



KC5 – Corporate Strategy & Contemporary Issues

December 2018

Examiner's Comments

1. **General Observations:**

- i. The examiner clearly mentioned that students should not prepare a formal report which contained an Executive Summary, Introduction, Conclusion, etc. A few students however, had ignored this request and wasted time preparing such answers, for which they did not earn any marks.
- ii. The Examiner has tried to minimize the complexity of the case and tested the ability of students, to identify the strategic issues / strategies in different areas such as Governance and Leadership, Human Resources, Risk Management, Finance & Marketing, and any others under requirement 1,7, & 8. Marks obtained for requirements no 1 and 8 were the highest compared to marks obtained for the rest of the requirements.
- iii. Though the Examiner expected answers to highlight the strategic issues for Minerva Engineering, and strategic issues under competitive environment along with marketing and business development strategies for Minerva Export company under 1,7, and 8 respectively, Students had misunderstood and confused the requirements when preparing the report under each sub topic.

2. **Strategic Issues (1):** This part was attempted by all of the candidates and 95% of candidates were able to explain this clearly. However, a few candidates were not able to identify any other issues whilst some failed to identify an adequate number of financial issues.

3. **No 2: Possible causes of not winning tenders :**
Except for a few candidates, all others had answered this part well.

4. **Modern Cost management techniques:**
Except for a few candidates, others had misunderstood this section, and listed all cost management methods and techniques, without thinking of industry requirements and the practicability of applying such, to the given industry. The Examiner expected candidates to explain how lean management techniques could be used for this purpose. Only a few candidates understood this requirement.
5. **View of the Brand**
Most of the candidate covered this section well, with a logical critique of Migara's view; however some failed to understand the examiner's requirement.
6. **Indicative valuation:**
None of the candidates were able to answer this correctly. Some were not able to respond correctly due to a lack of fundamental knowledge, in concepts of valuation, based on a debt free, cash free basis. Also none of the candidates explained whether this transaction would leave any residual value for Migara.
7. **Strategic Proposal:**
Most candidates had not understood this area and none had approached it correctly, though they had attempted to answer same. Some candidates had proposed a few strategies but had failed to quantify the financial impact of such strategies. They had also not considered the impact on profitability, in order to verify whether the suggestions were viable, thus demonstrating they had practical knowledge on restructuring the balance sheet, to achieve a turnaround of the company.
8. **Strategic Issue (Minerva Export)**
It is clear that most students had not understood the strategic issues relevant to the competitive environment; as borne out by answers which merely included an environment analysis for the said companies.
9. **Marketing and Business Development Strategies**
Students failed to propose appropriate Marketing and Business Development Strategies, since they did not appear to have fundamental knowledge to recognize a strategy. Most of them had proposed only actions, instead of strategies.