

## BUSINESS STRATEGY & TECHNOLOGY

Time allowed- 3:30 hours  
Total marks- 100

**November-December 2025**

[N.B. - The figures in the margin indicate full marks. Questions must be answered in English. Examiner will take account of the quality of language and of the manner in which the answers are presented. Different parts, if any, of the same question must be answered in one place in order of sequence.]

Marks

1. TechNova Solutions Ltd, a mid-sized technology company headquartered in Dhaka, Bangladesh, specialises in developing affordable and scalable software for small and medium-sized enterprises (SMEs). Bangladesh currently has over 7.8 million SME businesses, contributing significantly to national employment and GDP. TechNova has enjoyed steady growth over the past decade due to its strong reputation for customising digital solutions to the needs of Bangladeshi SMEs.

However, the external business environment has changed significantly. The Government of Bangladesh has introduced new data privacy and cyber-security regulations, consistent with global standards. Compliance requirements imposed by the Financial Reporting Council (FRC) and data-handling expectations from regulatory bodies have increased operational costs for tech companies. Additionally, Bangladesh Bank has reiterated its policy focus on expanding SME access to finance and accelerating digital transformation. The Bank expects technology firms like TechNova to support SME digitisation through secure, reliable, and innovative platforms that enhance transparency and growth—an expectation that places additional pressure on TechNova to upgrade its technological capabilities.

Economic conditions have also become challenging. Inflation has risen to around 18%, and the Bangladeshi taka has depreciated sharply against major foreign currencies. As a result, SMEs—the backbone of TechNova’s customer base—are struggling with increased costs of materials and limited purchasing power. Many clients have begun delaying payments, and the number of new software contracts has declined. Despite this, an increasing number of young entrepreneurs entering the market are rapidly adopting digital tools, presenting growth opportunities. However, many traditional SMEs continue to resist digital transformation.

The rapid advancement of Artificial Intelligence (AI) and machine learning (ML) is reshaping the global and local technology sectors. Several competitors in Bangladesh have already integrated AI-driven features into their products, whereas TechNova is still playing catch-up. Stakeholders, including lenders and development partners, are also calling for energy-efficient and climate-sensitive software practices. This pressure aligns with Bangladesh’s national climate commitments, as the country faces severe climate risks such as floods, cyclones, heatwaves, and rising energy costs. Unreliable electricity supply during climate disasters increases operating costs for technology companies that rely heavily on cloud computing and data storage. Moreover, a recent intellectual property infringement lawsuit against a competing Bangladeshi tech firm has highlighted the urgent need for stronger legal protections within the industry.

Bangladesh’s IT sector features low entry barriers, resulting in an influx of small startups offering cheaper alternatives. Although TechNova’s long-standing reputation provides some competitive advantage, SMEs enjoy strong bargaining power due to the availability of multiple technology vendors. TechNova is also highly dependent on cloud service providers and specialised development tools, which gives suppliers significant leverage. The growing popularity of open-source software and do-it-yourself digital platforms further threatens TechNova’s market share.

Competition is intense, driven by both local startups and international firms, many of which offer AI-powered solutions.

To respond to these pressures, the Chief Executive Officer, Mr. Fahim Chowdhury, has developed a strategic plan focusing on three key priorities:

- 1) Investing in AI and machine learning capabilities to modernise TechNova’s product offerings.
- 2) Strengthening long-term relationships with SMEs, in alignment with Bangladesh Bank’s strategic priority of SME digitalisation.
- 3) Expanding into emerging South Asian markets, including Nepal and Sri Lanka, to diversify revenue streams and reduce reliance on domestic SMEs.

Despite these strategic intentions, implementation progress has been slow. Middle management resistance concerns about insufficient resource allocation, and poor communication from senior leadership have resulted in declining employee morale and rising labour turnover. These internal challenges threaten the success of TechNova’s long-term strategy.

**Requirements:**

- a) i) Use the PESTEL framework to identify and explain key elements of the environment that could shape the success of TechNova’s strategies. 4
  - ii) From the external environment, identify and justify two factors that could significantly impact TechNova’s strategy. 2
  - b) Using Porter’s Five Forces model:
    - i) Identify and explain the key elements, from the given scenario, that shape TechNova’s competitive environment. 3
    - ii) Suggest ways that TechNova can mitigate the threats posed by each of the forces to maintain its competitive position. 3
  - c) Using the transformational leadership style, suggest ways the CEO, Mr. Fahim Chowdhury, can address the challenges posed by middle management resistance and ensure successful implementation of the company’s strategies. 3
2. Dhaka Food Supply (DFS) was established thirty years ago by three friends, Abu Baker, Abu Dawod, and Abu Fuad, who remain the company’s sole shareholders. The firm is in the catering business and currently has an output of 26000 meals per week. Abu Fuad retired from full time employment with the company five years ago and was appointment as Chairman. He was regarded as the most talented manager and astute businessman of the three founders. Baker and Dawod are still full-time working directors but will probably retire within the next five years or so.

**Products and markets:**

The company produces ready to- eat meals for factories, schools, airlines and social events like meetings, ceremonies, picnic and other events. Sales are of two categories: to other catering organisations which have sub-contracted to DFS (as bulk buyers) and other to final users.

A break down of revenue and gross profit shows the following:

	Bulk buyer		Final buyers	
	% of revenue	GP %	% of revenue	GP %
Current year	50	8	50	15
2023	55	10	45	14
2022	45	11	55	13
2021	40	12	60	13
2020	35	12	65	12

The products which sell to the two types of customers are different. Meals sold to the other caterers tend to be bulk sales allowing long production runs of one menu.

The catering customers of bulk sales specify very closely the portion sizes, contents, nutritional value and cost of the meals; the menus are often standardized. Meals being produces for final users, however, have much more variety and are less standardized. Final users take DFS’s advice, and the company employ chefs and a nutritional expert to design and oversee the production of these meals.

DFS has long-established links with many food suppliers who are adept at supplying ingredients of the proper quality. A conservable range of quality is used depending on how the food is to be cooked and on the cost limits imposed by buyers. Bulk buyers are particularly precise when stipulating meal contents. Recently a batch of meals was rejected because the carrots had been chopped into circles rather than into little sticks. The final users are not as fussy.

Until recently the DFS followed a pricing policy of full cost plus about 14% on all its contracts. However, the bulk buyers have become very well informed about the raw material and processing cost, and are thus able to make a good assessment of DFS’s costs. Contract have become very competitive. The most recent bulk contracts attracted eight bids, the buyer took the three best bids and divided the order amongst them at a price given by the lowest quotation.

## Production

Mr. Shamim, the GM and Mr. Rakib, the engineer saw increase efficiency as the key to the firm's survival, and the firm recently spent Tk 500,000 on efficiency improvement (work study, machine modification, new machines and incentive schemes). Some of these changes were in anticipation of stringent Bangladesh hygiene legislation. Mr. Rakib subsequently left, taking with him enormous practical experience. Mr. Shamim estimates that maximum meal production at the present factory is 30,000 meals per week. Recently it produced 28,000 meals. Preoccupation with the new machinery and efficiency improvements has meant that Mr. Shamim has shelved plans to look for a larger building which would have given scope for even greater production.

## Management and personnel:

Since **Mr. Rakib's** departure the only manager left below board level with any significant experience are Mr. Shamim and the sales manager. Mr. Shamim sees his major role as that of co-ordination. Training is not given a high priority and no managers have been under any training beyond technical subjects. Turnover amongst staff low and there is a friendly atmosphere, wages are regarded as fairly good. However, Mr. Shamim is himself thinking of leaving as he can see no prospect of improving his position at DFS unless he were to obtain a seat on board. Recently a friend of him set up a catering and has had a very profitable first year. Mr. Shamim provided a start-up capital of BDT 50,000.

## DFS's present performance

Despite the problems noted above, recent sales have been strong. The company has a good reputation and lot of business comes by recommendation from satisfied customers. DFS does not advertise extensively, although recently it did send out a mail shot to local business offering catering facilities for meeting, presentations and general entertainment functions. There was negligible response that could be traced to this.

## The future

Minutes and reports of recent meeting have raised the following points:

- Amongst several large contract coming up for tender is one for a local large engineering works 1200 employees. Despite its size this would not be regarded as bulk buy contract.
- Changes in the food manufacturing business mean that there is an increasing trend among and users to sub contract the running of their canteen to caterers which act as catering facility managers. Few companies are willing to employ their own catering staff. Bangladesh law has imposed new hygiene, and businesses are worry of having themselves to administer and run canteens
- One of major catering company is currently building their own food production factory.
- Decisions on the firm's future are likely to be made solely by Abu Baker and Abu Dawod, with little attention being paid to the views of senior managers. Dawod has recently overruled Shamim, GM on a number of production decisions and this caused a loss of efficiency and the scrapping of a significant number of meals. In addition, a sales representative was appointed by Baker without reference to the sales manager.

## Requirements:

- a) For each of five years for which information is supplied, calculate the company's overall weighted average gross profit percentage. Comment on these figures and on the figures supplied to you. 5
  - b) Write a memorandum to the Chairman which covers the following areas:
    - i) An analysis of competitive pressure within two customer group 2
    - ii) Appropriate generic strategies 2
    - iii) The implications of chosen strategies for organization structure 2
    - iv) Options for production capacity. 2
    - v) Recommendations for what you consider to be the key issues facing the company. 2
3. a) CMRT is a large firm of accountants based in Dhaka with a number of regional offices. It is divided into four main areas: tax, audit and accounting, corporate finance and management consultancy. However, in addition to the provision of these general services, additional specific services have been developed. A partners' meeting has been called to discuss the future strategy of the firm, the accountancy industry and the place of CMRT within it.

Over the past ten years the nature of the accountancy industry has changed significantly. Profits are lower than they have been for many years and competition is fierce, especially amongst the larger firms. More is being asked of accountants, and their image has taken a battering following the demise of some important clients in the country. There has been a knock-on benefit. Business

has been growing fast in the field of corporate governance advice and products to assist firms manage the requirements of additional works.

CMRT has responded by setting up an Assurance division within the Audit and Accounting Section. The division, offering specific advice on corporate governance has shown significant growth and there are plans to recruit more staff to expand it further, as the market for these services continues to develop.

Meanwhile, new accounting standards are being introduced by international accounting bodies. These demand far greater expertise from accountancy firms. CMRT have earmarked a significant proportion of their training budget to IAS training courses and are beginning to see payback as they have won a number of new clients recently specifically because of their IAS knowledge.

Margins on audit and taxation services are slim. The industry is growing increasingly concerned about auditor liability. Whilst auditors are hopeful that they should be able to negotiate proportionate liability with clients within the next few years, a number of firms are facing legal cases which could result in significant claims against them, and this situation looks set to continue for some time. Another concern is the National Board of Revenue's strict attitude towards tax avoidance. The NBR has made plan that specific tax avoidance schemes that it has not vetted will result in the accountancy firms that sold the schemes being fined. Aggressive tax plans, of the sort CMRT specialized in, are rarely receiving approval.

Another concern is the raising of the audit threshold. Until the end of 2023, any business with a revenue of Tk 1m or more had to be audited. However, Tax Authority has now raised this threshold to Tk 5.6m. For many accountancy firms including CMRT, the loss of these small clients has had a significant impact on their business. In addition, the rules governing independence have made the provision of non-audit services to audit clients much more problematic which has further reduced the profitability of the audit side of the business.

Although consultancy is seen by some as the most profitable sector, the firm has seen their revenue rise by only a modest amount in the area of general consultancy. In an attempt to generate new business CMRT have introduced a new product; tax efficient supply chain planning, which involves multi-disciplinary teams, from consultancy and tax, working together to help larger clients. As more global companies source and sell across international boundaries, the demand for such services is predicted to grow. CMRT are one of the first firms outside the Big Four to offer the service.

CMRT's long-established corporate finance department is currently their most profitable area. The division advises clients looking to raise further funds. They have a number of listed clients and many more that may well look to list in the future. To support such firms they have just introduced a pre-list planning service which helps firms prepare for a listing up to eighteen months in advance. It is early days yet and they are not yet sure how many clients will take up the service.

#### **Requirement:**

You are an outside consultant. Using the information above, prepare a report for next week's partners' meeting which analyses the product portfolio of CMRT using the BCG matrix. Your report should explain the logic behind your reasoning and conclude on the balance of the portfolio.

- b) After a difficult few years trading Timber Trading Ltd. (TTL) appointed Mr. Ryan as new MD & CEO to the board of TTL, a large divisionalised company, it specialized in the production of wood-based products, from plywood and chipboard, to kitchen and conservatory windows.

Ryan in their initial press interview made it clear that the costs incurred by the business were far too high and that efficiency and productivity unacceptably low. They have made clear their intention to turn the business around. However, there have already been rumblings from the union to which most of the workers belong. They are not prepared to negotiate over wages or working condition.

TTC is a major importer of wood. Russian and Scandinavian joinery redwood, together with spruce from North America make up a high percentage of imports. They also import from Baltic states. Although sterling is strong against the Dollar it has been struggling lately against the other currencies. There has been sign that some of TTC's overseas suppliers are considering expanding in the Bangladesh market directly. There has also been an increase in the popularity of UPVC alternatives in the number of TTC's Core business areas.

A number of operational issues need addressing. Recently, complaints about quality and product specification have become more common. Additionally, the delivery fleet has become less reliable and several key customers have been let down. However, many of the major senior managers do

not seem unduly concerned. They often talk about historic problems in the timber trade and how these problems are just part of the nature of the industry. They rarely stay at their desks after 5 pm. There is little in the way of knowledge sharing and it is unusual for staff in any one division to even know the names of staff in the others.

One key pillar of CEO's plan is to introduce a fully integrated information system, covering inventory control, and e-procurement, computer aided design and manufacture, resource planning and management accounting. The system is to operate across all divisions and allow potential cross selling and better customer management.

**Requirements:**

- i) Analysis the forces for and against changes at Timber Trading Ltd. 4
- ii) Recommend to the CEO how they might best manage the change process. 6

4. Shell, a multinational energy company, historically focused on extracting and supplying oil and natural gas, is evaluating its future strategic direction for the next 10 years. The board recognises that reserves of oil and natural gas are finite, and that environmental concerns, both public and political are rapidly increasing. The board is considering a dual-strategy:

- Continue extraction of oil and natural gas in the short to medium term;
- Invest heavily in renewable energy production (wind and sea energy). The company anticipates growing regulatory pressure on fossil fuels and sees diversification as essential for long-term survival. The strategic plan must allocate resources across activities such as exploration rights, transport infrastructure, and renewable technology capabilities. The board must decide what proportion of the company's future energy portfolio should come from renewables versus fossil fuels. The company has chosen not to pursue nuclear power as part of its energy mix, reflecting the board's values.

**Requirements:**

- a) You are the Chief Strategy Officer of Shell Bangladesh Ltd. You are asked to assess the strategic risks and opportunities associated with pursuing a dual strategy of continuing fossil fuel extraction while investing in renewable energy. 5
- b) Discuss the resource and capability requirements needed for successful expansion into renewable energy. 3
- c) Critically evaluate how the values and strategic vision of the board can influence long-term strategic choices. 3
- d) Recommend how the company should allocate capital investment between fossil fuel and renewable energy businesses over the next decade. Justify your recommendation with reference to strategic fit and long-term sustainability. 4

5. a) The tea industry in Bangladesh is showing steady growth due to the increasing involvement of private sector investors. Bangladesh is largely self-sufficient in producing CTC (Crush, Tear, Curl) tea. However, there is a significant international market opportunity for Orthodox tea. According to the Bangladesh Tea Board, the country produces around 80 million kg of tea annually. Of this, only about 5 million kg is orthodox type. Around 40 million kg of tea is consumed domestically, while the remaining 40 million kg is exported.

Bangladesh's tea exports have faced occasional challenges due to contamination issues in foreign markets, affecting demand in Europe and the USA. Nevertheless, recent developments have improved the situation. For instance, a Chinese company has expressed interest in a recurring annual purchase of 500,000 kg of organic tea. China is among the major importers of Bangladeshi organic tea.

Bangladesh produces high-quality tea that caters to diverse global market preferences. Organic teas are sold at premium prices in international markets, often exceeding \$100 per kg. Western consumers increasingly expect not only organic products but also eco-friendly and sustainable production methods. Meanwhile, Indian tea producers have recently lobbied for restrictions on imports of non-organic Orthodox tea from Bangladesh.

Some Bangladeshi tea producers have urged the government to mandate organic production across the industry. They argue that organic production would enhance consumer health and provide economic benefits. Opponents caution that such a move could have negative impacts, as converting to organic farming takes at least three years and could be hampered by fertilizer shortages, climate change, labor issues, and other operational challenges.

Key challenges for the Bangladeshi tea industry include labor strikes, climate impacts, low labor productivity, insufficient government support, high cost of capital, limited use of modern technology, competition with Sri Lanka & Indian tea, and lack of aggressive promotion in international markets.

**Requirements:**

- i) Identify the components of the task and general environments that Bangladeshi tea industries are facing in light of the probable opportunities and threats they create. 4
  - ii) In view of growing globalization, what strategies should Bangladeshi tea industries adopt to remain competitive in the market? 3
- b) Tea House BD is a small but successful premium coffee shop and gourmet sandwich bar chain founded by Tariq Mahmud and Jahanara Tania, who studied together at university in Dhaka. The brand positions itself as a high-end café experience and is known for using specially imported Fairtrade coffee beans, signature sandwiches created by renowned local and international chefs, and a frequently updated artisan-style menu.

Tea House BD recently received the “Best Small Café Chain” award from the Bangladesh Café and Restaurant Association, significantly increasing its brand recognition. Currently, the business operates five outlets, with four located in Dhaka (Gulshan, Banani, Dhanmondi, and Uttara) and one in Chattogram.

Following the award and the steady economic growth in Bangladesh’s urban centres, Tariq and Jahanara believe this is the right time to expand more rapidly into other major cities such as Sylhet, Rajshahi, Khulna, and Cox’s Bazar, where café culture is rising quickly.

They are considering two possible methods for expanding Tea House BD:

- Organic Growth – Tea House BD would directly own and manage all new outlets.
- Franchising Model – Local entrepreneurs across Bangladesh would invest in and operate outlets under the Tea House BD brand, paying franchise fees and royalties.

You have been appointed as a management consultant to analyse and evaluate the most suitable method for Tea House BD’s expansion strategy.

**Requirements:**

Prepare a professional report for Tariq and Jahanara that:

- i) Critically assesses the options of organic growth and franchising as methods for expanding Tea House BD across Bangladesh. 4
- ii) Recommends which expansion option (or combination of options) Tea House BD should adopt for effective, controlled, and sustainable growth. Justifies your recommendation. 4

6. It's another Monday morning and after a weekend of celebrating the birthday of one of your friends, you sit in your office and sort out your diary for the week. As the IT manager of small credit card company you have to prepare for your staff meeting at 10am when all of your 15 team members will be present.

You are planning to discuss the launch of your new promotion scheme, which is due to begin at the end of the week. Fortunately, Safwan, who is the main market analyst for the company, was ready to do some extra work at home over the weekend in order to make sure the forecasts were ready for the meeting. While sipping your first cup of coffee, someone knocks at the door. It is Shabib, the hardware manager. He looks a bit embarrassed, and after a little stilted small talk, he tells you that a problem has come up. He has just checked in the laptop that Safwan the market analyst had taken out of the company's pool and used at home over the weekend in order to finish the forecasts you had asked for. However, when completing the routine check of the laptop, Shabib tells you he noticed links to various inappropriate sites in the history file of the laptop's internet browser. He tells you that they must have been accessed over the weekend that Safwan had the laptop – the access dates refer to the last two days, and as is usual practice, the history file was emptied after the last person had borrowed it.

There is a strict company policy prohibiting employees from making personal use of company hardware, and access to sites containing 'material of an explicit nature' is tantamount to gross misconduct and may result in the immediate termination of the employee's contract. When your hardware manager leaves the office, you take a big breath and slowly finish your coffee.

After a few minutes thinking through the problem, you ask Safwan to come into your office. You have a quick chat about his work and tell him that you are really pleased with the forecasts he put together over the weekend. Then, you bring up the problem with the laptop's history file. When you tell him what has

surfaced in the history file, Safwan is terribly embarrassed and assures you that he has absolutely no idea how this could have happened. After some thought though, he tells you that he did allow 'a friend' to use the laptop a couple of times over the weekend to check his email. Although Safwan says that this is the only possible explanation for the mystery files, he does not volunteer any more information on the friend involved. As it goes, this does not actually make you feel much better about the situation: the company's code of conduct also prohibits use of IT equipment by anyone other than employees.

While driving home that evening, you turn the issue over and over in your head. Yes, there is the corporate code of conduct with regard to web access and personal use of company resources. And in principle you agree on this - after all you were part of the committee that issued the code in the first place. A company like yours has to be able to have clarity on such issues, and there has to be controls on what the company's equipment is used for - no doubt about that. You can't help thinking that Safwan has been pretty stupid in breaking the rules - whether he visited the sites himself or not.

On the other hand, you are also having a few problems with taking this further. Given the amount of embarrassment this has caused Safwan already, isn't it likely to be just a one-off? Doesn't the company need Safwan's experience and expertise, especially now with the big launch a few days off? Why make problems over the matter of a few websites? Couldn't you just forget about it for once? As soon as you start thinking this though, you remember that Shabib already knows about the problem - and given his good connections throughout the firm you can imagine that the gossip has started circulating already. This looked set to be a tough call.

**Requirements:**

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|---|---|
| a) What are your main ethical problems in this case?  | 3 |
| b) Set out the possible courses of action open to you.  | 3 |
| c) Assess these alternatives according to the different moral considerations of duties, consequences, rights, justice, etc. | 5 |
| d) What would you do, and why?  | 2 |
| e) Based on your answer, what are the apparent benefits and limitations of the code of conduct in this example?             | 2 |

---The End---