



NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS
MARCH/APRIL 2016 EXAMINATION
SCHOOL OF MANAGEMENT SCIENCES

COURSE CODE: BUS 427

CREDIT UNIT: 3

COURSE TITLE: BUSINESS POLICY AND STRATEGY I

TIME ALLOWED: 2 HOURS

Instructions:

- 1. Attempt question number one (1) and any other (3) questions.**
- 2. Question number 1 carries 25 marks, while the other questions carry 15 marks each.**
- 3. Present all your points in coherent and orderly manner.**

QUESTION 1.

Read the following case and answer the questions in the end: Dr. Ibrahim inherited his father's Dey's Lab in Abuja in 1995. Till 2002, he owned 4 labs in the Northern region. His ambition was to turn it into a National chain. The number increased to 7 in 2003 across the country, including the acquisition of Platinum lab in Lagos. The number is likely to go to 50 within 2-3 years from 21 at present. Infusion of =N=10 million for a 26% stake by Pharma-Capital has its growth strategy. The lab with a revenue of =N=300 million is among top three Pathological labs in Nigeria with Atlantic (=N=250 million) and Pacific (=N=175 million). Yet its market share is only 2% of =N= 1.5 billion market. The top 3 firms command only 6% as against 40-45% by their counterparts in the USA. There are about 20,000 to 1,000,000 stand alone labs engaged in routine pathological business in Nigeria, with no system of mandatory licensing and registration. That is why Dr. Ibrahim has not gone for acquisition or joint ventures. He does not find many existing laboratories meeting quality standards. His six labs have been accredited nationally whereon many large hospitals have not thought of accreditation; The College of American pathologists' accreditation of Dey's lab would help it to reach clients outside Nigeria. In Dey's Lab, the bio-chemistry and blood testing equipments are sanitized every day. The bar coding and automated registration of patients do not allow any identity mix-ups. Even routine tests are conducted with highly sophisticated systems. Technical expertise enables them to carry out 1650 variety of tests. Same day reports are available for samples reaching by 3 p.m. and by 7 a.m. next day for samples from 500 collection centres located across the country. Their technicians work round the clock, unlike competitors. Home services for collection and reporting is also available. There is a huge unutilized capacity. Now it is trying to top other segments. 20% of its total business comes through its main laboratory which acts as a reference lab for many leading hospitals. New mega labs are being built to encase preclinical and multi-centre clinical trials within Nigeria and provide postgraduate training to the pathologists.

- a. What do you understand by the term Vision? What is the difference between 'Vision' and 'Mission'? What vision Dr. Ibrahim had at the time of inheritance of Dey's Lab? Has it been achieved? **10 marks**
- b. For growth what business strategy has been adopted by Dr. Ibrahim? **5 marks**
- c. What is the marketing strategy of Dr. Ibrahim to overtake its competitors? **5 marks**
- d. In your opinion what could be the biggest weakness in Dr. Ibrahim's business strategy? **5 marks**

QUESTION 2.

- a. The general definition of a case study is essentially the study of an exact or hypothetical situation in a particular business. The case study method of learning is used to develop managers using a number of skill sets. You are to identify and explain these skills. **10 marks**
- b. Enumerate the recommended steps in the analysis of a case study. **5marks**

QUESTION 3.

- a. Write short notes on the following major sources of policies:
 - Originated Source
 - Appealed Source
 - Implied Source
 - Externally-imposed Source **10 marks**
- b. State five standard components of a policy document. **5 marks**

QUESTION 4

- a. Steiner (1969) stated that the regulations, which guide decisions and actions very considerably and cut across the hierarchical structure of the organization, depend on the nature and magnitude of mission to be accomplished. He therefore developed a pyramid to demonstrate the relationship among various types of business policies. You are to identify and explain with examples the different types of business policies under Steiner's pyramid. **10 marks**
- b. State the parameters that affect the function of a business policy command. **5 marks**

QUESTION 5.

- a. In order for a company to identify its core competence, they have to pass very components through prescribed tests. You are to state and discuss these tests in detail. **5 marks**
- b. Enumerate on the three organizational capability factors and point out some of the important elements that support capability in the six functional areas of Finance, Marketing, Operations, Personnel, Information and General Management. **10 marks**

QUESTION 6.

- a. State and discuss the concept of Strategic Intent. **5 marks**
- b. Highlight the seven characteristics of a Mission Statement. **10 marks**

