

**RESPONSES BY GITHUNGURI DAIRY FARMERS COOPERATIVE
SOCIETY LIMITED (GDFCSL) TO THE INCREASED MACRO
ENVIRONMENT TURBULENCE**

BY

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DECLARATIONS

This project is my original work and has not yet been submitted for a degree in any other University

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Date

D61/P/7412/2003

This project has been submitted for examination with my approval as University Supervisor

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DEDICATION

This paper is dedicated to my father Wilson Mutisya and my mother Mary Mbatha, whose wisdom and wise counsel have been the cornerstone in my quest for academic excellence.

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ABSTRACT

The environment in which organizations operate is constantly changing with different factors influencing organizations. Since the run of the millennium, the general business environment has become more volatile, unpredictable and very competitive. The days when firms could simply wait for clients to walk to their door step are long gone. Organizations must realize that their services and products, regardless of how good they are, simply do not sell themselves. Decisions by managers have a strategic impact and contribute to strategic change. This study was designed to determine environmental turbulence that face GDFCSL and to identify the responses adopted by the cooperative to deal with the changes in the external environment.

The study was carried out using a case study design. Data was collected using a semi-structured interview guides which was administered using drop and pick method. Several personal visits to the premises were held to prompt the informants to respond. The sample size for the study was 5 top managers of the society. Secondary data so used to corroborate the data from the primary sources. The contents of the answers given by the informants from the interview guide were analyzed to derive the information sort.

The study found out that the society faces a lot of challenges from economic, climatic/ecological to regulatory to technological factors among others. The most prevalent challenges came from the economic environment and competition. The society has responded to challenges in the economic environment by adapting product cost leadership, developing product differentiation, aggressive marketing campaigns and increasing the level of capitalization and product diversification. To deal with the technological challenges, the company has invested heavily on ultra modern milk processing equipment and embraced Information technology and communication by computerizing most of its operations and developing an ICT policy document for the society. Specialised technical members of staff have also been hired to enable the company venture into highly technical businesses. The Society has responded to challenges posed by change in climatic conditions by constructing large scale animal feeds stores that are only accessible to the members.

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