



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR
FIRST YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS
MASTER OF BUSINESS ADMINISTRATION**

**COURSE CODE: MBA 8100
COURSE TITLE: THEORY AND PRACTICE OF
MANAGEMENT**

DATE: 20/4/ 2023

TIME: 1100-1300 HRS

INSTRUCTIONS TO CANDIDATES

Answer Question **ONE** and any other **TWO** questions

This paper consists of 4 printed pages. Please turnover.

QUESTION ONE

FEDEX'S SUCCESSFUL INTERNATIONALIZATION

Companies desiring to compete in global markets need to be flexible in how, where, and what they provide customers. As early as 1979, FedEx founder Fred Smith acknowledged that customer needs were constantly changing, and to be successful FedEx would need to implement strategies to help it become mobile and flexible and at the same time ensure strong customer satisfaction.

Through a series of buyouts, FedEx implemented successful strategies in Asia. Simultaneously, the firm implemented innovative technologies, creating a seamless experience for international customers using its services. It was no accident that FedEx became the premier carrier servicing Asia. As early as the 1980s, Smith recognized the growing market in China and knew that Asia would become an economic powerhouse. So, in 1984, FedEx launched operations in China and began the first direct express flight to the mainland in 1996.

In 1989, FedEx paid \$895 million to buy Tiger International Inc., a struggling hauler with rights to fly into most Asian airports and a Management team familiar with the Pacific Rim. Wall Street did not like this decision because of Asia's unpredictability, but FedEx saw the potential in this region.

The decision turned out to be highly profitable. FedEx's business in Asian countries has soared, with a dramatic increase in the volume of goods shipped over FedEx's international network and much of the growth coming from Asia. In January 2006, FedEx spent \$400 million to buy out its partner in China, Tanjin Datian W Group, giving FedEx full control over Datian's trucking fleet and 89 distribution hubs. It also gave FedEx more control over services in secondary Chinese cities that are becoming more linked to the global economy as manufacturers shift factories further inland as they flee increasing labor costs in coastal regions.

FedEx closed its Asian hub in the Philippines in 2008 and built a new \$150 million super hub in the heart of Guangzhou, one of China's fastest-growing manufacturing districts. To provide seamless services, FedEx recognized the need to provide all types of services that identify communication needs and in 2004 rebranded all of its companies to make customers aware of the breadth of its services.

Implementing the proper IT system to assist FedEx with the challenges of growing internationally was equally important. FedEx managers realized that an IT system must take into account the idiosyncrasies of different countries, custom authorities, and individual needs. FedEx knew that, to provide detailed and accurate information to customs about customer shipments, it had to automate and electronically track all shipment documentation. So, FedEx installed the technology for customs authorities to review the documentation, in turn, simplifying the customs process and giving them the ability to identify and examine the inbound manifest of shipments quickly and accurately. The IT system also gives customers seamless clearance through customs, plus visibility of their shipments and customs procedures through to a receipt. A customer can go online from anywhere to conduct a transaction or track a shipment.

FedEx also administers its own IT operations and develops much of its own technology. In order to achieve this, it has a large team of developers and IT personnel. These initiatives have helped make FedEx successful, especially in the Asian market. FedEx continues to expand its operations in Asia, opening a freight forwarding office in

India in early 2010. In fact, during 2008–2010, it opened 22 freight forwarding offices in international locations such as London, Brussels and Mexico City.

Additionally, in 2010, FedEx announced the start of a new international supply chain service called International Direct Distribution. The intent is to provide a single rapid, flexible solution that increases the speed to market and reduces cost. It consolidates multiple packages, bypasses distribution centers, and streamlines customs clearance, thus delivering goods quickly to their final destination. The company's managers realized that in order to be successful, they needed to respond quickly to the changes and new challenges of the "flatter" world. FedEx has been one package ahead of its competitors as a first mover in areas throughout the world.

Questions

- i. Why has FedEx been so successful in Asia? **(10 marks)**
- ii. Is the FedEx move to close its hub in the Philippines and build a new one in China a good decision for its Asian operations? Explain. **(10 marks)**
- iii. Can you identify the application of the managerial functions of planning, organizing, and controlling in FedEx activities? Explain **(10 marks)**

QUESTION TWO

Management is a trinity of art, science and profession. Discuss

QUESTION THREE

i. Identify the dimensions of managerial jobs and explain how each one contributes to managerial. **(6 marks)**

ii. Managerial roles are importance to the manager at work. Discuss. **(9 marks)**

QUESTION FOUR

i. Identify the primary historical figures who have contributed to modern management, **(5 Marks)**

ii. Discuss their most important ideas of the figures in (i) above. **(10 marks)**

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