STRATEGY IMPLEMENTATION CHALLENGES AT MEDISEL (K) LTD

BY

KIRAGURI GODFREY MAINA

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

DECEMBER, 2012
DECLARATION

This research study is my original work and has not been presented for award of Master of Business Administration in any other institution of higher learning.

Signed.......................... Date....14/12/12..........................

KIRAGURI GODFREY MAINA
D61/60141/2010

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

Signed.......................... Date....................

Dr. Zack Awino, PhD.
Senior Lecturer,
Department of Business Administration,
School of Business,
University of Nairobi.
DEDICATION

This study is dedicated to my boys Kennedy Kiraguri and Christopher Mimano.
ACKNOWLEDGEMENT

My utmost thanks go to Almighty God, who has been there for me throughout the study. Special thanks to my supervisor Dr. Zack Awino for his guidance, positive criticism and support which enabled me to successfully go through the study.

I am grateful to the management of Medisel (K) Ltd for allowing me to conduct a case study, and too for responding and giving me time for interview. Special thanks to the moderator, lecturers and staff of the University of Nairobi for imparting knowledge and providing a conducive environment for learning. I must thank also all the family members for their support, sacrifice and understanding throughout the study period.
# TABLE OF CONTENTS

Declaration................................................................................................................................... ii  
Dedication................................................................................................................................... iii  
Acknowledgement..................................................................................................................... iv  
Abbreviations and Acronyms............................................................................................... viii  
Abstract....................................................................................................................................... ix  

## CHAPTER ONE: INTRODUCTION .................................................................................1

1.1 Background of the Study .................................................................................................1  
  1.1.1 Concept of Strategy .............................................................................................2  
  1.1.2 Challenges of Strategy Implementation ............................................................4  
  1.1.3 Pharmaceutical Industry in Kenya.....................................................................5  
  1.1.4 Medisel (K) Limited ...........................................................................................7  
1.2 Research Problem............................................................................................................7  
1.3 Research Objectives.........................................................................................................9  
1.4 Value of the Study...........................................................................................................9  

## CHAPTER TWO: LITERATURE REVIEW ..................................................................11

2.1 Introduction....................................................................................................................11  
2.2 Strategic Management Process.........................................................................................11  
  2.2.1 Strategy Formulation .........................................................................................12  
  2.2.2 Strategy Implementation....................................................................................16  
  2.2.3 Strategy Evaluation and Control.......................................................................17  
2.3 Elements of Strategy Implementation .............................................................................18
2.4 Challenges of Strategy Implementation .................................................22
2.5 Successful Strategy Implementation ....................................................29

CHAPTER THREE: RESEARCH METHODOLOGY ........................................34
3.1 Introduction .........................................................................................34
3.2 Research Design ................................................................................34
3.3 Data Collection ..................................................................................34
3.4 Data Analysis ....................................................................................35

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION ..........36
4.1 Introduction .......................................................................................36
4.2 Strategic Planning Process .................................................................36
4.3 Strategy Implementation ..................................................................37
4.4 Challenges of Strategy Implementation ............................................38
  4.4.1 Cultural Challenges .................................................................38
  4.4.2 Resource Allocation .................................................................39
  4.4.3 Reward and Motivational Challenges .....................................39
  4.4.4 Human Resource .....................................................................40
  4.4.5 Policies and Procedures ..........................................................41
  4.4.6 Communication of Responsibility and Accountability ..........41
  4.4.7 Annual Objectives ...................................................................42
4.5 Discussion of Results .......................................................................42
<table>
<thead>
<tr>
<th>ABBREVIATIONS AND ACRONYMS</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEMSA</td>
<td>Kenya Medical Supplies Agency</td>
</tr>
<tr>
<td>MFDS</td>
<td>Mission for Essential Drugs and Supplies</td>
</tr>
<tr>
<td>NGO's</td>
<td>Non Governmental Organizations</td>
</tr>
<tr>
<td>PSK</td>
<td>Pharmaceutical Society of Kenya</td>
</tr>
<tr>
<td>KMA</td>
<td>Kenya Medical Association</td>
</tr>
<tr>
<td>KEBS</td>
<td>Kenya Bureau of Standards</td>
</tr>
</tbody>
</table>
ABSTRACT
The purpose of the study was to establish the challenges of strategy implementation at Medisel (K) Ltd. The study was carried out through a case study research design. The research used primary data collected by personal interview and a total of 20 respondents were interviewed. The collected data was analyzed using content analysis with an aim of presenting information pertaining to the study objectives. The research findings revealed that Medisel (K) Ltd was involved in Strategic Planning Process and there was presence of vision and mission. The company also has performance objectives and targets; it implements, evaluates and monitors its strategies. The research findings also revealed that the company encountered numerous challenges during the strategy implementation. The challenges cited by the respondent include inadequate resources, cultural challenges, inadequate reward and motivational challenges, lack of adequate training for staff, policies and procedures are not clearly defined and annual objective were not fully supportive to strategy implementation. To improve performance of the company it was suggested that the company tackles the challenges and put in measures that will improve work environment. The research was carried out through a case study and since it's a growing field, generalization may not be able to cover all the aspects thus recommended for further study.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategy refers to the plan of action that a business adopts in using its resources and distinctive competencies to gain competitive advantage over its rivals. Mintzberg et al (1991) defines strategy as a pattern or plan that integrates an organization major goals, policies and action sequences into cohesive whole. Strategic management process involves strategy formulation, implementation and control.

According to Thompson, Strickland and Gamble (2007), strategy implementation is the most demanding and time consuming part of the strategic management process. It involves converting strategic plans into actions and results testing a managers ability to direct organizational change, motivate people, build and strengthen companies competencies and competitive ability, create and nurture a strategy supportive work climate and meet or beat performance.

Medisel (K) Ltd operates in a complex and dynamic environment with stiff competition from both multinationals and other companies selling generic drugs. Despite these challenges the company has to meet its objectives and growth in the long run. It has representation in all therapeutic segments which include analgesics, antihypertensives, antiamoebics, antidiabetics and antibiotics.
1.1.1 Concept of Strategy

There are different definitions of strategy by different authors. Johnson and Scholes (2002) view a strategy as the management’s game plan for growing organizations, staking out a market position, attracting and pleasing clients, competing successfully, conducting operations and achieving targeted objectives.

Pearce and Robinson (2002) define strategy as a set of discussions and actions resulting in formulation and implementation of strategic designs to achieve the objectives of an organization. Strategy is the direction and scope of an organization over the long term, the configuration of the resources within a changing environment to gain a sustainable competitive advantage.

Organizations are guided by proactively developed strategies through a strategic planning process. Strategic planning process is a disciplined and well-defined organizations effort aimed at the complete specification of a firm’s strategy and the assignment of responsibility for its execution (Hax & Majluf; 1996).

According to Thompson and Strickland (1992), there are 5 parts in the strategic planning process which include developing the concept of the business and forming the vision, translating the mission into specific long range and short range performance objectives; crafting a strategy that fits the organization situation and should produce the targeted performance, implementing and executing the chosen strategy efficiently and effectively and evaluating performance.
The senior management of the organization decides initially to what direction path to take and what challenges in the product market – clients – technology focus would improve its current market position. The strategic process of deciding to commit the organization to one path as opposed to the other forces managers to draw carefully and reasoned decisions about how to modify the organizations business make up and its market position in the industry.

The decision point the organization in a particular direction, charts the strategic path to follow in future and molds organizational identity. Thompson and Strickland (1998) argue that a clearly articulated strategic vision communicates management’s aspirations to stakeholders and helps steer the energies of the company personnel in a common direction.

Crafting a strategy should be the work of all in the organization. The strategy making process should be collaborative especially if the organization is wider harmonizing all the workers in the hierarchy from the top executive to workers in the lower cadre. Allowing people an influential stake in crafting the strategy might later help implement and execute not only motivational building and commitment but allows them to be held accountable for putting the strategy into place and making it work (Saudelands, 1994).
Implementation and executing strategy ideas are the operational phases of the strategy process. They translate ideas into plans and actions. Implementation is concerned with the conversion of strategy into organizational structure and design, resource planning and management of strategic change. Successful implementation of strategy is likely to be dependent on the extent to which the components of organizational structure and design, planning and management of strategic change are effectively integrated to provide competencies which other organizations find difficult to match (Johnson and Sholes 2002).

1.1.2 Challenges of Strategy Implementation

Strategy in an organization has to be clearly understood otherwise it will be faced with many challenges. Byars et al; (1996), notes that clear understanding of a strategy gives purpose to the activities of each employee and allows them to link whatever task is at hand to the overall organization direction.

According to Aaltonen and Ikavalko (2001), many organization members typically recognize strategic issues as important and understand their context in generic terms, however the problem arise when it comes to applying the strategic issues in day-to-day activities. Barriers to strategy implementation have been identified issues like selecting the right people to implement the strategy, inadequate resource allocation, linking reward to performance, re-structuring to link strategy and structure and communication of the chosen strategy.
1.1.3 Pharmaceutical Industry in Kenya

The pharmaceutical industry mainly consists of importers, manufacturers, distributors and retailers. They produce different categories of drugs which include prescription drugs, over the counter drugs and disposables. They work hand in hand with other health institutions in the country in provision of healthcare.

The contribution of pharmaceutical industry is especially felt in controlling diseases like malaria, cholera, which have frequent out break not forgetting fighting actively the AID/HIV pandemic. The government is encouraging growth in this sector especially in the manufacture of cheap HIV generic drugs to cater for the raising new cases of infection.

Distribution of pharmaceutical products is done at different levels. The Kenya Medical Supplies Agency (KEMSA) is a government division in the ministry of health and distributes pharmaceutical products to all government health institutions which include district hospitals, sub-district hospitals, dispensaries and referral hospitals like Kenyatta National Hospital and Moi Teaching and Referral Hospital. Mission for essential drugs and supplies (MEDS) distributes to mission hospitals. Private wholesalers distributes to retail pharmacies and other major private institutions (http://www.epzakenya.com).

The retailers are the pharmacies, chemists, health facilities and shops. They are used to channel pharmaceutical products. The retailer outlets are manned by registered pharmacists and pharmaceutical technologists since drug categorization is important. Products sold and manufactured in Kenya and other international market are of wide
range and include antibiotics, antimoebics, analgesics, antacids, antimalarial, vitamins, antiulcer etc. In terms of pharmaceutical market, the government remains the biggest buyer through KEMSA (Kenya Medical Supplies Agency) for both local and imported products. It does this through open tender systems and accounts for about 30% of the total drug market while the rest goes to private wholesalers and private institutions.

Pharmaceutical industry is highly regulated with legal and regulatory framework coming in various levels. The ministry of health headquarters set policies, coordinates the activities of NGO’S manages, monitors and evaluates policy formulation and implementation. The same goes down to provinces, districts and other lower levels.

The pharmacy and poisons board oversees the trading of pharmaceutical products in pharmacists and other health institutions. Its role is to make sure pharmaceutical products are registered through evaluation of efficacy, safety and quality. It also ensures that premises are registered, products sold and manufactured are registered, correct product labeling with all the relevant information (http://www.epzakenya.com).

Another regulatory body is the pharmaceutical society of Kenya with the role of issuing licenses to pharmacists and makes sure that the staffs of the health institutions and pharmacies are members of PSK who have sworn allegiance to the pharmacy practitioner’s professional oath. Other regulatory agencies include Kenya medical association (KMA) which is a representative body for medical doctors. It gives licenses for doctor’s practice in Kenya. The Kenya bureau of standards (KEBS) which prepares standards, relating to pharmaceutical products its measurement, material and processes.
1.1.4 Medisel (K) Limited

Medisel (K) Ltd was started in 1996 and based Thika selling non-pharmaceuticals. It later ventured into pharmaceuticals and spread its tentacles to Nairobi and Mombasa. It imports, distributes, markets and sells high quality pharmaceutical, surgical and allied products. It imports its products from various parts of the world mainly china, Syria, India and United Kingdom. As a group of companies, Medisel (K) Limited acquired Dawa Limited in the year 2004 which is a manufacturing facility, engaged in manufacturing of quality pharmaceuticals for more than two decades.

Medisel (K) Limited also is the sole agent for major companies from India engaged in branded promotion for their range of products and it boast a strong presence in almost all major therapeutic segments. Products are divided into product lines with line managers, supervisors and marketers (Medical Representatives). Generics and surgical products are distributed by the company sales people. The company has over 500 employees.

1.2 Research Problem

Strategic management process consists of strategy formulation, implementation and control. Strategy implementation is of prime importance since it involves converting the strategic plan into action and results. The strategic plan has to be institutionalized and operationalized. This helps incorporate the values and norms of employees to change their behavior and match the chosen strategy.
The strategy is also translated into specific policies, rules and procedures that guide planning and decision making by employees and managers. However strategy implementation is faced with many challenges which include insufficient resource allocation, lack of strong teams of workforce, lack of sufficient staff reward and motivation, supportive culture and organizational structure.

The pharmaceutical industry in Kenya consists of many stockholders who include manufacturers, importers, distributions and retailers. They work hand in hand with other healthcare providers to produce and dispense prescription and over the counter drugs. The sector is important especially in the fight against infectious diseases like Malaria, Tuberculosis (TB) and other pandemic diseases. Demand for drugs to fight HIV/AIDS, cancer and lifestyle diseases like diabetes and hypertension is rising day by day. Medisiel (K) Ltd being a pharmaceutical company in Kenya has representative in almost all the segments.

Several studies have been carried out in the area of strategy implementation in various sectors. Ochanda (2005), studied on challenges of strategy implementation at Kenya Industrial estate Ltd, Kapto (2009), challenges of strategy implementation at Kenya Wildlife Service, Tonui (2009), challenges of strategy implementation at NSSF and Mairo (2009), on challenges of strategy implementation at GSK;
Mathuiya (2005), studied on challenges facing K-Rep Bank in implementing strategic plan and Karimi (2007), challenges of strategy implementation at Mathare 4A. The above studies focused on commercial sector and state corporations. It’s only Mairo who studied on GSK a Multinational Pharmaceutical Company in Kenya warranting more research on this area.

Successful strategy formulation does not guarantee successful strategy implementation, David (1997). It requires actions such as assessing the environment, adding new departments, hiring employees, pricing strategy, developing budgets, building better computer systems, training of employees and good organizational leadership. The study will address the answer to the question; what challenges has Medisel (K) Ltd encountered in implementing its strategy?

1.3 Research Objectives

i. To establish the challenges faced in the implementation of strategies at Medisel Kenya Ltd.

ii. To determine the strategies adopted to tackle the challenges.

1.4 Value of the Study

The pharmaceutical industry in Kenya is growing rapidly and embracing the concept of strategic planning. Many organizations were owned by individuals and managed as a family business, though of late there are efforts to establish management structures incorporating other staff members and professionals.
To the researchers and academicians, the research study will provide an understanding to the strategy implementation in pharmaceutical industry in Kenya and they may find interest to study or research on related aspects in the same field.

The findings of this research are important since they may be used by the top management to find out whether the strategies are on course and serve as a future reference. The findings and recommendations will also provide a useful insight to the industry as they formulate and implement their strategies.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter presents a review of literature that is important to the study. The strategic management process, operationalization of strategy, institutionalization of strategy, challenges to strategy implementation and successful strategy implementation.

2.2 Strategic Management Process

Strategic Management has been defined differently by different authors. Thompson and Strickland (2003), define Strategic Management as the management process of forming a Strategic vision, setting objectives, crafting a strategy, implementing and executing the strategy, and then over the time initiating whatever corrective adjustments in the vision, objectives, strategy, and execution that are appropriate.

Richard Lynch (2009), however define Strategic Management as a field that deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving utilization resources, to enhance the performance of firms in their external environments.

The development of strategy is achieved by establishing equilibrium between planning, implementation and control. According to Ansoff and McDonell (1990), Strategic Management consists of Strategic Planning, capability planning and management of change.
The practice of strategic management does not necessarily mean that the organization meets its change successfully but increases its chances as well as helping the organization build and maintain a sustainable competitive advantage (Porter, 1980). Strategic Management has three major phases namely strategy formulation, Strategy Implementation and Strategy Evaluation.

2.2.1 Strategy Formulation

According to Thompson and Strickland (1989), strategy formulation is the entire management function of establishing organization direction, setting objectives, and devising a managerial game plan for the organization to pursue while Hunger and Wheelen (1995), view Strategic formulation as a development of long-range plans for the effective management of environmental opportunities and threats in the light of corporate strength and weaknesses.

It's in this stage that the corporate mission, vision, organizational objectives, strategies and policy guidelines are drawn. Strategic vision presents the firm's strategic intent that focuses the energies and resources of the company on achieving a desired future (Pearce and Robinson, 2011). It's a reflection of the management aspiration and tries to answer the questions, what is the kind of organization we are trying to create; the products mix, the people and the future of the organization.
The management task is to draw a carefully conclusion about the organization long-term direction and objectives. It assesses both the internal and external environment to establish the current organizational needs and project what is bound to happen in future say 5 years and beyond. This establishes the vision statement for the organization. After the vision statement then comes the mission statement which broadly describes the organizations present capabilities, customer focus, activities and the business make-up. (Thompson and Strickland, 2003).

Situational Analysis; Situational analysis can be done through SWOT or PEST analysis. It seeks to establish the organizations current strategic position and detect strategic forces that are likely to have strong impact on the organization’s success or failure. According to Wheelen and Hunger (1998), SWOT is the simplest way to conduct environmental scanning.

SWOT analysis is the process of inspecting the business and its environment through the dimensions of strength, weaknesses, opportunities and threats. Strength are key competitive distinctions that gives an organization an edge over other organizations with the same product lines while weaknesses are considered to be lack of or limit to resources that are necessary to accomplish the current objective (Pearce and Robinson, 1997). Opportunities are favourable situations which the organization can capitalize while threats are situations that are detrimental to the organization.
PEST (Political, Economic, Societal and Technological) analysis enables the managers to establish the most important influence to the organization and its impact to the business environment. This is done using the Porter’s (1980) five forces model. According to Porter (1980), the level of competition depends on the five forces which are; the threat of new entrants, the existence of new product or service, the bargaining power of suppliers, the bargaining power of customers and the existing rivalry within the industry. It’s out of the analysis that the management identifies the strategic issues facing the organization leading to establishment of organizational objectives.

Setting objectives: According to Johnson and Scholes (2005), objectives are statements of specific outcomes that are to be achieved. They are expressed in terms of desired sales or profit levels, rates of growth, divided levels or share valuations. The objectives function as standards for measuring progress and performance.

The aim of setting objectives is to convert the strategic mission and vision into specific performance targets and projected outcome. This pushes the organization to be more inventive, to exhibit some urgency in improving both its financial performance and its business position, and to be more intentional and focused in its actions (Thompson and Strickland, 2003).
According to Richard Lynch (2009), a distinction needs to be drawn between what the overall corporation will achieve and what each of the divisions will be expected to achieve. The corporate objectives will need to be translated into divisional or strategic business unit (SBU) objectives.

Crafting a strategy. After the environment is analyzed through SWOT, PEST and resources of the organization determined as well as define its purpose, it’s possible to develop the strategy. An organization's strategy deals with how to make management's strategic vision for an organization a reality (Thompson and Strickland, 2003).

Crafting a strategy is the game plan the management has for the organization to move to an attractive position building a sustainable competitive advantage. It thus involves developing an intended strategy, adapting it as events unfold (adaptive reactive strategy); and linking the firm's business approaches, actions, and competitive initiatives to its competencies and capabilities (Mintzberg and Waters, 1985; Hamel and Prahalad, 1990).

The development of the strategy is critical to organization's management since it focuses on how the organization is going to achieve targeted results or objectives. Child and Smith (1987) noted that the sector practices and norms combine to determine the path a firm must take for its future success. Organizations operate in an open system and they are sensitive to the environment. They must therefore conduct industry analysis as a means of aligning themselves to the environment.
2.2.2 Strategy Implementation

Strategy implementation is the process by which the organization chosen strategies are put into operation. It may involve planning new activities, developing methods to control the implementation and considering what benchmarks will be needed to assess the strategy (Richard Lynch, 2009). The prime aim of strategy implementation is to deliver the mission and objectives of the organization.

Strategy implementation entails the process of putting the strategies and functional policies into actions plans, goals, programs, budgets, procedures, structures, cultures, communication, motivation, and leadership, allocation of resources, working climate and enforcement. According to Thompson and Strickland (1992), putting the strategy into place and getting individual and organizational subunits to execute their part of the strategic plan successfully is essentially an administrative task. It includes considerations like who will be responsible for strategy implementation, the most suitable organizational structure that will support implementation and the systems to adopt in managing the organization.

Strategy implementation is the most demanding and time consuming part of the strategy management process. It involves converting the strategic plans into actions and results and therefore tests the manager’s ability to strengthen company competencies, competitive capabilities, create a supportive work climate, and meet or beat performance targets (Thompson and Strickland, 2006).
Strategy must also be operationalized, or translated into specific policies, procedures and rules that guide plan and decision making by managers and employees (Stoner et al, 2001). The organization therefore has to develop a strategic plan, strategy supportive budgets and programmes, strong organizational commitment both to organizational objectives and chosen strategy, as well as link motivation and reward structure directly to achieving the desired results.

2.2.3 Strategy Evaluation and Control

Strategy evaluation is vital to an organization’s well being (David, 1997). Evaluation done on time can alert the management of a problem or a potential problem and save the situation. Evaluation involves three basic activities, examining the underlying bases of an organizational strategy, comparing expected results with actual results and taking corrective action.

Strategic management control is needed to ensure performance as expected. Control involves the periodic review of inputs, activities, and outputs undertaken throughout the strategic implementation process. If change in the strategic plan is needed or redeployment of resources is necessary, change should be made quickly as possible, even if it means reworking the entire strategic plan. (Johnson, 2003). There is need for constant surveillance by the intelligence unit and feedback given to the interested parties. This ensures collective action is taken and if there is a gap between the actual and desired objectives, it should be closed accordingly.
2.3 Elements of Strategy Implementation

Strategy implementation remains the most difficult areas of management as noted by Johnson and Scholes (2004). Considerable thought, energy and resources are given to devising a strategic plan. Strategy implementation entails functional activity undertaken in each functional area, be it in marketing, finance, production / operations, research and development and human resource management.

Strategy can be implemented through annual objectives, action plans, functional tactics, functional strategies, organizational policies and employee empowerment. According to Pearce and Robinson (1997), Action Plans are effective when they incorporate four elements. First they identify specific functional tactics and actions that will be done in the next week, month or quarter as part of the business effort to build a competitive advantage. The second element is a clear time frame for completion, when the effort will begin and when the results will be accomplished.

The third element is identification of who is responsible for each action plan to ensure accountability. The fourth element is the short term objectives. Each action in an action plan has one or more specific objectives that are identified as outcomes the action generates.
According to David (1997), annual objectives are essential for strategy implementation because active participation in establishing annual objectives can lead to acceptance and commitment. Functional tactics translate strategy into action designed to accomplish specific short term objectives. Every value chain activity in the organization executes functional tactics that support the business strategy and help accomplish strategic objectives.

Well – conceived policies and procedures aid strategy implementation; out –of –sync ones are barriers (Thompson and Strickland, 2007). Policies guide both employees and manager to know what is expected of them increasing chances of strategy implementation. They provide the basis of management control, allow coordination across departments and reduce amount of time manager’s use in making decisions.

Strategy has to be institutionalized to allow for effective strategy implementation. The three elements that provide effectivenesses strategy implementation include structure, leadership and culture. Structure is the design of the organization through which strategy is administered (Chandler, 1962).

According to him changes in strategy leads to changes in structure which requires new administrative methods. However, Pearce and Robinson (2007), argue that successful strategy implementation depends in large part on the firm’s primary organizational structure. Structures help identify the firm’s key activities and the manner in which they are coordinated to achieve the firm’s strategic purpose.
McCarthy and Colleagues (1996), observes that an organization structure and behaviour within an organization should be in harmony with, and support the strategy of the organization. It’s usually a major challenge for the managers of the organization to understand and utilize the organization structure to aid them in implementing the strategy.

According to Ansoff and McDonnel (1990), the Strategic leaders bring into play the critical managerial issues of how to achieve the targeted results in the light of the organizations situation and prospects. The manager or the strategic leaders is charged with the leadership roles in managing the strategy execution process in such activities as being the resources acquirer and allocator, capabilities builder, motivator, policy maker, policy enforcer, crisis solver, decision maker and task master.

Thompson and Strickland (2007), argue there are times when leading the strategy implementation process entails being hard-nosed and authoritarian, times when to be a perceptive listener and a compromising decision maker, times when matters are best delegated to people closest to the scene of the action and times when mentoring or coaching is appropriate.
McCarthy and Colleagues (1996), observes that an organization structure and behaviour within an organization should be in harmony with, and support the strategy of the organization. It’s usually a major challenge for the managers of the organization to understand and utilize the organization structure to aid them in implementing the strategy.

According to Ansoff and McDonnel (1990), the Strategic leaders bring into play the critical managerial issues of how to achieve the targeted results in the light of the organizations situation and prospects. The manager or the strategic leaders is charged with the leadership roles in managing the strategy execution process in such activities as being the resources acquirer and allocator, capabilities builder, motivator, policy maker, policy enforcer, crisis solver, decision maker and task master.

Thompson and Strickland (2007), argue there are times when leading the strategy implementation process entails being hard-nosed and authoritarian, times when to be a perceptive listener and a compromising decision maker, times when matters are best delegated to people closest to the scene of the action and times when mentoring or coaching is appropriate.
The challenge of leadership is to galvanize commitment among people within an organization as well as stakeholders outside the organization, to embrace change and implementation strategies to position through three interrelated activities which are; to clarify strategic intent, build organization, and shaping the organizational culture (Pearce and Robinson, 2002).

The key method available to the management is creating an overall sense of direction and purpose through strategic planning (Byers, 1991). The leaders' monitors what is happening, fete out issues, and learn obstacles that lie in the path of good execution putting constructive pressure on the organization to achieve good results and operating excellence.

The manager-in-charge should also development stronger core competencies and competitive capabilities, displaying ethical integrity and leading social responsibility initiatives and pushing corrective actions to improve strategy execution and achieve the targeted results (Thompson, Strickland and Gamble, 2007).

Every organization has its own culture. An organization culture is the set of important assumption that members of an organization share in common (Pearce and Robinson 2011), it's the ever present theme that provides meaning, direction, and basis of action. A conducive organization culture support strategy implementation.
2.4 Challenges of Strategy Implementation

Implementation represents a logical process on connected activities that enable the organization to put the strategy into action. Without a carefully planned approach to implementation strategic goals cannot be attained. Developing such logical processes represents a real challenge to the management of the organization.

Allocating resources to particular division and departments does not mean that strategies will be successful, reason being a number of factors prohibit effective resource allocation. Resource allocation is a critical management activity that enables strategy implementation (David, 1997). These factors include overprotection of resources, great emphasis on short run financial criteria, organizational policies, vague strategy targets, reluctant to take risks and lack of sufficient knowledge.

Strategic management will enable resources to be allocated according to priorities established by annual objectives. Resources necessary for an organization to at least achieve desired objectives are financial resources, technological resources, physical resources and human resources (Thompson and Strickland, 1990).

Rewards are crucial in strategy implementation, incentives such as salary, stock option, fringe benefits, promotions, praise, criticism, fear; increased job autonomy can encourage managers and employees to push hard for successful implementation of strategy (Johnson and Scholes, 2002).
A reward scheme should be properly designed to correspond with the desired decision so that it can achieve the required outcome. The reward system must be clearly and tightly linked to strategic performance if strategy implementation is a top priority in the company. Well designed reward systems encourage good performance.

Motivating and rewarding good performance by individual and organizational units is key ingredients in effective strategy implementation observes Pearce and Robinson, (1997). Motivating and controlling managerial personnel in the execution of strategy are accomplished through the company’s reward system which includes promotions, raises, bonuses and demotions.

According to McCarthy et al, (1996), organization often find it difficult to carry out their strategies because they have executive compensation systems that measure and reward performances in a way that ignores or even frustrates strategic thinking, planning and actions. Most incentive programs are only designed for top management and lower levels of management ignoring operative employees.
Structure dictates how policies and objectives are established. Organizations can be captured by their structures and systems notes Johnson and Scholes, (2002). Changes in Strategy often call for changes in the way an organization is structured reason being when an organization changes its strategy; the existing organizational structures may be ineffective. The structure of an organization is important since it influences flow of information, content and nature of human interaction. It specifies modes of coordination, responsibility, allocates power and prescribes levels of formality and complexity.

According to Chandler (1962), structures determine the strategy, and for strategy implementation to succeed, the strategy must be aided by appropriate organizational structure. All organizations require some form of structure to implement their strategy and resource allocation is dependent on the kind of structure an organization has.

Structures are changed when they no longer provide the coordination, control, and direction managers and organizations require implementing strategies successfully (Hitt et al, 1997). It’s a major advantage for the managers to understand and utilize the organizational structure to aid in implementing strategy so that it’s in harmony with strategic goals and objectives.
Organization culture is an intangible yet ever present theme that provides meaning, direction and the basis of action (Pearce and Robison, 2002). The proposed strategy should build upon or ride on existing organizational culture. Aosa (1992), notes that it's important that the culture of an organization be compatible with the strategy being implemented because when there is incompatibility between strategy and culture, it can lead to high organizational resistance to change and de-motivation frustrating strategy implementation efforts.

For a strategy to be successfully implemented, it requires an appropriate culture because individuals may show preferences for certain behaviour and may persist with it even if it leads to sub optimal performances. If organization changes its strategies and structure, it may fail because the underlying values do not support the new approach.

The employees will have a tendency towards resisting change, they will tend to hold on to existing ways of doing things and existing beliefs about what makes sense. Managing strategic change must therefore address the powerful influence of the paradigm and the cultural web on the strategy being followed by the organization. (Johnson and Scholes, 2003).

According to Stoner et al, (2001), an organizational culture in the customary or traditional way of thinking and doing things, which are shared to a greater extent by all members of the organization and which a new member must learn and at least partially accept in order to be accepted into the service of the firm.
Strategy implementation is eased considerably when an organization culture is in consistent with its strategy. It’s therefore difficult to successfully implement a strategy that contradicts the organization’s culture. Changing on firm’s culture to fit strategy is usually more effective than changing a strategy to fit existing culture (David, 1997).

According to Thompson and Strickland (1989), changes in strategy call for changes in how internal activities are conducted and administered. The role of policies is to ensure standard procedures that facilitate strategy implementation and counteract any tendencies for parts of the organization to resist or reject the chosen strategy.

Policies refer to specific guidelines, methods, procedures, rules, forms and administrative actions that can be taken to reward and sanction behaviour. They clarify what can and cannot be done in pursuit of organization objectives. Organizations have some form of policies, rules and procedures that help in implementing strategy in cases where routine action is required (Stoner and Colleague, 2001).

Policies serve as a mechanism for implementing strategies and realizing objectives. They provide means of carrying out strategic decisions (Hussey, 1998). It’s the role of management to formulate policies, process users, and support systemic that promotes chosen strategy implementation.
Selecting people for the key position by putting a strong management team with the right personal chemistry and mix is one of the first strategy implementation steps (Thompson and Strickland, 1989). Qualified human resource is an important factor if strategy implementation is to succeed. The people's intellect, creativity, skills, experience and commitment are necessary in creating order, culture systems and structure that focus and channel efforts towards effective implementation (Bryson, 1995).

Staffing issues can involve new people with new skills (Hunger and Wheelen, 2000).

The human resource is the most important asset in an organization, strategy implementation depend heavily on adequate personnel, adequate competencies and competitive capabilities and effective internal organization. Training and retraining of personnel is important when the company wants to shift to a strategy requiring difficult skills, competitive capabilities, and managerial approaches and operating methods.

Attonen and Ikavalho (2001), state that the amount of strategic communication in most of the organization is large, both written and oral communication are used in form of top down communications. Communication should be the focal point in flow of information because all positions in the organization are important. It can be a barrier to strategy implementation.
According to Wang (2000), communication should be two way so that it can provide information to improve understanding and responsibility, and to motivate staff. The challenge is putting in place efficient and effective communication systems capable of demanding resources for proper strategy implementation and to direct attention to what is required. Poor communication systems make it difficult for monitoring strategy implementation and feedback is slow.

Annual objectives identify what should be accomplished each year to achieve the set organizational goals. They provide the managers with specific organizational targets for the coming year. Annual objectives also serve as a guideline for action, direction for channeling efforts and activities of the organization towards achieving set objectives and acts as basis for giving incentives for managers and employees.

Annual objectives are essential for strategy implementation since they represent the basis for allocating resources; they form a primary mechanism for evaluating managers, and a major instrument for monitoring progress towards achieving long term objectives and establishing organizational and departmental priorities (David, 1997).

Annual objectives should be measurable, consistent, reasonable, challenging and clearly communicated throughout the organization with time dimension, and accompanied by appropriate rewards and sanctions. Objectives are not helpful unless they are measurable and precise (Ansoff, 1968).
2.5 Successful Strategy Implementation

Successful Strategy Implementation involves creating fits between the strategy and organizational resources, strategy to policies and procedures, strategy to best practices and improvement, strategy to information and operating systems and finally strategy to rewards and incentives.

Developing a strategy driven budget requires that the top management determines what funding is needed to implement the new strategic initiative and to strengthen the organization's competencies and capabilities. The actions to be taken include screening of staff, more or better facilities and equipment and cost adjustment in certain departments.

According to Thompson and Strickland (2007), a change in strategy nearly always calls for budget reallocations and resources shifting. Units important in the prior strategy but having lesser role in the new strategy may need downsizing while units now having bigger role may need more people, new equipment, additional facilities and above-average increases in their operating budget.

The organization have to devote more resources to other strategic related issues like quality control, adding new product features, building better brand image and employee retraining. The bottom line for the management is to put enough resources behind the new strategic initiative and make the tough decision of killing projects and activities that can no longer be justified. Resources allocation is a critical management activity that enables implementation (David, 1997).
Policy refers to specific guidelines, methods, procedures, rules, forms and administrative practices established to encourage work towards stated goals. (Stoner and Colleague, 2001). David (1997), observes that changes in an organization’s strategic direction do not occur automatically rather on day-today basis, policies are needed to make a strategy work.

A change in strategy or a push for better strategy execution generally requires some changes in work practices and the behaviour of company personnel. (Thompson and Strickland, 2007). Such changes are done by instituting a select set of new policies and procedures deliberately aimed at steering the actions and behaviour of the organizations personnel in a direction that is more conducive to good strategy implementation and operating excellence. Policies serve as a mechanism for implementing strategy and realizing the objectives.

Continuous improvement embraces the concept of TQM (Total Quality Management), which according to Pearce and Robinson (1997), it’s a virtually a new organizational culture and way of thinking. Its build around an intense focus on customer satisfaction, on accurate measurement of every critical variable in business operation, on continuous improvement of products service and processes and on work relationships based on trust and team work. Best practice is a technique for performing an activity or business process that at least one company has demonstrated works particularly well.
The organizations managers can greatly advance the cause of competent strategy implementation by pushing the organizations units or departments and the organization staff to identify and adopt the best practices in performing value chain activities and further lay emphasis on continuous improvement in all internal operations. One of the mostly widely used tools for gauging how well an organization is implementing its pieces of strategy is benchmarking.

The ultimate objective in benchmarking is to identify the ‘best practices’ in performing a value chain activity and to learn how lower costs, fewer defects, or other outcomes linked to excellence can be achieved (Pearce and Robinson, 2011). It provides a yardstick for setting performance standards for the organization units which they should meet or beat.

Accurate and timely information about daily operations is essential if managers are to gauge how well the strategy implementation process is proceeding (Thompson and Strickland, 2007). Information systems needs to cover five broad areas namely, customer data, operation data, employee data, supplier / partner / collaborative ally data and financial performance data which are all performance indicators. The traditionally monthly statistical summaries are being replaced by daily updates through online technologies keeping the managers on top of things.
They enable managers to intervene if things seem to be drifting off course, track key performance indicators, gather information from operating personnel, quickly identify and diagnose problems as well as take corrective action. An operational control systems guide, monitor and evaluate progress in meeting short term objectives. (Pearce and Robinson, 1997). To be effective, operation control systems must take four steps which include set the standards of performance, measure the actual performance, identify deviations from set standards and initiate corrective action.

Implementation of Strategy depends on individual organizational members and the management team. According to Pearce and Robinson (1997), if strategy implementation is a top priority, then the reward system must be clearly and tightly linked to strategic performance. Motivating and rewarding good performance by individuals and organization units are key ingredients in effective strategy implementation.

According to Galbrath and Merril (1991), it is well understood that the basic underlying objective of incentive program is to directly influence the action and behavior of those covered under the programme. Properly designed program must correspond in terms of motivating relevant decisions to the desired strategic outcome. A reward system should be congruent with the strategies being implemented.
To get employees sustained energetic commitment, the management has to be resourceful in designing and using motivational incentives both monetary and non-monetary (Thompson and Strickland, 2007). The more a manager understands what motivates subordinates and the more he or she relies on motivational incentives as a tool for achieving the targeted strategic and financial results, the greater will be employee's commitment to good day-in day-out strategy implementation and achievement of performance targets.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter presents a description of how the study was approached. It represents the research design, data collection and data analysis, and data analysis technique adopted to generate findings for the study.

3.2 Research Design

The study was conducted through a case study. It involved in-depth investigation of strategy implementation and its challenges at Medisel (K) Ltd. According to Cooper and Schindler (2003), case studies place more emphasis on details which provide a valuable insight for problem-solving and evaluation of strategies adopted.

Several studies have focused on the sector wide surveys on the pharmaceutical sector to derive their evidence on various aspects. It's usually a challenge in survey since the industry is diverse with many players at different levels. The magnitude of disease treatment cannot be understated and therefore requires detailed analysis. A case study is usually cost effective as compared to a survey.

3.3 Data Collection

The data was collected by personal interview guided by an interview guide. The interview guide was developed to solicit information in line with the objectives of the study. The study used primary data through secondary data was also used where it was necessary.
Medisel (K) Ltd is involved with the marketing and distribution of pharmaceutical products. Its staff includes marketers, managers, supervisors and the subordinate staffs. Those targeted for the study were, the marketing director, 4 managers, 4 supervisors and 11 Medical representatives (marketers). The data was recorded by way of writing the responses as provided by the respondent.

3.4 Data Analysis

The data collected was analyzed by way of content Analysis. This is because the study was seeking to collect data that was qualitative in nature. Content Analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of managers using the same approach to relate trends.

Content analysis was also useful since it can act as a case of reference to beneficiaries of the study. It allowed in-depth exploration of issues most suited for generating rather than testing hypothesis. The technique has been used successfully by other researchers in the past. (Ochanda, 2005, Tonui 2009, Kaptoo 2009).
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The study adopted personal interview to collect data, and the data was recorded by way of writing the responses. The collected data was analyzed by way of content analysis. The analysis involved organizing the data under various subthemes on the basis of the study objectives.

The study sought to establish challenges faced by Medisel (K) Ltd in implementing its strategies. The respondents of the study were drawn from both the management and the marketers. Those who participated in the study were the marketing director, line managers, supervisors and the marketers.

4.2 Strategic Planning Process

The researcher sought to establish the strategic planning process at Medisel (K) Ltd. To establish strategy implementation practices at Medisel (K) Ltd, the respondents were asked to indicate whether their exist documented strategies in the organization, nature of the strategies, presence of mission and vision, whether there is performance targets and performance objectives, and whether the organization evaluates and monitors its strategies.
The respondents confirmed that Medisel (K) Ltd has strategies in place and they are formal in nature. The respondents also acknowledged the presence of vision and mission in the company, and that the company evaluates and monitors its strategies. Performance objectives and performance targets are an integral part of the company’s business and the respondents confirmed the same and they were fully aware.

4.3 Strategy Implementation

The researcher sought to establish whether Medisel (K) has ever implemented its strategies, whether strategies have been successful, and the challenges that took place during the implementation. From the research findings all the respondents acknowledged that Medisel (K) Ltd implemented its strategies. However, 75% of the respondents indicated that the strategies adopted were successful while 25% were of the view that they were not successful.

Strategy implementation in the company was faced with several challenges as indicated by the respondents, some members of the company felt that they were not involved in the strategy formulation and mostly it was a top to bottom approach thus lacked some crucial aspects of the chosen strategy. Delays were also noted to execute the strategy, and it could not fall within the given time frame.
4.4 Challenges of Strategy Implementation

The intention of the study was to establish the challenges faced by Medisel (K) Ltd in implementing its strategies. To achieve these objectives the respondents were asked to respond to challenges they face under various subthemes and their responses recorded.

4.4.1 Cultural Challenges

The study sought to find out whether Medisel (K) Ltd considered culture an important factor when implementing its strategies, and whether culture was a problem at the company. All the respondents indicated that culture was an important factor during strategy implementation. On the aspect of whether culture was problematic at the company, 50% of the respondents indicated that it was a problem while the remaining 50% showed that it was not problematic.

The aspects that were noted by the respondent include; diversity within the members of staff resulting to differences in the product lines. Some members were of the view that, the management supported some of the product lines than others due to age factor. Other product line also demanded specialized attention and recognition resulting to disharmony in the company. The relationship between the sales team and members of the product lines was noted to be strained resulting in differences from time to time.
However, 60% of the respondents indicated that reward and motivation is a challenge at the company since proper remuneration is critical to successful strategy implementation and this remains a problem due to disparity on aspects like salary and benefits paid to some members of the company.

The challenges raised by the respondent include, the reward schemes like incentives plans takes long to implement, some members especially the marketers observed that they were not rewarded accordingly in line with the objectives and also what is offered by the entire industry.

4.4.4 Human Resource

The objective of the study was to find out whether Medisel (K) Ltd has a recruitment policy, whether it has an appraisal system, whether human resource support strategy implementation and whether it has training programs for its employees. On the aspect of whether Medisel (K) Ltd has a recruitment policy, 80% of the respondent noted it has, while all the respondents acknowledged presence of an appraisal system.

From the findings, 90% of the respondents observed that human resource supported strategy implementation while the remaining 10% indicated it was not supportive. Only 10% of the respondents interviewed indicated presence of training programs. The rest of respondents (90%) noted that training programs for the employees were lacking despite the fact that the company has product development department.
4.4.5 Policies and Procedures

The researcher sought to find out whether policies and procedures are an important factor in strategy formulation and whether the existing policies support strategy implementation. Results of the findings indicated that all the respondents considered policies and procedures an important factor in strategy implementation.

From the findings, 50% of the respondents observed that the existing policies and procedures were not supportive to strategy implementation. On this aspect the respondent noted that the policies and procedures were not clearly defined especially on areas like allocation of resources like cars, promotions of employees to senior levels and on reward in issues like salary increment.

4.4.6 Communication of Responsibility and Accountability

The objective of the study was to find out whether Medisel (K) Ltd considered communication of responsibility and accountability an important factor, and whether it was a problem at the company. All the respondents observed that communication of responsibility and accountability was an important factor in strategy implementation.

Communication therefore was noted not to be a major problem in the company though it should be improved between top-level management, middle level management and the sales team. Lower level employees who engage in the actual implementation of the strategy should be involved and not just merely assigned duties and responsibilities by their seniors.
4.4.7 Annual Objectives

The objective of the study was to find out whether Medisel (K) Ltd has annual objectives and whether annual objectives support strategy implementation. From the findings, the respondents confirmed that the company has annual objectives (100%).

On the aspect of whether annual objectives support strategy implementation, 65% of the respondents indicated it’s supportive, while 35% noted that it was not. The respondents observed that annual objectives could change strategies being adopted presently for instance when quarterly sales are low. Other challenges include change of territories for the marketers and marketer’s turnover.

4.5 Discussion of Results

The objective of the study was to establish the challenges faced in the implementation of strategies at Medisel (K) Ltd and to determine the strategies adopted to tackle the challenges.

The study sought to find out the strategic planning process in the company, whether it implements and monitors its strategies as well as the challenges it faces in implementing the same. From the findings the company has mission and vision and formally practices strategic management process. The role of this section was to test the management of the company in their involvement in strategy formulation. The purpose was to find out whether the company evaluated and monitored its strategies frequently. David (1999), argues that evaluation is vital to an organization well being.
The company implemented its strategies as indicated by majority of the respondent, 75%. However, for the strategy to be beneficial to the organization and to be successful, it has to involve everyone in the organization. From the findings it was noted that it was a top to bottom approach and lacked participation of all members of the organization.

McCarthy et al 1996, argues that for strategy implementation to be successful the organization has to secure resources which include staffing, providing development, educational opportunities and compensation and personal policies to attract and keep the required human resource.

The company also faced challenges when implementing its strategies. Culture was noted to be a major factor due to diversity in origin. As noted by Aosa (1992), that culture of the organization should be compatible with the strategy being implemented because if there is incompatibility between strategy and culture, it can leads to high organizational resistance. The management of the company should work hard towards bridging this gap encouraging cohesion and team building activities.

According to Thompson and Strickland (1990), resources necessary for an organization to at least achieve desired objectives are financial resources and human resources. This aspect remains a challenge as indicated by majority of the respondent (70%). Areas cited by the respondent were allocation of work tools like cars, allowances and promotional materials for marketing and sales teams.
A reward scheme should be properly designed to correspond with the desired decision and to achieve the required outcome. Reward should be tightly linked to performance. Reward includes incentives such as salary, fringe benefits, promotion, praise, criticism, fear and increased job autonomy. From the findings the respondent noted that reward and motivation was a challenge since there was no proper remuneration and there was disparity in salaries and fringe benefits. However the management is working on harmonizing pay and implementing incentive plans.

The human resource remains the most important resource of the organization. The company needs to put a capable management team and a capable team to execute the chosen strategy. The people’s intellect, creativity, skills, experience and commitment are necessary in creating older, culture systems and structures that focus and channel efforts towards effective implementation observes Byson, (1995). From the study the respondent noted that human resource department was supportive to strategy implementation though it was not supportive when it comes to training programs.

Policies and procedures are formulated by the management. They provide guidelines, methods, procedures, rules, forms and administrative actions that can be taken to reward and sanction behaviour. They usually clarify what can and cannot be done in pursuit of organization objectives. The findings showed that half of the respondent observed that the existing policies and procedures were not supportive to strategy implementation. The reason given was that the policies and procedures were not clearly defined.
Annual objectives set what should be accomplished each year in terms of organizational goals and objectives. They serve as guideline for action, direction for channeling efforts and activities of the organization towards achieving set objectives. From the findings annual objectives supported strategy implementation as indicated by 65% of the respondent. However, 35% of the respondent could change strategies being adopted if for instance quarterly sales are low or there is change in territories.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter represents the findings of the study in relation to the research objectives. The set objectives of the study were to establish the challenges faced in the implementation of strategies at Medisel (K) Ltd and determine the measures adopted to tackle the challenges. The chapter presents the summary of findings, discussion, conclusions and recommendations in relation to the objectives of the study and suggestions for further research.

5.2 Summary and Findings

The study covered areas of strategic planning process, strategy implementation and challenges to strategy implementation. The summary of findings is presented below.

5.2.1 Strategic Planning Process

From the study, it was established that the company was involved in strategic planning process, with vision and mission in place. All the respondents were aware of their existence. The respondents were also fully aware of the performance objectives and performance targets which is a critical aspect in the industry. Each member in the company plays an important role in setting the performance targets and objectives. It was also evident from the study that Medisel (K) Ltd has implemented its strategies as well as doing evaluation and monitoring.
5.2.2 Strategy Implementation

The study revealed that the company was involved in strategy formulation and implementation with all the respondents interviewed acknowledged to the same fact. However, 25% of the respondent indicated that the strategies implemented were not successful. The reasons cited for the failure were lack of involvement in strategy formulation, showing that it was not fully participatory and that some strategies took long time to implement putting pressure on achievement of annual targets.

5.2.3 Challenges of Strategy Implementation

To determine the challenges that faced Medisel (K) Ltd in implementing its strategies the study focused on several aspect like culture, resource allocation, motivation of staff, human resource, policies and procedures and annual objectives.

The company’s staffs are from two nationalities, Indian and Kenyans with different cultures and background. From the findings 50% of the respondent indicated that culture was problematic in the company and the major reason given is the diversity between the two cultures, through the company was working towards bridging the gap between the two.

Resource allocation was also considered an important factor as indicated by all the respondents. The company is involved in marketing of pharmaceutical products and work tools like car are considered important since they improve coverage and workflow.
A number of marketers do not have cars which are a hindrance to coverage of their territories thus their targets. This factor has resulted to turnover of marketers to competitor companies affecting the growth of the company, and a lot of time is used training and inducting new employees.

It was revealed from the finding that reward and motivation was also a challenge with only 40% indicating it was not. The company lacks pension scheme for the members and the medical scheme only covers employee and not his or her entire family. The scheme too covers inpatient only, while majority of cases encountered are outpatient. Fringe benefits are also limited to senior managers of the company. Incentives and bonuses schemes are limited to marketers and sales team resulting to de motivation of other staff members.

From the findings the company has an appraisal system confirmed by all the respondents. 90% of the respondent indicated that the company has no training programs for the employee which is a crucial aspect in the industry since the products sold by the company are technical in nature. This is a challenge to the product development department which offers training on request.
Policies and procedures play a crucial role in day to day running of the company. 50% of the respondent observed that the existing policy and procedures supported strategy implementation. However the remaining 50% indicated that the policies were not clearly defined and sometimes change from one system to another took a long time to implement affecting flow of information on day to day basis.

Annual objectives and annual targets are important in the pharmaceutical business since it's from the objectives and targets that the company makes its budgets. All the respondents acknowledged that Medisel (K) Ltd have annual objectives while 65% of the respondents indicated they support strategy implementation. Annual objectives sometimes put pressure on strategies being adopted, and if they are indicators that the annual objectives won’t be achieved, the present strategy could be changed.

5.3 Conclusion

The objectives of the research were: to establish the challenges faced in the implementation of strategies at Medisel (K) Ltd and to determine the strategies adopted to tackle the challenges. Based on the findings of the study, it was established that the company is involved in strategic planning process and has both mission and vision. It was also established that the company has performance objectives and targets, implement its strategies and does monitoring and evaluation.
The study also concluded that the company faced a number of challenges like implementing its strategies in aspects like resource allocation, reward and motivation, culture, policies and procedures and in its training programs. Communication of responsibility and accountability was not a problem as confirmed from the findings.

5.4 Recommendations

Medisel (K) Ltd operates in a dynamic and competitive environment, and therefore to remain profitable and on the growth path it has to address the challenges raised by the findings of the study. The company should invest on its employees especially on areas of training observed by the respondent as most problematic with a percentage of 90%.

It should provide enough resources to its employees to avoid employee’s turnover, offer good reward system which include pension schemes, full medical cover and fringe benefits. The company should also have a clearly defined procedure and policy to make work flow easier. The annual objectives and annual targets should be supportive to strategy implementation. It’s also important to improve work environment and encourage team work to bridge the gap between the two cultural diversities.

5.5 Suggestion for Further Research

Majority of pharmaceutical companies’ are owned by individuals and run as family businesses. However there are few multinational pharmaceutical companies in the country. Multinational companies sell original products and embrace the concept of strategic planning process.
The rest promote and sell branded generic pharmaceutical products. With the demand of pharmaceutical drugs increasing, the companies are employing professionals and slowly embracing the concept of strategic planning process. It is therefore recommended for further research by other researcher and academicians.

5.6 Policy Theory and Practice Implications

The findings of the study have various implications for policy and practice for Medisel (K) Ltd. The organization faces a number of challenges in implementing its strategy and it’s therefore important that the company rises to the occasion and handles these challenges to implement its documented challenges effectively.

In as much as the company has to work with fixed budget, it should provide enough resources to ensure that there is work flow in terms of territory coverage, customer satisfaction and employees achieve their target. In the long run it will help in retaining company workforce which is essential for company’s growth and continuity.

There is also need to adopt staff retention management strategies in order to curb the problem of employee turnover. This can be done by offering attractive reward schemes with pension and fringe benefits, medical schemes and a well designed incentive scheme. It will help in motivating employees and their efforts will be geared towards achieving the company’s objectives.
There is also need to invest in the skills of the employees. The company needs to offer training and retraining of employees especially marketers and sales people to improve productivity. The product management and development need to be more active towards this course. The appraisal system though present in the company as confirmed by the respondents, need to be seen as fair and rewarding to employees according to their performances.

Policies and procedures helps in institutionalization of strategy and in day – to –day running of the organization. There is therefore need to define the company policies and procedures clearly to ensure that there is minimal conflict in the company, improve work climate, emphasize on the company philosophy on how things are done as well as translate corporate beliefs and work attitude into everyday activities.

The annual objective should be reasonable, realistic and at the same time challenging. They should be accompanied by appropriate reward scheme since it’s on the basis of annual objectives that the managers and employees receive their incentives. The annual objectives should be supportive to strategy implementation since they also lay the basis for resource allocation, mechanism for evaluation and an instrument for monitoring progress. The management of the company should put more emphasis on achieving annual objectives in line with long term objectives.
REFERENCES


http://www.epzakenya.com


APPENDICES

APPENDIX I

INTRODUCTION LETTER

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

MBA PROGRAMME

Telephone: 020-2059162
Telegrams "Varsity", Nairobi
Index: 22093 Varsity

TO WHOM IT MAY CONCERN

The bearer of this letter.........................................................
Registration No. D61180141 (2010)...........................................

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE

58
APPENDIX II

AUTHORITY TO COLLECT DATA

KIRAGURI GODFREY MAINA,
MEDISEL (K) LTD,
P. O. BOX 540,
THIKA.

TO THE MANAGING DIRECTOR,
MEDISEL (K) LTD,
P. O. BOX 540,
THIKA.

Dear Sir,

RE: AUTHORITY TO COLLECT DATA
I am a postgraduate student pursuing Master of Business Administration (MBA) in Strategic Management at the University of Nairobi. One of the requirements to be awarded the above Degree is to carry out a research project on your area of specialization. I have chosen to research on Strategy Implementation Challenges at Medisel (K) Ltd. I therefore seek your permission to collect data through the interview method.

Attached is an introductory letter from the University of Nairobi for reference.

Thanks in Advance.

Yours faithfully,

Kiraguri Godfrey Maina,
APPENDIX III

INTERVIEW GUIDE

SECTION A: DEMOGRAPHICS
1. Name of the Interviewee (Optional) ..................................................
2. Position/Title of Interviewee ...............................................................
3. Department/Product line .................................................................
4. Length of Service in the Department ............................................... 
5. Age of the department .................................................................

SECTION B: STRATEGIC PLANNING PROCESS
1. Does Medisel (K) Ltd have strategies in place? ..................................
2. Are the strategies formal or informal? .............................................
3. Does Medisel (K) Ltd have both vision and mission? ......................
4. Does Medisel (K) Ltd have performance objectives and performance
targets? .............................................................................................
5. Has Medisel (K) Ltd implemented its strategies? ............................
6. Does Medisel (K) Ltd evaluate and monitor its strategies? ..............

SECTION C: STRATEGY IMPLEMENTATION
1. State whether Medisel (K) Ltd has ever implemented its strategies? ....


60
2. State whether strategy implementation at Medisel (K) Ltd has been successful. If yes why?

3. Did any challenge(s) take place during the strategy implementation?

SECTION D: CHALLENGES OF STRATEGY IMPLEMENTATION

Cultural Challenges
1. Do you consider culture at Medisel (K) Ltd an important factor in strategy implementation?

2. Is culture a problem at Medisel (K) Ltd?

3. What aspects of culture are problematic, if any?

Resource Allocation
1. State whether Medisel (K) Ltd consider resource allocation as an important factor in strategy implementation.

2. Is resource allocation a problem at Medisel (K) Ltd? Why?

3. What aspects of resource allocation are problematic, if any?

Reward or Motivational Challenges
1. State whether Medisels (K) Ltd considers reward or motivation important in strategy implementation.

2. Is reward or motivation a challenge at Medisel (K) Ltd? Why?

3. What aspects of reward or motivation problematic if any?
Human Resource

1. Does Medisel (K) Ltd have a recruitment policy? Does the policy support strategy implementation?

2. Does Medisel (K) Ltd have appraisal system? Does it support strategy implementation?

3. Does the organization have training program to its employees? Are the programs geared towards strategy implementation?

Policies and Procedures

1. State whether Medisel (K) Ltd considers policies and procedures a factor in strategy implementation?

2. Does the existing policies support strategy implementation?

3. What aspects of policies are problematic if any?

Communication of Responsibility and Accountability

1. State whether Medisel (K) Ltd considers communication of responsibility and accountability an important factor in strategy implementation?

2. Is it a problem at Medisel (K) Ltd?

Annual Objective

1. Does Medisel (K) Ltd have annual objectives?

2. Does the annual objectives support strategy implementation?

3. Are annual objectives problematic? If yes in what aspects?
APPENDIX IV

PERMISSION TO COLLECT DATA

Medisel (K) Ltd
P.O. Box 540,
Thika

To Godfrey Maina,

RE: REQUEST FOR DATA COLLECTION

Reference is made to your letter dated 15th August 2012.

Your request to collect data through the interview method has been granted. We wish you all the best in your further studies.

Yours Faithfully,

For Medisel (K) Ltd

Marketing Director