



<b>FACULTY/COLLEGE</b>	College of Business and Economics
<b>SCHOOL</b>	School of Management
<b>DEPARTMENT</b>	Business Management
<b>CAMPUS</b>	APB
<b>MODULE NAME</b>	Strategy Implementation
<b>MODULE CODE</b>	AC1STIM
<b>SEMESTER</b>	Second
<b>ASSESSMENT OPPORTUNITY, MONTH AND YEAR</b>	Final Assessment October 2021

<b>ASSESSMENT DATE</b>	Due on 29 October 2021	<b>SESSION</b>	
<b>ASSESSOR</b>	Dr H Boikanyo		
<b>MODERATOR</b>	Mr A de Beer		
<b>DURATION</b>	180 minutes	<b>TOTAL MARKS</b>	100

<b>NUMBER OF PAGES OF QUESTION PAPER (Including cover page)</b>	5
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#### INFORMATION/INSTRUCTIONS:

- This is an open-book assessment. However plagiarism and collusion will not be permitted.
- Read all the questions carefully and answer only what is asked.
- Please answer all the questions.
- Number your answers clearly
- Please type your answers in Word document and upload to Blackboard before the deadline.
- Please note that your submission will generate a Safe-Assign report, avoid plagiarism and collusion as these will impact the marks negatively.
- Structure your answers by using appropriate headings and subheadings
- The general University of Johannesburg policies, procedures and rule pertaining to written assessments apply to this assessment

**Please type your answers in Word document and upload to Blackboard**

## QUESTION 1

[40 MARKS]

- 1.1 Discuss seven (7) ways that an organisation can use to overcome resistance to changes. (14)
- 1.2 Discuss in your own words the six (6) steps that are recommended to change the culture of an organisation. (12)
- 1.3 All organisations have their own unique situations for which tailor-made strategy implementation approaches need to be formulated, but there are also core managerial components that should be covered – no matter what the situations in various organisations are.

Fully describe any seven (7) core managerial components of strategic implementation and provide examples. (14)

Read the case study below and answer the questions in Question 2.

## QUESTION 2

[60 MARKS]

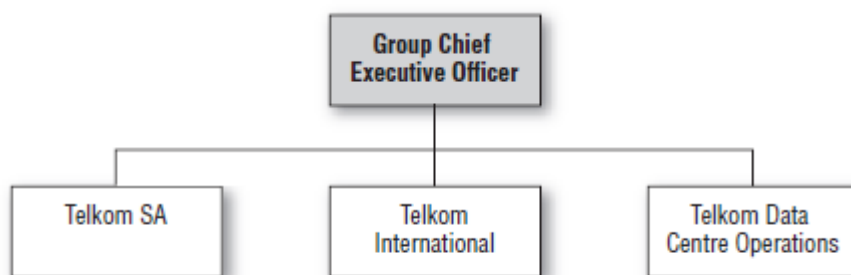
### Case Study: Evolution of Telkom's organisational structure

Telkom was founded on 1 October 1991, when the then Department of Posts and Telecommunications was separated into three entities, namely, the Department of Post and Telecommunications, Telkom SA Ltd and the South African Post Office Ltd. Today, Telkom serves a large range of business and residential customers with integrated voice, data, fixed, mobile, IT and data centre solutions.

#### Structure change 2009

In 1993, the newly formed Telkom successfully bid for one of South Africa's first two mobile network licences and established Vodacom. In 2009, Telkom's shareholders agreed to sell 15% of its stake in Vodacom to the Vodafone Group, based in the United Kingdom. The R22,5 billion deal ushered in a new era for Telkom.

Telkom also announced its new operational structure, which included three major business units, namely, Telkom SA, Telkom International and Telkom Data Centre Operations (illustrated in Figure 13.12).



**Figure 13.12** Telkom's structure in 2009

The then group chief executive officer, Reuben September, explained: "Refocusing the Telkom Group represents a positive, purposeful change towards a more accountable and competitive company. This change is a necessary part of Telkom's strategy to maintain and grow its market share in South Africa, while building a strong footprint on the African continent." (IT News Africa, 2009: para. 5)

#### Turnaround strategy

In 2015, Sipho Maseko was appointed as the new Telkom group chief executive officer, and soon started to roll out a turnaround strategy for Telkom. Telkom was facing various challenges, including a loss of market share, declining voice revenues and increased operating expenses.

The turnaround strategy would focus on transforming Telkom into a leading provider of converged ICT solutions, and connecting every South African to a better life. In addition, Maseko stated that he wanted to optimise shareholder value and lead with a sustainable financial position (Muller, 2014).

To implement the turnaround strategy, Telkom would need to re-look at its organisational structure, and ensure that Telkom had the “right people in the right seats doing the right things, and setting the right performance objectives and measuring them accurately” (Muller, 2014: para. 10). The new structure should make the strategy easy to execute as well as reduce costs.

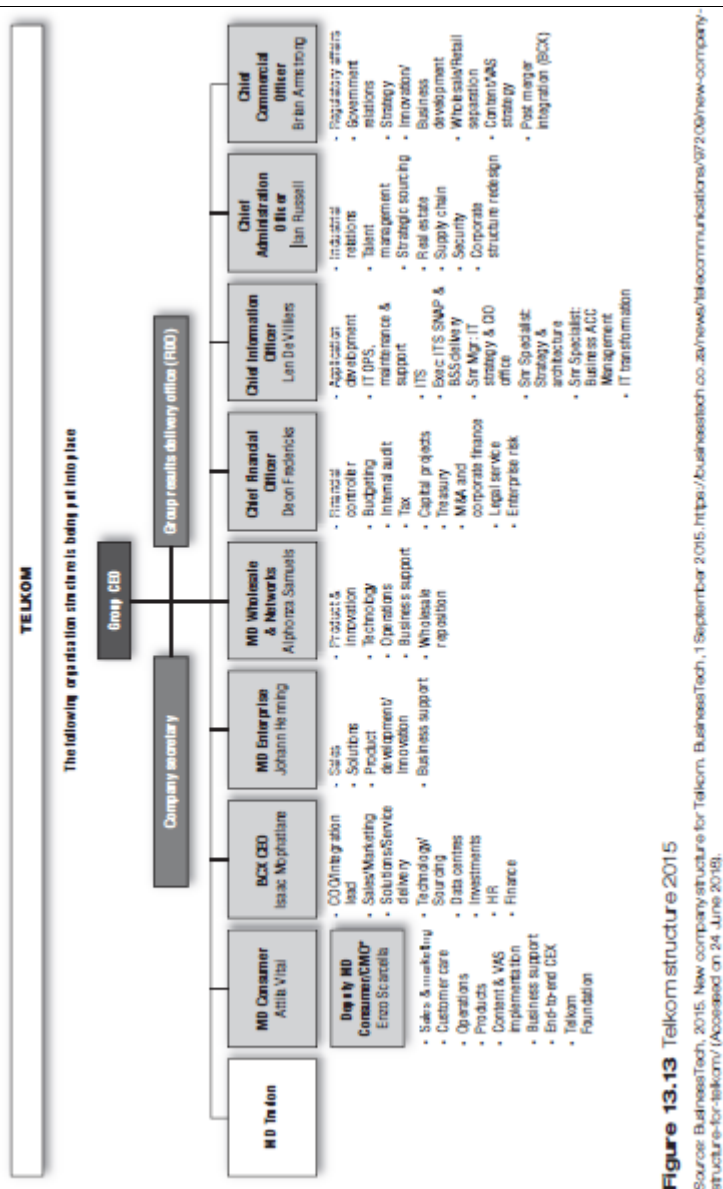
In September 2015, Telkom unveiled its new structure as depicted in Figure 13.13. Telkom’s core business units would be Consumer, Enterprise, Wholesale and Networks, BCX, and the subsidiary, Trudon (BusinessTech, 2015).

### **Growth**

Three years later Telkom was profitable again. Clearly, Maseko’s turnaround strategy and organisational restructuring efforts had paid off. Telkom’s share price had increased by 347% since Maseko took over, outperforming 68 South African companies with a market capitalisation above \$1 billion, including Africa’s biggest company, Naspers (Prinsloo & Hill, 2016). With these financial results in hand,

Maseko indicated that Telkom could now focus on growth. Telkom’s four key business lines deliver a set of products and services across four categories (Telkom, 2017):

1. Connectivity through broadband and narrow band using fixed-line (copper and fibre), mobile and wireless transmission. Customer segments include wholesalers, large companies and residential users.
2. Infrastructure and network elements, which provide a means for wholesalers to connect to their customers.
3. Converged information, communication and technology solutions. This includes a range of products and services aimed at corporate customers.
4. Electronic and advertising media, such as the Yellow Pages and White Pages.



**Figure 13.13** Telkom structure 2015

Source: BusinessTech, 2015. New company structure for Telkom. BusinessTech, 1 September 2015. <https://businesstech.co.za/news/telkomcommunications/97200/new-company-structure-for-telkom/> (Accessed on 24 June 2019).

The intersect between the four business divisions and the product/service categories is summarised in Table 13.1.

**Table 13.1** Telkom's products and services across business lines

These products and services are provided by Telkom's five business units:	Openserve	Telkom Consumer	BCX	Gyro	Yellow Pages
Connectivity	✓	✓	✓		
Infrastructure	✓			✓	
Network elements	✓				
Converged ICT solutions		✓	✓		
Electronic advertising and media					✓

Source: Telkom (2018: 18)

In conjunction with these four business focus areas, Telkom shifted its various properties to a new subsidiary, Gyro, in 2017. Telkom owns an extensive real estate property portfolio estimated to be worth approximately R24 billion. The main aim of Gyro is to develop key properties in the overall portfolio in partnership with experienced real estate groups. Gyro now owns some 6 500 masts and towers of Telkom and manages the group's portfolio of 1 440 properties, including offices, client service centres, residential dwellings and land parcels (Hedley, 2018).

Telkom has recently announced that it would now take the next step in its turnaround plan and implement a new holding company that includes four standalone businesses:

- Retail, which will include fixed-line, wireless, internet and shops
- Enterprise and IT Services, rebranded as BCX, which includes BusinessConnexion
- Wholesale broadband
- Real estate

Each of these four main businesses will be an independent subsidiary with its own balance sheet and board of directors. It is envisaged that greater independence will enable each division to improve its financial performance. The new structure will also allow for potential initial public offerings of shares in each standalone unit.

- 2.1 In making structural decisions, strategic leaders have some common structural forms or designs from which to choose. Fully discuss four (4) general alternative structures that may be adopted to meet the strategic implementation needs of the organisation. Which structural form is used by Telkom? (14)
- 2.2 In what way did Telkom's structure change during its turnaround strategy? (9)
- 2.3 The organisational structure divides and coordinates work throughout the different functional divisions and work processes. Therefore, there are certain parts of the organisation that are responsible for certain duties. Discuss the five (5) building blocks of Telkom categorizing employees' duties. Provide an example for each building block based on your own opinion. (10)
- 2.4 Discuss five (5) key actions and responsibilities of strategic leaders in detail and provide examples that Telkom can use. (15)
- 2.5 Discuss four (4) types of strategic control that Telkom can use. Provide 2 practical examples for each type. (12)

**END OF ASSESSMENT**

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