

**UNIVERSITY EXAMINATIONS**



**May/June 2025**

**MNG3701**

**Strategic Planning IIIA**

**70 Marks**

**Duration 4 Hours**

**EXAMINERS:**

**FIRST: MS MALENTE MODUNGWA**

**SECOND: DR SIZILE MAKOLA**

**EXTERNAL: MS S HUGHES**

**OPEN BOOK EXAM**

**This paper consists of 9 pages.**

**Instructions:**

**This assessment consists of Part A and Part B. Part A does not have to be answered in an essay format. Part B must be answered in an essay format.**

**FOR THE ESSAY QUESTION, YOU HAVE TO DO THE FOLLOWING:**

- **Start your essay with an introduction in which you briefly explain the essay and your approach to answering the question.**
- **The body of the essay should include headings and subheadings.**
- **Include a conclusion summing up the discussion.**

- **Include a bibliography at the end of the essay. This bibliography must be compiled according to the Harvard Referencing Method.**
- **When you refer to any source, you need to provide the details. In the bibliography, indicate the name of the author, the full name of the website, the web address, and the date on which you have accessed the site. (Please note that it is unacceptable to copy a substantial amount of content from the internet or any other source and present it as your own answer).**
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- **Students may not buy notes from tutors or former students.**
- **Unisa has a zero tolerance for plagiarism and/or any other forms of academic dishonesty.**
- **The page limit for the essay is a maximum of 2 pages (1.5 line spacing, font size: 11/12).**
- **Answer all questions.**

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**QR Access Code: e730439a**

**Read the case study below and answer all the questions that follow.**

### **Introduction to Discovery Limited**

Discovery is a South African founded financial services organisation and has since grown to international markets such as Australia, China, the UK and the USA. The company has grown from being a traditional health insurer in 1992 into a global leader in wellness and financial services. Health insurance, wellness, life insurance, wellness initiatives, investments and banking are among Discovery Bank's offerings. A core feature of the company's value proposition is the Vitality Programme, which rewards customers for leading healthy lifestyles (Discovery Limited, 2023).

### **Adapting to the Fourth Industrial Revolution**

Discovery Limited is shaped by its vision which is "to be the best insurance organisation in the world that enhances and protects people's lives" and its mission is to "make people healthier and to enhance and protect their lives". This vision is supported by Discovery's Fourth Industrial Revolution (4IR) and Digital strategy, which is integrated at all levels of its business model. Discovery Bank is fully digitalised and there are no physical branches. The Vitality drive links telematics in vehicles with health insurance rewards. Moreover, the AI-powered Discovery app tracks sleep, steps, gym visits, medical claims and personalised engagements. Through AI and data analytics, Discovery is able to provide real-time and personalised interventions that encourage healthy behaviours and reduce long-term risk.

### **Sustainable management**

Discovery is an advocate for responsible competitiveness, which means gaining market advantage without compromising ethical and environmental standards. Stakeholder engagement is rooted in mutual value creation by improving lives while ensuring business sustainability. Discovery always aims to be sustainable in their operations by constantly reporting on their financial performance, addressing chronic disease prevention and wellness in the workplace. Discovery provides products such as "Vitality Green Miles" to encourage their members to reduce their carbon footprint, encouraging healthier and conscious consumer choices.

### **Competitive advantage**

Discovery's skilled workforce of healthcare experts, data scientists, and actuaries enhances its ability to innovate. Discovery is able to link behavioural incentives with financial services through its integrated digitalised platform.

Despite its competitive advantage, Discovery operates in a volatile environment. Discovery must comply with the Protection of Personal Information Act and ensure that the client's personal information is always confidential and protected, this for example, could include health data, communication info or location data. Consumer affordability in terms of taking up insurance products is also a challenge. There is growing awareness of diseases that are lifestyle related, therefore, there is an increase in demand for solutions that are wellness-related. Discovery is shifting towards green incentives and eco-conscious benefits such as rewarding members for using vehicles that are fuel efficient, promoting transactions that are paperless by using digital platforms, providing "Green Vitality Miles" for cycling or walking instead of driving and encouraging sustainable lifestyle choices that reduce carbon footprints.

### **Business Strategy**

Discovery's strategy allows it to deliver wellness-based services while ensuring that costs remain manageable, through digital and automation platforms. For example, one of Discovery's objectives was to increase the number of Active Vitality members across Africa by 15% across Africa by 2026 through enhanced digital onboarding. Discovery aims for strategic success by

focusing on health and life improvement through programs such as Vitality, which is used by over 20 million members globally and investing in digital platforms.

### **Conclusion**

In conclusion, Discovery Limited has embraced 4IR technologies to enhance innovation and sustainability in its strategic planning. Discovery's strategic journey demonstrates that social impact and financial success are not mutually exclusive but mutually reinforcing.

### **Source: Adapted from:**

<https://www.discovery.co.za/corporate/investor-relations-about-us#:~:text=Since%20inception%20in%201992%2C%20Discovery,enhance%20and%20protect%20their%20lives.>

**PART A**

**[47 MARKS]**

**Question 1**

**[18]**

1.1	Define the term “strategic direction (2) and explain how Discovery Limited demonstrates strategic direction in its business practices. (2)	4 Marks
1.2	Discuss how Discovery Limited’s mission and goal is consistent with its stakeholder expectations (3x2).  <i>Hint: Identify three stakeholder groups and link to their expectations.</i>	6 Marks
1.3	Discovery Limited is shaped by its vision, which is “to be the best insurance organisation in the world that enhances and protects people’s lives”. Using your understanding of effective vision statements, evaluate Discovery Limited’s vision (1x8).  <i>Hint: Use a table with headings, i.e. characteristic, yes/no and reason when evaluating the vision statement</i>	8 Marks

**Question 2**

**[25]**

2.1	Use a suitable model to analyse the macro-environmental factors that influence Discovery Limited and explain how the company responds to these external conditions, using examples from the case study. Use a table with the following headings: 1. macro-environmental factor, 2. analysis of the macro environment and 3. application to Discovery Limited (5x3).  <i>Hint: Your analysis should only focus on the five factors available in the case study. Ignore irrelevant factors.</i>	15 Marks
2.2	Discuss two of Discovery’s strategic capabilities and explain how each enables product or service differentiation; refer to examples from the case study. For each strategic capability, link it to Discovery’s vision.	6 Marks

<b>2.3</b>	Identify and explain the strategic theory that shows how Discovery Limited uses its internal resources to gain a competitive advantage. Your discussion should indicate why this theory is important for Discovery's success.  <i>Hint: 1 for identifying the strategic theory, 1 mark for discussing the strategic theory, 2 marks for providing 2 examples.</i>	<b>4 Marks</b>
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**Question 3** **[4]**

<b>3.1</b>	Apply the concept of the Fourth Industrial Revolution (4IR) to Discovery Limited. Identify and explain TWO (2) technologies that the company uses.	<b>4 Marks</b>
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Use a table like the one below to structure your answer:

Type of technology (1 mark each)	Application (1 Mark each)

**PART B** **[23 MARKS]**

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**Question 4** **[23]**

**Essay question**

<b>4.1</b>	Write a one-page essay to discuss the concept of responsible management in relation to Discovery Limited. Your discussion should indicate what responsible management entails, whether Discovery Limited is a responsible organisation and provide justification.  Your essay should be supported by relevant examples from Discovery Limited.	<b>23 Marks</b>
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Criteria	Points for consideration	Marks
Content	<ul style="list-style-type: none"> <li>○ Discussion of theory covers all main points of the topic and incorporates information from other sources.</li> <li>✓ An in-depth theoretical discussion of concepts is provided.</li> <li>✓ Application of theory is clear and well-focused and supported by relevant examples—examples from <b>Discovery Limited</b>.</li> </ul>	<b>23</b>
Technical requirements and organisation of content	<ul style="list-style-type: none"> <li>○ The introduction provides a good opening, states the main topics and provides an overview of the essay. It connects well with the essay.</li> <li>○ Headings and sub-headings are used, and the discussion is relevant.</li> <li>○ At least three academic sources are used and acknowledged, with the correct referencing technique being applied.</li> <li>○ A meaningful conclusion that sums up the discussion is provided.</li> </ul>	<b>5</b>

**TOTAL: 70 Marks**

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