

**MNG3702**  
**RMG3702**

May/June 2015

**STRATEGIC IMPLEMENTATION AND CONTROL IIIB**

Duration 2 Hours

70 Marks

EXAMINERS  
FIRST  
SECOND  
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**Use of a non-programmable pocket calculator is permissible****Closed book examination****This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue**

This paper consists of 7 pages (including the cover page)

**THIS EXAMINATION PAPER REMAINS THE PROPERTY OF THE UNIVERSITY OF SOUTH AFRICA AND MAY NOT BE REMOVED FROM THE EXAMINATION VENUE.****INSTRUCTIONS**

- This paper comprises of **parts 1 and 2**
- **Part 1** must be answered **only** by students registered in 2015, semester 1 for the MNG3702 module (includes RMG3702 code) The 2015 syllabus is assessed in part 1. Students answering part 1 of the paper must **not** answer part 2 of the paper
- **Part 2** must be answered **only** by students that have been granted a **supplementary examination** in the MNG3702 module The 2014 syllabus is assessed in part 2 Students answering part 2 of the paper must **not** answer part 1 of the paper
- This is a **closed-book examination** You may not consult notes of any kind or any person (except the invigilator) during the examination session
- Indicate the numbers of the questions you have answered on the cover of the examination answer book

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## PART 1: 2015 SYLLABUS

### THE FOLLOWING INSTRUCTIONS APPLY ONLY TO PART 1 OF THE PAPER

- Part 1 comprises of **seven compulsory paragraph-type questions**. Answer **all seven questions**.
- Note that the case study is **applicable to question 1 and 2 only**
- The total for part 1 of the paper is **70 marks**.

### CASE STUDY: THE UNILEVER SUSTAINABLE LIVING PLAN

In 2009 Paul Polman, the CEO of Unilever, announced a bold strategic plan, the Unilever Sustainability Living Plan (USLP), to double the size of Unilever and half the company's environmental impact. The motivation for launching such an aggressive long-term plan was that many parts of the world were becoming more volatile, uncertain, complex and ambiguous (VUCA). The VUCA trend was also fuelled by the strain (or stress) placed on large sections of many societies and the world's resources. While a more volatile, uncertain and complex world made it more difficult for Unilever to navigate, it also presented opportunities, but these opportunities needed to be well managed. Paul Polman's thinking was that the USLP would be a step in the right direction to address these strain issues. He said "There are clear signs of stress around the world, coming from the 'other 99%'. A billion people still go to bed hungry. A child dies of starvation every six seconds. Our form of capitalism has brought us far, but it hasn't solved everything. We think that businesses that are responsible and actually contributing to society as part of their business model will be successful."

To achieve the goals of the Unilever Sustainable Living Plan, several initiatives were undertaken. These included reducing waste and material use, which created efficiencies and reduced costs, and improving margins. By looking at product development, sourcing and manufacturing through a sustainability lens, opportunities for innovation opened up. By collaborating with partners, including not-for-profit organisations, valuable new market insights were gained, which extended the channels to engage with the consumer.

Unilever knew that such an ambitious plan would be questioned by sceptics, therefore there was a sense at Unilever that results had to be shown. To show results an environment had to be created that focused on the long term. This was achieved by abolishing quarterly reporting and changing the compensation system to focus on the long term.

Furthermore a disproportionate amount of time was spent on explaining to shareholders what was being

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done in terms of the long-term strategy. Strategic success did not mean that shareholder wealth would be created at the expense of everything else. This would have been a myopic view that would not assist the company in surviving in the long term. Therefore the focus was on attracting shareholders that aligned themselves with the long-term strategy, rather than the other way around. Hedge fund managers and short-term speculators were told that they did not belong in the company. The sheer fact that they bought a few shares did not give them the right to ruin the company's strategy."

In 2013 Paul Polman reported that steady progress had been made in implementing the USLP "[T]he USLP becomes more firmly embedded in all aspects of the business. As this annual report highlights, the USLP is driving waste and inefficiencies out of the system and helping us transform the supply chain. Suppliers and customers are increasingly keen to work with us under the USLP. By helping grow our business in a responsible and equitable way, the USLP is benefitting all our stakeholders, including our shareholders."

Three years after launching the USLP, there was evidence that making sustainable living commonplace was helping to drive business growth at Unilever. In addition, new insights were gained into the implementation of the USLP. These insights were used to update the USLP in 2014 and to develop new focus areas.

Adapted from

[http://www.unilever.com/investorrelations/annual\\_reports/AnnualReportandAccounts2013/unilever-sustainable-living-plan.aspx](http://www.unilever.com/investorrelations/annual_reports/AnnualReportandAccounts2013/unilever-sustainable-living-plan.aspx), accessed 2015/01/05

<https://hbr.org/2012/06/captain-planet>, accessed 2015/01/05

<https://hbr.org/2012/06/captain-planet>, 2015/01/05

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**NOTE THE CASE STUDY IS APPLICABLE TO QUESTIONS 1 AND 2 ONLY.**

**Question 1**

Explain the six principles of strategic leadership and assess the extent to which they are present at Unilever. Use examples from the case study to support your explanation. [15]

**Question 2**

Critically discuss the strategy deployment efforts of Unilever. In your discussion make specific reference to the components and enablers of strategy deployment. [10]

**Question 3**

Critically discuss factors that contribute to strategy implementation failure in organisations. [10]

**Question 4**

Explain the value of organisational architecture in building a cohesive strategy. Use any **ONE** example of an organisational architecture framework to support your explanation. [10]

**Question 5**

Explain the role of knowledge management systems in organisational learning with the help of practical examples. [10]

**Question 6**

Explain how ambidextrous organisations facilitate innovation. Give **ONE** practical example to support your explanation. [5]

**Question 7**

Explain the role of the Balanced Scorecard in managing organisational performance. Use **ONE** Balanced Scorecard example to support your explanation. [10]

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**PART 2: 2014 SYLLABUS (THIS PART OF THE PAPER MUST BE ANSWERED BY SUPPLEMENTARY STUDENTS ONLY)**

**THE FOLLOWING INSTRUCTIONS APPLY ONLY TO PART 2 OF THE PAPER**

- Part 2 of the paper comprises of two sections, namely **section A** and **section B**.
- The total for part 2 of the paper is **70 marks**.

**SECTION A**

- Section A comprises **four (4) compulsory paragraph-type** questions
- Each question counts **five (5) marks**.
- The total of this section is **20 marks**.

**SECTION B**

- Section B comprises **three (3) essay-type** questions
- You must answer **any two (2)** of the three questions on the fill-out examination paper
- Each question **counts 25 marks**.
- The total of this section is **50 marks**

**SECTION A**

- Answer **all four** paragraph-type questions in this section
- The total for this section is **20 marks**

**Question A1**

Explain any five of the issues involved in strategic change (5)

**Question A2**

Discuss the concept of a learning organisation (5)

**Question A3**

Discuss corporate governance and leadership in the light of the King II Report (5)

**Question A4**

Explain what strategic control entails within an organisation (5)

**TOTAL SECTION A: [20]**

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**SECTION B**

- Answer **any two** of the following three questions in this section
- Write the number of the questions you have answered on the front of the answer book

**QUESTION B1**

"We tend to think we can separate strategy from culture, but we fail to notice that in most organisations strategic thinking is deeply coloured (sic) by tacit assumptions about who they are and what their mission is" (Schein 1999)

In view of the above statement, do the following

- B1 1 Explain why culture is an important driver of strategy implementation (7)
- B1 2 Explain Hofstede's five cultural value dimensions (10)
- B1 3 Differentiate between adaptive, weak, strong and unhealthy cultures (8)

**[25]**

**QUESTION B2**

The contemporary business environment is dynamic and characterised by change that is not just punctuated, but also revolutionary at times. A change in the business environment can trigger strategic change which, in turn, would require a change in some strategy drivers and instruments or all of them.

In view of the above statement, answer the following questions

- B2 1 Comment on the statement that "structure follows strategy" (3)
- B2.2 Discuss the five basic parts of an organisation (10)
- B2 3 Discuss the six basic coordinating mechanisms of organisational design (12)

**[25]**

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**QUESTION B3**

Planned strategy is often not realised strategy. One of the reasons why there is a gap between planned and realised strategy is that long-term goals do not always easily translate into operational terms that provide useful guides to action at a local level.

In view of the above statement, do the following

- B3 1 Explain how long-term goals are translated into short-term goals (5)
- B3 2 Explain how functional tactics differ from corporate and business strategies (6)
- B3 3 Explain the role of policies in strategy implementation (5)
- B3 4 Discuss the use of the Balanced Scorecard as a strategy implementation and control system (9)

[25]

**TOTAL: 70**