



University of Kelaniya - Sri Lanka

*Centre for Distance and Continuing Education*

**Faculty of Commerce & Management Studies**

Bachelor of Business Management (General) Degree Third Examination (External) – 2014/ 2015

July - 2019

**BMGT E 3015 – Strategic Management**

Number of questions: Eight (08)

Time : Three (03) hours

Answer question no. 01 and any other four (04) questions.

### **Youth FM Radio**

Youth FM radio was established in 2000 by Mr. Jayasinghe who is a leading media personnel in the country, with the objective of creating market uniqueness in the industry. When he presented this idea to some of his friends for investment, most of them were not in favour for the proposal claiming that it is very difficult to achieve sustainability in a highly competitive market with popular players. However, MR. Jayasinghe was so determined and he established the company in 2000.

At the beginning of the operations of the firm, it focused on the youths of the country aged between 20-30 years old. They produced various musical, informative, educative and entertaining programs for youths. However, it couldn't achieve a sizeable success until 2005. The Board of Management of the company discussed this situation and they decided to restructure the radio programs as a remedy for this stagnating performance.

It divided the time into three slots namely morning, daytime & night and designed the programs accordingly. The company got the service of popular radio presenters for the presentation of programs for youths. The new programs largely are entertaining programs with different aspects of the youth's life. When it came to 2009, the company was able to achieve some stability in the industry and decided to expand the programs further. It diversified its programs as religious, informative, news, reality programs, live broadcast, chats, and radio games for all kinds of people. This

diversification of the programs and markets brought higher success for the firm and it became one of the leading radio channels in the country in 2012.

However, the company faces new kinds of competition these days.

1. The internet usage of the youths of the country has increased. As a result, youths are going away from the radio gradually.
2. Listeners are used to swift between different radio channels rather than stitching to a one channel in a particular time band.
3. The increasing bargaining power of the presenters. They demand various financial and non-financials perks which are difficult to be afforded by the company.
4. The bargaining power of the clients is also high. Particularly, this is apparent with companies providing advertisements for the firm.
5. It is noted that the youth radio innovative programs are imitated by the competitors very frequently.
6. There are other alternative entertaining avenues opening such as You Tube.

The management of the company is thinking of strategies for facing this new competitive situation in the industry. They are in the view that the firm should again focus on diversification of their programs, so that they can face this situation.

This is an imaginative case.

**Question No. 01 (Compulsory question)**

- a. Analyze the new competitive situation faced by the Youth Radio using the Porter's Five Forces Model. (14 marks)

- b. Advice the Youth Radio on Program Diversification citing suitable examples. (14 marks)

**(Total 28 marks)**

**Question No.02**

- a. Define '*Strategic Management*' and outline the characteristics of a strategic decision. (08 marks)

- b. Explain with appropriate examples, the barriers for effective strategic management process in an organization. (10 marks)

**(Total 18 marks)**

**Question No. 03**

- a. Describe the concept of '*Strategic Capability*' of an organization using a suitable model. (08 marks)
- b. Discuss with appropriate illustrations from a selected organization, the meaning of '*Key Success Factors*' of business organizations. (10 marks)
- (Total 18 marks)**

**Question No. 04**

- a. What is an 'Environmental Threats and Opportunity Profile' (ETOP)? Formulate an ETOP for a hypothetical organization with an analysis of the environment it faces. (09 marks)
- b. "*Value Chain Analysis is a recent approach for internal environmental analysis of an organization*". Describe the process of Value Chain Analysis with suitable examples. (09 marks)
- (Total 18 marks)**

**Question No. 05**

- a. Briefly explain the factors to be considered in '*Strategic Choice*' of a business organization. (08 marks)
- b. "*There are various ways of formulating Stability Strategies*". Do you agree with this statement? Explain your stand-point with suitable examples. (10 marks)
- (Total 18 marks)**

**Question No. 06**

- a. Describe with examples, the difference between '*red ocean strategy*' and the '*blue ocean strategy*'. (08 marks)
- b. Discuss the generic competitive strategies with possible combinations of them referring to the '*Porter's Generic Competitive Strategy Matrix*'. (10 marks)
- (Total 18 marks)**

**Question No. 07**

- a. Briefly explain the meaning and the types of '*integration*' as a concentric growth strategy'.  
(08 marks)
- b. Discuss with an illustration, the alternative strategies cited in 'Ansoff's Product - Market Grid'.  
(10 marks)
- (Total 18 marks)**

**Question No. 08**

- a. Briefly describe the association between strategy implementation, organizational culture and organizational structure.  
(08 marks)
- b. Discuss the significance of '*strategy evaluation and review*' for a modern business organization.  
(10 marks)
- (Total 18 marks)**