STRATEGIC RESPONSES BY ACCESS KENYA LIMITED TO A CHANGING ENVIRONMENT

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DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

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This Research Project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This project is dedicated to my family for their Unwavering Support in making this work a reality.
ACKNOWLEDGEMENT

I am indebted to my supervisor Prof. E. Aosa without whose guidance, encouragement and commitment, this work may not have been realized. Special thanks go to the lecturers of the MBA programme.

A special word of appreciation goes to Access Kenya Management for giving me a chance to undertake studies in their firm. I would like to recognize my fellow students whom we went through the programme together through group discussions, assignments and term papers.

My sincere gratitude goes to my wife and children for the support, encouragement and understanding. And for all those who may have contributed to the work in one way or another, please accept my sincere appreciation for your contribution.
LIST OF ACRONYMS AND ABBREVIATIONS

PESTEL - Political, Economy, Social, Technology, Environment and Legal

ICT - Information Communication Technology

CCK - Communication Commission of Kenya

EASY - East Africa Submarine System

TEAMS - Telecom East Africa Marine System

MTN - Multi National Telecommunication

ISP - Internet Service Providers

RBV - Resource Based View

ROI - Return on Investment
ABSTRACT

All organizations find themselves dependent, in varying degrees, on scarce elements in their external environments. This dependence is usually based on the external elements’ control of some resources which the organization needs, such as land, labour, capital, information, intellectual property rights, or a specific product or service. The importance of the resource to the organization, the number of potential supplies and the cost of switching suppliers, all affect the degree of dependency (Kotter, 1979). This research project was a case study of strategic responses by Access Kenya Limited to changing environment. Its objective was to establish what changes have taken place in the competitive environment of the Internet Service Providers (ISPs) Industry in Kenya and to determine how Access Kenya Limited responded to changes in the environment. In order to meet these objectives, primary data was collected through in-depth interview of nine senior managers of Access Kenya Limited. The collected data was analyzed using content analysis technique. The research findings indicated that Access Kenya Limited was facing stiff competition in the environment. The firm was facing challenges of servicing debt, pressure for price reduction, brain drain, and fluctuation of the dollar versus Kenya shilling which is affecting its debt. Access Kenya Limited has, however, responded to these challenges by implementing cost cutting measures, consolidation strategy, and renegotiation of bandwidth contracts with International fiber optics cable owners and converted their dollar denominated debt into Kenya Shilling in order to stabilize debt servicing. In order to survive and succeed in the changing environment, Access Kenya Limited will need to implement stringent control.
of their budgetary process, cost cutting measures and focus mainly on their value adding activities. A review of their value chain is necessary in order to re-engineer their business processes. A case study may not reflect the general situation in an industry. The generalizability may therefore be limited unless it is replicated in several case studies and there is a general concurrence in research findings. In view of the rapid change in the ICT industry in Kenya, it will be interesting to investigate how the Internet Service Providers (ISPs) are responding to the changing environment
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CHAPTER ONE: INTRODUCTION

1.1 Background of the study
Organizations operate within an external environment. The environment is complex and constantly changing, sometimes with unfavorable effects. The key dimensions of environment are political, economy, social, technology, environment and legal, (PESTEL). Environmental conditions affect and influence strategies developed by organizations for survival and success. Rose et al (1996) argues that in order for organization to remain truly competitive over time as the environment changes, they have to learn, adapt and reorient to changing environment. The interaction between the environment and organization shapes business strategy and performance, while interaction between strategy and performance, in turn, shapes both organizational capabilities and competitive environment (Henderson and Mitchell, 1997).

The alignment between strategy and environment lies at the centre of strategic management. Correct alignment helps a firm to maximize the economic benefits from resources, improve the effectiveness of operations and boost the fulfillment of its strategic objectives. Rapid technological change, easier entry by foreign competitors and the accelerating breakdown of traditional industry boundaries subject firms to new, unpredictable competitive forces. Contemporary firms, operating in dynamic market contexts, often deal with these contingencies by implementing strategies that permit quick reconfiguration and redeployment of assets to respond to environmental change (Kim and McIntosh, 1999).

Failure to address major environmental changes can negatively affect a firm’s performance. Recent research shows that the average period for which firms are able to sustain competitive advantage has decreased overtime (Wiggins and Ruefli, 2005),
suggesting that in hyper competitive or high velocity environments, firms find it harder to achieve long term competitive advantage. This situation implies that firms should be managed in such a way that they build successive temporary advantages by effectively responding to successive environmental shocks (D’Aveni, 1994, Eisenhardt and Martin, 2000).

This Research study involved investigation of what strategies Access Kenya implemented in order to respond to challenging environment. This was of critical importance because Access Kenya was facing severe challenges from other internet service providers and other challenges in the business environment which resulted into a loss in 2010 financial year. This was in contrast to the previous financial year.

1.1.1 Organizations dependence on external environment

Organizations are social entities oriented to certain goals. They are characterized by a designed structure and co-ordinated activities and are open in terms of closeness to their environment. Resource dependence theory argues that the key to Organization survival is the ability to acquire and maintain resources (Pfeffer and Salancik, 1978). Resource dependence theory’s basic assumption is that organizations survive by acquiring and maintaining resources from environment (Pfeffer and Salancik, 1978, Ehreth, 1987). If a firm cannot obtain the proper mix of resources, it will eventually fail.

Recourse dependence theory argues that organizations patterns of dependence on resources from the environment lead the organization to be externally constraint and controlled. Resource dependence theory suggests a variety of ways in which organizations can ensure the supply of resources critical to its survival. Sheppard (1995) posits that the key determinants to survival of organizations are, the industry profitability,
growth, and stability, control over the industry, influence with critical resource providers, buffering through diversification, and present level of organization resources.

All organizations find themselves dependent, in varying degrees, on scarce elements in their external environments. This dependence is usually based on the external elements’ control of some resources which the organization needs, such as land, labour, capital, information, intellectual property rights, or a specific product or service. The importance of the resource to the organization, the number of potential supplies and the cost of switching suppliers, all affect the degree of dependency (Kotter, 1979)

1.1.2 Strategic Responses

The dynamics of the environment plays a critical role in the formulation of firm’s strategy and subsequent responses. An understanding of the process of the environmental change is essential since correct response to the change in the competitive environment will determine success or failure of a firm. Strategic responses can be said to be matching the activities of an organization to the environment in which it operates. Strategist responses affect the long-term direction of an organization and require large amounts of resources. The choice of response depends on the speed with which a particular threat or opportunity develops in an environment (Ansoff and McDonnell, 1990).

Boynto et al (1993) argues that to compete in to days rapidly changing competitive environment, new strategic responses are required that most managers may have never thought possible. In addition, managers must understand that at the heart of these new strategic responses is innovative management through advanced technologies. Successful
companies have systematic, methodical approaches linked to their business strategy to screen innovative ideas. To confirm the linkage, they use the strategy and innovation intent to develop screening criteria (Patterson, and Kerin, 2010).

Difficult economic conditions are defined primarily in terms of macroeconomic recession, and secondly in terms of environmental jolts, shocks or hostility, including decline in the fortunes of particular industries. Economic recessions present businesses with dilemma (Chastain 1982, Deans et al 2009). Firms are faced with two choices: - To cut costs in order to maintain survival in the short run at the risk of reducing capacity or to maintain greater capacity and thereby incur higher costs in the short run, in order to retain the capability to adapt when the economic upswing is realized. Whereas the intuitive short term response to a fall in revenue due to economic down turn is to cut costs, this may not be the best option in the long run. There are three types of strategies through which firms can respond to economic recession, namely, retrenchment, investment and ambidextrous strategies. Retrenchment strategies involve cutting operating costs and divestment of non-core assets. In contrast some firms perceive recessions as opportunities to invest, innovate and expand to new markets in order to achieve or extend a competitive advantage during the recession period (Kitching, Blackburn, Smallbone, and Dixon, 2009).

Several studies argue that firms adapt to recession conditions by implementing business strategies centered on investment, innovation and market diversification and such strategies lead to higher level of business performance. Ambidextrous Organizations combine incremental change or the exploitation of existing resources to improve efficiency, with exploitation of new sources of competitive advantage and innovation
(Tushman & O’Reilly, 1996. Raisch and Birkinshaw, 2008). Such organizations are said to combine retrenchment and Investment strategies.

A firm’s ability to achieve strategic competitiveness and earn above average returns is compromised when strategic leaders fail to respond appropriately and quickly to changes in the environment. Strategic leadership is multifunctional, involves managing through others and helps organizations cope with change that seems to be increasing exponentially in today’s globalised business environment (Huey, 1994). Strategic leadership requires the ability to accommodate and integrate both internal and external business environment of the organization, and to manage and engage in complex information processing.

1.1.3 The Kenya Information communication Technology industry

Kenya ICT industry has undergone rapid growth which has been manifested through the number of lines, mobile telephone operators and users, the number of internet service providers and users, broad casting stations and their market share. This has been as a result of the Government promulgation of Telecommunication guidelines in 1997. The enactment of Kenya communications act 1998 saw the liberalization of the ICT industry and communication commission of Kenya (CCK) was formed to regulate the sector.

According to the 2006 Kenya ICT strategy of the ministry of Information and communications, the Government accepted the premise that private sector capital in a competitive environment will vastly expand telecommunication sector faster and allow the Government to channel the resources to other social development goals. In 2001, CCK segmented the ICT industry into fourteen sub sectors of which internet service providers (ISPS) is one of the subsectors. The rapid growth of the number of ISPS is
partly due to reduction of entry fee-level license fees from start up fee of ksh750, 000 comprising of five year license of ksh 500,000 and annual fee of ksh 250,000 to an application fee of ksh100, 000 of Kenya Government policy had the overall impact of increased competition in the ICT industry (National Information & communication Policy, 2006)

The laying of EASSY submarine cable, SEACOM and the East African marine system (TEAMS) fiber optic submarine cable has brought broad band internet connectivity to Kenya and the countries within the region. The overall effect is to lower the cost of internet access and fast data access. The Kenya ICT Board is spearheading the establishment of Konza ICT center. The key objective of the center is to capture and grow Business out sourcing services in Kenya. This will be facilitated by fast information access through the fiber optic network.

1.1.4 Access Kenya Limited
Access Kenya limited is engaged in the sale of electronic mail and internet services, and information technology (IT) equipment and related services. The company used to be a holding company with subsidiaries which included: - Communication Solutions Limited (Comsol), Broad Band Access Limited and Open View Business Systems Limited until the last financial ending 31st December 2010.

The Government liberalization of the Information communication technology industry and lowering of entry barriers to internet subsector had the effect of increasing the number of internet service providers and thus increasing competition in the market place. Access Kenya has been facing stiff completion from other internet service providers
Access Kenya took advantage of a communication commission of Kenya (CCK) policy change introduced in 2009 that allowed telecommunication firms to hold a single license. The policy change allowed firms to operate mobile telephony, internet services, and content distribution or broadband distribution under one license. Access Kenya in 2011 consolidated its subsidiaries under one operating company as a cost cutting strategy. The unified license enabled Access Kenya to convert from a holding company into an operating company.

There are seventy three licensed internet service providers but only sixteen are active. The top internet service providers are: - Africa on line, MTN business Kenya, Kenya data networks, Swift global, Access Kenya, Jambo Kenya, and wananchi on line. The mobile telephony providers i.e. Safaricom, Orange, Airtel, and Yu have expanded their businesses to include provision of mobile internet connectivity. This has further increased competition in the internet market (National Information & communication Technology Policy, 2006).

1.2 Research Problem
A central concern of a firm’s overall strategy and management is to maintain a dynamic fit between what the firm has to offer and what the environment dictates (Miles and Snow 1978). The adaptive cycle is the core model of Miles and Snow strategic choice typology and it defines the dynamic process in which organization continually adjust internal interdependencies to environmental opportunities and risks. All organizations find themselves dependent, in varying degrees, on scarce elements in their external environments. This dependence is usually based on the external elements’ control of some resources which the organization needs, such as land, labour, capital, information, intellectual property rights, or a specific product or service. The importance of the
resource to the organization, the number of potential supplies and the cost of switching suppliers, all affect the degree of dependency (Kotter, 1979)

The characteristics of the internet business environment combined with the ever changing internet technologies have created one of the most challenging business environments for Entrepreneurs (Vachani, 2002). Past research has demonstrated that Entrepreneurs who are willing to provide innovative product and service offerings are positioned to compete most effectively (Hodgets, Luthans & Slocum 1999).

The interaction between the environment and organization shapes business strategy and performance, while interaction between strategy and performance, in turn, shapes both organizational capabilities and competitive environment (Henderson & Mitchell, 1997). According to Pearce and Robinson (1991), strategic responses are the set of decisions and actions that result in formulation and implementation plans designed to achieve firm’s objectives.

The liberalization of the information, communication and technology industry in Kenya, zero tax rating on computers, easier licensing of internet service providers by the Kenya Government has seen rapid growth of internet service providers. This has created competition within the industry. The rapid change of technology and slow phase of improvement of the necessary infrastructure for internet connectivity in the country has posed challenge to access Kenya limited.

Several studies have been done to establish how organizations respond to changes in the competitive environment in Kenya. Strategic responses to changing environment by firms in Kenya has been observed in several empirical studies (Kiptugen, 2003, Kombo 1997, Mwangi, 2010, Wnyande, 2006, Olunga, 2007 and Tanui, 2008).
Access Kenya was facing stiff competition in the internet market and this resulted in a loss of Sh.7.9 million in 2010 financial year which translates to 105 percent loss in profitability (Access Kenya Annual Report & Accounts, 2010). This was in contrast to the previous financial year which the company had realized profits. What challenges has Access Kenya faced in the environment and how has Access Kenya responded to the challenges in the environment?

1.3 Research Objectives

The study has two objectives. These are:-

i) To establish the changes that have taken place in the competitive environment of the internet service providers (ISPs) in Kenya.

ii) To establish how Access Kenya responded to changes in the environment.

1.4 Value of the Study

The role of research is to gather information for purposes of facilitating decision making or advancing Knowledge created in the past or to explore for new knowledge in new research frontiers. One measure of the economic value of university research could be the income Universities may receive from the licensing of University owned patents which they could sell to the Industry.

The ICT industry in Kenya has seen rapid development in the last ten years. The Ministry of Information and Communications could benefit from the findings especially with regard to policy and regulation formulation to ISPs.
It is anticipated that this study will serve as a reference material to internet service providers (ISPs) in Kenya ICT industry. The study will also contribute to the body of Knowledge in Strategy and will be of value to people interested in academic and research pursuit. One way in which university research can affect the economy is by stimulating corporate research activity.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter entails discussion on various concepts of strategy and definitions. The discussions focuses on various research contributions by various researchers and authors of strategy. The chapter outlines the various aspects of strategy and how it affects organizations performance.

2.2 The concept of Strategy

Johnson et al (2008) defines strategy as the direction and scope of an organization over a long term which achieves advantage in a changing environment through the configuration of resources and competences with the aim of fulfilling stakeholders’ expectations. Strategy is a framework through which an organization can assert its vital continuity while managing to adapt to the changing environment to gain competitive advantage (Ansoff and McDonell, 1984). Strategy is a well defined road map of an organization. It defines the overall mission, vision and direction of an organization. The objectives of a strategy are to maximize organizations strengths and minimize effects of strengths of competitors. Mintzberg (1990) defines strategy as a plan, ploy, pattern, position and perspectives. Strategy can be viewed as a design, experience or ideas. There are three levels of strategy: corporate, Business and operational strategy.
Quinn (1996) defines strategy as the pattern or plan that integrates an organization's major goals, policies, and actions sequences into a cohesive whole. A well-formulated strategy helps to marshal and allocate an organization's resources into a unique and viable posture based on its relative internal competences and shortcomings, anticipated changes in the environment, and contingent moves by intelligent opponents. To generate a firm’s strategic vision, managers must understand a highly complex set of interacting factors, including the industry's history and competitor's core capabilities and various strategic segments in which the firm competes (Hax, and Majiluf, 1990).

The planning school posits strategic formulation as a formal process in which a thorough set of procedures are followed and from which, derives a situational analysis requisite to formulate the appropriate strategy. Critics have argued that those firms who follow the planning school can become too static and that there is a risk of managerial group think (Quinn, 1980, Mintzberg, 1990). Additionally, concerns of environmental predictions are difficult and that it is driven from top-down allowing little or no subordinate input into the strategic decision making.

Quinn (1980) argued that consistently integrating the simultaneous incremental process of strategy formulation and implementation is the central art of effective strategic management. The adaptive approach of strategy formulation recognizes that implementing change in a large organization is complex and time consuming and as a result, a fully articulated strategy may actually not be possible. Instead, Quinn proposed logical incrementalism theory which proposes a non-linear mixture of strategic planning and a spontaneous change mid-course. Quinn argues that, despite logical incrementalism strategy being emergent in nature, it can be a conscious, purposeful, proactive executive
Mintzberg (1994) argues that strategy emerges overtime as intentions collide with and accommodate a changing reality. Emergent strategy is a set of actions or behavior, consistent overtime, a realized pattern that was not expressly intended in the original planning strategy. Mintzberg defined intended strategy as the result of negotiation, bargaining, and compromise involving management of an organization while realized strategy as the actual strategy that is implemented and is only partly related to that which was intended. Emergent strategy is the decisions that emerge from the complex processes in which individual manager interpret the intended strategy and adapt to external environment. Thus the realized strategy is a consequence of deliberate and emerging factors.

**Figure 1: Intended, Emergent and Realized strategies.**

Aosa (1992) defines strategy as solving a strategic problem, which is mismatch between internal characteristics of an organization and its external environment. Pearce and Robinson (1997) defined strategy as the building of defenses against competitive forces or as the finding of positions in the industry where competitive forces are weakest (Porter, 1980). Johnson and Scholes (2008), defines strategy as follows: strategy is the direction and scope of an organization over a long term, which achieves advantage for the organization through its configuration of resources within a challenging environment to meet the needs of the markets and fulfill stakeholders’ expectation.

Aosa (1992) posits that competitive strategy is the search for a favorable competitive position in an industry, the fundamental areas in which competition occurs. An effective strategy takes offensive or defensive action in order to create a defendable position against the industry’s five competitive forces (Porter, 1980). In coping with the five competitive forces, therefore three potentially successful generic strategies, strategic approaches to outperforming other firms in an industry’s overall cost leadership, differentiation and focus (Porter, 1980).

Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition (Porter, 1985). Both industry attractiveness and competitive position can be shaped by a firm and this is what makes the choice of competitive strategy both challenging and exciting. Strategies that change industry structure can be double edged sword because a firm can destroy industry structure and profitability as readily as it can improve it (Porter, 1985).

An optimum strategy structure match yields a superior performance (Chakravarthy, 1986). Several studies have indicated that performance is an integral moderator to
environmental change (Boeker and Good Stein, 1991). Chandler (1962) provides another linkage between structure and performance. Organizational structures are designed to nurture company’s competitive advantage and to emphasize and support strategically critical activities in their value chain.

Johnson and Scholes (1999) on the use of strategy on corporate performance discovered that strategy has a significant effect on performance on business enterprises and provides along term direction and development for organizations. He argues that chief executives will choose a structure that enables them to pursue the strategy they have chosen for the firm. In accordance with Chandler’s well known phrase “structure follows strategy”.

Slack and Lewis (2003) argue that operations strategies are the total pattern of decisions which shape the long term capabilities of any type of operations and their contribution to the overall strategy through the reconciliation of market requirements with operational resources. Scholes (2008) states that operations strategies are concerned with how the component parts of an organization will deliver effectively the corporate and business level strategies in terms of resources, processes and people. It is the tool that helps to define the methods of producing goods or a service offered to a customer. It is organizations tactical plan for achieving its strategic targets.

Grand strategies often called master or business strategies which provide basic direction for strategic actions. They are the basis of co-ordinated and sustained efforts directed towards achieving long term business objectives (Pearce, & Robinson, 1985). A grand strategy states the means that will be used to achieve long term objectives. Examples of business grand strategies that can be customized for a specific firm include: concentration, market development, product development, innovation, horizontal
integration, vertical integration, turn around, divesture, liquidation, joint ventures strategic alliances and consortia.

2.2.1 Strategy and Organizational culture
Schein (1988) defined organizational culture as the deepest level of basic assumptions and beliefs that are: problems of survival in its environment and problems of internal integration are shared by members of an organization, that operate unconsciously and that define in a basic taken-for-granted fashion in an organizations view of itself and its environment. Any social system arising from a network of shared ideologies consisting of two components: substance- the net works of meaning associated with ideologies, norms, and values, and forms the practices where by the meanings are expressed, affirmed and communicated to members (Trice and Beyer, 1994).

Organizational culture includes the highly influential sets of norms, values, assumptions, and behaviors which may influence the selection, design and implementation of strategic initiatives, impacting growth and operational strategies. Highly performing organizations have cultures that are aligned with strategy. Growth plans and articulated business tactics cannot be sustainable without a frame work of cultural values. A sound organizational culture is a basis for solid planning and flawless execution (HesKitt, 2010).

Johnson et al (2008) argues that organizations can be captured by their culture and find it very difficult to change their strategy outside the bounds of their culture. If managers are to become path creators in strategy development, they need to be able to challenge, question and potentially change path dependent capabilities rooted in history and culture. The major requirements of a manager of strategy are to be able to encourage the questioning of that which is taken for granted. Managing the strategy-culture relationship
requires sensitivity to the changes necessary to implement the new strategy and compatibility or fit between those changes and firms culture (Pearce & Robinson, 1985).

2.2.2 Strategic Leadership
Strategic leadership refers to a managers potential to express a strategic vision for the organization or a part of the organization and to motivate and persuade others to acquire that vision. Strategic leadership is the ability to anticipate, envision, maintain flexibility and empower others to create strategic change as necessary (Hitt and Ireland, 2007). Scholes et al (2008) categorized strategic leadership into three themes: strategy leadership as a design, strategy leadership as a vision, and strategic leadership as a command. Strategies cannot be formulated and implemented to achieve above average returns without effective strategic leadership.

Overtime, the leader’s capability is shaped by the top team’s quality, and by the capabilities of the full organization. These can either provide invaluable support for the changes a leader wants to make or render those changes impossible. Hence the effective leaders pay a great deal of attention to the design of the elements around them. Strategic leaders articulate lucid sense of purpose, create effective leadership teams, prioritize and sequence their initiative carefully, integrate these tactics into one coherent strategy.

2.3 Organizations and environment
Organizations can be compared with ecological entities that have mutual relations with other entities in the environment (Rowe, 1989., Chandler 1962, Andrew, 1971). Porter (1991) observed that organizations are environment dependent and changes in the external environment shapes the opportunities and challenges facing the firm. Resource dependence theory argues that the key to organizational survival is the ability to acquire
and maintain resources (Pfeffer and Salancik, 1978). Resource dependence theory suggests a wide variety of ways in which an organization can ultimately ensure supply of resources critical to its survival. The Porter’s five forces model for industry analysis is based on the premise that a corporate strategy should meet the opportunities and threats in the organization external environment. The strongest competitive force or forces determine profitability of an industry and become the most important to strategy formulation. The most salient force, however, is not always obvious.

Environment in which firms compete can be categorized into five distinct and definable turbulence levels. Level one is defined as stable, level two is said to be expanding while level three the environment is changing. The first three levels of environmental turbulence are sub classified as history driven in that the future is logical extension of historical past and present (Ansoff, and McDonell, 1993). Level four and five are defined as discontinuous and supriseful, the future is very different from historical past and past successes. Level five, is supriseful, change at this level occurs without notice and visibility.

For a firm to succeed in a turbulent environment, Ansoff (1998) presents the strategic success factors as, aggressiveness of the firms, strategic behavior needs to match the turbulence of its environment, responsiveness of the firm’s capability matches the aggressiveness of its strategy and the components of the firm’s capability must be supportive of one another. Environment in which firms compete can be categorized into five distinct and definable turbulence levels: level 1, defined as stable level 2, expanding, level 3, changing. The first three levels of environmental turbulence are sub classified as
history driven in that the future is logical extension of historical past and present (Ansoff, McDonell, 1993). Level 4 and 5 are defined as discontinuous and suprisefull, the future is very different from historical past and past successes. Level 5, is supriseful, change at this level occurs without notice and visibility.

Rapid technological innovation (Teece,1988,Teece, 1992), regulatory reforms (Angelín, and Cetorelli 2003) Social-cultural development (Erez,1986), global integration and differentiation (Douglas and Wind,1997) and institutional overhauls (Gumport and Sporn,1999) create discontinuities in the environment and threaten the sustenance of the firm or open new paths for the future. In mathematical connotation, discontinuity relates to the situation where real value of a function is defined at a particular point and the function takes completely different path beyond that point (Tall and Vinner, 1981).

Technological discontinuities are identified as innovations that dramatically advance an industry’s price versus performance frontier (Anderson and Tushman 1990). It occurs when a new technology does not just enhance the current technology but actually supplants it for a better performance. Schumpeter (1942) refers to discontinuity as creative destruction. Creative destruction occurs when something new kills something older. The concept of environmental discontinuity is related to the concept of environmental volatility (Bourgeois, 1985), hostility (Covin and Slevin, 1989). Discontinuous or revolutionary change has historically been distinguished by conditions leading up to the change and the impact it has on the organizations structure and performance after the change has occurred (Arbaugh, 1994).
Incumbent enterprises have great difficulty crossing the abyss created by radical technological innovation that revolutionarises competition in their industry. Empirical research indicates that the incumbents decline in performance while new entrants exploit the new technology and rise to market dominance. Declining performance of incumbent enterprises in the face of radical technological innovation has been observed repeatedly over the years in numerous empirical studies (Abernathy, and Utterbuck, 1978, Christensen, 1997, Henderson and Clark, 1990, Tripas and Gavetti, 2000, Tushman and Anderson, 1986). Scholars often attribute this decline to incumbent’s failure to embrace the new technology due to forces of inertia within incumbents firms.

Environmental jolts can be defined as unexpected non-recurring random events or environmental shocks (Cooper and Burke, 1995, Woo et al., 1994), occurring with low probability but producing high consequences (Venkaraman and Van de Ven, 1998). They are transient perturbations whose occurrences are difficult to foresee and whose impacts on organization are disruptive and potentially inimical (Meyer, 1992). Woo et al (1994) suggest that ventures can develop buffers to insulate them from environmental jolts by reducing the extent of negative shock impacts and by creating the capacity for survival amid these jolts.

2.3.1 Environmental scanning
Environmental scanning is the acquisition and use of information about events, trends, and relationships in an organizations external environment, the knowledge of which would assist management in planning the organization future course of action (Aguillar, 1967). Organizations scan the environment in order to understand external forces of change so that they may develop effective responses which secure or improve their
positions in the future. There are four modes of environmental scanning: undirected viewing, conditioned viewing, informal search, and formal search (Aguilar, 1967).

Environmental scanning entails monitoring the PESTEL framework and industry forces. It is an important process of strategic management because it is the first link in the perceptions and actions that permit an organization to its environment (Hambrick, 1981). Using a conceptual approach Hrebiniak and Joyce (1985) argued that organizations employing either low cost strategy would use environmental scanning activities that seek immediate solutions for lowering costs or improving profits and organizations using differentiation strategy would employ environmental scanning activities in non-directional manner, looking for opportunities rather than searching for immediate solutions to cost efficiency problems.

Despite the lack of empirical studies regarding the relationship between environmental scanning and organizational strategy, a number of theoretical perspectives have been offered. It has been suggested that organizations with a reactive strategy would scan their external environment looking for problems (Ansoff, 1975) and that in certain organizations; strategy making is dominated by an active search for opportunities, where as problems are secondary (Mintzberg, 1973). Hrebiniak and Joyce (1985) suggested that different strategies involve different approaches. Differentiation strategy involves systematic scanning activity that could alert the organization to both market opportunities and ideas of innovation (Miller, 1989). A cost leadership strategy may involve scanning for more efficient methods of production as well as competitors innovation (Miller, 1989). Environmental scanning activities of some organizations will involve search for opportunities where as others will scan for threats (Snyder, 1981).
2.4 Strategic responses
According to Pearce and Robinson (1991), strategic responses are the set of decisions and actions that result in formulation and implementation plans designed to achieve firm’s objectives. For an organization to be successful it must be able to develop strategic plan, direct and control change (Njogu, 2007).

Ansoff and McDonnell (1990) noted that strategic responses involve changes in the organizations strategic behavior. Such responses may take many behaviors depending on organization capability and environment in which it operates. Ansoff (1990) noted that during changes in the environmental turbulence, power is a determining factor in a firm’s response. Strategic responses can be said to be matching the activities of an organization to the environment in which it operates. Strategist responses affect the long-term direction of an organization and require large amounts of resources. The choice of response depends on the speed with which a particular threat or opportunity develops in an environment.

It is superior strategic thinking, not sophisticated planning systems, that underlies most successful competitive strategies. Effective strategic thinking focuses on achieving competitive advantage by gaining and holding the initiative, Rowe et al (2000). Strategic thinking focuses on finding and developing unique opportunities to create value by enabling a provocative dialogue among people who can affect a company’s direction. Good strategic thinking uncovers potential opportunities for creating value and challenges assumptions about a company’s value proposition. Some of these strategies may include, restructuring, marketing, implementation of information technology infrastructure, business re-engineering, culture change (Kiptugen, 2003).
Aosa (1992) noted that industries respond to customers demand by becoming more innovative in their new ways of approaching the changed environment. They adopt strategies such as improved customer services, erect facility, post paid convenience goods and services. Levitt (1975) argued that when companies fail, it is typically because firms focus on the product rather than the changing patterns of consumer needs and taste and preferences. Constant watchfulness for opportunities to apply technical know-how to the creation of customer satisfying uses can lead to prodigious output of successful new products.

Responding to external change in any form is fundamental requirement for the sustainability of established firms. The need for strategic change can occur with shifts in markets, technology, regulation and innovation. The empirical evidence suggests that existing firms often fail to make necessary changes (Tushman and Anderson, 1986). Firms often miss what is happening or respond using mechanisms that are inadequate or maladaptive.

Emerging technologies can cause market shifts which can lead to decline of established leaders and rise of new entrants across a range of industries. However disruptive strategic innovations are not necessarily superior to the traditional ways of competing, nor are they always destined to conquer the market. Rushing to embrace them can be detrimental for established companies when other responses, including ignoring the innovation, make more sense (Charitou and Markides, 2003). Disruptive strategic innovation in this context is taken to mean a way of doing business that is both different from and in conflict with the traditional way.
2.5 Strategic capability

Overall, strategic capability can be defined as the resources and competences of an organization needed for it to survive and prosper (Scholes, 2008). It is underpinned by the resources and competences of the organization. Strategic capability is also defined as a set of capabilities, resources and skills that create a long term competitive advantage for an organization (Onge, 2000). Strategic capability may entail, rarity, robustness and non-substitutability, the internal capacity of leveraging resources and competences. The type of strategic capability that a firm needs at a specific time is determined by the legitimizing forces, threats and opportunities in the future business environment (Ansoff, 1984).

Core competences are taken to mean the skills and abilities by which resources are deployed through an organization’s activities and processes such as to achieve Competitive advantage in ways that others cannot imitate or obtain. Selznick (1949, 1957) noted that there was gradual emergence of special strengths and weaknesses in several firms he conducted studies. He coined the term distinctive competence. An organization’s distinctive competency is the set of strengths, characteristics and qualities including skills, technologies or resources that distinguish it from its competitor’s strategic capability. A superior and unique customer value and is difficult to imitate then the distinctive competence creates a sustainable competitive advantage.

Fine et al, (1969) noted that the capability of an organization is its demonstrated and potential ability to accomplish against the opposition of circumstances or competition, whatever it sets to do. Leonard-Barton (1992) proposed that the real key to a company’s success or even to its future development lies in its ability to find or create a competence
that is truly distinctive. A key element of capability framework is identification of the foundation on which distinctive and difficulty to replicate advantages can be built, maintained and enhanced (Teece el al 1997). The robustness of strategic capability is a combination of complexity, causal ambiguity, culture and history.

According to resource based view (RBV), a firm can achieve competitive advantage if resources and capabilities are of four attributes, rareness, valuable, inability to be imitated and inability to be substituted.(Barney, 2001). However some researchers criticize RBV in view of its theoretical assumptions (Eisenhardt and Martin, 2000). One of the key areas of criticism of RBV is achieving competitive advantage in static environment. (Cavusgil, Seggie and Talay, 2007). Grant (1991) noted that a firm’s resources and capabilities take on greater importance when the environment is in a state of flux. Teece, Pissano and Shuen (1997) proposed dynamic capabilities in their classic paper “Dynamic capabilities and strategic management”. Teece et al (1997) attempted to explain why some firms are more sustainable in competitive advantage than others within dynamic markets.

The organization ability to renew and recreate its strategic capabilities to meet needs of a changing environment is said to posses’ dynamic strategic capability (Teece et al, 1997). Dynamic strategic capability of a firm is its ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments (Teece et al , 1997). Dynamic capabilities are heterogeneous across firms because they rest on firm specific paths, unique asset positions, and distinctive processes.
Dynamic capabilities thus reflect an organization ability to achieve new and innovative forms of competitive advantage given path dependencies and market position (Leonard-Barton., 1992).

The strategic fit expresses the degree to which an organization is matching its resources and capabilities with the opportunities in the external environment. The strategic fit can be the extent to which the activities of a single organization or of organizations working in partnership complement each other in such a way as to contribute to competitive advantage. Leinwand and Marinardi (2010) argue that success in any market accrues to firms with Coherence which means a tight match between their strategic direction and the capabilities that make them unique. To succeed a company must weave its key business process into a hard to imitate strategic capabilities that distinguish it from its competitors. The benefits of good strategic fit include cost reduction due to economies of scale and the transfer of knowledge.

For many companies, the management of costs is becoming a threshold strategic capability (Johnson, Scholes, and Whittington, 2008) Cost efficiency can be achieved through economies of scale, supply costs, product process design and experience. Porter (1985) argues that an examination of the entire value chain often results in relatively simple steps that can significantly reduce cost position.

Dutta et al (2002) argue that companies that know how to set the right prices for their products and services understand that pricing is not simply a matter of good tactics. A well built pricing capability can serve as the foundation of superior pricing decisions for years to come. Once a company has made the necessary investments and given them
time for incubation, its pricing processes will be difficult to imitate and thus a source of sustainable competitive advantage.

Fine et al (2002) notes that a company’s real core capability is its ability to redesign it’s value chain continually, reshuffling structural, technological, financial and human assets to find maximum competitive advantage. Hines (2004) developed a lean value chain management model which is designed to improve the value proposition to customers, Reduce waste, smooth out peaks and troughs of activity and make individuals workers life easy.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter entails the research design, data collection and data analysis. The research design in this study is a case study, the data collection was done using an interview guide and content analysis was used to analyze the data collected.

3.2 Research Design

The study was conducted through a case study design. Case studies emphasize detailed contextual analysis of events or conditions and their relationships. Case studies emphasize detailed contextual analysis of events or conditions and their relationships. A case study is a holistic study inquiry that investigates a contemporary phenomenon within its natural setting, specifying particular terms in greater detail. Case studies can deal with either single or multiple cases (Cresswell, 1994).

Yin (1984) defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context, where the
boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used. A case study method involves an in depth, longitudinal examination of a single instance or event as a case (Flyvbjerg, 2006)

3.3 Data collection

Primary data was collected using an interview guide appendix (1B). The questions were open ended and were designed to identify the major challenges posed by the environmental changes and responses by Access Kenya. The interview guide was divided into two parts, Appendix (a) Introduction letter and (1B) the question samples.

An interview is a purposeful discussion between two or more people (Khan and Carnell, 1957). The nature of any interview or interviews should be consistent with the research question(s) and objectives, the purpose of research and research strategy adopted. The data was collected from nine senior management staff.

3.4 Data analysis

The data that was collected was qualitative in nature and hence, conceptual content analysis technique was best suited for the analysis. Nachmias and Nachmias (1996) define content analysis as a technique for making inferences by systematically and objectively identifying characteristic messages in content. Kerlinger (1986) defines content analysis as a method of studying and analyzing communication in a systematic, objective manner.

Weber (1985) posits that it is a research methodology that utilizes a set of procedures to make valid inferences from a text. Content analysis is a research tool used to determine
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This Chapter presents the results of this study and interpretation of the results. The objectives of the study to establish the change that has taken place in the competitive environment of the Internet Service Providers (ISPs) Industry in Kenya and to establish the responses by Access Kenya Limited to changes in the environment. The data was analyzed using content analysis technique.

4.2 Respondents profiles

The respondent of senior managers of Access Kenya Limited

Table 1: Respondents work experience

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>3</td>
</tr>
<tr>
<td>Between two and three years</td>
<td>2</td>
</tr>
<tr>
<td>Between three and six year</td>
<td>2</td>
</tr>
</tbody>
</table>
Source: Field work

4.3 Access Kenya Limited environmental challenges

One of the research objectives of this study was to identify the challenges the Access Kenya Limited was facing in the dynamic environment. Most of the respondents from the interviews conducted, indicated that Access Kenya has been facing stiff competition in the ICT Industry. They associated increased competition to entrance of other ISPs and mobile telephony firms to internet and data provision causing a major shift in the market.

According to the interviews conducted and analysis of the information collected, the respondents indicated that Access Kenya Limited has experienced pressure for price reduction from customers and other internet service providers due to introduction of fiber optics connectivity in the country. This has resulted to vicious price wars in the industry.

Access Kenya was also experiencing vandalism on the fiber optics networks causing disruption of services and subsequent loss of valuable data and services by their customers. From the content analysis of the information collected, one of the respondent indicated that Access Kenya Limited was facing brain drain. For an ICT firm to compete effectively in the market, it requires well trained personnel particularly in ICT. The numbers of well trained ICT experts in the Kenya job market is not sufficient and even the some of these people find the way to the larger international market because of existing demand.
Several respondents indicated that the information, communication technology was changing rapidly and that this was a major challenge. The content analysis of collected data indicated that the need to have the latest technology in order to remain competitive and the fact that the latest ICT equipments are not available in the local market and hence they have to be procured from abroad, has significantly increased the cost of procurement of equipments for modernization of their ICT plat form.

During the modernization of their ICT plat form, Access Kenya incurred substantial debt which was denominated in United States Dollar. Due to fluctuation of the exchange rate of the Dollar versus Kenya shilling which was affected by global economic recession, the company was experiencing pressure from debt servicing.

4.4 Strategic responses by Access Kenya Limited

The second objective of this study was to establish the responses by Access Kenya Limited to the changing environment. From the content analysis of the information collected from the interviews, Access Kenya was facing challenges in the information, communication and technology industry and the general environment.

For any organization to survive or succeed, it must respond to the changing environment. Access Kenya has therefore responded to the challenging environment. According to the respondents who were interviewed, the key responses to the dynamic environment were the Increasing strategic capability, Cost cutting measures, implementing pricing strategy, up grading of technology and acquisition strategy
4.4.1 Strategic capability

The respondents indicated that Access Kenya developed an investment programme for the modernization of their information, communication and technology platform. This involved expansion of the fiber network in the country and other related infrastructure.

The investment programme is complete and hence there will be reduction in capital expenditure. However, investment will continue in the metro fiber network in Nairobi and Mombasa in order to tap into new markets. Also development of human resources through training will continue.

4.4.2 Cost cutting and pricing strategy

In order to respond to the debt the firm incurred during the investment programme, Access Kenya has implemented a number of cost cutting measures such as reducing borrowing expenses and negotiating bandwidth contracts with cable owners. The firm has also hedged its foreign exchange risks by converting its dollar denominated debt to Kenya shilling.

The analysis of the information gathered revealed that, the firm had renegotiated bandwidth contracts with international fiber optic cable owners. This is supposed to protect its profit margin that has been reduced due to vicious price wars caused by more entrants into internet market, which include mobile telephony firms.

4.4.3 Consolidation and Acquisition strategy

The respondents indicated that Access Kenya group of companies was composed of communications solution Limited and broadband limited operating under two licenses. The communication commission of Kenya changed the regulation and allowed firms to hold one license for data and voice.
Access Kenya Limited acquired a unified license that enabled consolidation of its two subsidiaries under one operating license in order to cut costs and create more effective management structure. The integration of the two subsidiaries is supposed to boost operational efficiencies.

The respondents indicated that Access Kenya Limited acquired open view business systems as part of their expansion programme. However, this turned out to be disastrous. The subsidiary incurred losses and was therefore restructured and the unit became part of Access Kenya Limited.

4.4.4 Marketing

Respondents indicated that there have been budget cuts to marketing and they had to use the budgets more efficiently. The marketing department had to learn new ways of spending less but still be present in the market.

The analysis showed that Access Kenya Limited has increased focus on customer service and retention of customers. The firm has embarked on a more aggressive and targeted marketing on their core business. As part of their marketing strategy, the respondents indicated that Access Kenya Limited was using less expensive non-traditional methods of marketing. This included digital marketing among other measures. Digital marketing in this context is taken to mean advertising services or products using internet. Access Kenya was in the process of realigning its marketing strategies to upscale interactivity with youthful users through targeted media campaigns. This was supposed to be driven through digital content.
4.5 Discussion

4.5.1 Comparison with Theory

Access Kenya Limited has responded to the challenges in the changing environment by implementing several strategies which include, Increasing strategic capability through investment in the ICT platform, expansion of fiber network in Nairobi and Mombasa, Implementation of cost cutting measures, Consolidation strategy, and Pricing strategy. Access Kenya has also implemented focus strategy as a mode of doing business. The focus strategy concentrates in a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. Differentiation focus strategy, a business aims to differentiate within just one or a small number of target market. Cost leadership requires a very detailed internal focus on process. Access Kenya has created a department to deal with systems and processes and their main business focused on corporate and organizations.

Cost cutting, cost reduction, consolidation or cost management are tools employed in all competitive markets. Cost cutting must be balanced with investment that will grow the top line. For many companies, the management of costs is becoming a threshold strategic capability (Scholes et al., 2008). Cost efficiency can be achieved through economies of scale, supply costs, product process design and experience. Porter (1985) argues that an
examination of the entire value chain often results in relatively simple steps that can significantly reduce cost position. Access Kenya Limited has invested in ICT platform and expansion of its fiber network and training of staff and created a department for internal systems administration.

Consolidation strategy must be grounded in sound investment fundamentals in industries where there is compelling need for consolidation. Genuine cost savings and synergistic opportunities should result. Industries that may benefit from consolidation are those where acquisitions can be strategically and effectively integrated and where the synergies of consolidation include both revenue enhancement and cost savings. Access Kenya has therefore consolidated its two subsidiaries as a cost cutting measure and in order to address the problem of its debt and fluctuation of the dollar denominated debt.

Access Kenya is facing pressure to reduce prices due to introduction of fiber optics network and entrant of mobile telephony firms into the internet market has resulted into price wars. Pricing decisions should be based on clear strategic goals. Misguided pricing strategy can shrink profitability, warp customer relationships and destroy a brand. The ability to manage effective pricing affects a company’s growth and profitability.

Dutta et al (2002) argue that companies that know how to set the right prices for their products and services understand that pricing is not simply a matter of good tactics. A well built pricing capability can serve as the foundation of superior pricing decisions for years to come. Once a company has made the necessary investments and given them time for incubation, its pricing processes will be difficult to imitate and thus a source of sustainable competitive advantage
Creating low price appeal is often the goal, but the result of one retaliatory price slashing after another is often a precipitous decline in industry profitability. Price wars can create economically devastating and psychologically debilitating situations that take extraordinary toll on a company and industry profitability.

4.5.2 Comparison with other empirical studies

Several empirical studies have been done to establish how organizations respond to changes in the competitive environment in Kenya. Kiptugen (2003) found that the KCB responded to changing banking environment through restructuring, marketing, embracing ICT and culture change. Mwangi (2010), among his findings, the fast food restaurants in Nairobi central business district had specific target market, utilized brand names, and pricing. Olunga (2007), among his research findings, Safaricom was encountering rivalry, rapid technological changes and Government policy changes. Tanui (2008), the research findings indicated that, Telkom Kenya was facing internal and external environmental challenges. It was observed that Telkom Kenya had adopted market penetration, market development, and product development strategies in order to increase customer base and boost profitability levels.

The Access Kenya Limited, implemented a taxonomy of strategies in order to respond to changing environment and to turn around the profitability of the firm. From the data analysis, Access Kenya responded to the competitive environment by increasing strategic capability, implementing cost cutting measures, adopting pricing strategy, Marketing, up grading Technology plat form, and acquisition strategy. From the empirical studies of the firms in Kenya, the responses across the firms were; - restructuring, marketing,
CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter provides summary, conclusions and recommendations for the research findings in line with the objective of the study.

5.2 Summary of findings

5.2.1 Challenges in the changing environment to Access Kenya

Access Kenya core business is provision of internet access to corporate and other organizations. The firm is experiencing stiff competition from the other internet service providers and mobile operators who have entered into the data provision. The firm has incurred a substantial debt during the investment programme in ICT platform and fiber optic network. This has been a major challenge to the survival and success of access Kenya. Access Kenya has experienced pressure from customers and other internet service providers to reduce prices. This has resulted to vicious price wars.

Access Kenya has experienced vandalism on their fiber optics network leading to disruption of services, Brain drain, increased cost of doing business; the firm has incurred substantial debt which is a major challenge to the survival and success, and reduced budget allocation. One of the operations affected is marketing.
5.2.2 Strategic responses by Access Kenya

Access Kenya has implemented several strategies in order to respond to challenges in the changing environment. The key strategies that Access Kenya has implemented include increasing strategic capability through investment in the ICT platform, Cost cutting and pricing measures, Consolidation strategy, and acquisition strategy.

The modernization of the ICT platform involved expansion of the fiber network in the country. Among the cost cutting measures, Access Kenya implemented, was reduction of borrowing expenses by converting its dollar denominated debt to Kenya shilling. Acquisition of a unified license enabled consolidation of its subsidiaries under one operating license.

5.3 Conclusions

Access Kenya Limited is facing stiff competition from internet service providers and mobile telephony firms. The firm is also facing a major challenge in servicing its debt, brain drain, pressure to reduce prices of goods and services.

However, Access Kenya Limited has responded to these challenges by implementing various strategies which include, increase of its strategic capability, cost cutting and pricing measures, consolidation, marketing, converting its dollar denominated debt to Kenya shilling and renegotiation of bandwidth contracts with International fiber optic cable owners. The findings of the study demonstrated that For Access Kenya to implement turn around strategies and hence survive in the turbulent business environment, the firm dependent on acquisition of resources from external environment.
5.4 Implications of the study

Access Kenya limited should implement turn around strategies in view of the stiff competition, substantial debt, and declining profitability of the firm. Strategic turn around actions entails growth versus profitability. Turnaround strategy is one of the business strategies which provide basic direction for strategic action (Pearce & Robinson, 1985).

Given the current financial position of Access Kenya limited, the firm should in the immediate future increase productivity, reduction of none core Assets and implement cost cutting measures, paired with innovation and quality improvement efforts to achieve high profitability. A trade off often exists between long term goals and short term goals. Thus, goals of market share, cash flow and return on investment (ROI) should be investigated.

5.5 Limitation of the Study

The research was a qualitative case study on Access Kenya limited. A case study may not reflect the general situation in an industry. The generalizability may therefore be limited unless it is replicated in several case studies and there is a general concurrence in research findings. However, much can be learned from this case.

Although detailed description and analysis of the study was desirable, the Access Kenya could only allow a limited number of managers to be interviewed. This was to limit interference with their work schedule.
5.6 Suggestion for further research

The ICT industry in Kenya has been undergoing rapid change. The Industry has seen the introduction of optical fiber cables by three firms in Kenya, the internet price wars and increased competition due to entrance of mobile telephony firms in the internet market.

It will be interesting to have a general overview of all internet service providers (ISPs) in Kenya.

The entrance of mobile telephony firms to internet market has provided internet connectivity to mobile telephone users. This constitutes a large segment of internet users who would otherwise use the internet cyber cafes. An empirical study to investigate the challenges facing the cyber cafes in Kenya in view of changes in the internet market will be worthwhile.
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Newbury Park, C.A: Sa.
APPENDIX 1 (A)

The Respondent
Access Kenya Limited
P.O Box
NAIROBI

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH DATA

I am a postgraduate student in the school of Business, University of Nairobi pursuing Masters of Business Administration (MBA) Program. In order to fulfill the degree requirement, I have chosen Access Kenya Limited for a case study; the case study is entitled; “The Strategic Responses of Access Kenya Limited to changing environment”.

Your response will be used only for the academic purpose and will be kept strictly confidential.

A copy of the final report will be made available to Access Kenya Limited upon request.

Your assistance and co-operation will be highly appreciated.

_________________________  __________________________
Peter M. Nthusi.              Prof. E. Aosa

MBA Student                  Supervisor/ Associate Dean

School of Business
APPENDIX (1B)

INTERVIEW GUIDE

PART I

Background

Organization: Access Kenya Limited

PART I: RESPONDENT PROFILE

1) What is your position in Access Kenya?

2) How long have you been working with Access Kenya?

PART II: ENVIRONMENT CHALLENGES

Kindly explain any internal and external environmental challenges that Access Kenya may be facing at the moment.

Please describe how each of the internal challenges affects the business operations.

Please briefly describe how each of the external challenges affects the business operations.

In terms of political, economic, social, technology, environment and legal, can you briefly explain how each of the factors affects your business operations?
Please briefly explain how new entrants to the industry, your supplier, substitute goods/services, your clients, and state of the industry is affecting your business.

In your view which is the greatest challenge among the challenges facing access Kenya?

PART III: STRATEGIC RESPONSES

What strategies has Access Kenya put in place to address the internal and external changes in the industry and the environment in general?

How has Access Kenya responded to internal environment challenges?

Kindly describe any responses to changes in the industry and external environment.

How would you describe the overall response of Access Kenya to changes in the external environment?