CHALLENGES OF STRATEGIC PLAN IMPLEMENTATION BY BRAND KENYA BOARD

BY

MARY M. MUTWIRI

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER 2012

DECLARATION

I declare that this is my original work and has not been presented in any other University or College for Examination or Academic purposes.

Signature: .... Date...20/11/2012...

Student: **MARY MWENDWA MUTWIRI**

REG NO: **D61/60066/2011**

This project has been submitted for examination with my approval as the university supervisor.

Signature: .... Date...20-11-12...

Supervisor: **PROF. MARTIN OGUTU**

DEDICATION

To the Almighty God for this far he has brought me.

ACKNOWLEDGMENTS

It has been an exciting and informative study period in the University of Nairobi and I feel privileged to have had the opportunity to carry out this study as demonstration of knowledge gained during the period I studied for my master's degree. With these acknowledgments, it would be impossible to remember all those who in one way or another, directly or indirectly, have played a role in the realization of this research project.

First, I am indebted to the all powerful GOD for all the blessings he showered on me and for being with me throughout the study. I am deeply obliged to my supervisor for his exemplary guidance and support without whose help, this project would not have been a success.

Finally, I take this opportunity to express my deep gratitude to my loving family, and friends who are a constant source of motivation and for their never ending support and encouragement during this project.

ABSTRACT

There is a vast knowledge on strategic plans and strategic planning as put forward by various researchers. Other researchers have studied on the strategic planning practices of various organisations. While these research studies emphasize the importance of strategic plans, they do not give details of the challenges affecting implementation of the strategic plan.This study therefore sought to fill the existing research gap by carrying out a case study on the challenges facing the implementation of the strategic plan by Brand Kenya Board. This plan was formulated by the Board in order to provide a master plan to guide the board in achieving the vision of becoming the lead agency in transforming Kenya to become a competitive global brand. The main purpose of the study was to investigate the challenges facing the implementation of the strategic plan and how these challenges can be mitigated. This research was conducted through a case study. This study collected qualitative data using a self-administered interview guide. The response received was analyzed by content analysis. From the findings, the study established from the majority of respondents that the challenges facing the implementation of strategies adopted by Brand Kenya Board are better resolved if performance is to be effective in a very great extent. This study therefore recommends that in order to avoid many impediments, the Brand Kenya Board should make sure that its strategies are sufficient to enable effective administration and management of the organization to achieve its objective of building a strong country brand that fosters national pride and patriotism and earn global recognition and preference.

TABLE OF CONTENTS

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives. The environment conditions facing many firms have changed rapidly. Today's global competitive environment is complex, dynamic and largely unpredictable. To deal with this unprecedented level of change, a lot of thinking has gone into the issue of how strategies are best formulated.

Strategic management is about managing the future, and effective strategy formulation is crucial as it directs the attention and actions of an organisation even if in some cases actual implemented strategy can be very different from what was initially intended planned thought. The assessment of strategy formulation processes becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes.

The strategic plan and its implementation are the focal point of any business organisation and operation. Sandelands (1994) argued that people underestimate the commitment, time, emotion, and energy needed to overcome inertia in their organisation and translate plans into action. Strategy can only impact on the bottom line if it is successfully implemented. To enable a company to survive, remain competitive and grow, it should not only craft a good and practical strategy but most essentially, proficient implementation forms a core part of overall business growth and success.

Brand Kenya Board is one example of an organisation that has devised a strategic plan to guide the organisation in achieving its objectives. Brand Kenya Board is a

State Corporation established in March 2008 through a Legal Notice known as the Brand Kenya Board Order, No. 38 of 2008. The Board was established with the mandate of ensuring that an integrated national brand is created, harnessed and sustained in the long term. To effectively carry out its mandate, the Board has developed a Strategic Plan which will serve as a framework for decision making and resource allocation. The Strategic Plan conveys the Boards' vision, mission, core values and the strategic objectives that will be in focus as the Board moves towards attaining its mandate. The plan is based on Kenya's long term and medium terms priorities as expressed in the Kenya Vision 2030. This study aims to assess the effectiveness of the implementation of this elaborate plan, what challenges have been encountered during implementation, and ultimately whether the strategic plan will be useful in attaining the goals and objectives as stipulated in the plan.

1.1.1 The Concept of Strategic Planning

Strategic planning has long been used as a tool for transforming and revitalizing corporations, government agencies and non-profit organizations. Recently, however, scepticism about planning has been on the rise. Political and economic uncertainty is the norm and the pace of technological and social change has accelerated. There is some disillusionment with planning efforts that can't keep pace. "We did a plan five years ago and haven't looked at it since," is one common complaint. Or, "By the time we completed our plan, we were already carrying out all of its strategies. "But such comments miss the point. Rather than expose some fatal flaw in strategic planning, they reflect a basic misconception about the purpose and value of strategic planning and what it takes for a plan and the process to succeed, as noted by Mittenthal (2002).

Indeed, the process can prove pointless and frustrating and the end product of dubious value when care isn't taken to set clear, realistic goals, define action steps explicitly, and elicit the views of major stakeholder groups. Yet few tools are better suited to help address the staggering array of challenges brought about by a changing environment.

A successful strategic planning process will examine and make informed projections about environmental realities to help an organization anticipate and respond to change by clarifying its mission and goals; targeting spending and reshaping its programs, fundraising and other aspects of operations. Strategic planning has been welcomed by business enterprises, public or private as an important avenue that can be utilized to lead to effective firm performance. Being the first step in the strategic management process, strategic planning sets the basis for the other phases (strategy implementation, evaluation and control) in this process.

Developing a strategic vision and mission, setting objectives and crafting a strategy are basic direction setting tasks. They map out where a company is headed, the targeted strategic, financial, competitive moves and internal action approaches to be used in achieving the desired business results. Together they constitute a strategic plan for coping with industry and competitive conditions, the expected actions of the industry's key players and the challenges and the issues that stand as obstacles to the company's success.

Sometimes strategic planning is confused with other planning modalities, each valid in its own right but geared toward a different end result. To put it simply, not every plan is a strategic plan. A strategic plan is a tool that provides guidance in fulfilling a mission with maximum efficiency and impact. If it is to be effective and useful, it should articulate specific goals and describe the action steps and resources needed to accomplish them. As a rule, most strategic plans should be reviewed and revamped every three to five years. Day (1984) suggests that strategic planning should not be an isolated event that culminates in a clear-cut decision. Instead it should be an on-going activity that responds simultaneously to the pressure of events and the dictates of the calendar. To ensure organisation commitment, involvement in the planning process must come from many levels of the organisation, each with a distinct role in formulating the strategy and ensuring the integration of corporate resource allocations, strategies, objectives and action plans.

1.1.2 Strategy Implementation

Implementation manifests the strategic intent of a company through various tactical and competitive actions to achieve the desired results which otherwise may remain as distant dreams. Implementing strategy is always a challenge for organizations across the industry. Ability to implement strategy is the deciding factor between success and failure of a company's strategy.

Crawford, Blackstone and Cox (1988), explained that the real value of a decision surfaced only after the implementation of a decision. In other words it will not be enough to select a good decision and effective results will not be attained unless the decision is adequately implemented. Drazin and Howard (1984), argued that intended strategies would be implemented as they have been envisioned if two conditions were met. First, those in the organisation must understand each important detail in management's intended strategy. Second, if the organisation is to take collective action, the strategy needs to make as much sense to each of the members in the organisation as it does to top management. Successful strategic plan implementation requires a large commitment from executives and senior managers whether the strategic planning is occurring in a department or in a complete organization. Executives must lead, support, follow up and live the results of the strategic plan implementation.

Great strategies are not discovered over a couple of strategic sessions. In fact great strategies evolve over time as a result of rigorous monitoring of progress towards strategic goals. Similarly, companies need to incorporate strategy implementation in the planning phase itself. This can be done by involving person's key to execution during the planning phase itself, as noted by Noble (1999). It will not only help in gaining insights into practical aspects of strategy at an early stage, but it also helps to get their whole-hearted commitment to strategy implementation.

Planning is no doubt important but making the plan work is a bigger challenge which deals with organisation politics, culture and sometimes managing change all of which require a single-minded pursuit from top managers. Apart from intertwining strategic planning and implementation through incorporating execution into planning, and evolving strategy through rigorous follow-ups and corrections, there are other factors that may bridge the gap between great strategies and effective execution. First of these factors is communication, as mentioned by Hartmann (1992). Many times managers who are supposed to be delivering performance to meet strategic goals of the company do not have a clear idea of what the strategy is all about. They do not realize what needs to be done to fulfil the strategic plan. Great strategic plans or intents are represented by a catchy tag line, which conveys the company's intentions to all concerned, even to the market-place.

Ability to implement strategy is the deciding factor between success and failure of a company's strategy. Implementation manifests the strategic intent of a company through various tactical and competitive actions to achieve the desired results. Successful strategic planning implementation requires a large commitment from executives and senior managers, whether the strategic planning is occurring in a department or in a complete organisation (Hammer and Champ, 2003).

The strategic plan is a very useful aid to an organisation in achieving its objectives. However many organisations still face considerable challenges in implementing their strategic plans. While all organisations face challenges that are unique to their organisation culture and structure, there are challenges that are common to most if not all organisations. These challenges include, but are not limited to; a lack of support systems ,resistance to change in an organisation, resource constraints which include both time and financial constraints, a poor organisation structure for process coordination, poor leadership and management and political factors in an organisation that can impede the smooth implementation of the strategic plan.

1.1.3 The Brand Kenya Board

Brand Kenya Board is a State Corporation established in March 2008 through a Legal Notice known as the Brand Kenya Board Order, No. 38 of 2008. The Board was established with the mandate of ensuring that an integrated national brand is created, harnessed and sustained in the long term.

Brand Kenya Board falls under the marketing and advertising industry in Kenya. This industry includes all firms involved in activities that include advertising, promotion and branding of goods and services. In the last six months, Kenya's marketing and advertising industry has attracted both local and international players. In 2008, the annual marketing and advertising spend was KSh 20billion and by 2011, the annual spend was KSh 65.4 billion.

Specifically, Brand Kenya Board is involved with country branding. In terms of definition, country or state branding can be expressed as the use of strategic marketing to promote and position a country's image based on its key attractions. Historically branding has been confined to the private sector and more specifically to their products and services. However, the rapid environmental changes of the 21st Century are forcing nations to adopt branding. Among those changes are the rapid developments in technology, dwindling natural resources, globalization and convergence of consumer choices. These have converged to intensify global competition among nations for investment, tourism, inward inflow of capital, visitor numbers, corporate headquarters and more importantly global goodwill and influence. As the competition intensifies, nations have found it necessary to develop distinctive identities and images that position them as the destination of choice. It is in cognizance of the need to remain globally competitive in these circumstances that the government formed the Brand Kenya Board, with the mandate of building a strong country brand that fosters national pride and patriotism, and earns global recognition and preference.

The setup of the Board was at a time when Kenya was experiencing some challenges such as increasing global competition and development challenges among them rising unemployment rates especially amongst the youth, reduced direct investments, rising poverty levels, strained infrastructure and basic services which combined, were threatening the successful achievement of the objectives spelt out in the Kenya Vision

2030.In addition, the country was experiencing a dented image emerging from the political crisis in early 2008 which had threatened the growth momentum achieved in the period between 2003 and 2007. These challenges triggered a need to expand Kenyans economic and social possibilities through a conscious branding programme.

Brand Kenya Board's vision is to be the lead agency in transforming Kenya into a competitive global brand, while its mission is to build a strong country brand that fosters national pride and patriotism and earns global recognition and preference. The key role of the Board is to coordinate various initiatives of marketing the country within government, the private sector and other key stakeholders. The Board will also facilitate creation and maintenance of the Kenyan brand with a view to identify and distinguish Kenyan products, services and concepts. Further, the Board will undertake initiatives to differentiate Kenya from the rest of Africa and improve the international attention and goodwill towards Kenya.

To effectively carry out its mandate, the Board has developed a Strategic Plan for the period of 2009-2012, which will serve as a framework for decision making and resource allocation. The Strategic Plan conveys the Boards' vision, mission, core values and the strategic objectives that will be in focus as the Board moves towards attaining its mandate. The plan is based on Kenya's long term and medium terms priorities as expressed in the Kenya Vision 2030 and the Medium Term Plan (2008-2012). The Board will play a critical role in achievement of these development priorities by undertaking various initiatives geared towards creation of a unique country identity and image that will make Kenya stand out as a wonderful place to live, visit, work and invest. The plan will be implemented through the Performance Contract and Annual Work Plan targets based on the Boards' identified priorities. A robust monitoring and evaluation programme will also be put in place to track progress throughout the Strategic Plan period.

1.2 Research Problem

The strategic plan and its implementation are the heart and soul of any business organization and operation. A business' strategy is the game plan a company uses to stake out a market position, conduct its operations, attract and retain customers, compete successfully, and achieve organisational objectives. It is the focal point of the business practices and competitive strategies in operational management. Excellent implementation, on the other hand, is the best test of managerial excellence that results in the most reliable recipe for turning companies into stand-out performers.

Following the background of this study, it is only those organisations that are able to adapt to the changing external environment and adopt new ideas and ways of doing business that can be guaranteed of survival. Some of the forces that have greatly influenced state corporations such as Brand Kenya Board include intense competition, globalization, and technological advancement. In response to these forces, the board conducted an elaborate strategic planning process that resulted in the formulation of their strategic plan.

There is a vast knowledge on strategic plans and strategic planning as put forward by various researchers including Arasa et al, (2011), whose research study focused on participatory orientation to the strategic planning process. Other researchers have studied on the strategic planning practices of various organisations, such as Karube (2008) who studied the strategic planning practices by NGOs in West Pokot District, Kirimi (2011), studied the strategic planning practices at Barclays Bank of Kenya, Wainaina (2011), studied the strategic planning practices at the Law Society of Kenya, while Kitoto (2011) studied the strategic planning practices at Kenya Pipeline Company. Kagori (2010) carried out a study on the challenges of strategic planning in public organisations. While these research studies emphasize the importance of strategic plans, they do not give details of the challenges affecting implementation of the strategic plan. Guided by this knowledge gap, this proposed study fills that void by answering the research question; what are the challenges affecting the implementation of the strategic plan by Brand Kenya Board?

1.3 Research Objective

The objective of this study was to establish the challenges affecting the implementation of strategic plan at Brand Kenya Board.

1.4 Value of the Study

This study was significant to Brand Kenya board as it provided valuable insights on how to mitigate the challenges faced in their strategic planning process so as to achieve their objectives. The findings of this study also helped the government in developing policies that will ensure the smooth implementation of strategic plans in firms.

In addition this study contributed to strategic management practice which believes that strategy implementation involves managing stakeholder relationships and organisation resources in a manner that moves the business toward the successful execution of its strategies, consistent with its strategic direction.

There has also been no known study on corporations engaged in country branding activities. Therefore, the findings of this study were useful to scholars as they acted as a reference for future studies on such organisations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the theoretical literature review and concepts of the strategy development process, strategy implementation. This chapter also discusses the studies carried out on the various challenges of strategic plan implementation.

2.2 The Strategy Development Process

Thompson, Strickland and Gamble (2007), have defined strategic planning as a managerial process of crafting and executing a company's strategy. The strategy development process consists of five inter-related and integrated phases. The first phase is developing a strategic vision of where the company needs to head and what its future product/ market/ customer technology focus should be. This managerial step provides long-term direction, infuses the organisation with a sense of purposeful action and communicates management's aspirations to stakeholders.

The second phase is setting objectives to spell out for the company how much of what kind of performance is expected and by when. The third phase is crafting a strategy to achieve the objectives and move the company along the strategic course that management has charted. Crafting strategy is concerned principally with forming responses to changes underway in the external environment, devising competitive moves and market approaches aimed at producing sustainable competitive advantage, building competitively valuable competencies and capabilities and uniting the strategic actions initiated in various parts of the company.

The fourth phase is concerned with implementing and executing the chosen strategy efficiently and effectively. Managing the implementation and execution of strategy is an operations-oriented, make things happen activity aimed at shaping the performance of core business activities in a strategy supportive manner. The fifth phase is concerned with evaluating performance and initiating corrective adjustments in vision, long-term direction, objectives strategy or execution in light of actual experience, changing conditions, new ideas and new opportunities.

2.3 Strategy Implementation

Ansoff (1999), views strategy in terms of market and product choices. According to this author, strategy is the common thread among an organisation's activities, and the market. Johnson, Scholes and Whittington (2008), view strategy as the direction and scope of an organisation over the long-term, which achieves advantage for the organisation through its configuration of resources within a changing environment to fulfil stakeholder expectations.

Strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision making or as a result of complete coalitional involvement of implementation through a strong corporate culture. Implementing strategies successfully is about matching the planned and realized strategies, which together aim at reaching the organisation vision. With firms evolving in terms of structure it follows that the style of strategy implementation will differ depending on the style of organisation and management that exists in the firm. Different types of leadership style can play a critical role in overcoming barriers to implementation.

According to Thompson, Strickland and Gamble (2007), managing the implementation and execution of strategy is an operations –oriented make-things happen activity aimed at performing core business activities in a strategy-supportive manner. It is easily the most demanding and time consuming part of the strategic management process, converting strategic plans into actions and results. It tests a manager's ability to direct organizational change, motivate people, build and strengthen company competencies and competitive capabilities, create and nurture a strategy-supportive work climate and meet or beat performance targets. Initiatives to put the strategy in place and execute it proficiently have to be launched and managed on many organisation fronts. Strategic decisions determine the organisational relations to its external environment, encompass the entire organisation, depend on input from all functional areas in the organisation, have a direct influence on the administrative and operational activities and are virtually important to long-term health of an organisation.

Marginson (2002), postulates that the challenging aspect when implementing strategy is the top management's commitment to the strategic direction itself. In some cases, top managers may demonstrate unwillingness to give energy and loyalty to the implementation process. One of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail in total is the vagueness of the assignment of responsibilities. More recent articles confirm notable barriers to successful strategy implementation, which include top-down / laissez faire management style; unclear strategic intentions and conflicting priorities and ineffective senior management teams; poor vertical communication; weak coordination across functions, as noted by Beer & Eisenstat (2000).

Simon and Thompson (1998), refer to three categories of factors that affected strategic-decision making process: environment factors, organisation factors, and decision-specific factors. Here environmental factors mean external agents such as national culture, national economic conditions, and industry conditions. Organisation factors refer to organisation structure, organisation culture, structure of decision-making bodies, impact of upward influence and employee involvement. Decision-specific factors can be explained as time, risk, complexity and politics.

According to Porter (1985), strategists must assess the forces affecting competition in their industry and identify the company's strength and weaknesses. Strategists can then devise a plan of action that may include first, positioning the company so that its capabilities provide the best possible defense against the competitive force and/or influencing the balance of the forces through strategic moves, thereby improving the company's position , or anticipating shifts in the factors underlying the forces and responding to them with the hope of exploiting change by choosing a strategy appropriate for new competitive balance before opponents recognise it.

McKinsey's (1982) 7-S framework, describes the seven factors critical for effective strategy execution. The 7S model identifies the seven factors as strategy, structure, systems, staff, skills, style/culture, and shared values. Strategy is the positioning and actions taken by an enterprise, in response to or anticipation of changes in the external environment, intended to achieve competitive advantage. Structure refers to the way in which tasks and people are specialized and divided, and authority is distributed; how activities and reporting relationships are grouped, and the mechanisms by which activities in the organisation are coordinated (Kaplan, 2005).

Systems refer to the formal and informal procedures used to manage the organisation, including management control systems, performance measurement and reward systems, planning, budgeting and resource allocation systems, and management information systems. Staff refers to the people, their backgrounds and competencies; how the organisation recruits, selects, trains, manages the careers and promotes employees. Skills refer to the distinctive competencies of the organisation; what it does best along dimensions such as people, management practices, processes, systems, technology and customer relationships.

Style/culture refers to the leadership style of managers- how they spend their time, what they focus attention on, what questions they ask of employees, how they make decisions, the organisational culture i.e. the dominant values and beliefs, the norms, the conscious and unconscious acts taken by leaders. Lastly, shared values refer to the core or fundamental set of values that are widely shared in the organisation and serve as guiding principles of what is important; vision, mission, and values statements that provide a broad sense of purpose for all employees. (Kaplan 2005).

2.4 Challenges of Strategic Plan Implementation

Implementing strategy is always a challenge for organisations across the industry. According to Mintzberg (1979), the major issue influencing the strategy implementation is the perspective one has on strategy. Implementation means carrying out the pre-determined strategic plans. The available literature in the 1990s was examined in order to identify potential strategy implementation problems.

Eisenstat (1993), indicated that most companies attempting to develop new organization capacities stumble over these common organisational hurdles; competence, coordination, and commitment. These hurdles can be translated into the following implementation problems: coordination of implementation activities was not effective enough, capabilities of employees were insufficient, training and instruction given to lower employees was inadequate and leadership and direction given by departmental managers was inadequate. Kaplan (2005), stated that there were mostly individual barriers to strategic plan implementation such as too many conflicting priorities, insufficient top team functions, a top-down management style, inter-functional conflicts, poor vertical communication and inadequate management development.

Ability to implement strategy is the deciding factor between success and failure of a company's strategy. Implementation manifests the strategic intent of a company through various tactical and competitive actions to achieve the desired results. Successful strategic planning implementation requires a large commitment from executives and senior managers, whether the strategic planning is occurring in a department or in a complete organisation (Hammer, Champ 2003).

Bakerjan (1994), argues the failure of strategic implementation can be caused by a lack of support systems, to facilitate implementation of the strategic plan. It has been observed that many of the organisations that attempt to implement strategic plan initiatives experience difficulties and are not able to achieve the anticipated benefits. The failure of an organisation to successfully implement strategic programs has been attributed to the various obstacles including lack of management support and understanding, lack of sufficient training and failure to allow sufficient time for the evolution.

Kaplan and Norton (1993), argue that a strategic planning system cannot achieve its full potential until it is integrated with other control systems like budgets, information and reward systems. To facilitate the implementation in general, implementation instruments should be applied to support the processes adequately. Two implementation instruments are the balanced scorecard and supportive software solutions. The balanced scorecard is a popular and prevalent management system that considers financial as well as non-financial measures. It provides a functionality to translate a company's strategic objectives into a coherent set of performance measures. The balanced scorecard provides a framework to integrate the strategic planning and meets the requirements that the strategic planning itself can display.

Cooke (2000), adds that another significant contributor for failure of strategy implementation program is the organization's inability to obviate resistance to change. The resistance to change takes a number of forms that is reluctance of individuals to change roles, inability to create dissatisfaction with the present situation and inability to change organisational roles and culture. Bamber et al (1999), conducted a study aimed at discovering the factors affecting the successful implementation of Total Productive maintenance (TPM) at UK manufacturing small to medium-size enterprise (SME). He outlined the various reasons for TPM failure which included a lack of commitment of top management, deployment of inexperienced consultants, lack of structure, failure to implement change on the shop floor, lack of education and training for employees, lack of employee involvement, and poor structure to support the TPM initiatives.

Schmidt (1994), claimed that a strategic change can be successfully implemented through a four stage process: Assess the organisational capabilities and behaviour needed to move from what the company is to what it needs to become. Determine what work processes would be required to implement the strategy and design current work processes to fit those requirements. Identify what information needs the work processes generate, and determine what information systems and databases would be required to meet those needs. Determine which organisational structure would best support those work processes

Hewlett (1999) ,suggests that most strategic plans are hurdled by financial constraints during the time of their implementation. It is important particularly at the business level to integrate non-financial measures such as market share or market growth in the budget, so that one can better assess the extent to which improved competitive strength is being achieved as well as the extent to which deviations are due to changes in the business attractiveness. State corporations such as Brand Kenya Board, must prepare forecasts of the financial receipts and payments in order to facilitate prompt release of funds for the actualization of their activities and programmes. The release of funds by the Ministry of Finance is an instrument that is very critical to the budget implementation process. When planned and affected properly it can facilitate the implementation tasks of spending agencies, while the negative use of the same process may hamper the activities of the agencies.

In the course of budget implementation another key factor that has to be taken into account is the issue of cost increases as observed by Cohen (2004). In most government programs and projects, cost increases are the rule rather than the exception, and cases of cost increases have been known to inflate project budgets by as high as 100 percent. These increases have to be anticipated and policies formulated to counteract them or provide for them as has been suggested by Premchand (2004), through creation of a contingency reserve.

Time is also another critical factor that needs to be managed for a successful implementation of a strategic plan. Many strategic planning managers have resorted into unrealistic and unattainable strategic plan schedules. When designing the strategic plan schedule, it is always good to ask continually, what is the deliverable that will be produced out of any anticipated activity. Buckout et al., (1999), points out that having a realistic and attainable strategic plan schedule guarantees successful delivery of any strategic plan. Lack of a proper strategic planning schedule is one of the surest causes of strategic plan failure.

Undeniably, coordination is critical to the performance of any firm. The challenge for any manager is how to coordinate the efforts of talented employees within a limited time frame and to ensure that the aims and mission of the intended strategy is clearly understood. As observed by Grant (2002), firms can aid this process through rules, directives and routines. Coordination deals with only the technical problem of integrating the actions of mid-level managers within firms. Cooperation however, concerns the building mechanisms that link individuals in ways that permit them to perform given tasks, such as implement the firm's strategy.

The blending of telecommunications, computers, the internet and one global marketplace has increased the pace of change exponentially during the last 10 years. All business organisations are affected. Change becomes an integral part of what leaders and managers deal with daily. The leadership challenge is to galvanize commitment among people within an organisation as well as stakeholders outside the organisation, to embrace change and implement strategies intended to position the organisation to do so. Pearce and Robinson (2011), state that leaders can galvanize commitment to embrace change through three interrelated activities: clarifying strategic intent, building an organisation, and shaping organisation culture.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that were followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. Specifically the following subsections have been included; research design, data collection instruments, data collection procedures and finally data analysis.

3.2 Research Design

A research design is defined as the scheme, outline or plan that is used to generate answers to research problems. For the purposes of this study the researcher employed a case study. This method was preferred because it revealed an in-depth and extensive description of the topic under investigation.

The primary purpose of a case study is to determine the relationships among the factors that have resulted in the behaviour under study. A case study is also important for analysing information in a systematic way to come up with useful conclusions and recommendations. This design was most preferable to fulfil the objectives of the study as the results were expected to provide in-depth insights on the challenges faced by Brand Kenya Board in the implementation of its strategic plan.

3.3 Data Collection

In this study emphasis was given to primary data. The primary data was collected using the interview guide, through face to face interviews. The Interview Guide is made up of two sections; namely the respondent's profile and the respondent's views on the implementation of the strategic plan.

The interviewees were the head of strategy, who is the Chief Executive Officer and the four key functional heads, who include the Director of Marketing, Director of Communication, the Director of Finance, and the Director of Human resource and Administration. These were considered to be the key informants of this research study.

3.4 Data Analysis

The data to be collected was qualitative in nature, as it is derived from open-ended questions. Therefore the most preferable technique to analyse the data was content analysis. Content analysis is defined by Mugenda M and Mugenda (2003), as the systematic qualitative description of the components of the objects and materials of the study. It involves observation and detailed description of objects, items that comprise the object of study.

In content analysis, the responses from different respondents were compared and summarised according to the objective of the study. It was appropriate since it offered flexibility and allowed for objective, systematic and quantitative description of the content under study.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the result of the analysis of data collected through interviews with the five managers drawn from various departments. The study sought to establish challenges facing the implementation of the strategic plan by Brand Kenya Board, which was developed to provide a master plan that would guide the Board in their mandate to ensure an integrated national brand is created, harnessed and sustained in the long term.

The data was analysed using content analysis based on meanings and implications emanating from respondents information and documented data. Specifically, it starts with the analysis of the general information of the respondents and then proceeds to results on the challenges facing the implementation of the strategic plan adopted by Brand Kenya Board.

4.2 Respondents' Profile

The data was collected through an interview guide. The researcher was able to interview five of the intended respondents. These were the four Heads of Departments (HODs) and the Chief Executive Officer. The four departments were namely the Marketing, Communications, Finance, and HR & Administration. The respondents of this case study were namely; The Director of Marketing, the Director of Communications, the Director of Finance, the Director of Human resources & Administration and the Chief Executive Officer.All respondents have a minimum of a

Bachelors degree, while two have Masters Degrees and only one has a PHD qualification. At least all respondents have worked for the organisation for a minimum of two years.

4.3 Research Findings

The interview guide sought response on the role of the managers in the strategic plan implementation process, and the challenges they face in implementing the strategic plan. From the responses received from the interviewees, it was clear that the corporate objectives were entrenched in the strategic plan of the organization, where each department had its objectives that had to be met.

All respondents have received training on Strategic Management. Knowledge on strategic management has had many benefits on the respondents. It provided knowledge on resource management, reviewing the current position of the organisation, setting of goals and objectives, and enabled them to adopt more efficient ways of achieving the goals set in the strategic plan.

Each department has adopted its own strategies for operation. In the communications department for example, the Director stated that they adopted strategies to achieve their key objective which was to improve the country's image and perception. In order to do this they adopted a strategy to enhance engagement with the media, i.e. communicating and influencing public opinion .The department has also adopted strategies to engage with its stakeholders who include the Kenyan citizens, the government , professional associations and the private sector, development partners and potential investors and visitors. These strategies include; enhancing stakeholder involvement, coordinate country branding activities among its stakeholders and embracing common brand collateral with stakeholders.

In the marketing department, their objectives as stated in the strategic plan included enhancing the distinctiveness of Kenyan goods and services, promoting Kenya's investment environment, promoting soft capital such as sports ,music, culture and cuisine and packaging the unique competencies of cities, towns and places. In order to achieve this objectives the department adopted strategies such as inculcating a culture of quality and cost competitiveness, branding Kenyan goods and services, marketing Kenya as an investment destination, creating top of mind awareness of the country, advocating for promotion of local talent, culture and cuisine, and packaging the unique competencies of cities, towns and places.

The Human Resource and administration departments had two objectives, namely to institutionalize strong corporate governance in BKB, and to enhance operational efficiency and effectiveness of BKB. To achieve these objectives the department adopted strategies such as strengthening the capacity of the Board and management in corporate governance and adopting corporate governance instruments. Implementing an appropriate organizational structure, implementing results based management systems and processes, harnessing the use of ICT in operations, developing human capital and ensuring implementation and monitoring of the BKB activities.

The main objective in the Finance department was to increase funding and technical support for the Board. To achieve this objective, the following strategies were adopted. They included attracting additional government funding, attracting funding and support from development partners and private sector, mobilizing resources from internal revenue generating activities, and ensuring transparency, accountability and efficient use of resources.

It was unanimously agreed by all respondents that implementing the strategic plan greatly improved the organisation's performance and productivity as the strategic plan guided the departments in measuring performance, and brought in more focus in their operations. By using the strategic plan the organisation has minimised the risk of becoming irrelevant.

According to the respondents, government regulations have indirectly affected their business performance. For example, the new labour laws have improved the HR and Administration practice. The procurement policies have ensured that procurement for organisational goods is carried out in a transparent and cost-efficient manner.

It was unanimously agreed by all respondents that the Board has adopted a culture of common purpose, direction and respect for individual contribution. The Board of Directors and staff members have embraced this culture, so as to enhance attainment of the goals and objectives in the strategic plan.

Some of the values and beliefs shared by members of the organisation include, teamwork, passion where the members of the Board of Directors and staff carry out their duties and responsibilities with zeal and devotion. Patriotism, which involves members of the Board of Directors and staff of BKB, upholding patriotic ideals of the country, and putting the welfare of the Country and its interests first in their decisions and actions. Integrity, where Brand Kenya Board upholds principles of competency, honesty, reliability and responsiveness in discharging the Board's mandate and acting without consideration of personal gain. Innovation, in which the respondents stated that BKB values novelty, creativity and improvement. The Board is committed to tracking global trends in country branding to actively improve its programmes and service delivery.

According to the respondents, Brand Kenya Board faces two main resource constraints in the implementation of the strategic plan. These are the financial and human resource constraints. To address the limitation of the financial resources, the Director of Finance emphasized optimal use of the financial resources. The HR and Administration Director added that a shortage of human resources was a great challenge to the Board and that currently they relied on sub-contracting of some human resource functions.

The feedback on the implementation of the strategic plan is normally communicated to the employees, on a quarterly basis for the line managers and on a weekly basis for subordinate staff and other employees. Communication is done mainly through weekly management meetings, memos and even occasional strategic retreats.

The Chief Executive officer is responsible for providing organisational leadership and overall supervision in the implementation of the strategic plan. The CEO's responsibilities include but are not limited to; Interpretation and implementation of the decisions of the Board of Directors, overseeing the formulation and implementation of appropriate policies and procedures within BKB, Providing a link between the Board and Staff .Spearheading BKB's initiatives in country branding, providing leadership in integrity assurance in order to achieve good corporate governance. Ensuring that human resource matters for BKB are dealt with appropriately, spearheading BKB's initiatives in seeking sources of finance for various programmes and overseeing its application, and promoting the positive image of BKB. The respondents unanimously agreed that they are satisfied with the overall leadership of the Chief Executive Officer in the implementation of the strategic plan.

The study inquired on how strategic plan implementation challenges affect the implementation process of various departments in the Board. On structure, the study revealed that the organisation structure provided an overall framework for strategy implementation, and it is not in itself sufficient to ensure successful execution. Within the organizational structure, individuals, groups and units are the mechanisms of organizational action, and the effectiveness of their actions is a major determinant of successful implementation

To ensure operational efficiency, the Board has implemented an appropriate organisation structure, which is reviewed and updated periodically. Therefore the organisation structure does not pose a challenge but rather aids in the implementation of the strategic plan. To enhance the efficiency and effectiveness, the HR and Administration director with the line managers have implemented a results based management systems and processes in which they analyse the various business processes, implement new business processes, develop and implement operational manuals and policies, and develop a performance appraisal system for the Board members and staff.

The respondents mentioned other challenges encountered in the implementation of the strategic plan. One respondent stated that country branding is a fluid concept that is evolving. Since one cannot tell the future of this unique industry, any changes that occur will force significant changes to the strategic plan and thus affect its implementation. Other respondents stated that the strategic plan is static and therefore makes it difficult to implement in case there are any new developments. According to one respondent the strategic plan needs to be reviewed more frequently so that corrective action can be taken sooner to correct any deviations from the strategic plan. Other external factors such as the country image can affect the strategic plan implementation.

4.4 Discussion of Findings

The researcher set out to establish the challengesof strategic plan implementation by Brand Kenya Board. The research findings as discussed above support various literature on the challenges of strategic plan implementation by organisations.

Some of the challenges identified included financial constraints that affect the overall budget of the Board, human resource constraints, rigidity of the strategic plan and external factors such as the country image. These findings are consistent with Hewlett (1999) and Cohen (2004) who identified financial constraints as a major constraint in the implementation of the strategic plan.

Hewlett (1999), argued that most strategic plans are hurdled by financial constraints during the time of their implementation. It is important particularly at the business level to integrate non-financial measures such as market share or market growth in the budget, so that one can better assess the extent to which improved competitive strength is being achieved as well as the extent to which deviations are due to changes in the business attractiveness. In the course of budget implementation another key factor that has to be taken into account is the issue of cost increases as observed by Cohen (2004).

From the literature it is said that the challenging aspect when implementing strategy is the top management's commitment to the strategic direction itself. In some cases, top managers may demonstrate unwillingness to give energy and loyalty to the implementation process. This is evident in the Brand Kenya's strategic plan implementation where the chief executive officer is responsible for the overall strategic direction of the organization, but is dependent on a strong management team to implement its strategic plan.

The research findings also indicate that another major constraint to strategic plan implementation is the timely delivery of strategic objectives. This is consistent with literature as discussed by Buckout et al., (1999), who points that time is a critical factor that needs to be managed for a successful implementation of a strategic plan. Many strategic planning managers have resorted into unrealistic and unattainable strategic plan schedules and that when designing the strategic plan schedule, it is always good to ask continually, the deliverable that will be produced out of any anticipatedactivity.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section of the research study provides a summary on the findings of the research, the conclusions and recommendations on the challenges of strategic plan implementation by Brand Kenya Board.

5.2 Summary of Findings

The study inquired on the various challenges facing the implementation of the strategic plan by Brand Kenya Board. There were various challenges cited such as financial constraints. This is mainly due to the fact that Brand Kenya Board is a state corporation which is financed by the government, which can sometimes delay in disbursing funds needed to implement certain projects in the strategic plan. The other main challenge is the constraint on Human resources. In order to fulfill their mandate and implement the strategic plan successfully, the board has embarked on recruiting highly talented individuals. Being a relatively young organization recruiting individuals with the required skill-set to work in this Board has not been an easy task, and they have had to rely on subcontracting some employees.

Other challenges mentioned were that country branding is still a new phenomenon in Kenya that is still evolving since one cannot tell the future of this unique industry. Other respondents stated that the strategic plan is static and therefore makes it difficult to implement in case there are any new developments. The strategic plan also needs to be reviewed more frequently so that corrective action can be taken sooner to correct any deviations from the strategic plan. Another significant challenge was that country branding heavily relies on the image of the country which the Board does not have control over.

The study also inquired on how strategic plan implementation challenges affect the implementation process of various areas in the board. On structure, the study revealed that structure provides overall framework for the strategic plan implementation, and it is not in itself sufficient to ensure successful execution. Within the organizational structure, individuals, groups and units are the mechanisms of organizational action, and the effectiveness of their actions is a major determinant of successful implementation. In this context, two basic factors encourage or discourage effective action-leadership and culture.

On how strategic plan implementation challenges affect the implementation process on culture, the respondents cited that culture is a set of important assumptions (often unstated) that members of an organization share in common. These shared assumptions (beliefs and values) among members of an organization set a pattern for activities, opinions and actions within that firm.

Some respondents identified gaps in organization structure and rapid change in technology as the factors that highly bring changes to the strategic plan. Need to concentrate on core activities, need to reduce operational cost and need to free resources for other purposes were identified.

The respondents further felt that the factors that moderately provide challenges to the implementation of the strategic plan included; need to improve institutional focus, ease of activity control through adoption of new technology, and need to improve efficiency .

Some respondents did not consider management style and leadership skills of the management as important challenges that determine the successful implementation of the strategic plan. All respondents did not consider Government Policy as an important factor to be considered at all. With regard to any other challenges to strategic plan implementation process at the board, the study revealed that most of the respondents considered choice of external service strategy consultants as an important factor. The various attributes of the strategy consultants which were considered as important includes professionalism, competence, quality of service, contract term, credibility, cost and flexibility. The board therefore needs to improve on technology and services quality so as to highly access world class capabilities.

5.3 Conclusion

The study concludes that there are various challenges affecting Brand Kenya Board in implementing its strategic plan. These included financial constraints that affect the overall budget of the Board, Human resource constraints, rigidity of the strategic plan and external factors such as the country image.

The study also sought to inquire on the various implications of the challenges on implementation of the strategic plan on the organisation's activities. These have led to poor provision of services, loss of revenue and lack of public trust especially on the timely delivery of the objectives in the strategic plan.

5.4 Recommendations

The study recommends that in order for Brand Kenya Board to be able to effectively implement its strategic plan, there is need to have an organized organizational structure, improved information systems, better leadership styles, timely assignment of key managers, effective budgeting and offer rewards, and control systems.

This study also recommends that the strategic plan should be flexible and accommodating new developments on a regular basis. The board also needs to be re-engineered to ensure there is room for expansion and talent development. The board will also need to revise their short-term objectives to ensure that Brand Kenya Board remains relevant. Brand Kenya Board should also benchmark itself with other world-class organisations within their industry in order to globally competitive.

5.5 Limitations of the Study

The research met with various challenges when conducting the research that included the fact that the board ordinarily did not want to give information due to client confidentiality. Additionally, some respondents would not want to give the information as they considered it to be of competitive importance.

The respondents being normally very busy people may not have found a lot of time to be interviewed. Since the research was conducted via open-ended interviews, a large amount of time was needed to collect information from the respondents. Time limitation made it impractical to include more respondents in the study.

More respondents would also have been essential to increase the representation of the organization in this study

5.6 Suggestions for Further Research

Challenges to effective strategic plan implementation research areas are widely embraced in the developing countries such as Kenya. In Kenya, it has gained acceptance mainly in the private organizations, however government organizations are also incorporating it as a key management strategy though at a sluggish pace. Given that this study only covered challenges that affect Strategic plan Implementation in Brand Kenya Board, studies need to be done on challenges for all organization. There is therefore room for a similar study to cover all the state corporations. This is timely, given today's rapid technology advances and the increased emerging of competition on organizations in the country.

REFERENCES

Ansoff, H. I. (1999). *Implanting Strategic Management*: Cambridge, UK, Prentice hall.

Ahuja, I.P.S., Khamba, J.S & Choudhary, R. (2006*).Improved organisational behaviour through strategic plan implementation.* IMECE2006-15783 Chicago Illinois, November 5-10.

Arasa, R.M., Aosa, E.O., & Machuki, V.N. (2011). *Participatory Orientation to Strategic Planning process: Does it pay?* Prime Journal of Business Administration and Management, Vol 1(10): 319-327.

Bamber CJ., Sharp, J.M., & Hides, M. (1999). *Factors affecting successful implementation of total productive maintenance: A UK manufacturing case study perspective:* Journal of Quality in Maintenance Engineering, Vol 5 No 3:162-81.

Beer, M., & Eisenstat, R. (2000). *The silent killers of strategy implementation and learning:* Sloan Management Review, Vol 41, No 4.

Buckout, S., Frey, E., & Nemec, J. (1999). *Making Projects succeed: Turning fear into promise*: IEEE Engineering Management Review: 116-23.

Cooke, F.L. (2000). *Implementing TPM in plant maintenance; some organisational barriers:* International journal of Quality & Reliability management, Vol 17:1003-16.

Crawford, K., Blackstone, J.H., & Cox, J. (1988). *A study of JIT implementation and operating problems:* International Journal of Production Research, Vol 26 (9):1561-8.

Drazin R., & Howard, P. (1984). *Strategy implementation: A technique for organisational design:* Journal of Management Studies,(3.

Eisenstat, R. (1993). *Implementing strategy: developing a partnership for change:* Planning Review, Vol 21 No. 5:33-36.

Grant, R. M. (2003). *Strategic Planning in a Turbulent Environment; Evidence from Oil Majors:* Strategic Management Journal Vol 24, No. 6: 491-517

Hammer, M., & Champ, J. (2003). *Reengineering the organisation:* Harper Business, New York.

Hartmann, E.H. (1992). *Successfully Installing Strategic planning in a Non- Japanese Plant:* Total productive maintenance, TPM Press, London.

Hewlett, C. (1999). *Strategic Planning for real estate Companies*: Journal of Property Management, Vol 64 No1:264.

Hussey, D. (2000). *How to manage organisational change*: London Kogan Page.

Johnson, G., Scholes, K., & Whittington, R. (2008). *Exploring Corporate Strategy; Texts and Cases*, (8th Edition). Prentice Hall.

Kagori, M.N. (2010). *Challenges of Strategic Planning in Public Organisation:* Unpublished MBA project, School of Business, University of Nairobi.

Kaplan R. & Norton D. (1993*). The Balanced Scorecard: measures that drive performance:* Harvard Business Review, Jan –Feb: 71-80.

Karube W. (2008). *Strategic planning practices by NGOs in West-Pokot District*: Unpublished MBA project, School of Business, University of Nairobi

Kirimi, P. (2011). *Strategic Planning Practices at Barclays Bank of Kenya Limited*: Unpublished MBA project, School of Business, University of Nairobi.

Kitoto, G. (2011). *Strategic Planning Practices at Kenya Pipeline Company*: Unpublished MBA project, School of Business, University of Nairobi.

Lynch R. (2009). *Strategic Management.* (5th Edition), Prentice Hall.

Marginson, W. (2002*). Management control systems and their effects on strategy formation at middle management levels: evidence from a UK organisation*: Strategic management journal, Vol. 23 (1):56-87.

Mintzberg, H., & Quinn, J.B., (1979). *The Strategy Process; Concepts, Contexts and Cases*; Engelwood Cliffs N.J, Prentice Hall

Mittenthal R.A. (2002). *Ten keys to Successful Strategic Planning for Non-profit and Foundation leaders.* TCC Group.

Mugenda O.M. & Mugenda A.G. (2003). *Research Methods; Quantitative & Qualitative Approaches:* Nairobi, Acts Press.

Noble, C.H. (1999). *The Eclectic Roots of Strategy Implementation Research:* Journal of Business research, Vol 45 No 2.

Pearce, J.A., & Robinson R.B. (2011). *Strategic Management; Formulation, Implementation and control,* (12th edition), Mc Graw Hill.

Porter, M.E. (1985). *Competitive Advantage, Creating and Sustaining Superior Performance:* New York Free Press.

Sandelands, E. (1994). *All talk and no Action? Perish the thought:* Management decision, Vol 32, No5,:10-11

Schmidt, J. (1994). *The case of the sales driven company:* Journal of Business Strategy, Vol 15, And No.5:17-20.

Thompson, A., Strickland, A.J., & Gamble, J.E. (2007). *Crafting and Executing Strategy; The quest for Competitive Advantage; Concepts and Cases.* (15th edition), McGraw Hill.

Wainaina, S.M. (2011). *Strategic Planning Practices at Law society of Kenya*: Unpublished MBA project, School of Business, University of Nairobi.

APPENDICES

APPENDIX 1:INTERVIEW GUIDE

PART A: General Information

1. Name of interviewee (optional)………………………………………..
2. Name of the department …………………………………………….
3. What is your highest level of academic qualification? ....
4. How long have you worked for the organisation? ……………………………

PART B: Implementation of the Strategic Plan

1) Have you ever attended any training related to strategic management?

a) If yes, did the training add any value in your organisation in relation to strategic management?

b) If no, do you think your organisation could be suffering from the consequences of not having such training?

2) Has your department developed strategies for operation?

3) How has implementing the strategic plan affected performance and productivity of your organisation?

4) To what extent do government regulations affect business performance?

5) How has the culture being practised in the organisation affected implementation of the strategic plan?

a) What are some of the values & beliefs shared by the members of your organisation?

6) Do you have any resource constraints hindering the strategic plan implementation?

a) How do you address the issue of resource limitation?

7) How often is feedback on strategic plan implementation communicated to the employees?

8) What means of communication does the management use to communicate the awareness of change at the Board?

9) Is the CEO at the forefront in providing leadership in strategic plan implementation?

a) What kind of challenges do you face with leadership?

10) Does the structure of your organisation pose a challenge to strategic plan implementation?

11) Please explain briefly any other challenges encountered in the strategic plan implementation in your department/division.

a) How did you deal with the challenges encountered?

b) How effective were your approaches in dealing with the challenges?

12) What recommendations or suggestions do you have on successful implementation of the strategic plan?

APPENDIX 2: INTRODUCTION LETTER

MARY MWENDWA MUTWIRI,

P.O.BOX 26083,

NAIROBI, KENYA.

27^{TH} AUGUST 2012.

THE CHIEF EXECUTIVE OFFICER,

BRAND KENYA BOARD,

P.O.BOX 40500-00100,

NAIROBI, KENYA.

Dear Madam,

REF: A REQUEST TO CARRY OUT INTERVIEWS FOR RESEARCH PROJECT ON BRAND KENYA BOARD.

I am a Masters of Business Administration student, (MBA) from the University of Nairobi. I am currently undertaking a research project, as a partial requirement towards the award of the degree. My research project concerns the Challenges of Strategic Plan Implementation by organisations, and I wish to use Brand Kenya Board as a case study.

I hereby wish to request the Board to allow me to carry out interviews specifically with the Chief Executive Officer and the departmental managers i.e. Director of Marketing, Director of Communication, Director of Partnership & Resource Mobilization and the Director of Finance and Administration. The responses from the interviews will only be used as findings for the research project and neither for any other purpose, nor will they be used anywhere else.I will appreciate any assistance I will receive from the Board, towards the completion of this project.

Yours Sincerely,

Mary M. Mutwiri.