

3814/205

CONSULTANCY AND COUNSELLING

November 2011

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

HIGHER DIPLOMA IN ENTREPRENEURSHIP DEVELOPMENT

CONSULTANCY AND COUNSELLING

3 hours

INSTRUCTIONS TO CANDIDATES

This paper consists of SIX questions.

Answer Question 1 and any THREE other questions.

Question 1 carries 40 marks.

All other questions carry 20 marks each.

This paper consists of 4 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

Read the case below and answer the questions that follow:-

(40 marks)

SAMCO BAKERS

Mr. Kobi, a Nigerian native, opened his first sandwich shop in Nairobi in 1997. To overcome the bureaucracy involved in opening the cafe, Kobi teamed up with a Kenya partner. After an initial four months of business, Samco bakers was a hit. The cafe was so successful that the partner attempted to strong-arm Kobi out of the business by locking him out. In response, Kobi rallied some friends and broke into the cafe one night and removed all the appliances and supplies. The partner agreed to be bought out.

Sometime after Kobi regained control, he relocated to the Central Business District (CBD). Instead of bringing in a new partner he used his country's high commission to obtain bank loans. By 2003, Samco Bakers had five outlets and a centralised kitchen.

The kitchen ran from 10.00 p.m to 5.30 a.m each day making sandwiches and baked items for all the outlets. Between 5.30 a.m. and 6.00 a.m. trucks delivered the items from the kitchen to each outlet. No cooking was done at any of the Samco outlets except coffee and smoothies. The central kitchen not only provided Samco Bakers with efficiencies in ingredients, machines and manpower, but also allowed for large customer capacity at each outlet and enabled employees to uniquely focus on customer service.

Revenues for Samco Bakers were driven by both the local walk-in customers and corporate delivery orders. To grow the corporate delivery base, Kobi provided as much flexibility and customization as possible. The company set up corporate accounts, on-line ordering flexible payment options and a reward program.

Corporate customers who registered with Samco Bakers could choose weekly or monthly payment terms. They could also enroll in the Bonus points program with offered credits based on the frequency and size of orders. The Bonus points program was offered to the walk in customers as well. Samco Bakers easily became one of the famous locations in the city. The CEO's social life also expanded. He got married to a beautiful but illiterate native Kenyan lady.

The economic expansion of the early 2000's dramatically changed dining habits in Nairobi. Large restaurants that catered for the emerging middle-class replaced the cafes. The restaurants offered regional taste dishes from all around Africa and Asia and greatly increased competition for Samco Bakers.

As the company adapted to the competitive environment, Kobi increasingly turned to the delivery business for revenues. His wife took charge of operations at the central Kitchen as he handled the more technical issues. But things did not work out as planned.

With time, the attitudes of the employees changed and their commitment to customer service diminished. Mr. Kobi was getting frustrated. There were countless orders that went out with missing utensils, in the wrong bag, or with items simply left out. Delivery orders were being sent hours late or to the wrong customers. The CEO wondered how to turn around Samco Bakers into the profitable enterprise that it had been.

The CEO called for a crisis meeting with all managers and senior staff to try and address the problem. One of the outlet managers, Mr. Mbogori suggested that prices be cut by 50% for a period of three months to attract customers. The sales manager suggested that the sales targets should be lowered. After a lengthy discussion, it was agreed that a consultancy firm be hired to lift the company from its current position. To oversee this exercise, a committee of experts was formed consisting of five members to request for proposals and select the most suitable one in view of Samco Baker's position. The consultancy firm selected would then offer its expertise in diagnosis of the poor performance of the company, develop a plan of action, implement it and submit a report. The team was asked to be careful to ensure that the company's interests were taken care of in the contract agreement. It was also agreed at the meeting that the firm starts engaging the services of extension officers. As soon as they assumed office, members of the committee prepared an advert to appear in one of the local dailies requesting for proposals.

1. (a) Explain the criteria that should be used by the committee of experts in selecting the most suitable proposal for the company given its current position. (10 marks)
- (b) The team of experts has selected a consultancy firm and intends to write them a letter of agreement. Explain the details that should be contained in this document. (10 marks)
- (c) Outline the objectives that the consultancy firm chosen should develop for the exercise assigned to them. (10 marks)
- (d) Mr. Kobi, the Chief Executive Officer of Samco Bakers, wonders whether extension officers are relevant. Explain to him five reasons that may justify their existence. (10 marks)
2. (a) The management of Mwatisha Ltd. has noticed increased cases of employee indiscipline arising from interpersonal conflict. Advise the management team on the benefits it would derive from engaging the services of a counsellor to deal with these employee problems. (10 marks)
- (b) In preparing to hire a consult, the hiring firm should develop the objectives to be met by the consultant. Identify the issues that such objectives should address. (10 marks)

3. (a) Explain the reasons why a consultant's conduct may be considered to be unprofessional. (10 marks)
- (b) Outline the skills that counsellors should possess in order to enable them overcome the challenge of cultural diversity among clients. (10 marks)
4. (a) The consulting industry has grown at a rapid rate in the 21st century. Explain four factors that may account for this situation. (8 marks)
- (b) Describe the steps that should be followed by a counsellor in a crisis intervention situation. (12 marks)
5. (a) Tiada Ltd. has hired the services of a consultant to assist in the restructuring of the firm. Explain the measures that should be taken by management to ensure that the consulting process is a success. (10 marks)
- (b) You have been employed as an internal consultant in a large organisation. Explain the tasks that you will be expected to undertake as part of your work. (10 marks)
6. (a) Formative evaluation is a process of on going feedback on performance. Explain six benefits that a consultancy may derive from using these feedback mechanism. (10 marks)
- (b) Highlight the types of expenses that would be covered as part of the consideration in a consulting agreement. (10 marks)