

MNG2602

(495136) October/November 2014

CONTEMPORARY MANAGEMENT ISSUES

Duration 2 Hours

70 Marks

EXAMINERS

FIRST

SECOND

MRS L CRONJE

MRS MJ VRBA

Closed book examination

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The use of a calculator is not permissible.

This examination paper consists of **23 pages**, plus instructions for the completion of a mark-reading sheet

INSTRUCTIONS

This exam paper consists of **two sections**.

Section A: 55 multiple-choice questions, worth one mark each, which you have to answer on the **mark-reading sheet**.

Section B: two questions, worth 15 marks, which you have to answer in the answer book provided

Please ensure that you have filled in the following information on the mark-reading sheet **and** on the answer script:

- your student number
- the module code **MNG2602**
- the unique number **495136**

Please complete the attendance register on the back page, tear it off and hand it to the invigilator.

SECTION A: MULTIPLE-CHOICE QUESTIONS**[55 MARKS]**

Answer all the multiple-choice questions on the mark reading sheet

Read Case study 1 and answer the questions that follow

CASE STUDY 1: ASPEN

On a recent holiday to Disney World with his family, Aspen Pharmacare CEO Stephen Saad wandered into a pharmacy while his children enjoyed the rides

On a shelf, he found Murine Clear Eyes, the eye drops made at Aspen's Port Elizabeth plant.

"About 2–3 million packs a month are sold around the world but it was good seeing them at Disney World (in the US)," says Saad. "On the box it says 'Made in Port Elizabeth' I wondered how many customers there knew where Port Elizabeth was, they probably thought it was in England "

The anecdote illustrates the global reach of Aspen, which has enjoyed phenomenal growth in less than two decades, from a converted garage in Durban to a multinational group

It is now the largest pharmaceutical company in the Southern Hemisphere and the ninth-largest generics company in the world Its biggest local rival, Adcock Ingram, has been around for 120 years but is lagging behind

Five years ago, Aspen and Adcock Ingram were directly comparable, at least as shares on the JSE However, Aspen has since left Adcock Ingram far behind, mainly through the deals it has executed, but also because of Aspen's effective advertising campaign focused on educating consumers about the value of their products. This advertising campaign has successfully shifted the mindset of consumers towards generic medicine and has increased the demand for Aspen's products.

A pharmaceutical sector report issued at the end of 2013 suggests that Aspen has left Adcock so far behind because, "Adcock Ingram remains overwhelmingly reliant on the South African market and in that is not entirely in command of its own destiny, given the regulatory situation and the influence of state tenders."

Local industrial giant Bidvest obtained a 35% holding in Adcock in 2014.

Aspen's acquisitions have been well timed and well thought out "Aspen's growth is judiciously acquired, which means it mixes wisdom, common sense, discretion and a bit of luck with the intention of building on what has been proven to work and

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avoiding unnecessary trouble or wastefulness," says independent investment analyst Mark Ingham in a report. "The surge of internationalisation in group earnings is not a product of acquisitive intent but a by-product of preparation meeting opportunity."

The acquisitions were often structured around obtaining operating licences and patents, but also enabled Aspen to build a superior supply chain

South Africa remains the heart of Aspen's operations. Products made in SA are exported to the rest of Africa, Australia, China and the US. IMS Health, a firm that provides research and other services to the healthcare industry, ranks Aspen, with its 16% share of the SA pharmaceutical market and 31% share of the generics sector, the number one pharmaceutical company in SA. Nearly one in four scripts dispensed by pharmacists in SA is for an Aspen product. After buying Sigma Pharmaceuticals for R5,9bn in 2011, Aspen now has a 4% share of the Australian pharmaceutical market and 16% of its generics sector. In Australia, one in seven scripts is for an Aspen product.

In Africa, it is the largest pharmaceuticals firm by sales, market share, presence in different countries, turnover, market capitalisation and production, and the biggest supplier of antiretroviral drugs

However, as Aspen CEO Stephen Saad says, Aspen's growth is not just about acquisitions – more of it has been organic. Aspen is committed to sustaining life and promoting healthcare through increasing access to its high quality, effective and affordable medicines and products. This is evident in their customer service policy which has enabled them to improve the public perception of generic medicine

He is wary though, of the group growing too big. "I've always worried that when you become bigger you become bureaucratic. The danger of bureaucracy is that it leads to an absence of leadership and an absence of trust. Without that, what are you?" he asks. Aspen prides itself on employing teams that are able to deal with the unexpected by being spontaneous and creative.

Saad attributes much of the group's success to the teams working for him in South Africa and the rest of the world. "There's a basic value system we drive in the business. We give ownership and trust to our people and let them make lots of the decisions. That's probably the biggest aspect to Aspen's success." Both CEOs at Aspen are well liked and respected by their colleagues.

Working at Aspen's head office

The new acquisitions demand that Saad and his deputy Gus Attridge spend a substantial portion of their time abroad, which limits the time they have available to spend with their families. "There is a lot of travel; it can be difficult. Nevertheless, at

Aspen we often discuss family time. There are certain family events you don't turn down, for example, a sports day," Saad says. Attridge says they make a point of setting aside time for their families. "It's something you have to do. The support of your family is important."

They enable and encourage staff members to do the same, with their "Work hard, play hard" policy. This policy can easily be explained by the following example. When Aspen launches a new product, managers work relentlessly, sometimes through the night, to meet the deadline resulting in less family time. After the product is launched, the company compensates the managers by sending them and their families on an all-expenses paid holiday. During quiet periods, managers work on a flexible schedule.

Saad and Attridge believe their teams in South Africa and the rest of the world support them fully. "Stephen and I are very hands-on. That's why we regularly visit the operations overseas. We want them to know that we have trust in them," Attridge says.

The culture at Aspen's supports an open door policy and there is a high degree of informality present. This can lead to some unusual work situations. Saad speaks about an employee in Australia who is still working, just because he wants to work. "He's in his 80s, on oxygen and in a wheelchair. I asked him why he still came into the office and he said it was because he wanted to work."

Part of the success of Aspen is its flat management structure and a focus on innovation and creativity. Employees are regarded as colleagues rather than bosses and employees. "The dual leadership provided by Saad and Attridge is effective, with each playing to their strengths. This is partly by design and allows for seamless succession in the event of the death of one. They both have financial acumen and they both demonstrate a clear sense of purpose and an eye for opportunity. Aspen has no greater key person risk than some other companies, but in some respects, the company provides better assurance to boost investor confidence, says Ingham.

Adapted from: Harris, S. 2014. Aspen: Strong but not on Steroids. *The Financial Mail*. [Online] Available from: <http://www.financialmail.co.za/coverstory/2014/01/16/aspen-strong-but-not-on-steroids> [Accessed 17 January 2014]

- 1 *As the demand from African consumers for generic medicines grows, Aspen could gradually export its products to the rest of Africa*

This external **force** of change is _____ in scope

- 1 continuous
 - 2 punctuated
 - 3 revolutionary
 - 4 incremental
- 2 Organisations, such as Aspen, operating in a highly competitive market should have the ability to change often and rapidly, affecting _____ **change**
This type of change entails a pattern of uninterrupted adjustments in work processes and social practices driven by organisational instability and cumulative reactions to daily events

- 1 continuous
- 2 revolutionary
- 3 punctuated
- 4 planned

QUESTIONS 3 TO 7

Change in organisations can result in resistance from employees who have to implement the change, and Aspen is no exception. Consider the table on the next page and answer the questions that follow.

Column A Options to implement change	Column B Methods to deal with resistance to change
a at a slow pace	e manipulation and co-optation
b with a clear plan	f negotiation and agreement
c by encouraging substantial involvement from others	g participation and involvement
d by attempting to overcome it	h facilitation and support

Pharm Manufacturing is a pharmaceutical manufacturing organisation, situated in Riversdale in the Southern Cape. Aspen has successfully entered into the finalisation stage of buying a 100% stake in the organisation.

3. *Aspen plans to appoint Pharm Manufacturing middle-level managers in positions at its head office in Durban but it is facing **strong** resistance from these managers who do not want to relocate to Durban.*

Aspen should implement this **change** _____ and use the _____ **method** to deal with the change.

- 1 a, h
- 2 c, f
- 3 d, e
- 4 b, g

4. *Aspen has provided all workers with the necessary information on how an acquisition might affect them, but despite this, the factory workers at Pharm Manufacturing still **fear** that they may lose their jobs.*

Aspen should implement any changes **involving the factory workers** _____ and use _____ to deal with the change.

- 1 a, h
- 2 c, f
- 3 d, e
- 4 b, g

- 5 *Aspen's change team realises how vital it is to create and communicate a **clear picture** of the envisaged future state of the organisation to all members of the organisation*

This is the _____ step in _____ change model

- 1 fourth, Maslow's
 - 2 fifth, Porter's
 - 3 third, Kotter's
 - 4 second, Lewin's
- 6 According to _____, the main reason why change efforts associated with **acquisitions** fail is _____
- 1 Kotter, a failure to produce the expected synergies
 - 2 Lewin, that change cannot be effected in allocated time frames
 - 3 Porter, costs that are out of control
 - 4 Senge, a failure to communicate clearly
- 7 Which area of change is associated with a process of proactively aligning an organisation's resources with changes in its external environment?
- 1 strategic change
 - 2 structural change
 - 3 technological change
 - 4 changing people

QUESTIONS 8 TO 10

Match the level of **organisational culture** according to Edgar Schein in **Column A** with an appropriate **example** in **Column B**

Column A Schein's level of organisational culture		Column B Example from the case study	
8	artefacts	1	a focus on innovation and creativity
9	values and norms	2	family orientated
10	assumptions	3	open door policy
		4	a flat management structure

QUESTIONS 11 TO 13

Match each **national culture dimension**, as defined by Geert Hofstede, in **Column A** with an appropriate **societal preference** in **Column B**

Column A		Column B	
National culture dimension		Societal preference	
11	long term versus short term	1	a preference for the absolute truth
12	masculinity versus femininity	2	a preference for a cohesive societal framework
13	individualism versus collectivism	3	a preference for heroism
		4	a preference for gratification

QUESTIONS 14 TO 17

Read Case study 2 and answer the questions that follow

CASE STUDY 2: ASPEN

As previously explained, Pharm Manufacturing is a pharmaceutical manufacturing organisation, situated in Riversdale in the Southern Cape. Aspen has entered into the finalisation stage of buying a 100% stake in the organisation.

Aspen announced that it would change the management structure of Pharm Manufacturing by relocating almost all Pharm factory managers to Durban, while experienced Aspen managers would take up positions at Riversdale.

One exception is the popular Operational Director of Pharm Manufacturing, Mr van Staden, who has the ability to influence the factory workers and who will remain in Riversdale, while Mr Meintjies (a Senior Operations Executive at Aspen's head office) will take up the position of Co-operational Director at Riversdale. The two directors have complementary competencies, which are seen as a major advantage to the merged company.

- 14 Changes in the leadership of organisations often lead to conflict. Aspen attempted to avoid conflict by implementing the **influence tactic** of _____ by retaining Mr van Staden as Operational Director.

- 1 upward appeals
- 2 exchange
- 3 coalition
- 4 rational persuasion

[TURN OVER]

- 15 *Mr van Staden was not sure how to deal with the situation of dual leadership and contacted his counterpart at GSK, a manufacturer of non-generic medicine in Riversdale, to obtain his colleague's advice on the matter.*

Mr van Staden took _____, _____, _____ **political action**

- 1 legitimate, lateral, external
- 2 legitimate, vertical, internal
- 3 illegitimate, lateral, internal
- 4 illegitimate, vertical, external

- 16 The dual leadership initially resulted in _____ **conflict** stemming from the two directors competing for the same position. However, they are both assertive leaders and co-operated by using the **conflict management strategy** of _____ to resolve their initial problems

- 1 interpersonal; compromise
- 2 intergroup; accommodation
- 3 intergroup; competition
- 4 interpersonal; collaboration

- 17 Focusing on the issues and not on the individual is the _____ step in the _____ phase of the **negotiation process**.

- 1 second, negotiation
- 2 first, negotiation
- 3 third; planning
- 4 fifth, planning

QUESTIONS 18 TO 24

Read Case study 3 and answer the questions that follow

CASE STUDY 3: ANTIRETROVIRAL DRUGS

ARV's (antiretroviral drugs) are the drugs prescribed for HIV/AIDS. HIV/AIDS is one of the most pressing health issues of our time. This virus affects the entire world. In 2003, Aspen Pharmaceuticals, a South African manufacturer of generic drugs, took advantage of the 1997 law to introduce a generic version of Stavudine, and it asked South African authorities

for permission to produce up to six more AIDS drugs Aspen obtained the licensed rights to produce these drugs from Bristol-Myers Squibb and Glaxo, the large British company Bristol and Glaxo had waived their rights to royalties from sales of the drugs in sub-Saharan Africa with the proviso that Aspen could only sell the drugs in the sub-Sahara region.

Marketing the ARVs

The following scenario played out at the Department of Paediatrics at a certain medical centre

A senior faculty member is working through a case with a group of residents and interns "First we saw these symptoms Now that the laboratory results are back, how does that change what we think?"

At the back of the room, there's a table with bagels and juice. On the table is a supply of pens, notebooks, and little stuffed toys, all with a pharmaceutical company logo prominently displayed on them Next to the table is a representative from Aspen, introducing doctors to the newly developed generic antiretroviral drug

When you ask doctors whether this kind of drug marketing is effective, the answer is always the same "It doesn't influence me at all They're not going to buy my soul with a laser pointer " In a recent syndicated newspaper column, one doctor commented, "I blame the pin-striped Master of Business Administration graduates who mistakenly believe that physicians will prescribe certain medicines because the company plies them with pens "

Despite the denial of doctors that the marketing campaigns of pharmaceutical companies influence what medicine they prescribe, the truth is that advertising is crucial to sales Obviously, a doctor will not prescribe a drug he or she has never heard of, and it's the job of the pharmaceutical company's representatives to introduce doctors to new products on the market In private practice, the little gifts are important to secure an interview with the doctor If you are a drug representative, physicians are usually not interested in talking to you unless you have something that catches their attention Only when the representative has the attention of the doctor, will he or she be able to do the sales pitch for the new drug

Aspen's code of conduct

Aspen endorses the ethical marketing of medicines and subscribes to the rigorous application of the Marketing Code of Practice of the Pharmaceutical Industry Association of South Africa The Group has a written policy on gifts and benefits in terms of which employees of the Group, including directors, may not accept or present gifts, or offer hospitality or participate in events sponsored by current or prospective customers or suppliers

Aspen's induction programme educates new employees on the ethics, values and the business philosophy of the Group All new employees receive a copy of - and are required to sign - an acceptance of the Code of Conduct on commencement of their employment with the Group The Code of Conduct is available to all employees on the Group's intranet and is contained in the employee handbook

Adapted from.

Aspen 2014 Aspen – a global leader in generic ARVs [Online] Available from <http://www.aspenpharma.com/south-africa/arvs.aspx> [Accessed 17 February 2014]

Morreim, EW 2014 Prescribing Under the Influence [Online] Available from <https://www.scu.edu/ethics/publications/submitted/morreim/prescribing.html> [Accessed 17 February 2014]

Aspen can approach the **ethical dilemma** of providing doctors with gifts from three perspectives. Consider the list of perspectives in **Column A** and match them to their most **likely outcome** in **Column B**.

Column A Approach to the ethical dilemma	Column B Likely outcome
18. Consequentialism	1 Aspen markets its ARVs to doctors by informing and convincing the doctors that its product is on par with non-generic counterparts and that prescribing it will benefit the majority of HIV/AIDS infected people in sub-Saharan Africa
19 Deontology	2 Aspen does not market its ARVs to doctors and does not attempt to influence the doctor's decision on what to prescribe because it is not "something that a good person" will do
20 Virtue ethics	3 Aspen markets its ARVs to doctors based on the premise that it is inhumane not to offer affordable ARVs to the poor HIV/AIDS infected people in sub-Saharan Africa.
	4 Aspen does not market its ARVs to doctors in accordance with its Marketing Code of Practice.

21. Should Aspen market the ARVs to doctors with the sole aim of making a profit from increased sales, its actions adhere to the **“rules of the game”** as set by _____

- 1 Milton Friedman
- 2 Mervin King
- 3 Keith Davis
- 4 Edmond Freeman

22. Should Aspen argue that it has an **obligation to society** to make doctors aware of a cheaper, equally effective, alternative to the non-generic ARVs, it takes the view that organisations have a _____ duty to society in the CSR context.

- 1 negative
- 2 positive
- 3 moral
- 4 ethical

23. Without a/n _____ **culture** like that of Aspen, effective management of business ethics is not possible

- 1 morally sound
- 2 society-focused
- 3 value-driven
- 4 ethical

24. Aspen’s core business, namely that of developing generic medicine, is to make essential medicine such as ARVs available to billions of poor consumers throughout sub-Saharan Africa. This **business model** is known as _____

- 1 Bottom of the Pyramid (BOP)
- 2 Creative Capitalism
- 3 Social Business
- 4 Inclusive Business

QUESTIONS 25 TO 28

Read Case study 4 and answer the questions that follow

CASE STUDY 4: ASPEN PHARMACARE

Four distinct features characterise the workplace at Aspen Pharmacare, namely

(i) Nearly 75% of staff work flexibly, either part-time, from home anywhere in the country, using flexible start and finishing times, or a combination of all three

(ii) The average age of the sales force is around 60, with the youngest sales representative aged 40 and the oldest age 83 (amounting to an accumulated 1480 years of experience!)

(iii) Approximately 80% of married employees remain married for the duration of their employment at Aspen

(iv) Aspen values diversity as part of building a strong brand and a dedicated workforce, welcoming diversity as a part of creating a strong and innovative corporate culture

These features contributed to the selection of Aspen Pharmacare as an employer of choice for the past five years

25 Aspen subscribes to the **diversity paradigm** of _____

- 1 discrimination – fairness
- 2 access – legitimacy
- 3 rightfulness – efficiency
- 4 learning – effectiveness

26 Case study 4 indicates that Aspen **most likely** uses the _____ and _____ arguments in support of its **diversity efforts**

- 1 cost; resources acquisition
- 2 resource acquisition, marketing
- 3 marketing, creativity
- 4 creativity; system flexibility

- 27 Identify the **primary dimension of diversity** present in Case study 4
- 1 Marital status. "Approximately 80% of married employees remain married for the duration of their employment at Aspen."
 - 2 Age "The average age of the sales force is around 60 "
 - 3 Geographic location "Nearly 75% of staff work flexibly, either part-time, from home "
 - 4 Employment conditions. "Nearly 75% of staff work flexibly, either part-time, from home, using flexible start and finish times, or a combination of all three "
- 28 **Diversity** is _____ while **employment equity** is _____ focused.
- 1 proactive; qualitatively
 - 2 legally driven, problem-
 - 3 internally focused, externally
 - 4 productivity focused, reactively

QUESTIONS 29 TO 39

- 29 **Strategy** helps to explain the actions managers and organisations take in order to fulfil the _____ of the organisation.
- 1 purpose
 - 2 goals
 - 3 objectives
 - 4 targets
- 30 **Phase 3** of the strategic management process is _____.
- 1 strategic analysis
 - 2 strategy formulation
 - 3 strategy implementation
 - 4 strategic control

- 31 _____ contains the **values, ethics and beliefs** of the organisation
- 1 Part of the governance report
 - 2 Part of the financial statements
 - 3 An addendum to the mission statement
 - 4 An addendum to the vision statement
- 32 Aspects of the organisation that represent a **potential competitive edge** for the organisation are _____
- 1 strengths
 - 2 weaknesses
 - 3 opportunities
 - 4 threats
- 33 The _____ is a measurement of **organisational performance**, developed by _____, which organisations use to ensure that they achieve their missions
- 1 Five-forces model, Michael Porter
 - 2 Balanced Scorecard, Kaplan and Norton
 - 3 Growth-share Matrix, The Boston Consulting Group
 - 4 Strategy Diamond, Kean University
- 34 The _____ strategy is a **generic strategy** employed by organisations to minimise the price of their inputs, while targeting a segmented market
- 1 cost leadership
 - 2 differentiation
 - 3 focus cost leadership
 - 4 focus differentiation

- 35 A _____ **strategy** entails that an organisation grows though selling the same products to different customers
- 1 concentration growth
 - 2 market development
 - 3 innovation
 - 4 product development
- 36 A _____ strategy focuses on **eliminating inefficiencies** in an organisation
- 1 turnaround
 - 2 divestiture
 - 3 harvesting
 - 4 liquidation
- 37 The _____ strategy is a **generic strategy** employed by organisations to differentiate their outputs, in order to meet the needs of a niche market
- 1 cost leadership
 - 2 differentiation
 - 3 focus cost leadership
 - 4 focus differentiation
- 38 The sub-Sahara Africa division of Aspen, responsible for the newly developed antiretroviral drugs can be classified as a _____ on the Boston Consulting Group's growth-share matrix.
- 1 star
 - 2 cash cow
 - 3 question mark
 - 4 dog

39 **Strategic management** is not _____

- 1 establishing a clear direction for the organisation
- 2 a creative and innovative process
- 3 about effecting strategic change
- 4 a linear four step process

QUESTIONS 40 TO 46

Read Case study 5 and answer the questions that follow.

CASE STUDY 5: ASPEN BUSINESSES ACTIVATE 29 MANDELA DAY PROJECTS GLOBALLY

Aspen, one of the world's top 10 generic pharmaceutical companies (by revenue) and the largest pharmaceutical manufacturer in the southern hemisphere, is activating 29 projects across 11 countries on six continents in celebration of the 2012 Nelson Mandela International Day ("Mandela Day")

Stephen Saad, Aspen Group Chief Executive said, "We have embraced Mandela Day across a number of our businesses globally and we're committed to making a significant difference in the lives of underprivileged communities on this special occasion. In order to ensure that many communities benefit beyond July 18, some of the worthy recipients that have been identified will become long term CSI beneficiaries of the respective businesses "

He continued by saying, "We are extremely proud of Aspen's employees around the world who have engaged wholeheartedly in the campaign and who will be spending many hours making a difference in the lives of less fortunate communities. An extensive range of activities will be taking place during the forthcoming week, including building a house, restoring a class room, painting, repairing and refurbishing children's homes, planting gardens, creating safe play areas, feeding the hungry, gifting toys, clothes and educational supplies and caring for the elderly and destitute, and much more. This is the true spirit of a caring company that lives its values by reaching out to those who are less fortunate "

Aspen's support of Mandela Day will be demonstrated in Australia, Philippines, Dubai, Mauritius, Germany, Tanzania, Kenya, South Africa, Brazil, Mexico and Venezuela. The majority of the beneficiaries selected receive no grants or support from their local governments and are primarily dependent upon the community for sustenance.

Aspen's South African businesses have selected nine worthy beneficiaries. These include Habitat for Humanity in Orange Farm, Bulamahlo Home in Tembisa, Ekusizaneni Children's Home in Kwa Mashu, Sange Child and Youth Centre in East London; the Missionvale Care Centre, Sinethemba Children's Home and Echo Foundation that are all located in the Port Elizabeth area; and the Casa Mia Pre-Primary School and Tehillah Community Centre for abused and destitute women and children in Cape Town.

[TURN OVER]

Adapted from Beukes, S 2013 *Aspen businesses activate 29 Mandela Day projects globally* [Online] Available from [http://www.aspenpharma.com/default.aspx?pid=7&stepid=2566&oid=7&ctl00_ContentPlaceHolder1_ctrlMainPortletContainer=itemid*378268\\$stepid*2565\\$iddet*828\\$ldlangver*827\\$ldlayout*827\\$ldmode*2471\\$languageid*1\\$previousitemid*378268\\$ignoreloadedcontrols*True](http://www.aspenpharma.com/default.aspx?pid=7&stepid=2566&oid=7&ctl00_ContentPlaceHolder1_ctrlMainPortletContainer=itemid*378268$stepid*2565$iddet*828$ldlangver*827$ldlayout*827$ldmode*2471$languageid*1$previousitemid*378268$ignoreloadedcontrols*True) [Accessed on 24 February 2014]

- 40 Aspen's Mandela Day **projects** have an _____ **perspective**
- 1 outward
 - 2 external
 - 3 internal
 - 4 inward
- 41 "Habitat for Humanity" in Orange Farm is a _____ of one of Aspen's Mandela Day **projects**.
- 1 project client
 - 2 project sponsor
 - 3 tactical partner
 - 4 programme affiliate
42. The **purpose** of the Aspen Mandela Day projects is to make a significant difference in the lives of underprivileged communities. This was determined in the _____ step of the **project management process**.
- 1 first
 - 2 third
 - 3 sixth
 - 4 eighth
43. In terms of a project management **stakeholder analysis**, "Sange Child and Youth Centre" in East London is a _____ **interest**, _____ **influence**, _____ **stakeholder** of Aspen's Mandela Day Projects.
- 1 high, low; primary
 - 2 high, high, secondary
 - 3 low, high; primary
 - 4 low, low; secondary

- 44 According to the classification in the previous question, Aspen should, **at the very least**, communicate with "Sange Child and Youth Centre" using _____
- 1 weekly face-to-face meetings
 - 2 monthly communication forums
 - 3 monthly electronic newsletters
 - 4 Facebook and other social media sites
- 45 Aspen Pharmaceuticals has a _____ **platform** that enables pharmacies to order and pay for products electronically This platform is most likely to use a _____ **trading model**
- 1 e-business, business-to-consumer
 - 2 internet, consumer-to-consumer
 - 3 e-commerce, business-to-business
 - 4 on-line; business-to-business
- 46 Consider your answer to Question 45 Aspen Pharmaceuticals is most likely to use a _____ based **business model** and a _____ **shopping model**
- 1 mark-up, B2B exchange
 - 2 referral; storefront
 - 3 online trading, mark-up
 - 4 B2B; dynamic pricing

QUESTION 47 TO 48

Match each **expert system** in **Column A** with an appropriate **description** of the type of expert system in **Column B**.

Column A Type of expert system	Column B Description
47 Neural network	1 These systems ensure the seamless and automated operation of an organisation's value chain
48 Workflow management system	2 These systems enable virtual exposure to real world problems
	3 These systems are able to learn, make correlations and establish patterns of behaviour.
	4 These systems monitor control and report on organisational performance

49. _____ stems from the ability of successful organisations to **provide greater worth** to customers, which competitors try to emulate. An important contributor to the creation of worth is an organisation's _____, a term developed by **Michael Porter** to describe the interconnectedness and interrelatedness of these internal functions and activities

- 1 Competitive advantage, cost of production
- 2 Price advantage, product price
- 3 Fairness of exchange; price chain
- 4 Sustainable competitive advantage; value chain

50. Which one of the following did Michael Porter classify as a **secondary support activity**?

- 1 Procurement
- 2 Logistics
- 3 Operations
- 4 Service



QUESTIONS 51 TO 55

Read Case study 6 and answer the questions that follow

CASE STUDY 6 ASPEN SOUTH AFRICAN OPERATIONS' 2013 MANDELA DAY ACTIVITIES

Aspen's team in Port Elizabeth, consisting of team members from various departments and hierarchical levels, has selected three projects for their 2013 Mandela Day activities. These included the Missionvale Care Centre, the Echo Foundation and the Sinethemba Children's Care Centre.

Missionvale is an interdenominational, non-profit organisation that operates in the extremely poor informal shack land of Missionvale outside Port Elizabeth. This centre provides love and care to the poor and destitute, with particular emphasis on those living with HIV/AIDS. Approximately 130 000 people receive daily sustenance from the Centre which offers a range of facilities, including education, medical care, social services and nutritional programmes. Nearly 1 500 basic meals of soup and bread are provided to underprivileged members of the community each day. The Missionvale Care Centre also provides much needed clothing to some 600 families each month.

The Aspen Mandela Day team set to work early in the day at the Missionvale Centre where maintenance work was carried out, ceiling boards repaired, and compost bins constructed out of dis-used wooden pallets. In addition to feeding the hungry, the Aspen team also handed over donations of clothing, food, cleaning products, toiletries, blankets, chairs for the children and glucose test kits. Entertainment activities were also arranged for the children who thoroughly enjoyed the sports and games, reading corners and the love and attention that they so freely received. Practical supplies were also donated to Missionvale, such as discontinued empty infant formula cans that are used to serve food in, as well as 5 l water bottles.

Aspen head office has reported that the Aspen Mandela Day team in Port Elizabeth is one of their most effective and efficient teams and hold individuals who join the group in very high regard. According to their team leader, they are a very close group of individuals who discourage minority view points for the sake of group functioning. They often need to regroup and work on the intra-group dynamics to ensure that it does not negatively impact their performance.

Source: <http://www.aspenpharma.com/default.aspx?pid=386&stepid=1&oid=397301>

- 51 What is the **most likely reason** for an employee of Aspen to join Aspen's Mandela Day team?
- 1 status
 - 2 self-esteem
 - 3 affiliation
 - 4 joint achievement
- 52 The Aspen's Mandela Day team is a/n _____ group
- 1 informal interest
 - 2 formal interest
 - 3 command
 - 4 task
- 53 At what stage in group development is Aspen's Mandela Day team?
- 1 storming
 - 2 norming
 - 3 performing
 - 4 adjourning
- 54 Aspen's Mandela Day projects are **led** by senior managers. What **variable** that influences group and team **behaviour** was most likely impacted by this fact?
- 1 group member resources
 - 2 group structure
 - 3 group processes
 - 4 group task
- 55 The Aspen Mandela Day team can be classified as a _____ team
- 1 problem solving
 - 2 self-managed
 - 3 cross functional
 - 4 command

SUB-TOTAL SECTION A: 55 MARKS

[TURN OVER]

SECTION B: WRITTEN QUESTIONS

[15 MARKS]

- Answer all the written questions in the answering book
- Please write legibly
- No marks will be awarded for the listing of facts only as the questions require you to **apply the theory**

Revisit Case study 1, (pp 2–3) and then answer Questions 1 and 2 below

QUESTION 1

[10 marks]

Organisations worldwide have to deal with a number of variables in their environment that emerged during the last decade or so, forcing them to change to become flatter, more flexible, networked, global and diverse. Identify three (3) variables applicable to Aspen that forced them to change and cite examples from Case study 1 to substantiate your answer.

(Name each variable, describe it and provide a quote or shortened quote from the case study to substantiate your answer. No marks will be given for listing the variables without applying them to the case study.)

QUESTION 2

[5 marks]

Gus Attridge and Stephen Saad are the dual CEOs of Aspen. Identify and discuss the **types of power** these two men possess.

(To earn marks for this question, you need to name each type of power, describe it and apply it to the two leaders.)

SUB-TOTAL SECTION B: 15 MARKS

TOTAL: 70 MARKS

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3


4

5

[illegible]

For use by examination invigilator
Vir gebruik deur eksamenopsiener

BELANGRIK

- 1 GEBUIK SLEGS N HB POTLOOD OM HIERDIE BLAD TE VOLTTOOI
2 MERK AS VOLG 
3 KONTROLEER DAT U VOORLETTERS EN VAN REG INGEVUL IS
4 VUL U STUDENTENOMMER VAN LINKS NA REGS IN
5 KONTROLEER DAT U DIE KORREKTE STUDENTENOMMER VERSTREK HET
6 KONTROLEER DAT DIE UNIEKE NOMMER REG INGEVUL IS
7 MAAK SEKER DAT NET EEN ALTERNATIEF PER VRAAG GEMERK IS
8 MOENIE VOU NIE

106	1 2 3 4 5
107	1 2 3 4 5
108	1 2 3 4 5
109	1 2 3 4 5
110	1 2 3 4 5
111	1 2 3 4 5
112	1 2 3 4 5
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126	1 2 3 4 5
127	1 2 3 4 5
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129	1 2 3 4 5
130	1 2 3 4 5
131	1 2 3 4 5
132	1 2 3 4 5
133	1 2 3 4 5
134	1 2 3 4 5
135	1 2 3 4 5
136	1 2 3 4 5
137	1 2 3 4 5
138	1 2 3 4 5
139	1 2 3 4 5
140	1 2 3 4 5