



COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND GOVERNANCE

NEIC 503: MANAGING ENTREPRENEURIAL VENTURES

END OF SECOND SEMESTER EXAMINATIONS

APRIL 2022

DR CHARLES DAHWA

3 HOURS

INSTRUCTIONS

1. This paper has **six** questions
2. Answer all questions in Section A and any other **two** questions in Section B
3. Each question carries **25 marks**
4. Start each question on a new page

SECTION A

Question 1.

Effective Productions/Operations Management: The Case of Zimbabwe Mega Market

Zimbabwe Mega Market (ZMM) is a new grocery chain store modelled along developed economies retail strategy and is currently operating in Harare, Bulawayo, Gweru and Mutare. It has a strong reputation for offering its customers high product quality and excellent service. Through a combination of market research, trial and error, and listening to its customers, ZMM has evolved into a very successful organization that many in the sector use as a benchmark in effective grocery operations.

Superstore:

Many of the company's stores are giant 3000 square metres superstores, double or triple the size of average supermarkets in Zimbabwe. Each superstore employs at least 100-150 people. Individual stores differ somewhat in terms of actual size and some special features. Aside from the features normally found in supermarkets, they generally have a large bakery Section (each store bakes its own bread, rolls, cakes, pies, and pastries), and extra large produce sections. They also offer film processing a complete pharmacy, a card shop and video rentals. In-store floral shops range in size up to 80 square metres of space, and offer a wide variety of fresh-cut flowers, flower arrangements, vases and plants. In-store card shops covers over 95 square metres of floor of floor space. The bulk foods department provides customers with the opportunity to select what quantities they desire from a vast array of foodstuffs and some non-food items. Each store is a little different. Among the special features in some stores are a dry cleaning department, and a salad bar. Some feature a Market Cafe that has different food stations, each devoted to preparing and serving a certain type of food. For example, one station has pizza and other Italian specialties, and another oriental food. There are also being a sandwich bar, a salad bar and a dessert station.

Customers often wander among stations as they decide what to order. In several affluent locations, customers can stop in on their way home from work and choose from a selection of freshly prepared dinner entrees. Some stores have a coffee shop section with tables and chairs where shoppers can enjoy regular or specialty coffees and variety of tempting pastries.

PRODUCE DEPARTMENT

The company prides itself on fresh produce. Produce is replenished as often as 12 times a day. The larger stores have produce sections that are four to five times the size of a produce section of an average supermarket. ZMM offers locally grown produce a season. It uses a 'farm to market' system whereby some local growers deliver their produce directly to individual stores, bypassing the main warehouse. That reduces the company's inventory holding costs and gets the produce into the stores as quickly as possible. Growers may use specially designed containers that go right onto the store floor instead of large bins. This avoids the bruising that often occurs when fruits and vegetables are transferred from bins to display shelves and the need to devote labor to transfer the produce to shelves.

MEAT DEPARTMENT

In addition to large display cases of both fresh and frozen meat products, many stores have a full-service butcher shop that offers a variety of fresh meat products and where butchers are available to provide customized cuts of meat for customers.

ORDERING

Each department handles its own ordering. Although sales records are available from records of items scanned at the checkouts, they are not used directly for replenishing stock. Other factors, such as pricing, special promotions, local circumstances must all be taken into account. However, for seasonal periods, such as holidays, managers often check scanner records to learn what past demand was during a comparable period.

The superstores typically receive one truckload of goods per day from the main warehouse. During peak periods, a store may receive two truckloads from the main warehouse. The short lead-time greatly reduce the length of the time an item might be out of stock, unless the main warehouse is also out of stock.

The company exercises strict control over suppliers, insisting on product quality and on-time deliveries.

EMPLOYEES

The company recognises the value of good employees. It typically invests an average of Rs.7000 to train each new employee. In addition to learning about stores operations, new employees learn the importance of good customer service and how to provide it. The employees are helpful, cheerfully answering customer questions or handling complaints. Employees are motivated through a combination of compensation, profit sharing, and benefits.

QUALITY

Quality and Customer satisfaction are utmost in the minds of ZMM management and its employees. Private label food items as well as name brands are regularly evaluated in test kitchens, along with the potential new products. Managers are responsible for checking and maintaining products and service quality in their departments. Moreover, employees are encouraged to report problems to their managers. If a customer is dissatisfied with an item and returns it, or even a portion of the item, the customer is offered a choice of a replacement or a refund. If the item is a ZMM brand food item, it is then sent to the test kitchen to determine the cause of the problem. If the cause can be determined, corrective action is taken.

Choose any five factors and briefly explain how and why they are important to the successful operation of a supermarket:

- | | |
|----------------------------|---------|
| (a) Customer satisfaction. | 5 Marks |
| (b) Forecasting. | 5 Marks |
| (c) Capacity planning. | 5 Marks |
| (d) Location | 5 Marks |
| (e) Inventory management. | 5 Marks |
| (f) Layout of the store. | 5 Marks |
| (g) Scheduling. | 5 Marks |

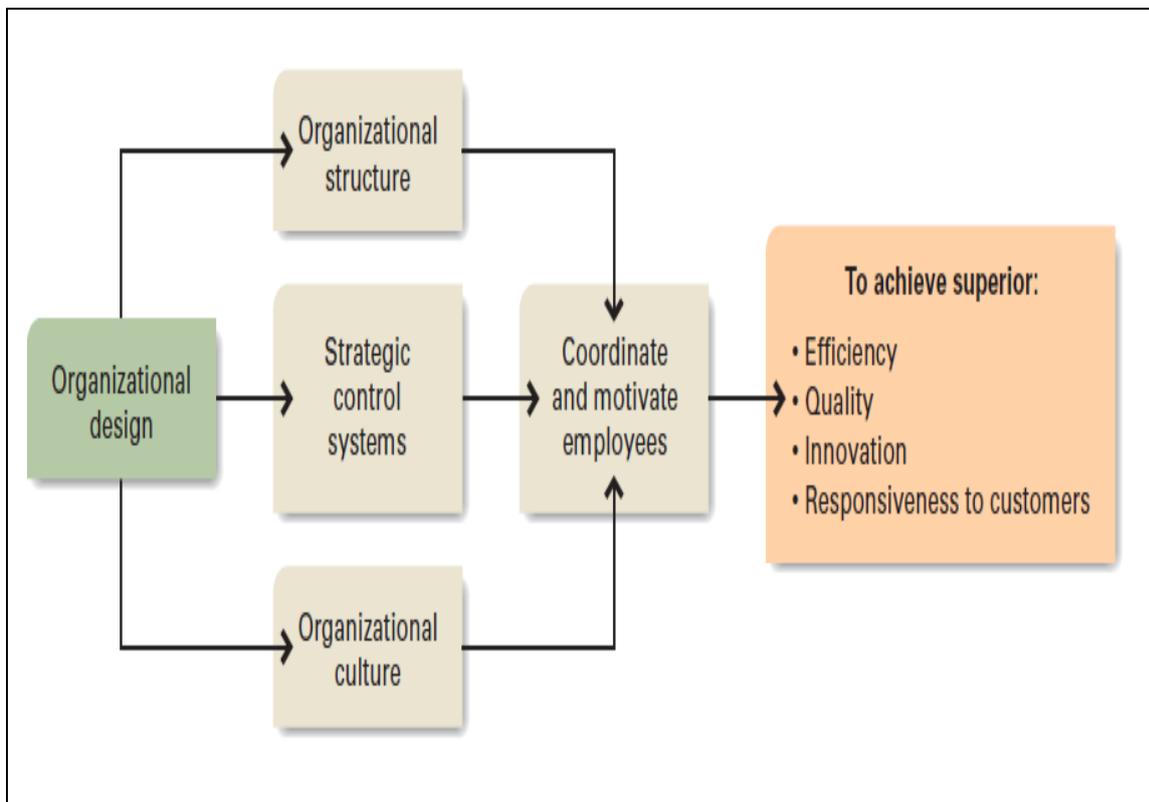
Question 2.

Dahwa (2019), in his Entrepreneurial Learning End-Goal Theory (ELEGT), argued for a contextualized Human Resources Management (HRM) approach in Small and Medium Enterprise (SMEs). Discuss the seven HRM Typologies proposed by ELEGT. **(25 Marks)**

SECTION B

Question 3.

Below is a model for strategy implementation



Adapted from Hill and Jones (2013)

Given the strategy implementation model above, discuss giving practical examples why organizational design is the most important initial step to effectively manage any business venture.

Question 4.

Discuss any three internal and external ways of sourcing funding that can be exploited to finance an entrepreneurial venture. The discussion should clearly articulate the pros and cons of each source of funding indicating when it is best to exploit such a source. **(25 Marks)**

Question 5

Using an organization of your choice, articulate the risk identification and analysis processes. **(25 Marks)**

Question 6

Discuss any five ways that you can exploit to build an effective management team.

(25 Marks)

END OF PAPER