



MILLIONS

MANAGEMENT SOLUTIONS

**MANAJEMEN STRATEGIK
EXERCISE
MID TERM EXAM
ODD SEMESTER
2015/2016**



MID-TERM EXAM ODD SEMESTER ACADEMIC YEAR 2015/2016

Course : Strategic Management
 Lecturer : Lecturers/Teaching Assistants team
 Day, Date : Monday, 26 October 2015
 Time : 13.00 – 15.30 (2,5 hours)
 Type : Closed book

Instructions:

- Solve **ALL** of the followings problems and write your answers using a pen.
- You are not allowed to use calculator.
- You may start from any number/problem, but make sure that you finish all the subproblems in the same number sequentially.

Problem 1 (Weight 20%)

External Factor Evaluation (EFE) Matrix Hershey Company

Key External Factors	Weight	Rating	Weighted Score
Opportunities			
1. The global market is valued at approximately \$107.4 billion by 2010	0.08	4	0.32
2. Chocolate accounts for 55.8 percent of the market's overall global value	0.09	3	0.27
3. There has been many mergers and acquisitions in the confectionery industry	0.05	3	0.15
4. Organic foods products are one of the fastest growing sectors in the United States with a projected value of \$26.3 billion by 2011	0.1	3	0.3
5. The major 50 firms in the industry control less than 40 percent of the market	0.06	3	0.18
6. The confectionery industry is fragmented with consumer tastes that drive the diverse demand for products in the industry which range from gums and jelly beans to chocolate products	0.06	3	0.18
7. Due to product's price point, the recession does not impact confectionery products	0.08	4	0.32

drastically			
Threats			
1. Obesity is increasing drastically and consumers have become more health conscious	0.09	2	0.18
2. Consumers are becoming more aware of the nutritional value of the ingredients in products they are purchasing	0.08	2	0.16
3. More consumers are demanding to organic and nonadulterated products	0.07	2	0.14
4. Wholesale sugar prices in the U.S. were up more than 70 percent in the first eight months of 2009, reaching a near 30-year high of 22.21 cents a pound.	0.07	2	0.14
5. It is expected that that international wholesale sugar prices may reach 40 cents a pound	0.06	1	0.06
6. Due to high unemployment, many consumers are cutting back in buying items that are not a necessity	0.05	3	0.15
7. Increase in fuel cost could impact the distribution and shipping costs	0.06	2	0.12
Total	1.00		2.67

CPM – Competitive Profile Matrix

Critical Success Factors	Weight	Hershey		Nestle		Cadbury		Mars	
		Rating	Weighted Score	Rating	Weighted Score	Rating	Weighted Score	Rating	Weighted Score
Price competitiveness	0.14	2	0.28	1	0.14	3	0.42	4	0.56
Global Expansion	0.08	2	0.16	4	0.32	1	0.08	3	0.24
Organizational Structure	0.02	3	0.06	2	0.04	1	0.02	4	0.08
Employee	0.03	3	0.09	2	0.06	1	0.03	4	0.12

Morale									
Technology	0.08	3	0.24	3	0.24	1	0.08	4	0.32
Product									
Safety	0.11	2	0.22	1	0.11	4	0.44	3	0.33
Customer									
Loyalty	0.10	4	0.40	2	0.20	1	0.10	3	0.30
Market									
Share	0.08	1	0.08	2	0.16	4	0.32	4	0.32
Advertising	0.09	2	0.18	3	0.27	1	0.09	4	0.36
Product									
Quality	0.10	3	0.30	2	0.20	4	0.40	1	0.10
Product									
Image	0.11	4	0.44	3	0.33	1	0.11	2	0.22
Financial									
Position	0.06	3	0.18	4	0.24	1	0.06	2	0.12
Total	1.00		2.63		2.31		2.15		3.07

1. From the External Matrix and Competitive Profile Matrix of Hershey company above, explain Hershey's position in the market. (Use at least 5 sentences)
2. Derive the possible strategies for Hershey and explain your rationale for using those strategies.

Problem 2 (Weight 20%)

Being a socially responsible business not only gives an organization a good public image as one of the most admired companies to work at. Yet, debates are still occurring among strategists that, on one hand, some strategists argued that some organizations have more assets than a country and because of this, such firms have a social obligation to help for the betterment of society. On the other hand, other strategists argued that organizations have no obligation to do any more for society than is legally required. Despite of this debate, what is the main issue that organizations have to ensure before conducting social responsibility? And what are the considerations that organizations should examine before conducting social activities? Strengthen your answer by giving an example!

Problem 3 (Weight 20%)

Explain and give an example of the implementation of Resource-Based View (RBV) in evaluating the internal condition of a company!

Problem 4 (Weight 20%)

The condition of PT. Bumi Resources, a go public company in the mining industry, has IFE score 1.5 and EFE score 1.2. Facing such condition, PT. Bumi Resources chose to implement the strategies of new product development, vertical integration to the upper industry, and launching new stocks. Please analyze the strategies that are used by PT. Bumi Resources. If

you have an opinion that those strategies are wrong, explain in which part those strategies are wrong. In addition, please give the alternative strategies which you consider are more appropriate.

Problem 5 (Weight 20%)

Explain by giving an example on how the company corporate strategies that you have chosen in Problem 4 (case: PT. Bumi Resources) are implemented in its functional strategy (in this case, choose the function that becomes your course concentration as a management student: *finance or accounting/marketing/human resources/operation*)?

-Good luck-