



**COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT OF BUSINESS MANAGEMENT  
SUMMATIVE ASSESSMENT (Supplementary)**

**SUBJECT:** Commerce

**CODE:** Com100

**DATE:** January 2018

**TIME ALLOWED:** 120 Minutes

**TOTAL MARKS:** 100

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**ASSESSOR(S):** Mrs S Hughes

**MODERATOR:** Mrs S Bronkhorst

**NUMBER OF PAGES:** 23 pages

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**INSTRUCTIONS:**

- This is a closed-book assessment.
- Question papers must be handed in together with your answer books.
- Read the questions carefully and answer only what is asked.
- Answer all the questions:
  - Answer **section A** at the back of the answer book. Indicate the correct answer as per the instructions.
  - Answer **section B** in the answer book.
- Number your answers clearly.
- Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
- Structure your answers by using appropriate headings and subheadings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment



## KOLLEGE VAN BESIGHEID EN EKONOMIE DEPARTEMENT ONDERNEMINGSBESTUUR SUMMATIEWE ASSESSERING (Aanvullend)

**VAK:** Ondernemingsbestuur

**KODE:** Com100

**DATUM:** January 2018

**TOEGELATE TYD:** 120 minute

**TOTALE PUNTE:** 100

**ASSESSOR:** Mev. S. Hughes

**MODERATOR:** Mev. S. Bronkhorst

**GETAL BLADSYE:** 23 bladsye

### INSTRUKSIES:

- Dit is 'n toeboekassessering.
- Vraestelle moet saam met jou antwoordskrifte ingedien word.
- Lees die vrae sorgvuldig deur en beantwoord net wat gevra word.
- Beantwoord al die vrae:
  - Beantwoord **Afdeling A** agterin die antwoordskrif. Dui die korrekte antwoord volgens die instruksies aan.
  - Beantwoord **Afdeling B** in die antwoordskrif.
- Nommer jou antwoorde duidelik.
- Skryf netjies en leesbaar aan albei kante van die papier in jou antwoordskrif en begin op die eerste bladsy.
- Struktureer jou antwoorde deur toepaslike opskrifte en onderopskrifte te gebruik.
- Die algemene beleide, prosedures en reëls van die Universiteit van Johannesburg met betrekking tot assessorering is op hierdie assessorering van toepassing.

**SECTION B****[60 MARKS]****PLEASE READ THE CASE STUDY BELOW AND THEN ANSWER THE QUESTIONS THAT FOLLOW:****Tiger Brands**

Founded in 1921 by Jacob Frankel, with some help from Joffe Marks, Tiger Brands Limited – formerly known as Tiger Oats Limited – was built on the strength of family businesses and the spirit of entrepreneurship.

**Our Vision**

To be the world's most admired branded consumer packaged goods company in emerging markets.

**Our Mission**

To be a high performing, fast-moving consumer goods company with leading brands, operating across the globe in several selected emerging territories.

Milestone	Year
Acquires 63,35% interest in Dangote Flour Mills in Nigeria and the Mrs Ball's trademark	2013
Further African expansion by acquisition of interests in the East African Group of Ethiopia, Deli Foods of Nigeria and Davita, a South African exporter of powdered seasoning and beverages	2011
Further expands branded portfolio by acquisition of Crosse & Blackwell	2009
Extends African footprint by acquisition of controlling stake in Haco Industries of Kenya and Chococam of Cameroon	2008
Unbundles and separately lists Adcock Ingram	2008
Expands branded portfolio by acquiring Bromor Foods, with key brands Oros, Energade and Rose's	2007
Acquires the sugar confectionery businesses of Nestlé, including Jelly Tots	2006
Tiger Brands unbundles and separately lists Spar	2004
Tiger Brands unbundles and separately lists its animal feed and poultry operations into Astral Foods	2001
Adcock Ingram becomes a wholly owned subsidiary of Tiger Brands and delists from the JSE	2000
Tiger Oats renamed Tiger Brands	1999
Acquires stake in Empresas Carozzi of Chile	1998
Tiger Oats acquires ICS Holdings Limited (formerly the Imperial Cold Storage and Supply Company)	1993

**AFDELING B****[60 PUNTE]****LEES ASSEBLIEF DIE GEVALLESTUDIE HIERONDER EN BEANTWOORD DAN DIE VRAE WAT VOLG:****Tiger Brands**

Gestig in 1921 deur Jacob Frankel, met 'n bietjie hulp van Joffe Marks, is Tiger Brands Beperk – voorheen bekend as Tiger Oats Beperk – gebou op die sterkte van familiesake en die gees van entrepreneurskap.

**Ons Visie**

Om die wêreld se gesogste maatskappy vir verpakte verbruikershandelsmerkgoedere in ontluikende markte te wees.

**Ons Missie**

Om 'n sterk presterende, vinnig bewegende verbruikersgoederemaatskappy met vooraanstaande handelsmerke wat oor die hele wêreld in etlike uitgesoekte ontluikende streke werkzaam is, te wees.

<b>Mylpaal</b>	<b>Jaar</b>
Verkry 63,35% belang in Dangote Flour Mills in Nigerië en die Mrs Ball's handelsmerk	2013
Verdere uitbreiding in Afrika deur verkryging van belang in die Oos-Afrika groep van Ethiopië, Deli Foods van Nigerië en Davita, 'n Suid-Afrikaanse uitvoerder van fyngemaakte smaakmiddels en drank	2011
Brei handelsmerkportefeuilje verder uit met verkryging van Crosse & Blackwell	2009
Brei Afrika-voetspoor uit deur verkryging van beherende aandeel in Haco Industries van Kenia en Chococam van Kameroen	2008
Ontbondel en noteer Adcock Ingram apart	2008
Brei handelsmerkportefeuilje uit deur Bromor Foods, met die sleutelhandelsmerke Oros, Energade en Rose's te verkry	2007
Verkry die suikerbanketbesighede van Nestlé, Jelly Tots ingesluit	2006
Tiger Brands ontbondel en noteer Spar apart	2004
Tiger Brands ontbondel en noteer sy dierevoer- en pluimveebdrywighede apart in Astral Foods	2001
Adcock Ingram word 'n volfiliaal van Tiger Brands en denoteer van die JSE	2000
Tiger Oats word Tiger Brands hernoem	1999
Verkry aandeel in Empresas Carozzi van Chili	1998
Tiger Oats verkry ICS Beherend Beperk (voorheen die Imperial Cold Storage and Supply Company)	1993

CG Smith unbundled from Barlow Rand	1982
Barlow Rand (now Barloworld) acquires majority share in Tiger Brands through CG Smith Limited	1944
Tiger Oats and National Milling Company Limited incorporated and listed on the JSE	1925
Tiger Brands logo registered	1920
Jacob Frankel establishes business in Newtown, Johannesburg	1920

And such is the nature of Tiger Brands' colourful history – steeped in stories of bold moves, belief and brilliance. Tiger Brands employs approximately 21 474 workers across Africa, excluding seasonal and casual workers.

**Leading Brands include:** Albany; Tastic; Jungle; KOO; Black Cat; All Gold; Oros; Doom; Purity; Enterprise; Energade; Ingram's; Fati's & Moni's; and Maynards.

#### **The key divisions, holding leading brands, are**

- Grains – milling, baking, breakfast, rice and pasta
- Consumer – groceries, home, personal and baby care, perishables, snacks, treats and beverages
- International – Chile, Cameroon, Nigeria, Ethiopia, Kenya, Zimbabwe
- Exports - Langeberg & Ashton Foods and Davita Trading.

#### **Career Opportunities**

Tiger Brands offers career opportunities across a wide range of disciplines. Through our significant operations both locally and internationally, we offer our employees excellent career development opportunities to either advance their career within a specific business or laterally across different functions.

Management Trainee Programme; Tiger Brands takes graduate recruitment very seriously. Newly qualified professionals are the lifeblood of a growing organisation! Tiger Brands actively seeks graduates who are self-motivated team players, efficient, flexible and able to think on their feet in an ever-changing world. The Tiger Brands Management Trainee Programme is a 24 month accelerated development programme which aims to recruit bachelors degree graduates who demonstrate the potential to reach senior leadership positions in the organisation. MT's across various disciplines are selected and taken through a structured combined learning programme which intends to prepare them for managerial roles.

#### **Logistics**

Visibility, flexibility and cost savings for Tiger Brands with Imperial Managed Logistics' consolidated transport solution. Imperial Managed Logistics' partnership with Tiger Brands is founded on operational excellence and a commitment to continuously drive efficiencies and improvements throughout the FMCG giant's network. This differentiates Imperial Managed Logistics from transactional based transport service providers, and it is enabling Tiger Brands to compete even more competitively in the consumer marketplace.

CG Smith ontbondel van Barlow Rand	1982
Barlow Rand (nou Barloworld) verkry meerderheidsaandeel in Tiger Brands deur CG Smith Beperk	1944
Tiger Oats en National Milling Company Beperk geïnkorporeer en op die JSE genoteer	1925
Tiger Brands logo geregistreer	1920
Jacob Frankel vestig besigheid in Newtown, Johannesburg	1920

En so is die aard van die Tiger Brands se kleurvolle geskiedenis – deurtrek van stories van dapper skuiwe, oortuiging en buitengewone knapheid. Tiger Brands het ongeveer 21 474 werkers oor die hele Afrika in diens, seisoenale en tydelike werkers uitgesluit.

**Vooraanstaande handelsmerke sluit in:** Albany; Tastic; Jungle; KOO; Black Cat; All Gold; Oros; Doom; Purity; Enterprise; Energade; Ingram's; Fattis & Monis; en Maynards.

#### **Die sleutelafdelings wat toonaangewende handelsmerke aanhou:**

- Graan – meulenaarsbedryf, gebak, ontbyt, rys en pasta
- Verbruiker - kruideniersware, huis, persoonlike en babasorg, bederbare produkte, peuselhappies, lekkernye en drank
- Internasionaal – Chili, Kameroen, Negerië, Ethiopië, Kenia, Zimbabwe
- Uitvoere - Langeberg & Ashton Foods en Davita Trading

#### **Loopbaangeleenthede**

Tiger Brands bied loopbaangeleenthede oor 'n wye verskeidenheid dissiplines. Deur ons beduidende werkzaamhede, plaaslike en internasionaal, bied ons aan ons werknemers uitstekende loopbaanontwikkelingsgeleenthede om óf hul loopbaan in 'n spesifieke besigheid te versterk óf lateraal oor verskillende funksies heen.

Bestuursleerlingprogram; Tiger Brands neem gegradeerde werwing baie ernstig op. Nuut gekwalifiseerde beroepschlui is die lewensaar van 'n groeiende organisasie! Tiger Brands soek gegradeerde wat selfgemotiveerde spanspelers, doeltreffend en buigsaam is, en wat uit die vuis uit kan dink in 'n steeds veranderende wêreld. Die Tiger Brands bestuursleerlingprogram is 'n versnelde ontwikkelingsprogram wat oor 24 maande strek en beoog om gegradeerde met baccalaureusgrade te werf ten einde die senior leierskapposities in die organisasie te bereik. Bestuursleerlinge in verskillende dissiplines word gekeur en volg 'n gestruktureerde, gekombineerde leerprogram wat beoog om hulle vir bestuursrolle voor te berei.

#### **Logistiek**

Sigbaarheid, buigsaamheid en kostebeperking vir Tiger Brands met Imperial Managed Logistics se gekonsolideerde vervoeroplossing. Imperial Managed Logistics se vennootskap met Tiger Brands is gegrond op bedryfsuitnemendheid en 'n verbintenis om voortdurend doeltreffendheid en verbeterings deur die hele FMCG se reusenetwerk te dryf. Dit onderskei Imperial Managed Logistics van transaksioneel-gebaseerde diensverskaffers en dit stel Tiger Brands in staat om selfs meer mededingend in die verbruikersmarkplek te wees.

### Motivation to Change

Outlining Tiger Brand's motivation for partnering with Imperial, chief integration officer Cobus Rossouw explains that the group had embarked on a process to identify opportunities that would create value and leverage total network volumes. This led to the consolidation of Tiger's Consumer and Grains Divisions, and to a structured approach to operations improvement aimed at ensuring business continuity and sustainability, and to achieving guaranteed service levels. Tiger Brands' fragmented transport service provider model was a pressing problem that had to be addressed in order for this process to pay dividends.

### Benefits of a single managed logistics service provider

In partnership with Imperial Managed Logistics, Tiger Brands identified the benefits of partnering with a single logistics service provider, in order to consolidate the group's decentralised transport model. Imperial Managed Logistics was awarded a three year contract for primary distribution services, and is delivering close to 50 000 loads per year for the FMCG group.

The scope of this contract includes all activities associated with the planning, execution, management, reporting and information technology required for the provision of primary freight logistics management services as a consolidated solution. It includes utilising two distinct distribution networks to extract economies of scale and, at the same time, maintain operational agility and resilience.

Imperial's proven expertise in network (IT) integration and its national order visibility linking capabilities contributed to the company securing this contract. *"Our track record in operations consolidation to improve decision making, as well as our operational representation at key sites, helped us seal the deal,"* Rossouw states. Imperial Managed Logistics' solution for Tiger Brands includes a world class central operations command centre, to meet the client's need for centralised planning, reporting and visibility of their network.

The identification of continuous improvement projects, the implementation of IT and the provision of up to date and near real time operational data and financial reporting were all achieved within just one month of contract's start. Adding to this exceptional feat is the fact that it was achieved across two divisions, seven business units and 12 manufacturing sites and multiple contract manufacturers. Imperial Managed Logistics has successfully implemented four continuous improvement initiatives from implementation that have realised transport savings for Tiger Brands from day one. These include improved payload utilisation through the application of specialised lightweight vehicles, fixed asset utilisation in local networks and the conversion to commercial charge models that drive efficient behaviour from Tiger Brands and Imperial.

### Systems upgrade in 2014

Tiger Brands, a leading southern African maker and marketer of fast-moving consumer goods, has implemented Oracle E-Business Suite to help streamline its leading businesses and drive international expansion of brands as diverse as baby care products, smoked sausage and skin creams.

- Tiger Brands carried out an upgrade to unify the financial, sales, ordering, manufacturing, and procurement processes running its 25 leading businesses and approximately 8 000 products. A leaner, more agile platform now replaces disparate

### **Motivering om te verander**

Om Tiger Brand se motivering om met Imperial 'n vennootskap te sluit, uiteen te sit, verduidelik Cobus Rossouw, die hoofintegrasiebeampte, dat die Groep 'n proses aangepak het om geleenthede te identifiseer wat waarde skep en totale netwerkvolume beïnvloed. Dit het tot die konsolidasie van Tiger se verbruikers- en graanafdelings gelei en tot 'n gestructureerde benadering tot bedryfsverbetering gemik op die versekering van sakedeurlopendheid en volhoubaarheid en om gewaarborgde diensvlakke te bereik. Tiger Brands se gefragmenteerde vervoerdienstverskaffersmodel was 'n dreigende probleem wat aandag moes geniet sodat hierdie proses kon vrugte afwerp.

### **Voordele van 'n enkelbestuurde logistieke diensverskaffer**

In vennootskap met Imperial Managed Logistics, het Tiger Brands die voordele geïdentifiseer om met 'n enkele logistieke diensverskaffer saam te werk en die Groep se gesentraliseerde vervoermodel te konsolideer. Imperial Managed Logistics is 'n driejaarkontrak vir primêre verspreidingsdienste toegeken en lewer bykans 50 000 vragte per jaar vir die FMCG Groep.

Die bestek van hierdie kontrak sluit alle aktiwiteit in wat met die beplanning, uitvoering, bestuur, verslagdoening en inligtingstegnologie verband hou wat nodig is vir die voorsiening van primêre vrag- logistieke bestuursdienste as 'n gekonsolideerde oplossing. Dit sluit die benutting van twee onderskeie verspreidingsnetwerke in om skaalbesparings te kry en terselfdertyd bedryfsbehendigheid en veerkrachtigheid te handhaaf.

Imperial se bewese kundigheid in netwerk- (IT) integrasie en sy nasionale sigbaarheid se skakelvermoëns het daar toe bygedra dat die maatskappy die kontrak gekry het. "Ons prestasies van die verlede in bedryfskonsolidasie om besluitneming te verbeter, asook ons bedryfsverteenwoordiging op sleutelterreine het ons gehelp om die transaksie te beklink," het Rossouw gesê. Imperial Managed Logistics se oplossing vir Tiger Brands sluit 'n wêreldklas- sentrale bevelsentrum om die klant se behoeftes vir gesentraliseerde beplanning, verslagdoening en sigbaarheid van hul netwerk te bevredig.

Die identifisering van deurlopende verbeteringsprojekte, die implementering van IT en die verskaffing van die nuutste en byna intydse bedryfsdata en finansiële verslagdoening is alles binne net een maand na die aanvang van die kontrak bereik. Bykomend tot hierdie uitsonderlike prestasie is die feit dat dit oor twee afdelings, sewe sake-eenhede en 12 vervaardigsterreine en met talle kontrakvervaardigers bereik is. Imperial Managed Logistics het suksesvol vier deurlopende verbeteringsinisiatiwe geïmplementeer. Implementering wat vervoerbesparings van die eerste dag af aan Tiger Brands besorg het. Dit sluit in verbeterde loonvragbenutting deur die toepassing van gespesialiseerde ligte voertuie, vastebatebenutting in plaaslike netwerke en die omskakeling na kommersiële debiteringsmodelle wat doeltreffende gedrag by Tiger Brands en Imperial dryf.

### **Stelselopgradering in 2014**

Tiger Brands, 'n toonaangewende Afrika maker en bemarking van snel bewegende verbruikersgoedere het die Oracle E-Basies Suite geïmplementeer om te help om sy vooraanstaande besighede vaartbelyn te maak en internasionale uitbreiding van handelsmerke te dryf, so uiteenlopend soos babasorgprodukte, gerookte worsies en velrome.

- Tiger Brands het opgegradeer om die finansiële, verkoopsom-, bestellings-, vervaardigings- en verkrygingsprosesse te verenig wat sy 25 vooraanstaande

**IT systems inherited over three decades of acquisitions.**

- Oracle E-Business Suite has enabled Tiger Brands, which has more than 20 000 employees and distribution networks in more than 22 African countries, to move ahead with its "One Tiger" project of placing all South African operations on a single platform, in an effort to create momentum for further international growth and help the company achieve its earnings growth targets.
- The upgrade has enabled the company to replace infrastructure that had accountants working on five different systems, eliminate redundant accounting sections and save training time as employees only need to know one system. It has also given Tiger Brands better control of business processes, such as the 'catch weight' functionality that accounts for weight variance of its meat products throughout their production.
- The experienced Tiger Brands IT team, together with Accenture, a Diamond level member of Oracle Partner Network (OPN), quickly carried out the upgrade with minimal business downtime. The company's financial shared services team experienced immediate benefits, as single payments could be made across several business units and single log-ons provided for better efficiency and more accuracy.

"Tiger Brands' acquisitive expansion over the last 30 years had left the company with widely disparate IT systems in its varied business units across the country. Tiger Brands saw the opportunity to materially strengthen financial internal controls through the standardisation of processes, to facilitate shared services, to create visibility at all levels across the group and to extract substantial savings and synergies by bringing all the businesses onto a single Oracle software platform," said Darryl Thwaits, Chief Information Officer of Tiger Brands.

#### **Growing for the future**

The Tiger Brands group embarked on a comprehensive strategic review in 2016, which focused on delivering sustainable profitable growth. The group wants to focus on three areas: growing the portfolio, creating a cost conscious culture and an advantaged integrated supply chain, and an organisation structure designed for exceptional delivery.

Tiger Brands chief executive Lawrence MacDougall said the company operated in an intensely competitive industry where increasing market share against well-funded and established participants required the full commitment of an experienced and expert team working towards a clear strategy. "The immediate priority is to rejuvenate the domestic business to deliver sustainable, profitable growth. Importantly, Africa and other emerging markets remain a key part of our growth strategy."

"We have refined our approach to our African strategy by exiting non-core categories in Kenya and Ethiopia. Looking ahead, we will prioritise core category opportunities based on market attractiveness, strategic fit and our right to win. Similarly, the role of associates will be reviewed continuously," said Mac Dougall.

Tiger Brands reported a loss of \$40.5 million (R527 million) in its Nigerian business in 2013 and this was followed by another loss of \$34.3 million in 2014. In December 2015, Tiger Brands sold its 65.7 percent stake in Flour Mills back to Dangote at \$1 a share. This came three years after the company acquired Flour Mills from Dangote at the cost of \$200 million.

Tiger Brands received an immediate cash injection of \$46 million and took ownership of a debt of about \$26.3 million. The group released its results for the six months to end March in

besighede en ongeveer 8 000 produkte bestuur. 'n Leniger platform vervang nou uiteenlopende IT-stelsels wat geërf is na drie dekades se verkrygings.

- Oracle E-Business Suite het Tiger Brands, wat meer as 20 000 werknemers en verspreidingsnetwerke in meer as 22 Afrika lande het in staat gestel om vorentoe te beweeg met sy "One Tiger"-projek waar alle Suid-Afrikaanse werksaamhede op 'n enkele platform geplaas is, in 'n poging om momentum vir verdere internasionale groei te skep en die maatskappy te help om sy verdienstegroeiteikens te bereik.
- Die opgradering het die maatskappy in staat gestel om infrastruktuur waar rekenmeesters op vyf verskillende stelsels gewerk het, te vervang, oortollige rekeningkundige afdelings uit te skakel en opleidingstyd te spaar aangesien werknemers net een stelsel hoef te ken. Die het ook vir Tiger Brands beter beheer oor sakeprosesse gegee, soos die "vang gewig"-fasilitet wat van gewigsvariansie van sy vleisprodukte deur die hele produksie rekenskap gee.
- Die ervare Tiger Brands IT-span, saam met Accenture, 'n diamantvlaklid van Oracle Partner Network (OPN), het vinnig die opgradering gedoen met minimale besigheidstaantyd. Die maatskappy se finansiële gedeelde dienstespan het onmiddellik voordele ervaar, soos enkelbetalings kon oor etlike sake-eenhede heen gedoen word en enkel-aanmeldings het beter doeltreffendheid en groter akkuraatheid verskaf.

"Tiger Brands se verkrygingsuitbreiding die afgelope 30 jaar het die maatskappy met wyd uiteenlopende IT-stelsels in sy veensoortige sake-eenhede oor die hele land gelaat. Tiger Brands het die geleentheid gesien om interne finansiële maatreëls wesenlik te verskarp deur middel van die standaardisering van prosesse, om gedeelde dienste te faciliteer, om sigbaarheid op alle vlakke in die Groep te skep en om aansienlike besparings en sinergieë te bewerkstellig deur al die besighede op 'n enkele Oracle sagteware platform te plaas," het Darryl Thwaits, Hooffinligtingsbeampte van Tiger Brands gesê.

### **Groei vir die toekoms**

Die Tiger Brands Groep het in 2016 'n omvattende strategiese hersiening onderneem, wat daarop gefokus het om volhoubare winsgewende groei te lewer. Die Groep wil op drie gebiede fokus: om die portefeulje uit te brei, om 'n kostebewuste kultuur en 'n bevoordeelde, geïntegreerde toeverketting te skep, en 'n organisasiestruktuur wat vir uitsonderlike lewering ontwerp is.

Tiger Brands se hoof- uitvoerende beampte, Lawrence MacDougall, het gesê die maatskappy funksioneer in 'n uiters mededingende bedryf waar om markaandeel teen goed befondsde en gevëstigde deelnemers te verhoog, die volledige toewyding van 'n ervare en deskundige span vereis wat na 'n duidelike strategie werk. "Die onmiddellike prioriteit is om die binnelandse besigheid te vernuwe om volhoubare, winsgewende groei te lewer. Dit is belangrik dat Afrika en ander ontlukkende marke 'n sleuteldeel van ons groeistrategie bly."

"Ons het ons benadering tot ons Afrika strategie verfyń deur niekernkategorieë in Kenia en Ethiopië te verlaat. Ons sal in die toekoms kernkategoriegeleenthede prioriseer, gegrond op markaantreklikheid, strategiese passing en ons reg om te wen. Netso sal die rol van assosiate gedurig hersien word," het Mac Dougall gesê.

Tiger Brands het 'n verlies van \$40,5 miljoen (R527 miljoen) in sy Nigeriese besigheid in

which it reported an encouraging growth at home.

Domestic operations contributed strongly to the group's revenue base. Turnover in the domestic business increased by 8 percent to R14.3 billion, up from R13.2 billion, primarily driven by the grains division. Operating income increased by 15 percent to R2 billion, up from R1.8 billion as compared to the same period in 2016, while operating margins increased to 14.2 percent. The volumes in the domestic business declined by 4 percent, partly due to Easter volumes being included in the comparative period.

The overall group turnover from continuing operations was up 7 percent to R16.4 billion, while group operating income from continuing operations, impairments and abnormal items saw a 10 percent rise to R2.2 billion while headline earnings per share from continuing operations increased by 7 percent to 1036 cents a share.

The group declared an interim dividend of 378c.

Tiger Brand shared dipped 1.8 percent on the JSE to close at R392.

Sources:

<http://www.tigerbrands.com/about-us-4/tiger-brands-history/>  
<https://www.iol.co.za/business-report/companies/tiger-brands-in-strategic-review-9355245>  
[http://www.itweb.co.za/index.php?option=com\\_content&view=article&id=137663](http://www.itweb.co.za/index.php?option=com_content&view=article&id=137663)  
<http://www.imperiallogistics.co.za/case-studies/visibility-flexibility-and-cost-savings-tiger-brands-imperial-managed-logistics%E2%80%99>  
<http://www.tigerbrands.com/wp-content/uploads/2016/11/TIGER-BRANDS-YEAR-END-FINANCIAL-RESULTS-PRESS-RELEASE-2016.pdf>

## QUESTION 1

Tiger Brands have multiple investors that need to be persuaded that the company continues to be a good investment in challenging financial times. Advise the communications department about FOUR key points that will assist them in persuading their investors.

(4 marks)

## QUESTION 2

Tiger Brands is considering making greater use of teams. Advise managers on the THREE types of teams that they can utilise by explaining each type.

(3 marks)

## QUESTION 3

Tiger Brands is a large multinational organisation and each division and department competes for their product to receive the largest share of resources

- 3.1 Define the concept of budgetary control (1 mark)
- 3.2 Briefly explain THREE types of budgets that are typically used by managers (3 marks)

(4 marks)

2013 aangeteken en dit is gevvolg deur nog 'n verlies van \$34,3 miljoen in 2014. In Desember 2015 het Tiger Brands sy 65,7 persent aandeel in Flour Mills terug aan Dangote verkoop teen \$1 'n aandeel. Dit was drie jaar nadat die maatskappy Flour Mills by Dangote vir \$200 miljoen gekoop het.

Tiger Brands het 'n onmiddellike kontantinspuiting van \$46 miljoen gekry en eienaarskap van 'n skuld van ongeveer \$26,3 miljoen geneem. Die Groep het sy resultate vir die ses maande tot einde Maart bekendgemaak, waarin hulle 'n bemoedigende groei tuis gerapporteer het.

Binnelandse werksaamhede het baie tot die Groep se inkomstebasis bygedra. Omset in die binnelandse besigheid het met agt persent tot R14,3 miljard gestyg, op van R13,2 miljard, hoofsaaklik deur die graanafdeling gedryf. Bedryfsinkomste het met 15 persent tot R2 miljard gestyg, op van R1,8 miljard, vergeleke met dieselfde tydperk in 2016, terwyl bedryfsmarges tot 14,2 persent gestyg het. Die volumes in die binnelandse besigheid het met vier persent gedaal, deels weens Paas-volumes wat in die vergelykende tydperk ingesluit is.

Die algehele groepsomset van voortgesette werksaamhede was sewe persent op tot R16,4 miljard, terwyl groepsbedryfsinkomste van voortgesette werksaamhede, waardedaling en abnormale items 'n 10 persent styging tot R2,2 miljard ervaar het, terwyl wesensverdienste per aandeel van voortgesette werksaamhede met sewe persent gestyg het tot 1036 sent 'n aandeel.

Die Groep het 'n tussentydse dividend van 378c verklaar.

Tiger Brand aandele het met 1,8 persent op die JSE gesak om op R392 te sluit.

Bronne: <http://www.tigerbrands.com/about-us-4/tiger-brands-history/>  
<https://www.iol.co.za/business-report/companies/tiger-brands-in-strategic-review-9355245>  
[http://www.itweBco.za/index.php?option=com\\_content&view=article&id=137663](http://www.itweBco.za/index.php?option=com_content&view=article&id=137663)  
<http://www.imperiallogistics.co.za/case-studies/visibility-flexibility-and-cost-savings-tiger-brands-imperial-managed-logistics%E2%80%99>  
<http://www.tigerbrands.com/wp-content/uploads/2016/11/TIGER-BRANDS-YEAR-END-FINANCIAL-RESULTS-PRESS-RELEASE-2016.pdf>

## VRAAG 1

Tiger Brands het baie beleggers wat oortuig moet word dat die maatskappy steeds 'n goeie belegging in moeilike finansiële tye is. Adviseer die kommunikasie-afdeling oor VIER sleutelpunte wat hulle sal help om hul beleggers te oortuig.

(4 punte)

## VRAAG 2

Tiger Brands oorweeg dit om groter spanne te gebruik. Adviseer die bestuurders oor DRIE tipes spanne wat hulle kan gebruik deur elke tipe te verduidelik.

(3 punte)

## VRAAG 3

Tiger Brands is 'n groot multinasionale organisasie en elke afdeling en departement ding mee dat hul produk die grootste deel van die hulpbronne kry.

- 3.1 Omskryf die begrip "begrotingsbeheer" (1 punt).
- 3.2 Verduidelik kortlik DRIE tipes begrotings wat gewoonlik deur bestuurders gebruik word (3 punte).

(4 punte)

**QUESTION 4**

Koo Ltd manufacture a variety of canned food including exclusive blackberry jam sold at R2,10 each. Variable manufacturing costs amount to 70c per can and variable sales costs amount to 20c per can. Fixed costs consists of:

- Selling costs & Manufacturing costs                          R 216 000

Koo Ltd currently supplies blackberry jam to Woolworths.

Pick 'n Pay Ltd wishes to obtain blackberry jam from Koo Ltd and make the following proposal:

- Pick 'n Pay will purchase all blackberry jam from Koo Ltd
- Pick 'n Pay will take care of packaging and transporting the jam. This will lead to a saving of 10% in the variable selling costs and a 20% saving in variable manufacturing costs.
- Fixed costs remain constant

**You are required to:**

4.1 Calculate Break-even point in : Units (1 mark)

: Value (1 mark)

4.2. Calculate the break-even point in : Units (1mark)

: Value (1 mark)

**If it is assumed that Pick 'n Pay's offer is accepted**

4.3. Calculate the break-even point in units if the selling price is increased by 10% (only Woolworths is supplied) (3 marks)

(7 mark)

**QUESTION 5**

Transnet is toying with the idea of developing two new railroads in the Eastern Cape which will be leased to industries in the area. Both are designed to provide a 10 year service.

The railroad over Terrain A requires an immediate investment of R6 000 000. The expected rental income is R700 000 in the first year and will increase thereafter by a further R100 000 per year.

The railroad over Terrain B requires an immediate investment of R5 500 000. The expected rental income from this track is R900 000 per year for the first 4 years and thereafter R1 000 000 per year.

This project will last 10 years

## VRAAG 4

Koo Bpk. vervaardig 'n verskeidenheid ingemaakte voedsel, insluitend eksklusiewe braambessiekonfyt wat vir R2,10 elk verkoop word. Veranderlike vervaardigingskoste bedra 70c per blik en veranderlike verkoopskoste bedra 20c per blik. Vaste koste bestaan uit:

- Verkoopskoste en vervaardigingskoste                          R 216 000

Koo Bpk. verskaf op die oomblik braambessiekonfyt aan Woolworths.

Pick n Pay Bpk. wil braambessiekonfyt by Koo Bpk. koop en maak die volgende voorstel:

- Pick n Pay sal al die braambessiekonfyt by Koo Bpk. koop.
- Pick n Pay sal vir die verpakking en vervoer van die konfyt sorg. Dit sal 'n besparing van 10% in die veranderlike verkoopskoste meebring en 'n 20%-besparing in veranderlike vervaardigingskoste.
- Vaste koste bly konstant.

### Jy moet:

- |      |  |
|------|--|
| 4.1  | die gelykbreekpunt bereken in : Eenhede (1 punt) |
|      | : Waarde (1 punt)                                |
| 4.2. | die gelykbreekpunt bereken in : Eenhede (1 punt) |
|      | : Waarde (1 punt)                                |

**Indien aangeneem word dat Pick n Pay se aanbod aanvaar word:**

- 4.3. die gelykbreekpunt in eenhede bereken indien die verkoopsprys met 10% verhoog word (net Woolworths word voorsien) (3 punte).  
(7 punt)

## VRAAG 5

Transnet dink daarvan om twee nuwe spoorlyne in die Oos-Kaap te ontwikkel wat aan nywerhede in die omgewing verhuur sal word. Albei is ontwerp om 10 jaar-diens te lewer.

Die treinspoor oor Terrein A vereis 'n onmiddellike belegging van R6 000 000. Die verwagte huurinkomste is R700 000 in die eerste jaar en sal daarna met 'n verdere R100 000 per jaar styg.

Die treinspoor oor Terrein B vereis 'n onmiddellike belegging van R5 500 000. Die verwagte huurinkomste vir hierdie spoorlyn is R900 000 per jaar vir die eerste vier jaar en daarna R1 000 000 per jaar.

Hierdie projek sal 10 jaar duur.

**You are required to:**

Propose one of these projects to the Transnet management using the Net Present Value method and assuming the cost of capital to be 10 % per year. Remember to show your calculation.

(15)

**Future Value Interest Factors:**

Time Period	Discount Factor at 10%
1	0.9091
2	0.8264
3	0.7513
4	0.6830
5	0.6209
6	0.5645
7	0.5132
8	0.4665
9	0.4241
10	0.3855

**QUESTION 6**

External applicants may bring new ideas, work techniques, production methods or training to the organisation, resulting in increased employee productivity. Explain FOUR external recruitment methods to senior management at Tiger Brands.

(4 marks)

**QUESTION 7**

The internet links more than one billion people worldwide which makes e-business a significant factor in the global economy. As e-business improves, organisations will experience benefits and challenges. Identify and explain FOUR tangible benefits from e-business.

(4 marks)

**QUESTION 8**

Tiger Brands is a continuously growing and changing company and each change brings about the need to communicate and update stakeholders. However there are many barriers to communication.

Advise the management of Tiger Brands about FOUR barriers to communication that they should try to avoid.

(4 marks)

**QUESTION 9**

Tiger Brands is a multi-brand company and in order to successfully implement their growth strategy they have to keep an eye on costs and profitability.

Identify and explain THREE inventory-associated costs to the managers at Tiger Brands.

(3 marks)

**Jy moet:**

Een van hierdie projekte aan die Transnet bestuur voorstel deur die netto huidige waarde-metode te gebruik en aan te neem dat die koste van kapitaal 10% per jaar is. Onthou om jou berekening te toon.

(15)

**Toekomstige waarde se rentefaktore:**

Tydperk	Diskontofaktor van 10%
1	0,9091
2	0,8264
3	0,7513
4	0,6830
5	0,6209
6	0,5645
7	0,5132
8	0,4665
9	0,4241
10	0,3855

**VRAAG 6**

Eksterne applikante kan nuwe idees, werkstegnieke, produksiemetodes of opleiding na die organisasie bring, wat tot verhoogde werknehmersproduktiwiteit lei. Verduidelik VIER eksterne werwingsmetodes aan die senior bestuur by Tiger Brands.

(4 punte)

**VRAAG 7**

Die internet verbind meer as 'n miljard mense wat e-besigheid 'n belangrike faktor in die wêreldwyse ekonomie maak. Soos wat e-besigheid toeneem, sal organisasies voordele en uitdagings ervaar. Identifiseer en verduidelik VIER tasbare voordele wat uit e-besigheid spruit.

(4 punte)

**VRAAG 8**

Tiger Brands is 'n maatskappy wat die heeltyd groei en verander, en elke verandering bring die noodsaaklikheid om te kommunikeer en belanghebbers op hoogte te hou, teweeg. Daar is egter baie hindernisse tot kommunikasie.

Adviseer die bestuur van Tiger Brands oor VIER hindernisse tot kommunikasie wat hulle moet vermy.

(4 punte)

**VRAAG 9**

Tiger Brands is 'n multihandelsmerkmaatskappy en ten einde hul groeistrategie suksesvol te implementeer, moet hulle 'n oog op koste en winsgewendheid hou.

Identifiseer en verduidelik DRIE voorraad-verwante koste aan die bestuurders van Tiger Brands.

(3 punte)

**QUESTION 10**

Imperial managed logistics fulfils the role of an intermediary for Tiger Brands. Explain to a new manager at Tiger Brands FOUR of the benefits to both manufacturers and consumers that intermediaries provide.

(4 marks)

**QUESTION 11**

Manufacturing organisations like Tiger Brands use specific manufacturing operational processes.

11.1 List the five types of processes as well as the two dimensions that define them (3 marks).

11.2 Identify which type of processes Tiger Brands is most likely to use and justify your answer (1 mark).

(4 marks)

**QUESTION 12**

Identify the original 4P's of the marketing mix (2 marks) and relate them to Tiger Brands (2 marks).

(4 marks)

**END OF PAPER**

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### VRAAG 10

Imperial Managed Logistics vervul die rol van 'n tussenganger vir Tiger Brands. Verduidelik aan 'n nuwe bestuurder by Tiger Brands VIER van die voordele vir vervaardigers en verbruikers wat tussengangers verskaf.

(4 punte)

### VRAAG 11

Vervaardigingsorganisasies soos Tiger Brands gebruik spesifieke vervaardigingsbedryfsprosesse.

- 11.1 Lys die vyf tipes prosesse en ook die twee dimensies wat hulle kenmerk (3 punte).
- 11.2 Identifiseer watter tipe prosesse Tiger Brands heel waarskynlik sal gebruik en motiveer jou antwoord (1 punt).

(4 punte)

### VRAAG 12

Identifiseer die oorspronklike 4P's van die bemarkingsamestelling (2 punte) en bring dit met Tiger Brands in verband (2 punte).

(4 punte)

**EINDE VAN VRAESTEL**