PAN AFRICA CHRISTIAN UNIVERSITY

END OF SEMESTER EXAMINATION

JANUARY- APRIL 2024

DEPARTMENT OF LEADERSHIP

COURSE CODE

POLB 810

COURSE TITLE

LEADING INNOVATION AND CHANGE

EXAM DATE

APRIL 2024

DURATION 3 HOURS

SECTION ONE

1. Read the case study below and answer the question that follows:

Radio Shack Case Study

Question One

Radio Shack's 60-year rise and fall is a case study in what happens when a company's vision isn't balanced by insight into its customer's expectations. When Charles Tandy bought a small-time chain of nine stores in 1963, advances in technology and automation pointed to a future where we would all enjoy lives of leisure, freed of the need to spend eight hours a day at the office. Radio Shack would become a place for tinkerers and hobbyists with lots of free time and a desire to explore the brave new world of technology.

As we all know, technology didn't give us more free time. In fact, in 1979 the average American worker was on the job for 1687 hours a year. By 2007, that number had ballooned to 1868 hours – adding more than a month of extra work hours every year.

Over the next few decades, the company flailed about, expanding their product selections to focus more on consumer electronics and launching a mail-order catalog business. Their ability to solve a unique problem for their buyers continued to deteriorate, as there were plenty of other players in the consumer electronics space, and the Internet quickly made mail-order catalogs obsolete. As a result, RadioShack's profit margins and sales deteriorated significantly, precipitating the company's bankruptcy.

From 2005 to 2014, the company changed its chief executive officers seven times. Joseph Magnacca joined RadioShack in 2013 as its CEO to speed up the turnaround. The company set a goal of restoring profitability by 2015 with a significant store, and product revamps, changes in compensation structure and aggressive marketing campaigns. In 2014, RadioShack operated about 4,300 stores in North America. However, there were many stores that were located too close to each other. For example, there were 25 stores near Sacramento, California, located within a 25-mile radius, and seven stores within five miles around Brooklawn, New Jersey. With so many stores within close proximity to each other, RadioShack experienced a significant drop in profitability and inventory problems as the store traffic dried up. It became very costly to maintain so many stores with sometimes insufficient inventory in one area. By 2011, stock prices had fallen from $24.33 to $2.53 a share, and in January the company announced they were filing for bankruptcy.

Radio Shack is only one of many market leaders who lost their way as their vision came face-to-face with customer expectations. Similar failures to understand their target buyer and deliver on their specific needs have defeated behemoth companies like Unisys, Digital Equipment Corporation and countless others.

In 2014, RadioShack operated about 4,300 stores in North America. However, there were many stores that were located too close to each other. For example, there were 25 stores near Sacramento, California, located within a 25-mile radius, and seven stores within five miles around Brooklawn, New Jersey. With so many stores within close proximity to each other, RadioShack experienced a significant drop in profitability and inventory problems as the store traffic dried up. It became very costly to maintain so many stores with sometimes insufficient inventory in one area.

The changes that cause large, successful companies to fail are rarely sudden, which is why they are so easy to dismiss and also why they are so disturbing. Like Radio Shack, most companies have many opportunities to adjust their strategies to align with their buyers' needs. Radio Shack might well have survived had they maintained their focus on their audience of electronics hobbyists and adjusted their strategies accordingly. Instead, they pursued a “me too” strategy that stripped them of their purpose, steadily reducing their unique product offerings to sell mobile phones and consumer gear that could be purchased anywhere. The hobbyists went elsewhere, and in the end, Radio Shack couldn’t serve any buyer better than some other store could.

As a change management expert, discuss what went wrong with Radio Shack and what Could have been done differently for her survival (10 Marks)

SECTION TWO

Choose Two Questions from this Section

Question Two

Monitoring and evaluation (M&E) are essential ingredients in any innovation and change project or program. Through these processes, organizations collect and analyze data, and the results are used to make key decisions about the project or program. For projects and program success, monitoring begins right away and extends through the duration of the project while evaluation comes after and assesses how well the project or the program performed. Every progressive organization should have an M&E system in place to ensure innovation and change projects are a success.

Discuss the benefits earned from establishing a monitoring and evaluation function in innovation and change projects. **(5 marks)**

Question Three

Globally, organizations have leveraged strategic leadership as a key driver to support innovation and change projects. Leadership and projects success have a positive correlation implying that innovations cannot succeed without enablement by the leadership. Discuss **Five (5)** contributions of leadership in leading innovation and change projects. **(5 Marks)**

Question Four

Innovation and change implementation need to be methodical- following a defined process or path and not haphazard due to its possible impact on organizations. Lewins Model has offered a good approach on innovation and change implementation, increasing the level of achievement of the desired results. In light of this, describe the contributions of Lewins change model in a corporation of your choice. **(5 Marks)**

Question Five

Over the years, innovation and change management has grown tremendously as a result of competition, global connections, dynamic customers' demands among others. Establishing building blocks to support innovation processes has therefore become fundamental in progressive organizations. With time, proper coordination of these building blocks have increased the level of success among successful corporations. Analyze **Five (5)** building blocks suitable for an innovation led environment.

(5 marks)