



JUNE EXAMINATION

PROGRAMME : HUMAN MOVEMENT STUDIES
MODULE NAME : STRATEGIC MANAGEMENT IN SPORT
MODULE CODE : SPB14X7 HMS8X18
DATE : JUNE 2014
DURATION : 3 HOURS
TOTAL MARKS : 100

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MODERATOR : LI SMIT
NUMBER OF PAGES : THIS PAPER CONSISTS OF THREE (3) PAGES

INSTRUCTIONS TO CANDIDATES:

MAKE SURE THAT YOU HAVE THE COMPLETE PAPER.

THIS IS AN OPEN BOOK ASSESSMENT.

ANSWER ALL THE QUESTIONS.

QUESTION PAPERS ARE TO BE HANDED IN

QUESTION 1

You have been asked by the top management of a Pretoria based company to act as management consultant. The company, MSP Sporting (Pty) Ltd, has never had a formal strategic plan. The company was founded in 1986 and has changed ownership, and name, several times. Initially it was a family owned business, but as it grew, it was sold off by the original owners. In 2010, the company, which at that stage was known as Sporting Concepts, was bought by MSP, an Indian multinational company. Originally, MSP, started as a manufacturer of subcomponents for mobile phones, but diversified into the clothing industry about ten years ago.

Before being bought by MSP, MSP Sporting (then Sporting Concepts) offered an array of sport management services such as player management, team (franchise) branding and marketing as well as sport event management. Their services were specialised toward cricket, football and rugby, but they also geared their services toward other sports such as hockey, netball, athletics and tennis; with some success. They employed ex-professionals in the different sporting codes that they targeted and were proud that they offered services “to sportsmen, by sportsmen” and always had the best interest of the player, team and code in mind. Their services were exclusive, tailor made and they charged a premium for their services.

The buy-out and subsequent re-branding into MSP Sporting, brought about severe changes, all forced upon them by the holding company, MSP. First, they were forced to refocus their sports management services to the codes of cricket, rugby and soccer. The ‘minor’ sporting codes were dropped. Secondly, player management as well as franchise marketing and branding was dropped in favor of merchandising and apparel. Thus after the enforced changes, MSP Sporting markets and sells sporting apparel and merchandise in the codes of cricket, rugby and soccer and they also focus on sports event management.

The strategic direction of MSP Sporting has not changed since the days that it was still Sporting Concepts, and so their vision is as follows:

To deliver the finest sports management related services money can buy.

The five values that were central to Sporting Concepts, are still applicable, these being:

Professionalism

Promptness

Innovation

Knowledge

Success

MSP Sporting has shown very high staff turnover since the buy-out, which is alarming to the top management of the company. Indeed, just after the buy-out, many posts were redundant and people were retrenched, but even apart from that, staff turnover is high. At present, less than 15% of staff currently employed, worked there before the buy-out. Also, the company is currently operating at a loss as it is struggling to attract business.

All the changes that have occurred have left the management of the company feeling that they have no say in the business anymore and they feel that everything is being controlled by the holding company, MSP. Since the buy-out, the management of MSP Sporting has not had a strategic planning session. Currently, the management of the company are acting more like administrators than business leaders. They seem demotivated and disinterested.

The top management of MSP Sporting is worried about the future of the company. They realise that something must be done, and that is why they have acquired your services as a highly recommended consultant on strategic management issues

You have been asked by the top management of MSP Sporting to develop recommendations in the form of a strategic plan. You have decided that you will write it up as a report to MSP Sporting's top management

In your report, be sure to include the following:

- Determine the strategic intent of the company 15
- An analysis of the business environment within which the company operates 25
- Where MSP Sporting's competitive advantage lays, or should lay 10
- Assess whether the current generic competitive strategy of the company is aligned to its' strategic intent 15
- Issues that could impact on the successful implementation of strategy 20
- Global challenges that effect the way MSP Sporting conduct their business 15

[TOTAL MARKS: 100]

Memorandum

Setting model answers is extremely difficult for this scenario. A myriad of answers can be forthcoming. However, further to the substantive content of the answers, the following acts as a rough guide for assessing answers:

FACTOR	WEIGHTING	MARK
Structuring of argument <ul style="list-style-type: none"> Is the argument logically structured (sub-headings) and does the structure make logical sense 	10	
Taking a stance <ul style="list-style-type: none"> Does the student have an informed opinion that they defend in the answer 	15	
Substantive argument <ul style="list-style-type: none"> See bullet points below specific to each question 	40	
Arguing the point <ul style="list-style-type: none"> Does the argument rationally progress and “go somewhere”; free of bias and personal opinion. Are all sides of the argument presented or is it a one sided argument 	20	
Conclusion and synthesis <ul style="list-style-type: none"> Is there a proper conclusion – not merely a summary of the argument. This should be the “outcome” of the argument; true synthesis – shedding new light on the issue or looking at the issue from a different angle. 	15	

Use this basic rubric for all questions, and then convert to the mark per question.

- Determine the strategic intent of the company

Answer needs to present vision, mission (or purpose), company values and statement of competitive advantage

- An analysis of the business environment within which the company operates

The answer must show that internal environment, the market environment as well as the external (or macro) environment has been considered in the analysis. Furthermore a combination of the following methods of environmental analysis must be forthcoming and it must incorporate internal and external environmental methods of analysis:

- SWOT analysis (internal and external)
- Value Chain analysis (internal)
- Competitive Forces model (external)
- Resource Based View (internal)
- PESTE analysis (external)

- Where MSP Sporting's competitive advantage lays, or should lay
Irrespective of the detail, answers must show that the competitive advantage is forthcoming from a competency the organisation possesses, that it is a definite discernable advantage the organisation has and that the organisation needs to protect this advantage.

- Assess whether the current generic competitive strategy of the company is aligned to its' strategic intent
irrespective of the strategy chosen (choice between low cost, differentiation, quick response and best cost strategies), it must make sense given the strategic intent as well as the environmental constraints of the company

- Issues that could impact on the successful implementation of strategy
These issues should include aspects to do with resource deployment, budgeting, organisational structure and staffing, and leadership.

- Global challenges that effect the way MSP Sporting conduct their business
Hereone has to look at how the student argued the issue. The discerning factor is that these issues must be forthcoming from outside the borders of South Africa