



Business Management Pillar

Managerial Level

P5 – Integrated Management

24 November 2005 – Thursday Morning Session

Instructions to Candidates

You are allowed three hours to answer this question paper
You are allowed 20 minutes reading time before the examination begins during which you should read the question paper and, if you wish, make annotations on the question paper. However, you are not allowed, under any circumstances , to open the answer book and start writing or use your calculator during this reading time.
You are strongly advised to carefully read all the question requirements before attempting the question concerned (that is, all parts and sub-questions). The question requirement for Sections B and C is contained in a dotted box.
Answer the ONE compulsory question in Section A. This has eight objective test sub-questions on pages 2 to 4.
Answer ALL three compulsory questions in Section B on pages 5 and 6.
Answer TWO of the three questions in Section C on pages 7 to 9.
Write your full examination number, paper number and the examination subject title in the spaces provided on the front of the examination answer book. Also write your contact ID and name in the space provided in the right hand margin and seal to close.
Tick the appropriate boxes on the front of the answer book to indicate which questions you have answered.

P5 – Integrated Management

TURN OVER

SECTION A – 20 MARKS

[the indicative time for answering this section is 36 minutes]

ANSWER ALL EIGHT SUB-QUESTIONS

Instructions for answering Section A:

The answers to the eight sub-questions in Section A should ALL be written in your answer book.

Your answers should be clearly numbered with the sub-question number and ruled off so that the markers know which sub-question you are answering. For multiple choice questions you need only write the sub-question number and the letter of the answer option you have chosen. You do not need to start a new page for each sub question.

Question One

1.1 Identify which ONE of the following strategies should be used to deal with stakeholders who have high power but low interest:

- A Keep informed
- B Minimal effort
- C Keep satisfied
- D Key player

(2 marks)

1.2 The cultural dimension that describes a cultural value where individuals are expected to take care of themselves is referred to by Hofstede as:

- A Individualism
- B Collectivism
- C Power distance
- D Masculinity

(2 marks)

1.3 According to transaction cost theory, the mechanisms that organisations have to choose between to control their resources and carry out their operations are:

- A Markets or structures
- B Hierarchies or markets
- C Structures or culture
- D Hierarchies or culture

(2 marks)

1.4 Which ONE of the following is a part of the 'identification of need' phase of the project life cycle:

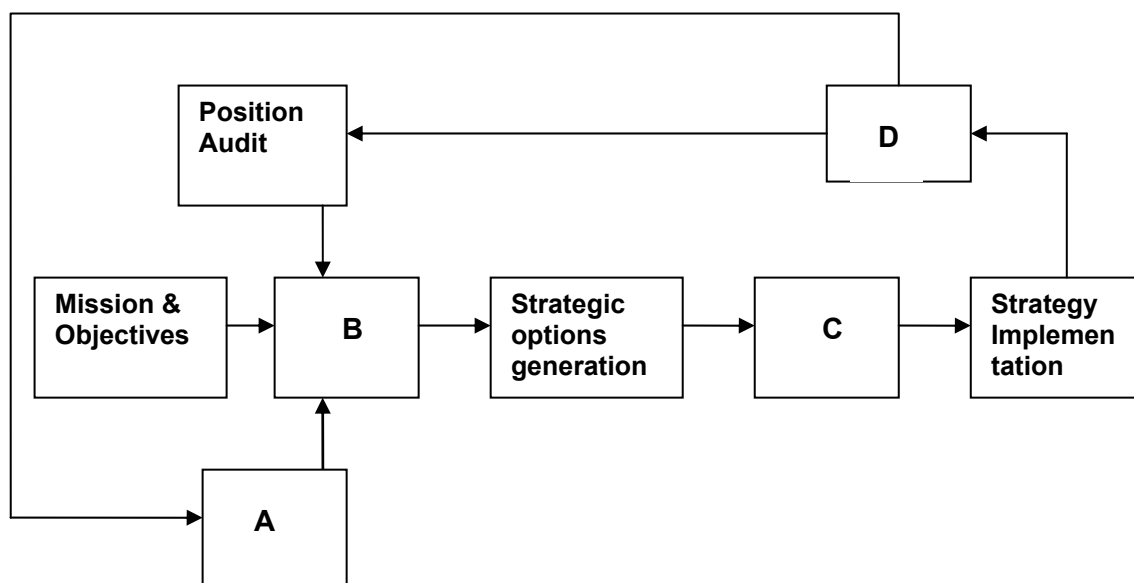
- A The Completion Report
- B The Milestone Review
- C Project scheduling
- D The project initiation document

(2 marks)

1.5 List **three** benefits of mentoring.

(3 marks)

1.6 Identify the missing words needed to complete the rational model of strategic management. Record your answers by making reference to the corresponding letters **A**, **B**, **C** and **D**.



(4 marks)

TURN OVER

1.7 Complete the gaps to determine the four stages in the project lifecycle.

(1) Identification of a need; (2)_____ (3) Implementation; (4)_____.

(2 marks)

1.8 Briefly explain the interests of a 'project owner'.

(3 marks)

(Total for Section A = 20 marks)

End of Section A

SECTION B – 30 MARKS

[the indicative time for answering this Section is 54 minutes]

ANSWER ALL THREE QUESTIONS - 10 MARKS EACH

Question Two

N Airline operates in the short haul flight industry. Unlike many of its competitors who are constantly seeking to reduce costs, often at the expense of customer service, the foundation of N's business strategy is based on providing a superior quality of service. Its mission is to be market leader, providing unrivalled customer service, in flight comfort and reliability in the short haul airline industry. N Airlines views its customers as central to strategic developments, and values its staff in building success.

Required:

- (a) Distinguish between the concepts of mission and objectives.

(4 marks)

- (b) Using examples, illustrate how the mission for N Airline could be translated into strategic objectives.

(6 marks)

(Total for Question Two = 10 marks)

Question Three

R Company, a manufacturer and retailer of fashion clothes, has invested in a new technology system to improve the logistics of the movement of clothes between its warehouses and chain of 250 retail outlets. Ensuring that the outlets have the right supply of clothes is a critical success factor for the company.

However, the warehousing stock control and logistics project set up to develop and deliver the new system has experienced numerous problems. The project ended up being well over budget and was also late in delivering the system. Now, only three months after the new system has been installed, it is apparent that the project has not delivered its objective. Instead, the company is facing a crisis with many store managers complaining that they are not receiving the correct stock. Even worse, some stores are out of stock of key ranges, whereas the warehouses are full of clothing.

A meeting between the project team and project sponsor has ended up with everyone blaming each other, saying it was not their responsibility. It is clear that they did not use a project management methodology and did not have adequate project control systems in place so that the problems that have now transpired could have been identified and rectified earlier in the project lifecycle.

Required:

Recommend to R Company a project management methodology/approach, explaining how it could have helped to prevent the failures of the warehousing, stock control and logistics project.

(Total for Question Three = 10 marks)

Question Four

S has recently been appointed as the Finance Department Manager in Z Company. During the first month in her new role she has observed that one member of staff, C, is underperforming. C is frequently arriving late to work with no explanation and he is taking extended lunch breaks without permission. He is also making errors and refuses to do certain tasks which are part of his role. One of his colleagues has spoken to S confidentially, saying that C's poor performance in his work is having an adverse impact on the rest of the team.

It is apparent that the problems have been going on for some time but the previous manager had preferred to ignore them. S has decided that she must now take action on what appears to be a disciplinary case, but is unclear on how to deal with the situation.

Required:

Explain to S the stages involved in taking disciplinary action against C.

(Total for Question Four = 10 marks)

(Total for Section B = 30 marks)

End of Section B

SECTION C – 50 MARKS

[the indicative time for answering this section is 90 minutes]

ANSWER ANY TWO QUESTIONS FROM THIS SECTION – 25 MARKS EACH

Question Five

X Company is a global consultancy company specialising in organisational change and re-structuring. The service offered to clients usually involves the formation of teams to carry out change projects in companies. The teams are drawn from different areas of X Company, based around different specialisms.

T, the HR Director, is concerned that the methods of recruitment and selection for new consultants has emphasised the skills associated with particular specialisms, for example marketing expertise, technology or financial technical skills. He feels that insufficient attention has been given to the skills of the project manager which are essential to the success of the company's project based work.

As a result, he has recently introduced a new recruitment and selection system, which includes a specification of the skills the company should be looking for in future project managers. One of the selection tests he has devised will involve candidates in delivering a presentation which explains why they may need to use different styles of leadership during a project and provides examples of the other key skills that they feel a project manager should possess.

Y recently applied for a job in X Company, specialising in finance, and whilst confident that he has the financial expertise required, he is less certain about the project manager skills he might need. He is pleased that he has been short listed for interview and is researching what he might include in his presentation. As part of this he has asked you to help him to understand the key skills of an effective project manager.

Required:

- (a) Explain to Y how an understanding of leadership style theories could help him to be more effective as a project manager.

(10 marks)

- (b) Describe the other project manager skills, besides leadership skills, that Y should include in his presentation, explaining why they are important.

(15 marks)

(Total for Question Five = 25 marks)

TURN OVER

Question Six

F Company is a medium sized business that manufactures electrical kitchen appliances including food processors, toasters, juicers and coffee makers. In the last twelve months the company has lost market share to its competitors and has underperformed on most of its key performance indicators. Its future survival is threatened as new entrants are stealing market share and the customers are demanding new product and design features.

G, the company's management accountant, suggests that F Company's difficulties are because it has been too complacent, not responding to changing environmental conditions and not having undertaken any formal strategic planning. He is also concerned that different areas of the company appear to be pursuing conflicting objectives.

To help the company develop a sustainable competitive advantage, G proposes that a more formal top down approach to developing business strategy should be adopted. He is also of the view that greater emphasis should be placed on understanding the external environment.

However, at a recent meeting where G outlined the benefits that a more formal approach to planning would bring, he was surprised that P, the HR director, disagreed. P argued that the dynamic environment that F Company operates in means that the formal approach is a waste of management time. She suggested that the company should assess how sustainable competitive advantage can be achieved through using its unique combination of resources, skills and capabilities.

Required:

- (a) Explain the benefits and drawbacks associated with F Company adopting a top down approach to the formulation of business strategy. *(12 marks)*
- (b) Compare and contrast the different views held by G and P on how F Company can gain competitive advantage. *(13 marks)*

(Total for Question Six = 25 marks)

Question Seven

T has just returned to his job in the Finance Department of Z Company, having spent the last six months as a member of a project team working on the development of an Educational Visitors Centre for the company.

Reflecting on his experiences whilst working on the project, he feels that most of his time was spent in meetings that did not achieve anything, but rather wasted his time. He also feels that the final stages of the project were not dealt with effectively, with the project members going back to their functional jobs without any discussion or feedback on the project performance and outcomes.

He has now been asked to take on the role of project manager for a new project and is determined that he will improve the experience for his project team.

Required:

- (a) Discuss the problems that may be associated with project meetings. Make recommendations on the methods T could use to ensure the meetings he arranges as project manager, are effective.

(15 marks)

- (b) Evaluate the contribution of the various activities that should be carried out as part of project closure, the post completion review and audit of the project.

(10 marks)

(Total for Question Seven = 25 marks)

(Total for Section C = 50 marks)

End of Question Paper

[This page is blank]

[This page is blank]

Business Management Pillar

Managerial Level Paper

P5 – Integrated Management

May 2005

Thursday Morning Session