbank — will do to counter the threat. "The big banks ignored Capitec in the early 2000s," says Louis Chetty, head of financials at Stanlib, "and lost considerable market share. I am sure they will not make the same mistake again." Capitec has more than 10-million customers, who will have been enticed, in part, by the much lower cost of banking. And yet the big four still have 83% of all bank deposits in the country and 92% of all mortgages, which shows how concentrated the market still is. Harry Botha, a banks analyst at Avior Capital, says it could take three to five years for the challenger banks to make material inroads into the large banks' earnings.

TymeBank chair Coen Jonker tells the *FM*: "The banks have done their best to protect their legacy income streams for years, and the transactional fees on simply taking money in and out of accounts is the hardest to justify. As new banks we won't have that legacy to defend." The big four banks have long operated as if they were an informal cartel. Even the one entrant in the past 20 years to grow to large-bank status, Capitec, has adopted a traditional branch-based distribution model.

Only Investec has operated without branches and all the big four banks are having branches across the country — but to a narrow spectrum of high net worth clients. Interestingly, Capitec is the only bank that is actually increasing its branch footprint, even though 2.2-million clients have migrated to the app and 4-million to the USSD (SMS-based) transactional platform. At the moment, Capitec has 840 branches, though many are smaller than those of the big banks.

Until now, none of the large banks has been prepared to jeopardise their lucrative income stream from transactional fees with a price war. But now they will have no choice. Says Botha: "The big banks will cut fees, but only gradually — they need to cut costs first before they can afford to do so. "At least, in most cases, the big four banks still own the relationship with the customer and can persuade them to stay. Botha says they can be expected to increase their credit spreads on loans to make up for the lost fee income. Capitec is likely to be the least affected, says Chetty, given that it already has a competitive current account with low fees.

This means it will be the big four who will bear the brunt of the industry disruption. Already they're scrambling, introducing innovations like joining up with just a selfie. But they may have left it too late to ride the tsunami of change. The question, however, is what the existing big four banks — FNB, Standard Bank, Absa and Nedbank — will do to counter the threat. "The big banks ignored Capitec in the early 2000s," says Louis Chetty, head of financials at Stanlib, "and lost considerable market share. I am sure they will not make the same mistake again."

TymeBank chair Coen Jonker tells the FM : "The banks have done their best to protect their legacy income streams for years, and the transactional fees on simply taking money in and out of accounts is the hardest to justify. As new banks we won't have that legacy to defend."

Question 1.3

In simple terms, a robust process should make common business sense. The benefits of using the process should exceed the cost and efforts expended to design, execute, and maintain the process. The business side of a robust process sometimes involves leasing agreements, maintenance agreements, and service level agreements. Business Models – Various structures, processes, and other mechanisms that businesses and other organizations use for organizing the way they interact with their primary external stakeholders (e.g., customers and suppliers) to achieve their primary goal (e.g., maximization of profit). The advent of Capitec, in 2001, showed that customers were desperate for something different. Now, three new banks — all backed by powerful SA business personalities — are opening their digital doors, offering something entirely different. So, what can they offer that's new, and how much of a threat is this for the 'big four' banks?

Discovery, TymeBank and Bank Zero are pursuing a branchless model, with their apps being their shop window. This means SA isn't far behind the rest of the world: the first app-only current account in the UK was introduced by Starling Bank just two years ago. Perhaps if the Reserve Bank had been more open-minded, SA could have beaten them to the punch. TymeBank chair Coen Jonker tells the *FM*: "The banks have done their best to protect their legacy income streams for years, and the transactional fees on simply taking money in and out of accounts is the hardest to justify. As new banks we won't have that legacy to defend."

The big four banks have long operated as if they were an informal cartel. Even the one entrant in the past 20 years to grow to large-bank status, Capitec, has adopted a traditional branch-based distribution model. The three new banks are not just aiming for the tech-savvy. TymeBank's former parent, CBA, has a larger market cap than the entire SA banking sector, though it took a softly-softly approach to the new bank. Even before Tyme was registered, it offered money transfer services from Pick n Pay.

Though Tyme doesn't have any of its own branches, it will have 750 points of sale through Pick n Pay and Boxer stores. This gives it reach into the main urban areas, as well as the rural areas where few banking services are typically available. Boxer customers are more likely to be unbanked, so could prove the most fertile hunting ground for Tyme.

Most transactions are free if carried out at Pick n Pay or Boxer, and cost only R2 if done elsewhere, and the bank pays up to 10% interest on positive balances. TymeBank has such low costs because it is cloud-based and highly scalable and has minimized the bells and whistles. Incredibly, there are just 125 staff keeping the bank running. Clients can join through the TymeBank website, but by far the most popular recruitment tool has been self-service kiosks, which provide a new card within five minutes.

CEO Sandile Shabalala says the bank will start offering loans next year. It plans to offer keener lending rates because, like Capitec, it will be able to cross-subsidize its transaction and deposit books from its loan income. The tipping point for Tyme, at which it becomes profitable, is 2-million customers and 700,000 loans. It is almost an accident that Motsepe's ARC took full control of the bank after CBA pulled out suddenly to retreat to its home market and cut exposure to emerging markets.

Johan van Zyl, the co-CEO of ARC (and chair of Sanlam) says he was pleased CBA was the controlling shareholder while the bank was being registered because it is a bureaucratic, by-the-book organization with huge experience of banking regulation. "We would like to bring in an equity partner as we prefer to hold minority positions in companies, not the 73% we currently hold, but it is not an imperative," he says.

Van Zyl says the Reserve Bank does not want TymeBank to become a Sanlam group company as it wants to keep banks and insurers as separate as possible. TymeBank, he says, will ride the wave away from cash transactions to digital payments. "We expect the amount of cash in the system to be cut back by two-thirds over the next three years. Increasingly shareholders in the Ubuntu-Botho group find carrying cash dangerous. We were able to issue 1-million cards to members of the Zion Christian Church to facilitate cashless transactions," he says.

For now, though, Pick n Pay stores are more than happy to offer excess cash to TymeBank customers at no charge. The retailer's deputy CEO, Richard van Rensburg, says Capitec also recommends its customers draw money at Pick n Pay tills because it is far cheaper than using an ATM. And a central feature of TymeBank is its access to the information gathered by Pick n Pay on the 11-million members of its Smart Shopper programme, which provides rewards points on all purchases, not just at Pick n Pay. And unlike Discovery, that benefit is not confined to healthy foods. In a much less judgmental way, all purchases qualify.

You might have expected Pick n Pay to have cold feet after the failure of its Go Banking venture with Nedbank in the mid-2000s. But Van Rensburg argues that Go Banking offered similar services to Nedbank, whereas TymeBank has developed products exclusively for digital clients. He says he would not try to set up a bank as a subsidiary of a retailer again, but an alliance between a retailer and a bank makes sense.

Question 1.4

1.4 Entry strategies of the challenger bank refers to the timeliness and likelihood of entry by potential competitors in this case challenger banks, and whether this entry can exert competitive pressures on the current enterprises which is the traditional banks or 'big four' in the market shall be examined. Incumbent banks have been concentrating on pricing and customer-value propositions as their initial growth drivers in recent years. Nevertheless, new entrants like Bank Zero, Discovery Bank and Tyme Bank are set up to challenge the status quo with lower-priced banking and innovative servicing (Passenheim,2010).

Post the year twenty-twenty, new wave of challengers will come from platform plays, integrate multiple non-financial and financial a products and services into 1 simple accessible ecosystem. The next twelve to twenty-four months are going to be critical for players of the market to position themselves at epicentre of such new platforms. If ever banks, big techs, telecom, or insurers, can lead on the platform build remains to be seen. South Africa is realizing its 1st wave of digital challengers that come into the market, with 3 new banks launching in 2019 which are Bank Zero, Discovery Bank and Tyme Bank.

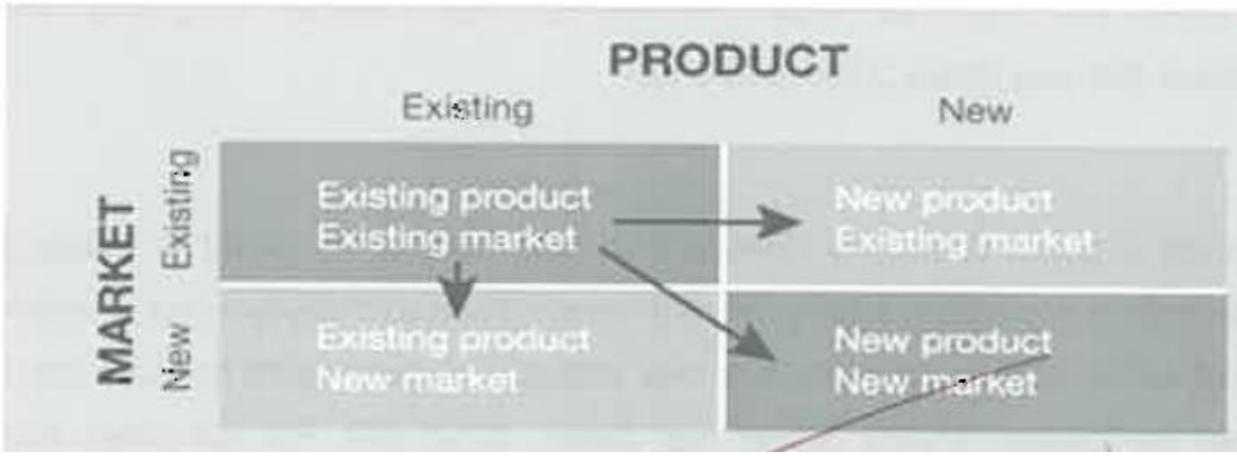
All of these banks bring a differentiated value proposition to clients. Looking further ahead, Big Tech (Apple, Alibaba, Amazon, WhatsApp, Facebook) and mobile operators (MTN, Orange) are entering digital banking over Africa are more suitable to adopt ecosystem driver strategies given the diversity and breadth their client base. This play is going to put additional pressure on incumbents over the continent and in South Africa as the new way of banking will start to involve broad range of non-financial services and products. Some banks are adopting a wait-and-see approach as they create their digital capabilities. This approach is driven by 5 main reasons:

- The existing shortage of efficiency and agility in executing transformation/ change is remaining a constraint that making change more expensive than it should be and is slowing down the pace of innovation.
- Capabilities of data analytics remain far away from their full potential in the South African banking sector and are slowing responses from the banks to evolving client's expectations and needs, meanwhile are having an impact on operational efficiency and higher-level commercial. Entering the digital era is not viable without analytical capabilities that feed off a central, accessible, strong data set.
- The banking talent pool is slowly beginning to be disconnected from existing and future requirements. New content and Technical capabilities (ecosystem banking, bots, machine learning, AI, data analytics) are not being received at the required scale now at the risk of creating a capabilities gap in the short to medium term.
- The economics of modular core banking solutions can provide an opportunity for run-cost avoidance and IT change yet are not completely understood by market players. The coming age of cloud-based pay-as-you-go core banking solutions is opening most responsive group of technology options. Such new "digital by design" operating models which promise to allow attractive less than 30% cost to income ratios merit deeper evaluation.
- The concentration on digital is still anchored in filling a short to medium-term capability gap (analytics, customer journeys, automation/ process optimisation) vs developing a five to ten-year view of the bank's future. The existing concentration is translating into the majority of efforts and investments being spent on playing catch-up instead of holistically transforming the bank to thrive in the future.

Having a look back at digital disruption, people observe such financial institutions that embrace change materially and determine a clear future state vision outperform. People can expect that the winners will be those that assess their existing digital challenger playbook and establish a proactive response. Recent experience and that of new digital players indicates that though launching a digital platform would have been extremely difficult just a few years ago, it is now possible in under 12 months and at a reasonable cost (Shermerhorn, 2018). Meanwhile the long and short-term success of challenger banks and their disruptive impact on the South African economy won't be known for at least twelve to eighteen months, it is safe to suggest that new banking models being launched can increase competitive pressures in the banking market. Meanwhile identical to successful European challengers, Tyme Bank's monthly-fee account, together with attention-grabbing "up-to 10%" savings rate, can put pressure on incumbent margins. Nevertheless, it is Tyme Coach which signals the ambition of the bank to handle most of its clients financial lives.

Discovery Bank has mentioned that its intention to compete as a multiproduct behavioural bank, leveraging its insurance expertise in data-driven rewards and insights. The model contains competitive pricing and rewards depending on client's behaviour meanwhile allowing all banking services to be carried out via mobile application. For now, though, Pick n Pay stores are more than happy to offer excess cash to TymeBank customers at no charge. The retailer's deputy CEO, Richard van Rensburg, says Capitec also recommends its customers draw money at Pick n Pay tills because it is far cheaper than using an ATM. And a central feature of TymeBank is its access to the information gathered by Pick n Pay on the 11-million members of its Smart Shopper programme, which provides rewards points on all purchases, not just at Pick n Pay. And unlike Discovery, that benefit is not confined to healthy foods. In a much less judgmental way, all purchases qualify.

Question 1.5.1



Ansoffs product/market
The strategies the ‘big four’ banks should adopt include market penetration strategy, according to Kotler and Keller(2012) market penetration is done when the organization is considering obtaining more market share with the existing products in the existing market via greater marketing efforts. Such strategy is broadly utilized alone and in combination with some strategies.

Such strategy involves increasing publicity efforts, providing extensive promotion of sales , increasing the advertising expenditure or increasing number of salesperson(David, 2013). Market penetration may be more effective if the existing markets are not saturated with a specific service or products. Secondly if the usage rate to present to clients may be increased significantly(Hughes 2011).

Thirdly it may be implemented if the market shares of major competitors such as Tymebank, Discovery bank and Bank zero have been declining while the total industry sales are increasing(David, 2013). In addition, this is applicable when increased economies of scale offers major competitive advantage. Finally, this is applicable if correlation among marketing expenditure and rand sales historically has been high.

In markets that are mature organization are engaging in market penetration are using advertising so that they can increase their reputation and influence client’s brand choice(David, 2013). In this manner advertising assists the organization to attract many clients as a result of that it takes the client away from the competitor that means increasing their market share(Hill and Jones: 2009).

For e.g. when Sasol chemicals considers to sell most of its petrol to Gauteng motorists that it is currently selling. Market development strategy is if organization is deciding to sell is existing products in a new market i.e. geographic markets that it has never participated on before(Kotler and Keller, 2012: 65). When Tymebank decided to launch is South Africa that presented a market development as they were expanding in developing markets.

Such strategy is depending on how the organization utilizing its strong brand name it has developed in the existing market to compete in the new market. When TymeBank decided to come to and launch in South African bank market this was a market development strategy as it took part outside its traditional market(Passenheim,2010).

According to David(2013) market development strategy can be effective if there are inexpensive, reliable , available and good quality distribution channels that are new. If an organization is very successful and strong at what it is doing. Thirdly if there are available unsaturated and untapped market. This is often applicable if the developed company from developed economies is seeking to expand in less growth and developed economies such as South America and Africa (Shermerhorn, 2018).

Additionally, market development is applicable if entity's basic industry becomes expeditiously global in scope(David, 2013). Many entities which are having excess production capacity in their home countries are normally following such strategy. Finally, if the entity is having the available human resource and capital to manage expanded operations.

Kotler and Keller(2012) suggest that product development strategy is when an organization is developing new products of potential interests to its current markets like the challenger banks did. The new product can replace the existing products which the strategies that the 'big four' banks should adopt by replacing their existing products. Product development is essential when it comes to building market share and maintaining product differentiation. Many organizations are utilizing such strategy to improve and fine tune their business model such as Tymebank, discovery bank and bank zero's model(Hill et al, 2009).

David(2013) suggest that product development strategy includes refining and improving the products via research and development. According to Hill et al(2009) this type of strategy may be as brutal as a price war because it is costly and is contributing dramatically to increased cost structure. For e.g. when RBS(Regent Business School) develops a DBA(Doctor of Business Administration) it targets existing Masters of Business Administration learners and the ones which finished their Masters of Business Administration degrees this can be called initiative of product development .

According to David(2013) the list below is beneficial when implementing the product development strategy.

When a company is having successful products, which are in maturity stage of the product life cycle.
Secondly when a company is competing in industry which is characterized by rapid technological developments.
When major competitors provide better quality products at cheaper price.
When a company is having especially strong research and development strategies.
When a company is competing in a high growth industry such as banking industry.

Bordes(2009:9) suggests that differentiation strategies are attractive when consumers preference and needs are too different to be fully satisfied by sellers with similar capabilities or by a standardized product. Differentiation strategies depend on offering consumers with something that is unique or different , which is making the organization service or product distinct from its competitors. The important assumption behind differentiation strategies is that clients are eager to pay more for the product which is distinct.

A superior value is created due to the fact that a product is of high quality , and is having special appeal in some perceived manner, or is technically superior in some manner and it is coming with superior service . In fact differentiation creates competitive advantage by making clients less price sensitive and more loyal to given company's product. In addition buyers are having low probability of looking for some alternative product when they are happy with the product. Differentiation can be obtained in different ways . A product can be incorporating more innovative design , can be produced utilizing quality processes or advanced material ,or may be serviced and sold in a special manner. Frequently clients are willing to pay more when the service or product is offering a special or distinctive “feel” or value to it. Competitive advantage is achieved when significant number of consumers are becoming more attached to differentiated attributes. Successful differentiation enable a company to: Core concept the concentration of a wide differentiation strategy must be unique in a manner which is valuable to a broad number of clients

Question 1.5.2

Ritson(2013) describes change management as systematic approach that includes the application of tools, resources, and knowledge to deal with the change. This is a coordinated structured period of transition from 1 scenario to the other that should last for a company. Change management is employed based on how much risk can be linked without doing so. Other times if more resistance is expected to a change and it can disturb operations of the organization when change is not managed. Resistance to change is described as behaviors which are acted out by recipients of change so that they can terminate or slow down an intended change of the organization.

According to Hughes(2011) the resistance to change causes include lowering of status, disruption to social arrangement , psychological threats , job displacement, reduction in economic security and substantive change in job. Hoisington and Vaneswaran(2015) suggest that the main reasons why organizations and individuals are resisting change is inertia. Change management is collective term for all approaches to help, support, and prepare organizations , teams and individuals to make companies. The most usual change drivers involve: consumer habit changes, crisis, process reviews and technological evolution; pressure from organizational restructuring, mergers, acquisitions and new business entrants, and It involves techniques which redefine or redirect the budget allocations, business process, use of resources, or some modes of operation which drastically change an organization or company.

The elements of change management that the ‘big four’ banks should undertake to counter the threat of the challenger banks are:

- Critical success factors,
- Communications issues
- Change dynamics — resistance to accept change
- Variables related to the management of the implementation process
- Evaluation stages of the change process.

These 5 elements to be managed if a change process is to be successful.

Inertia takes place if individuals are afraid of the results that change can bring for example, they may think that change will slow down and disrupt the existing levels of performance. The other reason is the fact that resources are limited all the time, this implies there is never enough people or time to change what has been done today. In companies’ specific employees may be feeling that they are having control over the manner in which things are currently operating , and they can prefer to maintain the status quo. Therefore they are assuming that change can eliminate their influence or power(Hoisington and Vaneswaran, 2015).

Organizational change management takes into consideration the entire organization and what must change, meanwhile change management can be utilized simply to refer to how teams and people are impacted by this organizational transition. It is dealing with number of different disciplines, from social sciences and behavioral to business solutions and information technology.

The Success Factors: must be put in place prior to success being guaranteed. They involve: Commitment of all levels including the staff and managers, when changes are done which may have an impact on performance of the organization, resource commitment is essential as resources might not be available. Commitment to the organization, managers and employees must dedicate their expertise, skills, time to build and establish the organization. They prove their commitment by trying to put in long hours to assure organizational success. Normally, the focus is put on variables like the degree of shared commitment among management and employees, decision making structures and decentralized teams , job security, group rewards and individual systems(Rao, 2010).

Level of motivation: ssupervisors and managers are playing an important role in managing change. Eventually, the manager is having more influence over employee's motivation to change than every other person. It is important l for the executive sponsors and change management team to obtain the support of supervisors and managers . Activities of individual change management must be utilized to assist such managers via change process.

Use of professional judgment throughout the process, professional judgment is obtained via experience, and via building a repertoire of actions, understandings and examples from which to draw on.

Level of understanding for the need for change demonstrated by staff Identifiable communication skills. Recognition of the need for a high-quality outcome to change.

Communication Process, key variables involve: Consultation, Education, Participation during the process, Needs of staff and clients are recognised, Negotiation with the decision makers, An understanding of the change dynamics that exist and democratic decision making in order to reduce resist. Effective communication which is informing different stakeholders about the reasons for change, the advantages of successful implementation and also as the change details. Most managers are assuming that when they communicate clearly with their workers, their work is done.

Nevertheless, there are number of reasons why workers may not understand or hear what their managers are saying the 1st time around. In fact, one may have heard that messages need to be repeated 5 to 7 to seven times before they are understood into the minds of employees. It is important for managers to make clarity when it comes the urgency and importance for the requirement to change because this can put view to the entire company specifically the staff. Throughout the change process managers should foster the suitable level of commitment and involvement all over the company. This involves including employees who are against change to take part in the decision-making process.

Based on level of expertise of employees taking part their involvement may drastically lower resistance to change. Therefore, getting commitment from employees can increase the quality of change decision. It should involve support from top management. To allow the process of change to be effective there should be enough facilitation and support deployed to changed all over the company. Throughout the change there can always be individual who will not support change and those who will support change (Hoisington and Vaneswaran, 2015). More time should be allowed for all those who are taking part to check the pros and cons of the change. The purpose and meaning should be fully communicated to individuals that are taking part.

Therefore, it is important for managers to address and identify staff differences when it comes to change in order for them not to influence those individuals who are in the process of adopting. In addition, this must address the issues of "what's in it for me" mentality (Hoisington and Vanesswaran, 2015) According to Robins (2005:554) coercion that is application of direct force or threats on resisters of change may be utilized to overcome resistance to change. Coercion may be utilized as poor letter of re recommendation, negative performance evaluation, loss of promotions and threats of transfer.

It is very simple to obtain support of resisters of change, but it is it can backfire when targets are becoming aware that are tricked (Shermerhorn, 2006)). Support and facilitation include methods like group discussion, counselling, and training designed to mitigate anxiety and fear. This kind of strategy is specifically relevant if presenting misleading and partial information to individuals that resist the change

The important part on co-option is to target individuals which resist the change and buy them off by providing them authority positions to assist in implementing the change. Such strategy is inexpensive and quick nevertheless it can present issues in the near future when the individuals that are involved notice that they were manipulated (Ritson, 2013).

Evaluation Process

Key variables of evaluation process involve: Recognition of the need to evaluate the process at different stages, Taking necessary action, Provision for feedback Recognition and acknowledgement of the contribution of staff

Question 2.1

Shermerhorn, (2018) state that strategy is determining the scope and direction of a company over a long-term period, they suggest that it must establish how resources must be configured to meet needs of the stakeholders and markets. Simultaneously Coccureddu(2014) describes strategy as designed, crafted response to an important and specific challenge.

The effectiveness of the growth of strategy is assessed via organization increasing assets, revenue and profits. The company's growth of strategy must be effective and must satisfy the major efficiency measures of effective growth that are growing assets, revenue and strategy. The annual results must show more percentage growth in revenue.

The nature of company's strategy has an impact on the choice and nature of structure. It is important that company's structure should support and influence its strategy if the desired outcome must be achieved . For instance, when the strategy is stability oriented therefore the choice of structure must be based on proposition in which there is going to be less significant change taking place in the company(shermerhom, 2006: 245-246).

In addition, it means the plans and the operations must be implemented and programmed routinely. To best assist the strategic structure approach , the company structure must be predictable and well defined .On the other hand if a strategy is growth oriented the current situation is becoming more uncertain, fluid and uncertain(shermerhom, 2006: 245-246

In the management field ,strategic management includes the implementation and formulation of important initiatives and goals taken by company's top managers on behalf of owners, depending on consideration of resources and an assessment of the external and internal environments where the company operates.

Strategic management offers general direction to a company and includes allocating resources to implement the plans , stating the company's objectives, creating plans and policies to obtain those objectives. Strategy is described as "determination of the basic long-term goals of an enterprise, and the allocation of resources necessary ,and adoption of courses of action for carrying out these goals." Strategies are determined to clarify or define the organization, focus effort, set direction and offer guidance or consistency in response to the environment.
Strategic management includes the related concepts of strategic thinking and strategic planning . Strategic planning is analytical by nature and is referring to procedures that are formalized to produce the data and analyses utilized as inputs for strategic thinking, which combines the data which results in the strategy. Additionally, strategic planning can refer to control mechanisms utilized in implementing the strategy when it is established. In some words, strategic planning takes place around the strategy making , strategic thinking activity or strategy formation process.

Strategy formulation of includes analyzing the environment where the company is operating, and therefore make a strategic decision series regarding how the company can compete. Formulation is ending with a series of objectives or goals and measures for the company to pursue.
Environmental analysis involves the: remote external environment, involving technological, social, economic, the political, environmental and legal landscape ; Internal environment, about the weaknesses strengths of the organization's resources .The answers to these and some many strategic questions are resulting in the organization's strategy and instead Mintzberg concluded that there are 5 kinds of strategies:

Strategy as perspective – in order to execute a strategy this depends on an ideological perspective of the company, natural extension of the mindset or "theory of the business" .
Strategy as ploy – a certain maneuver which intends to outwit a competitor;
Strategy as position – locating companies, products, or brands within the market, depending on the conceptual framework of stakeholders or some consumers; a strategy is established primarily by factors outside the firm;
Strategy as pattern – a pattern, which is consistent of previous behavior, with a strategy determined over time instead of intended or planned . Where the determined pattern is different from the intent, strategy is referred to as the emergent;
Strategy as plan – a directed course of action to obtain an intended set of objectives; the sama as the strategic planning concept;

Ehlers and Lazenby(2015) state the strategist should a capacity for both synthesis and analysis ; analysis is important for assembling the data where he makes his diagnosis, synthesis so that he can produce from such data the diagnosis itself and the diagnosis actually amounts to a choice among alternative courses of action."

Shermerhorn, (2006) suggested that meanwhile much creative thought and research was devoted to generate alternative strategies, small amount of work was done on what impacts quality strategic decision to making and the effectiveness in with which are implemented.

Strategic planning is analytical by nature and is referring to procedures that are formalized to produce the data and analyses utilized as inputs for strategic thinking, which combines the data which results in the strategy. Additionally, strategic planning can refer to control mechanisms utilized in implementing the strategy when it is established. In some words, strategic planning takes place around the strategy making , strategic thinking activity and strategy formation process.

Strategic planning is a way of administering the implementation and formulation of strategy than before. Additionally, strategy can also be arranged as a series of "programs" or "initiatives" , any of which includes 1 or more projects. Different feedback and monitoring and mechanisms can also be determined , like consistent meetings among corporate and divisional management to control implementation. An important strategic management component that is frequently overlooked during planning is evaluation. There are number of ways to evaluate if strategic plans and plans are achieved. Meanwhile strategies are determined to focus effort, set direction, clarify or define the organization, and offer consistency or guidance in response to the environment,

In addition, such elements mean that specific signals may be excluded from de-emphasized or consideration. Shermerhorn (2006) wrote in nineteen eighty-seven: "Strategy is a categorizing scheme where incoming stimuli may be dispatched or ordered ." Since a strategy is orienting the company in a specific direction or way , that direction might not match the environment effectively, over time or initially as circumstances change. Mintzberg continued that "Strategy is a force which resists change, not encouraging s it."
Different strategic approaches utilized throughout the industries have grown over many years. Such involve the increasing usage of self-service approaches to lower cost, the shift from product-driven demand to marketing- or customer-driven demand, changes in the corporate structure or value chain because of the internet and globalization. 1 topic in strategic competition is the trend towards self-service, frequently allowed by technology, where clients are taking a role past performed by an employee to reduce costs for the organization and possibly prices.

Question 2.2

An organizational structure describe how activities like supervision, coordination, and task allocation are directed toward the achievement of organizational aims. Organizational structure has an impact on organizational action and offers the base on which standard operating routines and procedures rest. Organizational structure establishes which individuals are taking part in which decision-making processes, and there to what extent individual views shape the actions of the organizations.

In addition, organizational structure may be considered as the perspective or viewing glass via which individuals view their company and its environment. A company may be structured in number of different ways, based on its goals. The structure of a company can establishes the modes where it performs and operates.

Organizational structure enables expressed allocation of responsibilities for various processes and functions to various entities like the individual, workgroup, department and the branch. Organizations must be caring, innovative, flexible and efficient so that it can accomplish a sustainable competitive advantage.

The organizational structure establishes how the company operates or performs . organizational structure term is referring to how individuals in a company are organized and to whom they are reporting to. 1 traditional way of arranging people is by function. Other general functions in a company involve accounting, human resources, marketing, and production. This arranging of specialization is leading to operational efficiency, where workers are becoming specialists in their own realm of expertise.

Simultaneously , the many typical issues with functional organizational structure is that communication in the organization may be instead of rigid, making the company inflexible and slow . Thus, lateral communication among functions is very essential , in order for information to be disseminated not just vertically, also horizontally in the company . Communication in a company with functional organizational structures may be rigid reason being the high degree of formalization and the standardized manners of operation . 1 of the latest organizational structures created in the twentieth century is team and team building, or the related concept of team development. In businesses that are small, the structure of the team may describe the entire organization.

The organizational structure which is created might not coexist with the facts, that evolve in operational action. This divergence lowers performance, if growing as an incorrect organizational structure can obstruct cooperation and therefore hamper the completion of orders in due time and within limits of budgets and resources. Organizational structures must adaptive when it comes to processing requirements, focusing on optimizing the input to output and ratio of effort .

Managers must design a suitable reward systems and organizational structures. Organizational culture contains behaviors and values which is contributing to the unique psychological and social environment of a business . The organizational culture impacts the manner people interact.

When a company is not possessing a healthy culture or needs other type organizational culture change, changing process maybe daunting. Organizational culture may slow down change efforts, particularly where workers know their roles and expectations which they must play in a company.

It is corroborated by Shermerhorn(2006) who suggests that seventy percent of all change efforts are failing reason being the culture of company's employees. 1 important reason this type of change is complex is that the organizational structures and organizational cultures where they are embedded, are frequently reflecting the "imprint" of previous periods in a persistent manner and show remarkable inertia levels (Schein, 1990).

Question 3

CSR is a kind of international private business self-regulation meanwhile when it was practicable to define describe corporate social responsibility as a corporate ethic strategy or internal organizational policy or, that time is gone as different international laws were created and different organizations have utilized their authority to drive it beyond industry-wide or even individual even initiatives.

Meanwhile it was taken into consideration as a part of corporate self-regulation for a while, over the past ten years or so it moved greatly from decisions of voluntary at individual organizations level , to mandatory schemes at international, national ,and regional levels. Considered at the organizational level, corporate social responsibility is normally perceived as a policy of private firm. Essentially, it should be integrated into and align with a business model to be successful.

With other models, a company’s implementation of corporate social responsibility is going beyond agreement with requirements that are regulatory, and it is engaging in "actions that come into sight to further other social good, beyond the firm’s interests and which is required by law". The choices of 'going beyond', failing to comply, and 'complying' with the law, are 3 distinct strategic choices of an organization. Meanwhile in some areas like labor or environmental regulations, workers might decide to comply with the law, or move beyond the law, some companies can decide to flout the law.

Such companies take on plain legal risks. The nature of the legal risk, nevertheless, is changing if awareness is focusing on soft law. Soft law can cause legal liability especially if businesses is making claims that are misleading regarding some practices, ethical credentials or their sustainability . Generally, businesses can decide to engage in corporate social responsibility for ethical or strategic purposes. From a strategic point of view , the objective is increasing shareholder trust and long-term profits via high ethical standards and positive public relations to lower legal and business risk by taking accountability for actions of the corporate.

Strategies of corporate social responsibility motivate the organization to create a positive impact on the stakeholders and environment which include communities, investors, employees, consumers and others. From an ethical point of view, other businesses can accept corporate social responsibility practices and policies because of senior management ethical beliefs . For e.g., a Chief Executive Officer can believe that a harm which caused to the environment is ethically objectionable. Proponents suggest that companies are increasing long-term profits by operating with a perspective of corporate social responsibility, meanwhile critics suggest that corporate social responsibility is distracting from businesses' economic role.

A research done in two thousand compared current econometric studies of the relationship among financial and social performance, deciding that the contradictory outcome of past researches reporting neutral, negative, and positive financial effect, were caused by flawed empirical analysis and suggested when the research is specified properly. Corporate social responsibility is having a neutral effect on financial outcomes. Critics were questioning "unrealistic expectations" and other times the "lofty" in corporate social responsibility or that Corporate social responsibility is just an attempt, or window-dressing to pre-empt the government’s role to monitor powerful multinational corporations.

Ehlers and Lazenby(2015) suggest that Corporate social responsibility is titled to support a company’s mission and also serving as a guide to what the organization is representing for its clients. Business ethics is the applied ethics part which is examining ethical , moral problems or ethical principles which may arise in an environment of the business. Corporate social responsibility is also called responsible business, conscious capitalism, corporate citizenship, corporate conscience, corporate sustainability, or sustainable business. Since the nineteen sixties , CSR drew awareness from a group of stakeholders and businesses .

CSR is defined by Sheehy as "international private business self-regulation." Meanwhile Carroll did not define corporate social responsibility, yet easily arguing for classification of activities, Sheehy created a definition different after the science philosophy the philosophy branch of utilized it for defining phenomena. Carroll decided to extend CSR from the legal responsibility and traditional economic to philanthropic and ethical responsibility to respond to the growing worries on ethical issues in businesses, is sharing a belief which states that marketing local products can obtain consumer trust. Nevertheless, environmental efforts received negative perspectives with a belief that it will have an impact on client's service

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