



## Chartered Secretaries Qualifying Scheme – Level Two

# Strategy in Practice

June 2011

Thursday afternoon 9 June 2011

**Time allowed: 3 hours and 15 minutes**  
(including reading time)

**Do not open this examination paper until the presiding officer or an invigilator tells you to.**

**You must not take this paper out of the examination room.**

This examination paper contains **six** questions. Each question is worth 25 marks.

Question 1 to 4 are based on the pre-released case study. Questions 5 and 6 are not based on the pre-released case study.

You must attempt **four questions only**.

# Case study

## The Alexander Mackenzie University

Located in the greater Vancouver area of British Columbia (BC), the Alexander Mackenzie University ('the University'), created from the recent changes in British Columbia where a number of colleges were converted to universities, gained university status in 2008. Student numbers have grown steadily in the past few years and the University met its target level of student numbers for the first time in 2009/10. There are 9,500 full and part-time students.

The University regards helping students to succeed in their careers as a core part of its mission. The vast majority of students attend the University to improve their career prospects or to change career. The University offers programs across a comprehensive range of subjects. Historically, it has been strong in business studies but, more recently, technology, health studies and creative programmes have experienced significant growth. The University has always attracted a high proportion of mature students, and its geographical location, discipline mix and entrance policies have made it attractive and accessible to a diverse student population drawn from the area as well as inland and northern BC.

Mature students account for 50 per cent of full-time undergraduates, and international students account for nine per cent of the student population.

A major issue for the University is to create a more diverse portfolio of income streams without putting its core activity at risk. It is seeking to reduce its dependence on income from the Ministry of Advanced Education, which funds universities and colleges. The University's strategic plan is to deliver high-quality, innovative, flexible programs both on and off the campus. It also aims to work closely with employers, schools, colleges and agencies in the region to offer excellence in research, scholarship and knowledge transfer.

The BC education sector in general is facing uncertainty about the continuing demand for higher education as the level of unemployment, caused by the global economic recession impacting negatively on BC's resource economy, is increasing. Other challenges facing higher education are restrictions on student fee increases, changing political agendas and public funding freezes, as well as the unpredictable demand from international students to whom higher fees can be charged. There is also the challenge of the end of the echo boom where trends are showing a declining high school population from 2012. This may however be offset by immigration. In this climate, it is difficult to predict whether demand will rise or fall.

However, what is clear is that the total cost of education has sharpened students' focus on the value they receive from their universities. There will be increasing pressure on the University, and its competitors, to make their programs and services more attractive to students, while at the same time maintaining their academic standards. The recent conversion of some of the colleges to universities as well as the strong competition from the large, traditional research universities makes the competitive environment particularly intense.

Globalisation has created a booming market in higher education and, aided by new technologies and the reduced impact of national market borders, international partnerships have developed to create 'super' universities with overwhelming competitive advantages over individual locally or regionally focused institutions. Canada has been perceived positively as an attractive country for international education. Australia and the United Kingdom are, however, continuing with their strong recruitment activities. United States (US) institutions are also attempting to increase their market share, and now a new trend is emerging in China and India where some institutions are positioning themselves as international institutions and are attempting to not only retain their own students but also attract students from the US, Canada and Europe.

In the research arena, the large research institutions guard this area very tenaciously. However, there has been increased support from industry for research that can support commercialization of theoretical ideas. The provincial and federal governments are both responding by supporting applied research to a greater extent.

The University has identified a number of strengths: a significant proportion of teaching staff with professional qualifications and experience in addition to their teaching qualifications; an increasing number of programs with professional accreditation with recognition by over 25 professional bodies; and a high student satisfaction rate and reputation for excellent student support. The University also recognises some weaknesses, including a low proportion of teaching staff engaged in research, a poor track record in attracting students with high qualifications upon entry, and very few departments with strong working partnerships with relevant professional employers. In setting a course to achieve its new strategic vision, the University has established five very general strategic goals:

- Helping all career-motivated students to achieve their career aspirations.
- Consistently delivering academic excellence.
- Building the University's track record in applied research and innovation.
- Developing the capacity to generate income.
- Contributing to the cultural and economic prosperity of the region.

A committee has been established by the University's Board of Governors ('the board'). The committee consists of representatives from the teaching staff, heads of teaching departments, the students' union and the human resources department, with the chair of the board, Catherine Hennessey, presiding. The committee has been directed by the board to develop an action plan to advise how the University's strategic goals are to be implemented.

At the first meeting, Daniel Chan, the human resource manager, presented data on external research funding and research-based activities he had obtained from the websites of six medium-sized universities. In closing his presentation, he remarked that although the University's teaching staff were highly committed to teaching, few engaged in research, and this was unlikely to change any time soon because there was no incentive to do so.

Bill Warren, from the Department of Management, forcefully countered that teaching staff do not have time to do research and suggested that the strength of the University lies in the quality of the teaching rather than research.

Dr Martin Peters, from the Department of Applied Sciences, then responded to this by arguing that high-quality teaching and research go together. If the University is to attract and retain students with high qualifications on entry, they must have the opportunity to become involved in research with their professors. He firmly believed that when the teaching staff and their undergraduate students learn with each other and from each other, the result is powerful.

A perceptive contribution came from the mature undergraduate student representative, Alex Boxall, who suggested that students are worried that if teachers are promoted because they have written important books or articles, they will be less interested in teaching.

Dr Margaret Cook, Head of Social Sciences and recently recruited from a large 'research intensive' university, added that, compared with her previous institution, few of the teaching staff discussed research. She made the point that the University is a teaching institution, and if it is to achieve the strategic goals, it must change the culture.

Finally, following extended discussion, it was agreed that a discussion paper would be prepared for the next meeting on what could be done to change the culture at the University as well as focusing on the implementation of the strategic goals.

# Questions

Answer **any four** questions from this paper.

**The following questions, 1 to 4, are connected to the pre-released case study.**

1. (a) Provide a brief for the board on how the University and its management could go about initiating a cultural change program, so that it is more aligned with the new strategic vision. Include any limitations of your chosen approach. (15 marks)
- (b) Advise specifically on how the board might manage any resistance it may meet from staff. (10 marks)
- (Total: 25 marks)*
  
2. (a) Using examples from the University, brief the board about the concept of strategic capability. (15 marks)
- (b) Assess the University's core competences. (10 marks)
- (Total: 25 marks)*
  
3. (a) Assess the environment in which the University is operating and use your analysis to advise the board on the implications for the University's strategy. (15 marks)
- (b) Explain how scenario planning might help the board in its future strategy development. (10 marks)
- (Total: 25 marks)*
  
4. The University is considering a variety of strategic options, including setting up a campus abroad and setting up joint venture companies to exploit research and innovation from University departments. Brief the board about how it might evaluate the suitability of the strategic options available to it. (25 marks)

**Questions 5 and 6, below, are not connected to the pre-released case study.**

5. Rupert Jones, the CEO and founder of Rupert's Sounds (a worldwide music production and sales business), is concerned about the future. He is worried about falling sales and the impact of digital downloading of music (both legal and illegal) on profit margins. He is looking at diversification into areas such as travel and clothing, using the strength of the 'Rupert' brand.

**Required**

Advise Rupert Jones on how diversification might be used as part of the organisation's strategic development and of the risks involved.

*(25 marks)*

6. (a) Successful strategy implementation requires organising in three areas; structure, processes and relationships. Using an organisation with which you are familiar, analyse the nature of the strategic processes, specifically strategic control processes that are in use in the organisation.
- (b) Explain how performance targeting processes may be used. Briefly show how the balanced scorecard might be used in the organisation as part of this process.

*(15 marks)*

*(10 marks)*

*(Total: 25 marks)*

*The scenarios included here are entirely fictional. Any resemblance of the information in the scenarios to real persons or organisations, actual or perceived, is purely coincidental.*





