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| Regent Desktop    **JUNE 2013 MAIN EXAMINATION**  MODULE:  **STRATEGIC AND CHANGE MANAGEMENT**  PROGRAMME:  **MASTER OF BUSINESS ADMINISTRATION**  DATE: 10 June 2013 TIME: 09h00 – 12h00  DURATION: 3 hours MARKS: 100  EXAMINER: O M Seedat MODERATOR: E Mutambara  **INSTRUCTIONS TO CANDIDATES:**   1. Candidates are required to answer **ALL** questions in **Section A** and **ANY** **THREE (3)** questions in **Section B** 2. This is a closed book examination. 3. No written material may be brought into the examination room. 4. Write legibly and neatly 5. Do not turn over the page until permitted by the invigilator.   *This question paper consists of* ***three (3)*** *typed pages excluding the cover page* |

**SECTION A COMPULSORY [40]**

**QUESTION ONE [40]**

Read the following case study and answer the questions that follow:

NASPERS

If there is a lesson to be learnt from Naspers, it is that it pays not to put all your eggs in one basket. Having captivated local and international investors with its 3 271% growth since 1997 – from a market capitalisation of R3.5 billion to R118 billion – Naspers continues to prove why its rise has not been a fluke.

In 2009 alone, in a year when its local rivals and international counterparts were taking a beating on revenues, the media giant almost doubled both its market capitalisation (from R6.3 billion to R11 billion) and its share price (R156.50 to R292.56).

More than a decade ago, Naspers decided to diversify its interests from its predominantly print media operation – with titles such as *Beeld* and *Rapport* – and become a multimedia company. The idea was to hedge against the risk of depending on just one market, in this case South Africa, for revenue. The strategy has clearly worked. The company now owns print, pay-TV, Internet and technology assets in South Africa, India, Latin America, Asia, sub-Saharan Africa, and Eastern Europe.

Foreseeing the value in pay-TV, in 2007, Naspers bought out the 38% stake that media group Johnic Communications (now Avusa) had in M-Net/Supersport for R3.3 billion. Multichoice’s revenue has grown 15% largely from subscription growth. Adding to the numbers is Multichoice’s growing penetration of the African continent, particularly in Nigeria. Naspers has also defended its pay-TV turf from new competitors by offering specially packaged DStv bouquets for various consumer segments.

But it was Naspers’s gamble on Tencent that has inspired confidence in the direction Naspers is taking. The company owns 35% of Tencent, China’s biggest Internet portal and the best performer on the Hong Kong Securities Exchange. Tencent’s strength is instant messaging. It owns over 80% of this market.

Many credit Naspers’s meteoric rise to MD Koos Bekker who took over the reins in 1997. **Adapted from Louw and Venter (2010) Strategic Management 2nd edition Oxford University Press**

1.1 Identify and comment on the factors that affect Naspers’s strategic choice. (10)

1.2 Identify the various corporate strategies that Naspers has pursued. (8)

1.3 Evaluate the appropriateness of these strategies with reference to the strategic intent and long term goals of Naspers. (12)

1.4 Discuss the characteristics of strategic leadership that Bekers would have to display in implementing the strategies at Naspers. (10)

**SECTION B ANSWER ANY THREE QUESTIONS [60]**

**QUESTION TWO (20)**

The challenge in managing strategically is to achieve strategic competitiveness while being sustainable in the global environment.

With reference to this statement, discuss the sources of competitive advantage and superior profitability and explain the link between strategy, competitive advantage and sustainability.

**QUESTION THREE (20)**

3.1 Distinguish between the inside-out and outside-in perspectives in analysing strategy. (10)

3.2 Discuss the impact of resource allocation on strategy execution. (10)

**QUESTION 4 (20)**

The outcome of the diagnostic phase of change management is to produce relevant information which serves as a basis for planned change interventions.

With reference to this statement, discuss the main aim(s) of organisational diagnosis and describe the steps in the diagnostic process.

**QUESTION 5 (20)**

In addition to the driving forces of change, implementation of any change programme needs to take into account the restraining forces of change. Managers should anticipate some employee resistance and plan for this eventuality in the change strategy (Brown, 2011:171).

With reference to the above statement:

5.1 Describe the driving forces towards acceptance of a change programme. (6)

5.2 Discuss the reasons for employee resistance to change and suggest how acceptance of change can be improved. (14)

**QUESTION 6 (20)**

Discuss the Model of Adaptive Orientation, as proposed by Harvey and Brown (2006) that attempts to illustrate the various orientations used by managers in their approach to planned change.

**END OF QUESTION PAPER**