

	UNIVERSITY OF RUHUNA FACULTY OF MANAGEMENT AND FINANCE	No. of Pages : 04 No. of Questions: 05 Total Marks :70
		<i>Three Hours</i>
BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE		
4000 LEVEL FIRST SEMESTER END EXAMINATION – AUGUST/SEP. 2022		
ENT 41203 – Corporate Entrepreneurship		Academic Year 2021/2022
Instructions ➔ Answer only four (4) Questions including Question number One (1).		

Question No. 1

Read the case titled “Renowned Corporate Entrepreneur” and answer the questions given below.

Renowned Corporate Entrepreneur

The visionary founder of D. Samson Industries (DSI), the late Mr. D. Samson Rajapaksa was driven at a very young age to make a successful livelihood for him and his family after losing his parents early in life. He was brought up by his grandmother who encouraged and facilitated opportunities for him to excel, which ultimately led to the founding of the finest footwear company in Sri Lanka - DSI. He gained valuable work experience in several stores in Colombo. The foundation for DSI was slowly being set up in the busy streets of Pettah when Mr. D. S. Rajapaksa began to venture into the local footwear industry. He recognized the potential of the trade which led to the establishment of his first factory in Galle in 1962 to manufacture slippers in Sri Lanka.

In 1966, Mr. Kulathunga Rajapakse joined the business just after the graduation from the University of Peradeniya to support his father. The company’s growth was threatened in 1977 with the introduction of the Open Economy, which led to increase in the importation of finished footwear and a decline in market prices. The local footwear industry suffered immensely due to this situation and a new brand “Ranpa” was born as a result of the above threat and established a new footwear manufacturing plant in Colombo in 1989. However, DSI could secure the market for school shoes through creating uncontested market space. Moreover, this threat resulted in enjoying a higher import quota and a substantial share of the market as both factories were

manufacturing the same product. The company also launched their own ultra-modern design department to confront the increasing competition. With the investment in its own retail outlets across the island, the company acquired first-hand feedback on the movement of their designs. The Managing Director explained, *"From our very inception and throughout the development of DSI, we have continuously transformed challenges into opportunities and taken risks by venturing into territories others have not considered. Leaders act as role models to inspire employees to initiate innovative ideas"*.

As a step of backward integration, DSI invested in a rubber plant to produce raw materials for footwear manufacturing with the inception of Samson Rubber Industries Ltd. However, due to the excess capacity of machines, DSI ventured into bicycle tire production which could be manufactured with the same material. Simultaneously, with the promotion of apparel exports by the Sri Lankan Government, DSI expanded the business into the apparel sector by initiating Globe Knitting Ltd. in 1991. Moreover, since foreign buyers did not prefer to travel to the factory in Galle, DSI opened a factory in Kalutara with state-of-the-art facilities to produce footwear only for exports. Mr. Kulathunga Rajapakse expressed that *"employees are motivated to get their targets achieved through building up a friendly and trustful environment where respect of the employees are effortlessly earned by the leaders by keeping a warm relationship with subordinates. Seminars & Training Programs are often conducted to improve the skills of the employees, and counselling and mentoring programs also conducted to provide emotional support for the employees"*. Company continued to promote impartiality, equal opportunities, discipline, abounding employees and customer loyalty.

Further, Company practices umbrella branding through their corporate brand DSI, which enables them to defend the market segment. DSI promotes international brands such as Fila, Clarks, Puma, Reebok, Raleigh, Jac, Garware, Vardhaman, Next and Migrow, from all industries. These enhance their brand portfolio and maintain its brand image. DSI is the first Shoe Manufacturing Plant in Sri Lanka to obtain the ISO 9001:2015 certification for quality management and cater to over 70% of the school shoe market of the country. Having looked at the challenges faced by the environment today, DSI adopted green practices such as using organic raw materials which are sourced from responsible suppliers who practices ethical conducts, recycling wastes, and installed solar panels to harness energy to fulfill the daily energy requirement. DSI has launched a synthetic leather manufacturing segment by acquiring a state-of-the-art production facility in

Katana in the Negombo area in 2021. *“This initiative comes during a crucial period of COVID-19 and Economic crisis in which the government has encouraged Sri Lankan entrepreneurs to take a step forward to invest in the manufacturing industry. It helps to cut down the supply chain & logistics lead time when it comes to sourcing materials, reduce the foreign exchange spent on imports, and provide additional employment to the youth of the country.”* said Managing Director of DSI.

(Source:<http://www.dss.lk/history/>,<http://bizenglish.adaderana.lk/from-challenges-to-opportunities-the-success-of-dsi-samson-group/>).

- (i) What are the sources of business opportunities that the DSI exploited in introducing its innovation? Elaborate by taking examples from the case. (07 Marks)
 - (ii) “Mr. Kulathunga Rajapakse has adopted the transformational leadership style”. Justify this statement by focusing on the four key elements of transformational leadership. (06 Marks)
 - (iii) Discuss the core competencies of DSI which helped in achieving sustainable competitive advantages. (07 Marks)
 - (iv) Identify the human resource values of DSI. (05 Marks)
- (Total 25 Marks)

Question No. 2

- (i) Elaborate Corporate Venturing tools which can be used to initiate corporate venturing activities of an organization. (05 Marks)
 - (ii) Explain the difference between “Sustained Regeneration” and “Domain Redefinition” with real world examples. (05 Marks)
 - (iii) Discuss the core responsibilities of Top-Level managers in an entrepreneurial organization. (05 Marks)
- (Total 15 Marks)

Question No. 3

- (i) Explain the two aspects of integrating Entrepreneurship with Strategy. (05 Marks)
 - (ii) Clarify the concept of “Strategic Agility” by emphasizing its key components. (05 Marks)
 - (iii) Distinguish between “Disruptive Technology” and “Sustaining Technology” with real world examples. (05 Marks)
- (Total 15 Marks)

Question No. 4

- (i) Describe the two types of Open boundary structures used by contemporary organizations. (05 Marks)
 - (ii) “Adhocracy Culture creates a more favourable environment for innovation than Hierarchy Culture”. Discuss this statement briefly. (05 Marks)
 - (iii) Explain the dimensions of Entrepreneurial Orientation. (05 Marks)
- (Total 15 Marks)

Question No. 5

Write short notes on the followings.

- (i) Profit Pool
- (ii) The Domain framework of Corporate Entrepreneurship
- (iii) Forms of Open Innovation

(05 marks x 3 = Total 15 Marks)
