Starting and Leading Business
2nd Year 1st Semester - 2015

Part B – Essay Questions 2015

Answer **only three (03)** questions **including question no. 01**

Marks allocation: 70 Marks

01. Read the case given below and answer the question.

Hotelplan and TUI Eye Swiss Tour Operator Business

Rivals Hotelplan and TUI Suisse are interested in Kuoni's Swiss tour operating business which is up for sale as part of the group's dramatic exit from the tour operator business.

Under its new strategy, Kuoni aims to sell its tour operator businesses in Switzerland, Scandinavia, the UK, Benelux, India and Hong Kong by the end of this year. The various companies could be sold en bloc as an international operation or on a country-by-country basis. Kuoni CEO Peter Meier said last week that no talks had yet been held with any potential investors, and added that "both strategic investors, who are our competitors today, and also private equity companies" are possible buyers.

In Switzerland, both Hotelplan, number two behind market leader Kuoni, and TUI Suisse, the third-largest tour operator, have shown interest. In parallel, the strong Swiss franc is effectively putting up the acquisition price for potential foreign buyers based in the Eurozone or elsewhere.

Thomas Stirnimann, Hotelplan's CEO and formerly head of Kuoni's Swiss tour operator business, told Swiss travel trade magazine "Travel Inside" that the company would look into a possible acquisition. "We would be a very suitable new owner," he declared. Hotelplan's owner Migros needs to evaluate the option of combining the two market leaders or potentially letting Kuoni be acquired by a foreign competitor, possibly from Germany.

i) What corporate entrepreneurship approach is evident in the above case study? Briefly justify your answer. (05 Marks)

ii) How this approach is differentiated from other main approaches of corporate entrepreneurship? (07 Marks)

15

iii) If you are an executive of TUI, what would be your suggestions for transforming TUI in to a further intrapreneurial firm? (08 Marks)

iv) If you are an executive of TUI, how would encourage innovations at TUI? (10 Marks)

(Total – 30 Marks)

02. "The service enterprises require exceptional human skills for its success".

You are required to:

i) Differentiate a service venture from a manufacturing venture. (08 Marks)

ii) Suggest the approaches of maintaining an "exceptional human resource base" in a firm. (12 Marks)

(Total – 20 Marks)

03. "Depending on the life cycle stage of the business, the entrepreneur has to adopt different approaches in managing the business".

You are required to:

Propose the entrepreneurial career approaches with adequate justifications.

(Total - 20 Marks)

04. "The implications of market research are mainly on the development of a marketing plan during the pre-startup stage of a business".

You are required to:

Discuss the components of a marketing plan.

(Total – 20 Marks)