CERTIFIED PUBLIC ACCOUNTANT

ADVANCED LEVEL 1 EXAMINATIONS

A1.1: STRATEGY AND LEADERSHIP

DATE: MONDAY 25, AUGUST 2025

MARKING GUIDE AND MODEL ANSWERS

SECTION A

QUESTION ONE

Marking Guide

Qn	Description	Marks	Total Marks
a)	SIX appropriate objectives of SARURA Ltd: A good answer should follow the SMART (Specific, Measurable, Attainable, Realistic, Time Bound) method Answers in the model answer are not exhaustive.		
	A good introduction or description of organisational objectives	2	
	Increase in total annual revenue Growing farmers' network Entering new markets within the EAC region Introduction of structured performance tracking system Internationally recognized quality certification Reduce staff turnover Any other well-explained, valid objectives attract 2 Marks to a maximum of 12 marks	2 2 2 2 2 2 2	14
b)	SARURA's Porter's Diamond Model: A good answer should be analytical and with specific examples from the case study		
	A good introduction or description of Porter's Diamond Model	2	
	A valid diagram of Porter's Diamond Model	2	
	Factor conditions (Award 2 marks for any valid discussion of how SARURA Ltd can build on Rwanda's home-based advantages to create and sustain a competitive advantage in the regional specialty coffee market based on this factor. Award 1 mark if the discussion is lacking or not provided.)	2	
	Related and supporting industries (Award 2 marks for valid discussion)	2	
	Firm strategy, structure, and rivalry (Award 2 marks for a valid discussion)	2	
	Demand conditions (Award 2 marks for a valid discussion)	2	12
c)	The pricing strategy SARURA should adopt for "Virunga Gold – Single Origin Roast":		

Qn	Description	Marks	Total Marks
	A good answer should clearly state the selected/proposed pricing strategy and a solid justification for it		
	A short introduction to pricing strategies	2	
	Pricing strategy - Award 2 marks for correctly identifying a valid pricing strategy (Alternative pricing strategies are acceptable as long as they are backed up by valid justifications)	2	
	Justification - Award 2 marks for any good explained point which must be related to the case study information (2 marks * 3 = 6 marks), i.e., Reinforce the product's value; segment pricing geographically or seasonally; and pricing should remain value-based or any other valid justification. If the justification is insufficient, award 1 mark	6	10
d)	SARURA's organisational culture: A good answer should first examine the company's culture, followed by suggestions for improvements		
	A short introduction to organisational culture vs performance	2	
	A valid diagram of the culture and performance model	2	
	An examination of SARURA Ltd's organisational culture:		
	Award 0.5 marks each cultural feature mentioned, e.g., transparency, youth empowerment, and community support; the environment is collaborative and purpose-oriented, and many are drawn to SARURA's emphasis on ethical trade and farmer empowerment (0.5 * 4 challenges = 2 marks)	2	
	Award 1 mark for any valid challenge faced due to the company's informal leadership style, e.g., Staff turnover in production units, concerns about favouritism, and confusion among new middle managers (1 mark * 3 challenges = 3 marks) Award 1 mark for a valid conclusion, i.e., leadership currently lacks documented HR policies, formal delegation of authority, and structured performance systems.	4	
	Suggestions for Improving SARURA's Organisational Culture (Consider other valid answers offered by candidates):		
	Award 1 mark for any valid suggestion related to the company's organisational culture, i.e.: i. Formalise cultural values through documentation ii. Introduce structured performance management systems iii. Strengthen internal communication and feedback loops iv. Build leadership capacity and delegation skills	4	14
Total Marks			**50**

Model Answer

a) Based on the case study and the company's growth stage and strategic aspirations, **propose SIX appropriate objectives that SARURA Ltd should adopt over the next two years.**

Organizational objectives are short-term and medium-term goals that an organization seeks to accomplish. Objectives may be categorised as objectives stating the organisation's purpose and those that state its strategic aims. Good objectives need to be SMART:

Specific, ***M***easureable, ***A***ttainable, ***R***ealistic – result-oriented, and ***Time-bound***.

SARURA Ltd should consider adopting the following SMART objectives over the next two years:

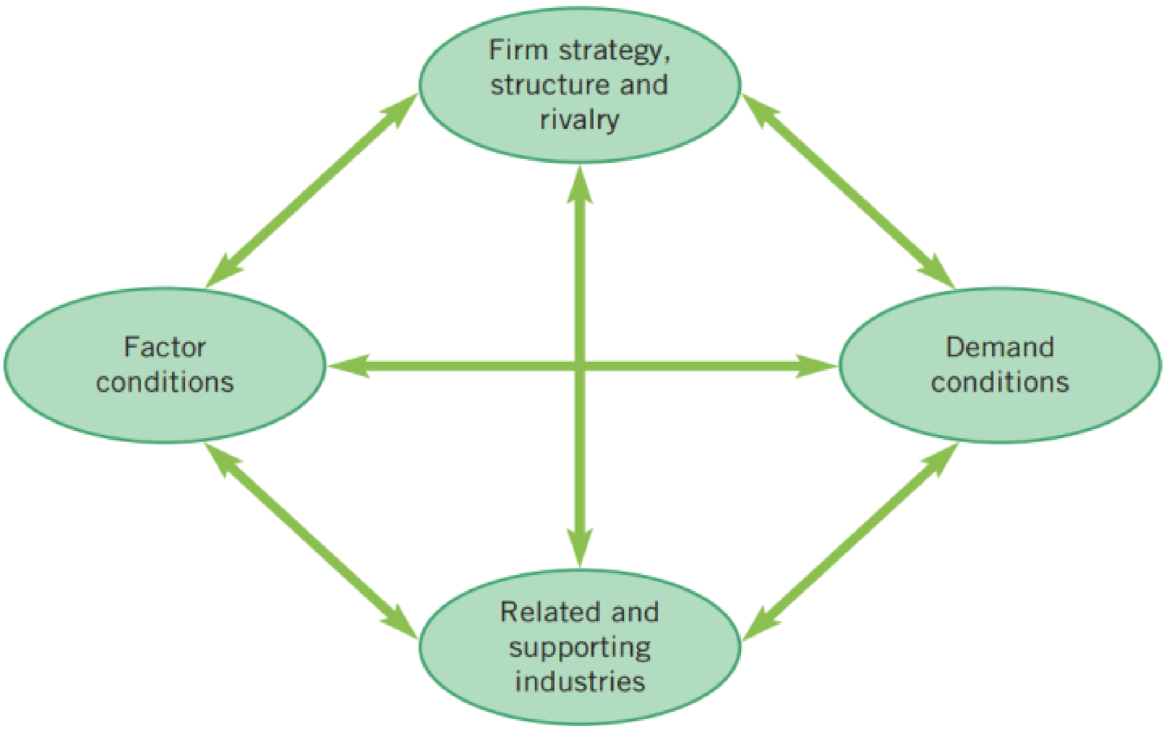
- SARURA Ltd will need to increase its total annual revenue from coffee sales by 100% within the next 24 months by expanding its customer base in Rwanda and Kenya.
- The company will grow its farmer network from 600 to 1,500 registered smallholder suppliers by the end of year two through targeted outreach and incentives.
- SARURA Ltd will formally enter two new EAC markets—such as Uganda and Tanzania—by launching market pilots and forming distribution partnerships within the next 18 months.
- By the end of the current financial year, SARURA Ltd will introduce a structured performance tracking system with Key Performance Indicators (KPIs) for all departments to improve management decision-making.
- The company will obtain an internationally recognized quality certification (e.g., Rainforest Alliance or Fairtrade) for at least one of its key products within 12 months to strengthen brand positioning.
- SARURA Ltd will reduce staff turnover among production workers by 30% within one year by introducing transparent HR policies, job grading, and recognition schemes.

b) Using Porter's Diamond Model and with the help of specific examples drawn from the case study, **evaluate the extent to which SARURA Ltd can build on Rwanda's home-based advantages to create and sustain a competitive advantage in the regional specialty coffee market.**

According to Michael Porter, a nation attains a competitive advantage if its firms are competitive. Firms become competitive through innovation. Innovation can include technical improvements to the product or the production process.

Countries and regions within them, and organisations originating in those, often benefit from competitive advantages grounded in specific local conditions. Michael Porter proposed a fourpointed 'diamond' to explain why some locations tend to produce firms with competitive advantages in some industries more than others (see Figure 1.1 below). Specifically, Porter's Diamond suggests that locational advantages may stem from local factor conditions; local demand conditions; local related and supporting industries; and from local firm strategy, structure, and rivalry.

Figure 1.1: Porter's Diamond – the determinants of national advantage



SARURA Ltd can build competitive advantage in the regional coffee market by leveraging several Rwanda-specific strengths.

Factor conditions: Rwanda's coffee sector is known globally for its high-quality beans, and the country enjoys natural advantages such as high altitudes, rich volcanic soil, and favourable growing conditions. Rwanda's climate, soil, and elevation create ideal conditions for high-quality Arabica coffee, offering SARURA Ltd a strong product base.

Related and supporting industries: The availability of certification bodies, processing facilities, and marketing initiatives has improved, offering a supportive ecosystem for specialty coffee businesses.

Firm strategy, structure, and rivalry: Over the past decade, both government and private sector actors have invested in positioning Rwandan coffee as a premium product in regional and global markets. However, SARURA Ltd also faces challenges from competing coffee-producing countries like Uganda and Kenya, which enjoy larger volumes, more mature infrastructure, and lower unit costs. To remain competitive, SARURA Ltd must emphasize its niche quality positioning, build brand loyalty, and exploit Rwanda's positive country-of-origin reputation.

Demand conditions: The increasing regional demand for premium, traceable, and ethically sourced coffee, especially among young urban professionals, creates a favourable demand condition. Moreover, Rwanda's government has actively promoted entrepreneurship, exports, and agro-processing through policy incentives and SME programs, which strengthen the industry environment in which SARURA Ltd operates.

SARURA Ltd can also gain an advantage by investing in digital sales and storytelling that emphasizes its farmer partnerships and social impact, thereby appealing to conscious consumers across the region. Leveraging these home-based advantages through differentiation, rather than scale or price, is likely SARURA's best path to regional competitiveness.

c) Considering information in the case study, **discuss the pricing strategy SARURA Ltd should adopt for "Virunga Gold – Single Origin Roast".**

A firm must set a price for the first time when it develops a new product, when it introduces its regular product into a new distribution channel or geographical area, and when it enters bids on new contract work. The firm must decide where to position its product based on quality and price.

Pricing policies adopted by the company fall into three categories:

1. Market-oriented policies based on market conditions.

2. Cost-oriented policies, related to the cost of the product.

3. Competitor-based policies related to competition among buyers, sellers, or both.

For its online product "Virunga Gold – Single Origin Roast," SARURA Ltd should adopt a **premium pricing strategy** supported by strong brand messaging and product differentiation. The current FRW 7,500 price point positions the product as a high-end, ethically sourced, specialty coffee, which aligns with the preferences of its target demographic—urban, middle-income, tech-savvy consumers.

Rather than lowering the price to compete with budget brands, SARURA Ltd should reinforce the product's value by highlighting its origin story, farmer impact, and superior quality. Value-added approaches such as offering bundled packs, branded merchandise, and subscription models can increase perceived value without compromising margins.

Additionally, SARURA Ltd can **segment pricing geographically or seasonally**. For instance, offering small trial packs or limited-time promotional codes can attract price-sensitive first-time buyers, while maintaining a premium baseline price. This strategy helps balance growth and brand integrity.

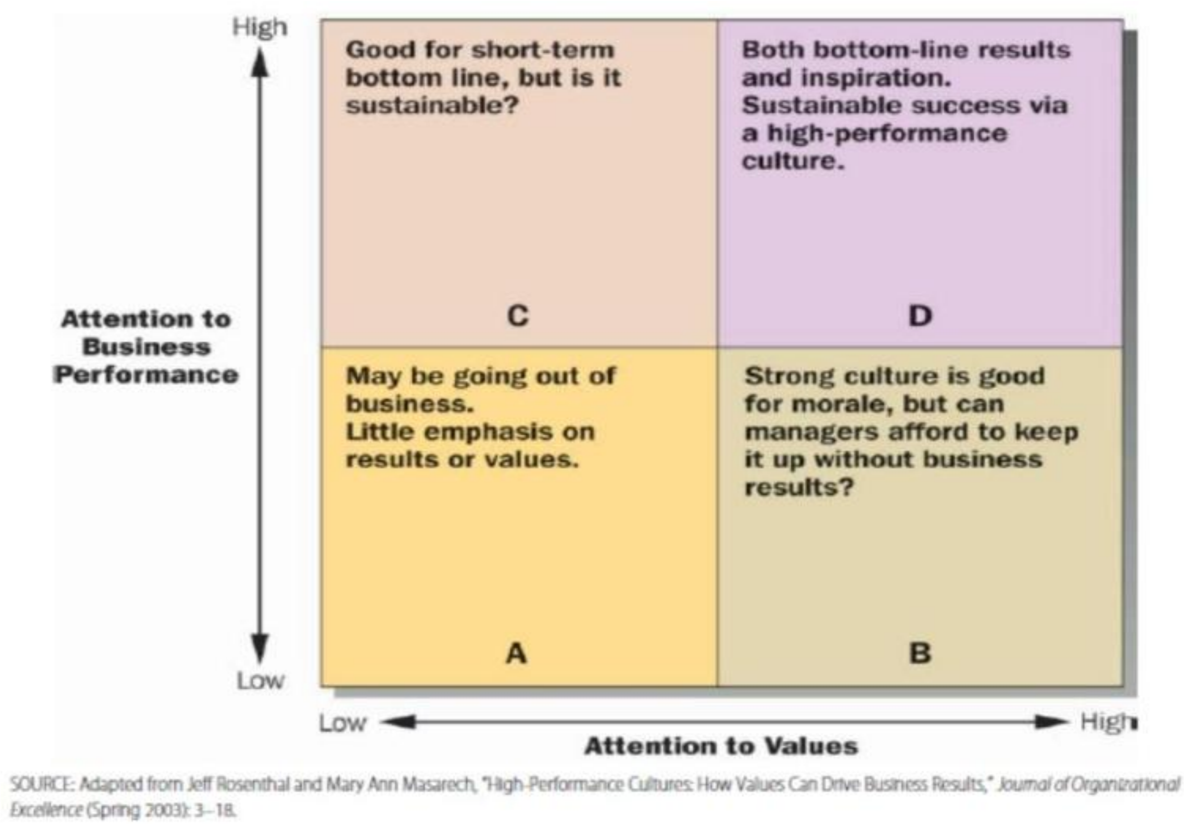
Given SARURA's narrow cost margins and ethical sourcing commitments, undercutting prices could be unsustainable. Therefore, the company's pricing should remain value-based, focusing on quality, transparency, and experience rather than competing solely on cost.

d) **Examine to what extent the company's leadership balances attention to cultural values with consideration to business performance and suggest practical ways in which SARURA Ltd can improve the management of its organisational culture as it grows.**

Companies that succeed in turbulent environments are those that pay attention to cultural values and business performance. Cultural values can energise and motivate employees by appealing to higher ideals and unifying people. In addition, values boost performance by shaping and guiding employee behaviour so everyone is aligned with strategic priorities.

In the matrix in Figure 1.2 below, four organisational outcomes are displayed based upon the relative attention managers pay to cultural values and business performance.

Figure 1.2: Combining culture and performance



SARURA Ltd's organisational culture

SARURA Ltd’s organisational culture is deeply mission-driven and rooted in values such as transparency, youth empowerment, and community support. This culture has been central to the company’s early growth and staff motivation. Employees describe the environment as collaborative and purpose-oriented, and many are drawn to SARURA’s emphasis on ethical trade and farmer empowerment.

However, as the company expands, its informal leadership style is beginning to clash with the need for structure and clarity. Staff turnover in production units, concerns about favouritism, and confusion among new middle managers suggest that cultural values may be prioritized at the expense of performance discipline.

The leadership currently lacks documented HR policies, formal delegation of authority, and structured performance systems. This creates risks of inefficiency, misalignment, and internal dissatisfaction.

Suggestions for Improving SARURA’s Organisational Culture:

Formalise cultural values through documentation: SARURA Ltd should develop and circulate a clear set of documented core values, a mission statement, and a staff code of conduct. These should be integrated into all onboarding materials and internal communication to ensure that all employees understand and align with the company’s culture, regardless of department or seniority.

Introduce structured performance management systems: The company should establish clear job descriptions, performance metrics, and regular review processes for all staff. This would help balance the focus on values with measurable accountability, reduce perceptions of favouritism, and support talent development.

Strengthen internal communication and feedback loops: Creating regular internal forums—such as monthly team briefings, anonymous staff surveys, or suggestion boxes—can give employees a safe and open platform to voice ideas or concerns. This reinforces inclusiveness and ensures leadership remains aware of evolving cultural dynamics.

Build leadership capacity and delegation skills: The founder and senior managers should receive training on leadership, delegation, and change management. As SARURA grows, a shift from informal control to distributed leadership will be key to sustaining a healthy culture while driving business performance.

SECTION B

QUESTION TWO

Marking guide – Question Two a) Effective change strategies

Recruitment	1
Work culture	1
Any other valid point (will attract 1 Mark)	1
Maximum marks	**2**

b) **Examine the five steps that would be considered by TAMR to effectively implement the required change process.**

Prepare for change	1
Create a vision for change	1
Implement the changes	1
Embed and solidify changes	1
Review and analyse	1
Any other valid point (will attract 1 Mark)	1
Maximum marks	**5**

c) Nine key components of a project management process Industry analysis

Goals	1
Scope	1
Key achievement	1
Timeline	1
Budget	1
Work break down structure	1
Human resource plans	1
Communications	1
Risk management	1
Quality standards	1

Any other valid point (will attract 1 Mark)	1
Maximum marks	**9**

d) How would TAMR ensure an effective evaluation of this strategy to ensure that the Ministry continues to support them.

Strategic evaluation well explained	1.5
Establish standards	1.5
Measure performance	1.5
Analyse results	1.5
Make adjustments	1.5
Set goals	1.5
Any other valid point (will attract 1.5 Marks)	1.5
Maximum marks	**9**

PROPOSED ANSWER THREE

a) You have been contracted by TAMR to act as their change manager. Explain to the management the circumstances under which TAMR may be required to build and deliver effective change strategies.

Circumstances for an effective change management strategy at TAMR are:
Implementing a new strategy – TAMR has been tasked with managing the project of delivering motorcycles to 66 individuals in Nyamabuye sector. Considering that this is something they are doing for the first time, and they are equally required to relocate, a move that has led to some staff members resign, automatically calls for a change strategy.
It is expected that there would be some recruitment to be done to replace those who resigned and probably a change in the Association's structure too.

A change in work culture may also require TAMR to also build and deliver an effective change strategy.

b) Examine the five steps that would be considered by TAMR to effectively implement the required change process.

The five steps required by TAMR to effectively implement a required change process are:

Prepare for change

TAMR's CEO or any other senior manager would be required to explain the changes that are happening at TAMR including the need to relocate to Nyamabuye sector so that they get prepared.

Create a vision for change

Once management has already agreed to this, a transformation strategy should be set and all the stakeholders involved should be aware. TAMR management should create a vision for this change.

Implement the changes

This step puts the change plans into action. TAMR would be required to effectively communicate, whilst ensuring that everyone is doing their duties and that employees are still happy and empowered. This will facilitate TAMR to run smoothly.

Embed and solidify changes

Once the changes have been made, TAMR will ensure the transformation is in place so that staff members don't slip back into old ways and this will maintain staff.

Review and analyse

The final stage of the process is important to make sure that changes continue and are beneficial. TAMR management would have to review what worked and what didn't work to make adjustments accordingly.

c) Describe nine key components of a project management process such as the one being undertaken by TAMR which the Operations Director should consider to ensure the project gets successful.

Project management refers to a process of overseeing the completion of a project while following specific criteria and timelines.

The nine key components of a project management process at which the TAMR's Operations Director (OD) should consider are:

Goals - When starting this project, the Operations Director will have to identify TAMR's objectives as well as the specific results TAMR will hope to achieve by completing the project.

Scope - The scope defines the project results, including what the end product looks like or how it performs. The OD will have to create the scope by identifying other project components, such as goals, quality standards, budgets and timelines.

Key achievement – The OD will equally need to identify the major milestones or deliverables that the assembled team will complete.

Timeline - After the scope and goals have been defined, a timeline for completing the project should also be determined. The OD along with the CEO will have to work with external stakeholders to help create and maintain deadlines to be met.

Budget - A budget demonstrates the amount of money allotted to the project. The CEO with support from the OD, will have the responsibility to allocate and track monetary resources.

Work break down structure - A work breakdown structure (WBS) divides the project into smaller tasks. These tasks support the completion of the project's defined milestones and deliverables. The OD will work with the CEO to ensure that this is done.

Human resource plans - Project management uses human resources plans to define the project's staffing. This plan outlines which employees will serve on a project team and the amount of time they will commit to it.

Communications - Effective communication is critical to tracking the progress and success of a project. The OD will create a plan that defines TAMR's communication expectations within the team and with other stakeholders.

Risk management - Not every project goes as planned, so the OD with CEO's support will need to recognize the potential challenges or risks TAMR may face by either creating a risk management plan or risk register to identify risks and determine strategies for handling them.

Quality standards – The OD will need to set quality standards for TAMR's end deliverables and the project itself through collaboration with relevant stakeholders.

d) TAMR is considering replacing fuel motorcycles with electric ones, and this move is highly welcomed by the Ministry authorities. To further render their support, they wish this strategy gets evaluated. How would TAMR ensure an effective evaluation of this strategy to ensure that the Ministry continues to support them, giving appropriate and relevant examples.

A strategic evaluation is an act of reviewing a particular corporate strategy to ensure that it's functioning correctly. The process involves looking back at the goals in TAMR's strategic plan and assessing how well they have performed.

Steps that can be taken to evaluate a strategy.

Establish standards
Before evaluating TAMR's strategy or policy, management will need to create a set of standards that will be used to measure the progress and goals of the new strategy. For example, they may set a standard of having reduced fuel motorcycles to be replaced by electric ones by 50% by the year 2024.

Measure performance

The above standard can thereafter be evaluated by gathering information about its performance. Through surveys for example, TAMR's technical team can establish the extent or number of electric motorcycles in Nyamabuye sector by December 2024 and the qualitative project impact in terms of green environment.

Analyse the results
After data has been obtained detailing how well a strategy functioned during a set period of time, say December 2024, TAMR team will then compare it to the standards that had been initially set, say 50 % reduction of fuel motorcyles.

Make adjustments
Modifications to the strategy may be conducted which would increase the possibility of achieving set goals, in case expected results have not been achieved. For example, if by December 2024, the 50% target has not been reached, TAMR may have to revise the strategy.

Set goals
After this evaluation and any necessary adjustments have been made, TAMR may now set goals for the next evaluation. If the previous evaluation indicated that only 30% of the target can be achieved, then new goals can be set based on that in mind.

QUESTION THREE

Marking Guide

Qn	Description	Marks	Total Marks
a)	Type of corporate parenting role YAKA Group is performing: The answer should clearly state the name of the role played, followed by a valid justification		
	Award 2 marks for a correct type, i.e., Synergy Manager, and justifying the goal	2	
	Award 2 marks for a valid justification, i.e., any feature of a Synergy Manager extracted from the case study	2	4
b)	Value-adding activities that YAKA Group: Answers should be sufficiently explained and in the context of YAKA Group. NB: Alternative valid answers offered by candidates but not in the model answer are equally acceptable		
	Award 2 marks for each well-explained valid activity, i.e., Envisioning; Facilitating synergies; Coaching; Providing central services and resources; Intervening, etc., to a maximum of 4 activities.	8	8

Qn	Description	Marks	Total Marks
c)	YAKA's Strategy Clock:		
	A good introduction or description of the Strategy Clock	2	
	A valid diagram of the Strategy Clock	1	
	YAKA Basic:		
	Award 1 mark for a correct category, i.e., Low Price Strategy. No additional marks for the justification	1	
	Award 1 mark for any correct driver for this strategy to a maximum of 4. i.e., Cost efficiency in sourcing and manufacturing; Operational scale; Lean product design. High turnover and strong cash flow; Brand clarity, etc.	4	
	YAKA Luxe:		
	Award 1 mark for a correct category, i.e., Differentiation Strategy. No additional marks for the justification	1	
	Award 1mark for any correct answer for this strategy to a maximum of 4 drivers. i.e., Product and service attributes; Customer relationships; Marketing and reputation; Complements; Cost discipline, etc.	4	13
Total Marks			**25**

Model Answer

a) (Based on information in the case study:
Identify which type of corporate parenting role YAKA Group is performing. Justify your answer with evidence.

Based on the case study, YAKA Group performs the role of a **Synergy Manager**. The goal is to ensure that collaborative efforts produce more value together than separately. The Group creates value by promoting collaboration across its distinct fashion brands, centralizing key services, and attempting to harness shared capabilities such as marketing, supply chain logistics, and procurement. Rather than acting purely as an investor (like a Portfolio Manager) or focusing on intensive support and development (as a Parental Developer), YAKA Group is actively seeking to generate value through the interdependencies among its business units. This is evident in its efforts to create economies of scale, encourage knowledge sharing, and unify customer experience across brands.

b) Discuss value-adding activities that YAKA Group, as a corporate parent, performs to support and strengthen its individual business units.

Value-Adding Activities of YAKA Group as a Corporate Parent:

Envisioning: YAKA Group sets out a bold strategic vision of becoming the leading fashion retail player in Rwanda while expanding regionally. This overarching purpose serves to motivate brand managers toward a shared goal and provides a cohesive narrative to external stakeholders. The clarity of vision disciplines the corporate parent from drifting into unrelated markets and ensures that the portfolio remains strategically focused.

Facilitating synergies: The Group provides platforms and structures for cooperation between business units—such as shared supply chain systems, joint promotional campaigns, and unified customer service protocols. By fostering inter-brand collaboration and possibly aligning incentives across managers, YAKA can extract value from its portfolio beyond what each unit could achieve alone.

Coaching: YAKA Group develops its brand managers by organizing cross-unit training programs and leadership development sessions. These sessions not only improve managerial skills but also cultivate trust and interpersonal networks that facilitate future cooperation. Managers who participate are more likely to recognize shared opportunities and best practices.

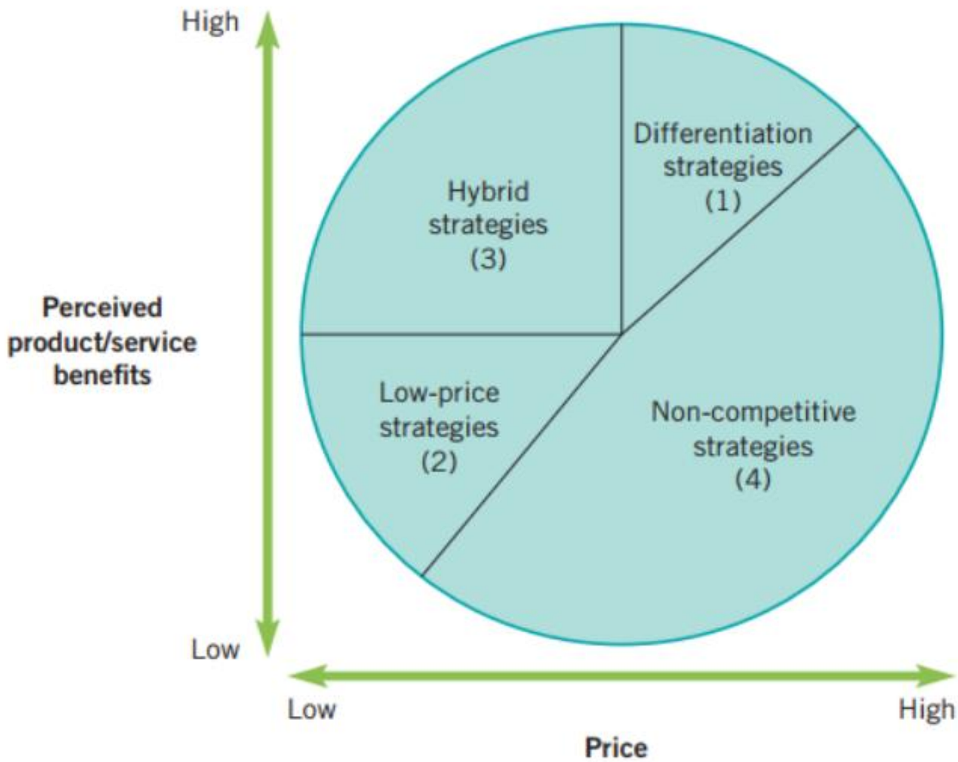
Providing central services and resources: YAKA's central office provides group-wide support in areas like HR, procurement, and digital transformation. For instance, combining procurement efforts increases bargaining power, especially for raw materials like textiles, packaging, and promotional media. Similarly, centrally coordinated HR systems help maintain a consistent culture and policy across brands.

Intervening: YAKA Group actively monitors performance across its business units and can intervene when underperformance is detected. This may include replacing managers, offering turnaround support, or facilitating access to expertise. It also challenges high-performing units to raise their strategic ambition and share their success models with others.

c)Using the strategy clock framework**, identify the appropriate strategic position for YAKA Basic and YAKA Luxe and explain the key drivers YAKA Group should focus on to succeed in each brand category.**

The Strategy Clock is a tool that allows for a dynamic approach while examining alternative generic strategies (see Figure 3.1) and gives more scope for *hybrid* strategies. The Strategy Clock has two distinctive features. First, it is focused on prices to customers rather than costs to the organisation, because prices are more visible than costs. The Strategy Clock can be easier to use in comparing competitors. Second, the circular design of the clock allows for more continuous choices than a sharp contrast between cost leadership and differentiation: there is a full range of incremental adjustments that can be made between the 7 o'clock position at the bottom of the low-price strategy and the 2 o'clock position at the bottom of the differentiation strategy. Organisations may travel around the clock, as they explore different directions for development and adjust their pricing and benefits over time.

Figure 3.1: The Strategy Clock



Using the Strategy Clock, YAKA Group positions its product lines **YAKA Basic** and **YAKA Luxe** in distinctly different zones of competitive advantage.

YAKA Basic – Low Price Strategy (Strategy Clock Position 2):

YAKA Basic targets budget-conscious customers through a strategy focused on **low cost and acceptable value**. The objective is to offer fashion essentials at prices that are lower than competitors while maintaining a threshold of quality. This position works best when the company achieves high volumes and operational efficiency.

Key drivers for low-price strategy:

- **Cost efficiency in sourcing and manufacturing:** YAKA Basic should seek suppliers that can deliver reliable, low-cost fabric and materials in bulk.
- **Operational scale:** The use of centralized logistics and large-scale procurement helps achieve economies of scale.
- **Lean product design:** Avoiding unnecessary features and offering standard cuts or designs helps maintain simplicity in production.
- **High turnover and strong cash flow:** Maximizing volume sales through seasonal promotions and rural retail presence is vital to sustain profitability at low margins.

- **Brand clarity:** Clear communication that the value proposition is affordable and reliable helps maintain trust in low-price segments.

YAKA Luxe – Differentiation Strategy (Strategy Clock Position 1):

YAKA Luxe is focused on **premium pricing through superior perceived value**. It relies on exclusive design, high-quality fabrics, curated collections, and brand image to appeal to style-driven urban professionals.

Key drivers for differentiation strategy:

- **Product and service attributes:** YAKA Luxe must continue to invest in exclusive design, better tailoring, and unique collections, possibly through local designer partnerships.
- **Customer relationships:** Personalized in-store experiences, VIP membership programs, and responsive after-sales services can increase brand loyalty and justify premium pricing.
- **Marketing and reputation:** Emotional branding, influencer marketing, and storytelling about limited editions or sustainability practices help enhance perceived value.
- **Complements:** YAKA Luxe could offer bundled accessories, styling advice, or custom fitting as part of the experience, increasing total value for the customer.
- **Cost discipline:** While differentiation allows for higher prices, YAKA Luxe must ensure that cost increases—especially in non-value-adding areas—are controlled to avoid eroding margins.

In conclusion, YAKA Group must ensure that each brand remains focused on its distinct position within the strategy clock framework, while the corporate parent supports each with the appropriate resources, oversight, and strategic clarity.

QUESTION FOUR: Nyandungu Tech Limited (NTL) and Nyamata Investments Limited (NIL):

Marking Guide:

Qn	Description	Marks	Total Marks
a	Work Breakdown Structure (WBS) for the NIL project:		
	A short introduction/description of what WBS is	1	
	The WBS for the NIL project:		
	Each of the 4 core tasks correctly plotted on the same level:		
	Core configuration	1	
	Area specific configuration	1	
	Enablement	1	
	Deployment of Agent desktop	1	

	Sub-tasks plotted/drawn below their respective core tasks (both vertical and horizontal drawings are acceptable):		
	Core configuration:		
	Data model and custom fields	0.5	
	Contact management configuration	0.5	
	Customisable menus	0.5	
	Area specific configuration:		
	Incident workflow	0.5	
	Designing Workspaces	0.5	
	Building Service Cloud Agent scripts	0.5	
	Enablement:		
	Solution overview demos	0.5	
	Workflow workshop for admins	0.5	
	Train the trainer sessions for each area	0.5	
	Deployment of Agent desktop:		
	Deployment test use on Citrix	0.5	
	Deployment Nyamata	0.5	
	Deployment Kigali	0.5	
	Presentation (Award marks for a correct WBS drawing/illustration which is drawn in hierarchical way)	1	12
b	NIL's McFarlan & McKenney Strategic IT Grid:		
	A short introduction/description of what the McFarlan & McKenney Strategic IT Grid is	1	
	Correctly mentioning the two management questions in the answer:		
	How important does management feel the current IT systems are to the business?	1	
	How important does management think future developments in IT will be for the business, e.g., the impact IT will have on how it operates?	1	
	Correctly identifying the quadrant in which NIL falls i.e. strategic quadrant or High Current quadrant. High Future Impact	1	
	Justification for the answer above included in the explanation:		
	IT plays a crucial role from a current and future perspective	1	
	IT has a strategic significance as it may sustain or improve competitive advantage	1	
	A valid diagram/illustration of the McFarlan & McKenney Strategic Grid	1	7
c	NIL's strategic direction:		
	A short but clear introduction/description to the Ansoff Matrix	1	

Correctly identifying the strategic direction pursued by NIL i.e. market penetration	2	
Justification for the answer above included in the explanation:		
Market share to increase by 30%	1	
Pursue growth using existing products	1	
A valid diagram/illustration of the Ansoff Matrix. No additional marks for a diagram with GBL's data inside the diagram but no penalty as well	1	6
Total Marks		**<u>25</u>**

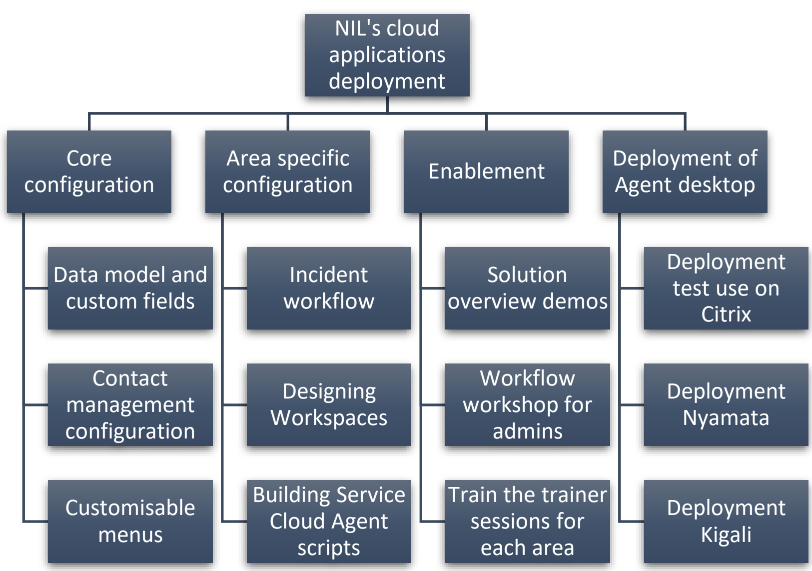
Model Answers:

a) You are a project officer in NTL. Using an appropriate diagram, **illustrate the key tasks in table 1 on a Work Breakdown Structure**.

The Project Management Body of Knowledge (PMBOK) defines a WBS as a hierarchical decomposition of the total scope of work to be carried out by the project team to accomplish the project objectives and create the required deliverables.

Key tasks for the NIL project can be illustrated on a WBS as below in figure 4.1:

<u>Figure 4.1: A WBS for the NIL project</u>



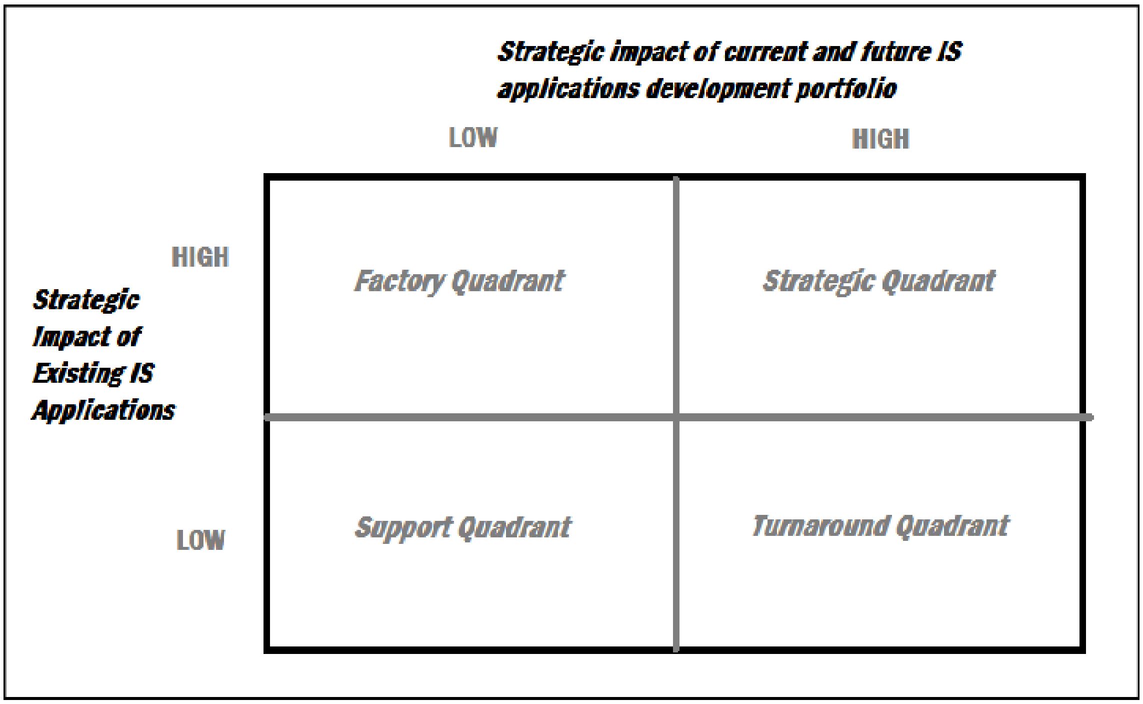
b) Applying the McFarlan & McKenney Strategic IT Grid, **examine the quote from NIL's board chair's inaugural keynote speech**. *Hint: Your answer should clearly indicate where NIL falls on the Strategic IT Grid and why*.

McFarlan and McKenney IT Grid is a tool that is used to look at a company at any point in time to try to determine how that company is using IT. IT can be used simply to support current operations. It might be a vital part of data processing, where the alternative, i.e., to revert to manual methods of processing, is simply unthinkable. IT might be absolutely vital in terms of how the company does its business currently and how it sees its business model developing in the future.

The grid has four quadrants built around two management questions (see figure 4.2):

- How important does management feel the current IT systems are to the business?
- How important does management think future developments in IT will be for the business, e.g., the impact IT will have on how it operates?

Figure 4.2: The McFarlan & McKenney Strategic Grid



The case study includes the following quote:

'Information Technology (IT) plays a crucial role to our company from a current and future perspective. You must embrace it in all our operations and accord it the strategic significance it deserves to improve competitive advantage.'

Looking at the quote, it appears that NIL's answers to the two questions above are HIGH. The company feels that IT plays a crucial role both currently and in its future.

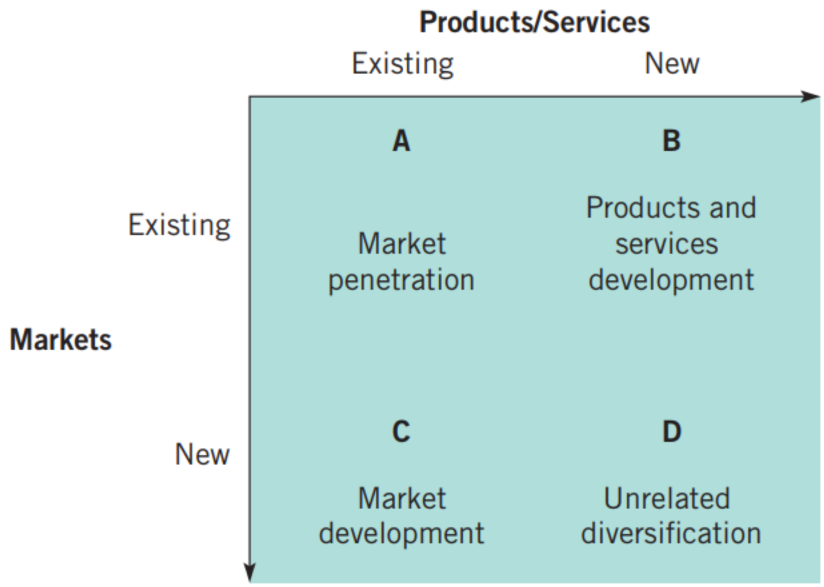
As such NIL falls on the **strategic quadrant** in figure 4.2. This is often known as the **High Current quadrant**. **High Future Impact**. A company in this quadrant believes that IT plays a crucial role from a current and future perspective. IT has a strategic significance as it may sustain or improve competitive advantage.

The quote above seems to reflect all of the characteristics of this quadrant. Why

c) With reference to the Ansoff Matrix, **identify and discuss NIL's strategic direction**.

The Ansoff Matrix (see figure 4.3), also called the Product/Market Expansion Grid, is a tool used by firms to analyse and plan their strategies for growth. The matrix shows four strategies that can be used to help a firm grow and also analyses the risk associated with each strategy. Ansoff's matrix offers strategic choices to achieve the objectives. There are four main categories for selection as illustrated in figure 4.3:

Figure 4.3: The Ansoff Matrix



From the information provided in the case study, NIL seems to be pursuing **market penetration**. Market penetration implies increasing share of current markets with the current product or service range. This means increasing revenue by, for example, promoting the product, repositioning the brand, and so on. However, the product is not altered, and the company do not seek any new customers.

Looking at the board's guidance to new management, the company has selected to pursue this strategic direction. The board wants the company's market share to increase by 30%. That is a key feature of the market penetration strategic direction. Further, this is cemented by the fact that the board is not keen on developing new products and will pursue growth using existing products.

End of Marking Guide and Model Answers