

**UNIVERSITY OF BOLTON**  
**FACULTY OF WELL-BEING AND SOCIAL SCIENCES**

**BA (HONS) BUSINESS STUDIES**  
**BY DISTANCE LEARNING**

**VIETNAM BANKING UNIVERSITY**  
**(INTAKE 5)**

**SEMESTER 1 EXAMINATIONS 2011/2012**

**BUSINESS POLICY**

**MODULE NO: BST3003**

Date: Friday 13<sup>th</sup> January 2012

Time: 3 Hours

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**INSTRUCTIONS TO CANDIDATES:**

There are **SIX** questions on this paper.

Answer **FOUR** questions.

All questions carry equal marks.

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All questions are based on the PepsiCo Vietnam Case Study – notes are included immediately following the exam questions.

**QUESTIONS – Answer any FOUR questions**

1. Compare and contrast two accepted definitions of corporate strategy.  

**(10 Marks)**

Applying the above definitions, explain PepsiCo Vietnam's Corporate Strategy.  

**(15 Marks)**

**Total 25 Marks**
  
2. Explain Mintzberg's five definitions of strategy.  

**(10 Marks)**

Relate the definitions to PepsiCo Vietnam, explaining how the strategy achieved success.  

**(15 Marks)**

**Total 25 Marks**
  
3. Why is the monitoring of PESTLE factors so important for organisations in their development of corporate strategy?  

**(10 Marks)**

Explain any PESTLE factors experienced by PepsiCo Vietnam and say how the organisation dealt with them in the pursuit of their strategy.  

**(15 Marks)**

**Total 25 Marks**
  
4. Explain how Porters Five Forces can be used to analyse the micro-environment of a business.  

**(10 Marks)**

Carry out a Porters Five Forces analysis for PepsiCo Vietnam.  

**(15 Marks)**

**Total 25 Marks**

**PLEASE TURN THE PAGE**

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5. Apply the Ansoff Matrix to PepsiCo Vietnam.

**(10 Marks)**

Analyse the market segment for PepsiCo Vietnam and explain the strategy deployed to win market share in the segment.

**(15 Marks)**

**Total 25 Marks**

6. Explain the concepts of 'order winning' and 'order qualifying' criteria, saying how an analysis of the same can be used to help determine strategic objectives.

**(10 marks)**

Apply the analysis to PepsiCo Vietnam and say how the organisation performed relative to their competition.

**(15 Marks)**

**Total 25 Marks**

**END OF QUESTIONS**

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## Case Study Notes

### A Step Ahead Of The Changing Time

In February 1994, the US Embargo to Vietnam was lifted marking the phenomenal entrance of PepsiCo into this new market. Just hours after the historical moment, PepsiCola and 7Up products were available to the first few thousand local consumers in Hochiminh City . Officially, PepsiCo teamed up with International Beverages Company ( IBC) – a well-established local joint venture to manufacture and distribute Pepsi-Cola and 7Up products in Vietnam . PepsiCo held 30% equity of the joint venture (JV) with the other two partners – SP.Co (Vietnamese) and Macondray ( Singapore) sharing the balance.

Since then the JV's equity structure and partnership have been modified several times to keep pace with the increasing demand for growth. Eventually, in April 2003, the company became a 100% foreign owned entity – a new entirely run subsidiary of PepsiCo Worldwide. The company's name was also changed to PepsiCo Vietnam (PIVN).

At the same time, there happened a merge between PepsiCo's Foods and Beverages divisions underpinning a global diversification strategy and this led to an amazing change in the course of business and significantly made an impact on both strategy and operating principles of PepsiCo Vietnam – the Company has quickly adopted the new strategy, expanding its business functions and portfolios to manufacture and distribute both Foods and Beverages (F&B) in Vietnam.

The company has four production facilities including two company owned plants and another two co-packing ones for both Foods and Beverages – all equipped with up-to-date technology and world standard quality control system. The diverse product portfolios including PepsiCola, 7Up, Mirinda, Aquafina, Sting, Twister, Lipton Ice Tea, and Poca are widely and deeply distributed to Vietnamese consumers from the five operations branches located across Vietnam .

Over time, PepsiCo Vietnam has not only successfully operated in compliance with its corporate's world-class standard and the local regulations as well but also sustain its market leadership position driven by impressive growth significantly surpassing that of the F&B industry. Apart from that, PepsiCo Vietnam also receives widespread recognition for its social contribution and tireless fosterage and support of the welfare of the community via active involvement in related activities and events.



Behind PepsiCo Vietnam 's track record performance is a fully capable, dedicated workforce of more than 1,200 employees led by a strong, experienced, and committed leadership team. Together the entire organization has strived towards making PepsiCo Vietnam a better place to work and striking a right balance between work and life.

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The strong organizational capability and remarkable effort have been recognized through numerous awards given by PepsiCo such as President's Award, Ring of Honor, Center of Excellence awards for Sales and Operations, and especially the DMK Award – the highest in PepsiCo's award system.

To date PepsiCo Vietnam has not only managed the local Vietnam market but extended to cover the entire Indochina including Vietnam, Laos, and Cambodia.