

MNE3702

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CORPORATE ENTREPRENEURSHIP

Duration 2 Hours

70 Marks

EXAMINERS
FIRST
SECOND
EXTERNAL

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Closed book examination

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This paper consists of 5 pages (including this cover page)

This paper may be answered in English or Afrikaans

This paper comprises of two sections, **Section A** and **Section B**

Section A is a **compulsory** section which you have to answer

Section B consists of three questions. You may choose any two of the three questions to answer (Do NOT answer all three questions in Section B)

Ensure that the following information appears on the cover of your answer book

- Your student number
- The **module code (MNE3702)**
- The **numbers** of the questions you have answered

Answer the questions in the answer book provided to you. Please indicate the **SECTION** and the **NUMBER** of the question clearly when answering

[TURN OVER]

SECTION A

**SECTION A IS COMPULSORY.
ANSWER ALL THE QUESTIONS IN THIS SECTION.**

Read the following case study and answer the questions that follow

Hallmark

The well-known US greeting cards company Hallmark was founded in 1910 when Joyce Clyde Hall started selling from two shoeboxes of postcards in Kansas City. Hallmark now design about 19 000 new greeting cards every year. Each card costs about £40 000 to produce and is expected to generate some £85 000 in sales. Hallmark takes creativity and innovation seriously. Their philosophy, work environment and development programmes are designed to encourage creative thinking. Their global headquarters is still in Kansas and their 800 in-house creative staff are based there. They have access to the world's biggest creative library with some 20 000 volumes and 175 current periodicals. They also have a programme of visiting speakers, including writers, photographers and artists. Their staff development programme is diverse, with courses on working with Hallmark's colour management process but also classes on sculpting and even doll-making. They have a creative renewal program for staff who feel they are losing their edge which is based at their own creativity retreat, Kearney Farm, an old farmhouse set in a 172 acre estate. It boasts its own art studio and regular creative brainstorming sessions are held there. Hallmark also organizes research visits to overseas countries so that staff keeps in touch with emotions in different countries. However there is a hard edge and slogans on some office walls remind staff how much a card that does not sell will cost.

The company takes trend-spotting seriously and employs staff to constantly scan the environment to monitor new developments. Innovations include e-cards that can be sent via Hallmark's own website. You can even create your own card. The site also has a hugely popular 'Say-it-with-music' line where you can send a CD-quality sound card with a choice of more than 100 music artists as well as dialogue and themes from popular movies and television shows. With over 250 designs they feature the original artists and songs and link to the captions and sentiment of the card. The cards even appear on websites such as YouTube, with people lip-synching along to the cards 45-second music clips.

SOURCE: Burns, P. 2013. Corporate Entrepreneurship. Innovation and Strategy in Entrepreneurship. New York: Palgrave, McMillan.

[TURN OVER]

QUESTION 1

- 1 1 By means of examples from the case study, briefly discuss whether Joyce Clyde Hall meets each characteristic of an *entrepreneurial mindset* (5)
- 1 2 Describe what an adaptive company is and discuss the four flexible rules as applied at Hallmark in building such an organisation (10)
- 1 3 By quoting relevant issues from the case study, present at least five characteristics displayed that are associated with an entrepreneurial individual (5)
- 1 4 Some level of entrepreneurship exists in every organization. Innovativeness, risk-taking and pro-activeness are three dimensions that characterize and determine the level of entrepreneurship within an organization. By giving relevant examples from the case, identify and discuss two corporate entrepreneurship dimensions that are applicable to Hallmark (6)
- 1 5 Explain any four of the eight rules for fostering an innovative environment as applied at Hallmark (4)
- [30]**

[TURN OVER]

SECTION B**ANSWER ANY TWO OF THE FOLLOWING THREE QUESTIONS****QUESTION 2**

While entrepreneurship does not happen without individuals, it also does not happen without teams. Individualism versus collectivism is a value that exists in most companies, even when management is unaware of it.

- 2.1 Define the concepts of Individualism and Collectivism (4)
- 2.2 Give the merits of Individualism versus Collectivism by indicating four positive aspects and four negative aspects of each. You may use a table to structure your answer. (8)
- 2.3 Identify and explain the four different types of organisational structure. (8)
- [20]**

QUESTION 3

- 3.1 Mention and explain five key capabilities that would contribute towards an organization achieving a sustainable competitive advantage. (5)
- 3.2 Identify the fifth (final) stage of Greener's Organisational Life Cycle Process. Describe this stage and indicate what changes must be made to ensure a continued existence of organizations. (5)
- 3.3 Entrepreneurship can be manifested in organizations through corporate venturing. Name and discuss three modes of corporate venturing. (6)
- 3.4 Explain any four specific motives which organizations might have for pursuing corporate innovative activities. (4)
- [20]**

[TURN OVER]

QUESTION 4

Read the case study below and answer the questions that follow

Managa Funeral Parlour has been doing its business the same way its founders did. As a result they have lost business to competitors around the area of Soshanguve. Its owners Siphon Mabunda and Solly Mukwevo appoint you to turn around their business and you immediately notice that an entrepreneurial behaviour was non-existent in their organization. It has been operating in a very controlling manner, especially when it comes to the transparency of its financial situation and top management decisions. The entrepreneurial philosophy of control extends to the financial records and books of Managa Funeral Parlour. As an operating model, you recommend an *open book management* approach.

4.1 Define and explain an ambidextrous organisation (5)

4.2 In recommending an open book management model to Managa Funeral Parlour, you are required to describe the model by identifying the key ingredients thereof (8)

4.3 Recommend seven creative approaches that human resource division at Managa Funeral Parlour can use to reward their employees (7)

[20]

Total [70]