

**CHALLENGES OF STRATEGY IMPLEMENTATION FACED BY
LOCAL PHARMACEUTICAL IMPORTERS AND DISTRIBUTORS
IN KENYA**

BY

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**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT
FOR THE REQUIREMENTS OF THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

SEPTEMBER 2010

DECLARATION

This Management Research Project is my original work, and has not, to the best of my knowledge been submitted to any other university for award of a Degree.

Signed ----- Date -----

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This Management Research Project has been submitted with my approval as the University supervisor.

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DEDICATION

To my Family for their understanding, encouragement and unwavering support during this period of study.

ACKNOWLEDGEMENTS

I am deeply indebted to many people who in various ways, great and small have contributed to the success of this study.

To my supervisor, Mr. Eliud Mududa who has patiently and diligently guided me on matters pertaining to this research project. To my moderator, Dr. Z. Awino, whose advice and thorough scrutiny assisted a lot especially prior to the proposal presentation. My gratitude to the university for granting me the opportunity to undertake my studies at this level.

My sincere appreciation also go all the members of my family for their love and constant reminder that they were with me from the start of the MBA studies all through to this project, even when work and studies got tough to balance. I also wish to thank my friends for their support in networking especially during data collection

To God Almighty for the gift of life, good health and intellectual capacity to undertake this project.

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ABSTRACT

The Study investigates the strategy implementation challenges faced by local pharmaceutical importer and distributors in Kenya. It is designed with two objectives in mind, which are: To identify the challenges facing strategy implementation in local pharmaceutical importers and distributors. And to establish what actions the local importing companies in the pharmaceutical industries take to successfully implement their strategies. Previous research has been done in the area of strategy implementation and its challenges in various sectors of economy, though none of the studies have examined the challenges of strategy implementation in the healthcare sector, more specifically the pharmaceutical industry.

The research uses theoretical framework that have been drawn from the literature to bring into light the strategy implementation and the factors affecting it. In terms of research framework, the researcher investigates how factors of strategy implementation are crucial and how if not well managed impede the process.

The study used a cross-sectional survey design, a population of 52 local pharmaceutical companies and a sample size of 31 firms that are registered as importers and distributors. Data was collected using a questionnaire and then analyzed to interpret the findings.

The project finds that all the respondent firms had strategies planned for implementation with different timelines for completion. The strategy implementation factors; organizational structure, leadership, skills development, culture, administrative support, resource allocation, budgeting, policies and regulations were considered crucial in the smooth running of the process. Their importance however was varying with existing organization culture as the one with the least effect on the implementation process.

Most firms had less than 50 employees which implied that they were small to medium sized companies, which were partnerships. The strategy planning process was mainly done by the top managers with little or no involvement of the implementers of these strategies. Communication of the strategies to the rest of the firm was a problem even though most of the firms had documented strategies.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Johnson and Scholes (2002) define 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 challenging environment with an aim to meet the needs of markets and to fulfill stakeholder expectations. Corporate Strategy is concerned with the overall purpose and scope of the business to meet stakeholder expectations and is often stated explicitly in the organization's mission statement. Bryson, (2004) notes that today's environment has not only become increasingly competitive but uncertain, complex, interconnected and fast changing. Organizations are therefore required to think and plan in advance, yet be flexible enough to incorporate changes as they operate in the ever changing environment.

To understand strategic implementation, the whole strategic management process needs to be considered. This includes strategy formulation, implementation and evaluation. Strategy formulation involves, doing a situation analysis both internal and external; both micro environmental and macro environmental concurrent with this assessment, objectives are set (Mintzberg and Quinn, 1991). Strategy implementation are those actions taken by a firm to put their strategic plans into place by either changing their mission, changing their environment, or changing their resources, capabilities and internal operations. Strategy evaluation is the final stage, it ensures that stated objectives are being achieved. It involves managing the process by monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variance and making adjustments to the process as necessary (Pearce and Robinson, 2003).

1.1.1 Strategy Implementation

Implementation is the process that turns plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plans stated objectives. Kotler, (1984). Strategy implementation is also portrayed as a lively process by which companies identify future opportunities. Reid, (2004). Strategy implementation is an interactive process of implementing strategies, policies, programs and action plans that allows a firm to utilize its resources to take advantage of opportunities in the competitive environment (Harrington, 2006). Successful strategy implementation involves creating a series of tight fits, these being between strategy and organizational structure, organizations skills and competencies, budget allocations, reward structure, corporate culture, internal policies, procedure and support systems. Plans are more likely to be implemented successfully when there is a close alignment and linkage among the business strategy, operating plan and such established systems as budgets and rewards (Harrington, 2006). The tighter the fits the more powerful strategy execution becomes and the more likely targeted performance can actually be achieved.

Considering that faulty implementation can make a sound strategic decision ineffective and a skilled implementation can make a debatable choice successful, it is important to examine the process of implementation (Andrew, 1987). There are many organizational characteristics that may sometimes act as challenges to strategy implementation, such are structure, leadership, culture, reward system, policies and ownership of the strategy (Burnes, 2004). Changes in strategy often call for changes in the way an organisation is structured. This is because, when an organisation changes its strategy, the existing organizational structure may be ineffective (Wendy, 1997). The structure of an organisation importantly influences the flow of information and the context and nature of human interaction. Chandler (1962) hypothesized that structure is determined by strategy, and correspondingly that the successful implementation of a strategy can be aided by the adoption of an appropriate organizational structure. The leadership of the organization is also an important aspect and should be at the forefront in providing vision, initiative, motivation and inspiration. As much as possible, the leadership of the organization should fill relevant positions with

qualified people committed to change efforts (Bryson, 2004). Organizational culture means the powerful and complex set of values, traditions, and behavioral patterns that somehow bond together the people who comprise an organization. As Ansoff (1991) points out, behaviour is not value free, that is, individuals show preferences for certain behaviour and may persist with it even if it leads to sub optimal results. The Reward system is also an important element of strategy implementation. Johnson and Scholes, (2002) observe that incentives such as salary raises, stock options, fringe benefits, promotions, praise, criticism, fear, increased job autonomy and awards can encourage managers and employees to push hard for successful implementation of strategy. Resource allocation is a critical management activity that enables strategy implementation and its insufficiency is a common strategy implementation challenge. David (1997) observes that in organizations that do not use a strategic management approach to decision making, resource allocation is often based on political or personal factors such as overprotection of resources, emphasis on short run financial criteria, organizational policies, vague strategy targets, reluctance to take risks, and lack of sufficient knowledge.

Policies, Procedures and Support Systems are very crucial in planning, execution and control of strategies. Most managers in an organisation do not directly develop the organisation's strategic plan (Reid and Plank, 2004). Those who are usually interested in the benefits and results of planning are frequently not responsible for implementation of the strategic plan. In well managed organisations a relationship exists between strategic planning and the planning done by managers at all levels (Mintzberg and Quinn, 1991). Once the strategic plans and goals of the organisation are identified, they become the basis of planning activities undertaken by the operational managers.

1.1.2 Pharmaceutical Industry in Kenya

The Pharmaceutical industry comprises of companies that develop, produce and market drugs that are licensed for use as medications in the treatment, prevention or alleviation of symptoms of diseases. Drugs have been categorized into three distinct and broad product segments. First is the Over the counter drugs (OTC), which are easily accessible and can be purchased as the name suggests over the counter without a doctor's

prescription and are found in shops, supermarkets and pharmacies. The second segment is the ethical drugs, found in pharmacies only and dispensed with professional advice but not necessarily warrant evidence of a prescription. While the third segment is the prescription only drugs, found in pharmacies and can only be issued where a prescription signed by a doctor exists.

Drugs are usually under patent for twenty years, once it ends, any other supplier may manufacture the generic equivalent of the drug, which is usually cheaper in price mainly since they do not incur research and development costs and raw materials are more readily available. Drugs are also a highly regulated commodity and are subjected to a variety of laws and regulations regarding patents, testing, registration and marketing. In Kenya, the Ministry of Health and Medical Services has the responsibility of overseeing the pharmaceutical companies, pharmacies and the trade in pharmaceutical products. This is done through the Pharmacy and Poisons Board, (PPB), as provided for by Chapters 244 (The Pharmacy and Poisons Act) and 245 (The Dangerous Drugs Act) of the Laws of Kenya. Product registration is effected after a thorough evaluation of efficacy, safety and quality. As part of a national drug policy, the Ministry has adopted an essential drugs list, using World Health Organization (WHO) guidelines. (Source: Pharmacy and Poison Board).

In the 1970s the government alone purchased 70% of the country total consumption of pharmaceuticals. Owing to the increased and secure demand by the government, the local pharmaceutical industry which was small and largely confined to traders of imported branded drugs before independence had a boom from the late 60s till 1980s (Odhiambo, 1999). The government later followed the policy of liberalization as a measure for economic reform. As a new phase emerged in the industry, the local manufacturing pharmaceutical companies started facing many constraints like forex controls, taxation of raw materials, slow and cumbersome payment procedures for local purchases and abnormal market interest rates. Imported pharmaceuticals became cheaper as no duty is charged on them. (Mwangi, 2003).

Local Pharmaceutical Importers

The pharmaceutical industry in Kenya comprise of companies which can be categorized into three distinct groups. One, the manufacturing companies which import raw materials or the concentrates of drugs, manufacture finished products and sell in Kenya and sometimes in neighboring countries. Most of these are local companies and example of these are Dawa Limited, Universal Corporation Limited, and Cosmos limited, while others are subsidiaries of multinationals like Beta healthcare International limited and Glaxosmithkline. The second group is the multinational companies which import the finished research based drugs from their parent company base or their manufacturing sites usually located in countries with low manufacturing costs especially in Asia. They then undertake the activities of pricing promotion and distribution in Kenya and sometimes other surrounding regions depending on the company's market demarcations. Some of them though do the marketing while distribution is done by local distributors. Many multinationals companies which sell their brand drugs either directly or through local partners, interestingly, have closed their local offices or currently are under local distributors. Examples of multinationals which have done so are companies like Pfizer, Schering-Plough and most recently Norvatis, to cut down on operational costs and allow local agents to do importation and marketing functions for them.

The third group is the local pharmaceutical importers. These are agents who import finished drugs through contractual agreements with foreign pharmaceutical manufacturing companies generally known as principles, to do marketing functions such as product pricing, promotion, distribution to the wholesalers, retailers, hospitals and other institutions. Most of these agents, import generic drugs and source them from countries with low manufacturing costs like India, Pakistan, Egypt and most recently China. They mostly have as few as one or two principles to over ten principles in some. The company can have a drug portfolio of five to over twenty products from each principle that they import from. The ownership of these companies is entirely by Kenyan citizens some of whom are either locals or of Asian origin, and have their premises located in Kenya and their business operations are only within the country and have no international affiliations. The genesis of this third group of companies is as a result of the

major reductions in brand drug prices which is the norm after a drug patent expires. This offers an opportunity for generic products to be manufactured at lower costs. Importers are therefore able to buy these drugs at much lower cost than the brand drugs which translates to the importer imposing a markup that offers a higher profit margin to the firms while still offering lower priced drugs to the end users in comparison to the original drug. Kenya has been a good market for these drugs due to their affordability. The issue that then begs is that of quality assurance to the patients, which is highly regulated and monitored by the Pharmacy and Poisons Board. Muiva (2001) noted that competition among local pharmaceutical companies is increasing in intensity due to the decline in customer purchasing power, the threat of parallel importation increasing importation of cheaper generic drugs and decline in government as the major buyer of drugs due to a slow down in donor funding.

1.2 Statement of the Problem

Implementing strategy is challenging for many organizations, numerous studies have noted the very weak relationship of strategy formulation to strategy execution. Companies large and small worldwide spend billions of dollars each year on strategy formulation. There seems to be a pattern that top management is concerned with the strategy formulation part and recognize the importance of implementation but that the latter becomes more of an afterthought after a long strategy development process. Although formulating a consistent strategy is a difficult task for any management team, making that strategy work, implementing it throughout the organization is even more difficult (Hrebiniak, 2006). A myriad of factors can potentially affect the process by which strategic plans are turned into organizational action. Unlike strategy formulation, strategy implementation is often seen as something of a craft, rather than a science, and its research history has previously been described as fragmented and eclectic (Noble, 1999). It is thus not surprising that, after a comprehensive strategy making or single strategic decision has been formulated, significant difficulties usually arise during the subsequent implementation process.

Previous research has been done in the area of strategy implementation and its challenges. Koskei (2003) looked at strategy implementation in state corporations with a commercial orientation and concluded that there was adequate strategy implementation in

state corporations but did not highlight the source of the challenges. Ochanda (2005) analyzed the challenges of strategy implementation in the Kenya Industrial Estates and concluded that the source of the state corporations strategic implementation challenges were as a result of restrictions from the governing regulations. Anyango (2007) analyzed the challenges of strategy implementation in multinational manufacturing firms and concluded that the corporate strategies that were formulated had various implementers in different countries therefore need for clear communication and allow for localized strategies in their local offices that are in line with the corporate strategy to enable action. Ogolla (2007) looked at strategic management practices in Kenyan pharmaceutical industry and found that owing to the rapid growth and dynamism of the industry in the recent years, to be competitive, these firms have started incorporating strategic management processes. None of the studies have examined the challenges of strategy implementation in the healthcare sector, more specifically the pharmaceutical industry. This study therefore aims to answer the question: What are the strategy implementation challenges in the pharmaceutical industry?

1.3 Objectives of the Study

1. To identify the challenges facing strategy implementation in local pharmaceutical importers and distributors.
2. To establish what actions the local importing companies in the pharmaceutical industries take to successfully implement their strategies.

1.4 Value of the Study

This study will help the pharmaceutical companies to better understand the problems faced in implementing strategies in the industry, as well as act as a guide during the strategy formulation and implementation processes. The findings of this study will inform the decision making process of the Ministry of Health and Medical Services as they formulate policies and regulations governing the pharmaceutical companies. This study will bring out the factors that impede effective strategy implementation, and survey the reasons for this scenario and also will provide crucial solutions for strategy implementation challenges. Finally, the study will add to the literature available on the challenges of strategy implementation and be a reference for further research.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter has the theoretical analysis of the concept of strategy, strategy implementation, and the factors affecting implementation. It also looks at the internal and external challenges of strategy implementation.

2.2 The Concept of Strategy

Strategy, the core concept of strategic management, is fundamental in the planning process since strategic decisions influence the way organization respond to their environment. Strategy is also the unified comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization, (Juach and Gluek, 1984). Strategy is large scale, future-oriented plans for interacting with the competitive environment to optimize achievement of organizational objectives (Pearce and Robinson, 2002). Strategy also attempts to achieve a long term sustainable advantage in each of the organization's business, by responding properly to the opportunities and threats in the organization's environment, and strengths and weaknesses of the organization. Strategy helps to provide the basic long-term direction for the organization, enabling it to set up a clear direction so that the managers are able to focus on the future while still ensuring the urgent functions are undertaken (Grant 1998). It helps the organization cope with change (Pearce and Robinson, 2003).

2.3 Strategy Implementation

Strategic implementation is an element of the whole process of strategic management which includes strategy formulation, implementation and evaluation; which are inseparable and continually influencing one another. Strategy formulation involves, doing a situation analysis both internal and external; both micro environmental and macro environmental concurrent with this assessment, objectives are set. This involves crafting vision statements, mission statements, overall corporate objectives and tactical objectives. These objectives should in the light of situation analysis, suggest a strategic plan

(Mintzberg and Quinn, 1991). The plan provides the details of how to achieve these objectives. The strategy formation process is sometimes referred to as determining where you are now, where you want to go and determining how to get there. These three questions are the essence of strategic planning (Johnson and Scholes, 2002).

Strategy implementation are those actions taken by a firm to put their strategic plans into place by either changing their mission, changing their environment, or changing their resources, capabilities and internal operations. The key term in the definition of strategy implementation is change. Implementation involves, allocation of sufficient resources financial, personnel, time, and computer system support, establishing a chain of command or some alternative structure such as cross functional teams, and assigning responsibility of specific tasks or processes to specific individuals or groups. When implementing specific programs, this involves acquiring the requisite resources, developing the process, training, process testing, documentation and integration with and/or conversion from legacy process. Managers are encouraged to consider analysis of organizational structures and systems before strategy implementation, as well as analysis of culture, power and conflict (Pearce and Robinson, 2003).

Implementation of policies and strategies is concerned with the design and management of systems to achieve the best integration of people, structures, processes, and resources in reaching organizational purposes (Burnes, 2004). Companies obviously need to improve strategy implementation activities, but the pace of these objectives are somehow forgotten as the strategy moves into implementation, and the initial momentum is lost before the company realizes the expected benefits. Strategy evaluation is the final stage of strategic management process. This is necessary to ensure that stated objectives are being achieved. It involves managing the process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variance and making adjustments to the process as necessary (Pearce and Robinson, 2003).

In connecting strategy formulation to implementation, top managers need to recognize that they cannot plan everything (Taylor, 1986). The assumption that management can plan strategy implementation at the top then cascade down through the organization is not

tenable. It should be recognized that how top managers conceive strategies are not the same as how those lower down in the organization conceive of them (Johnson and Scholes, 2002). Therefore there needs to be ways of relating the strategic direction to the everyday realities of people in the organization. It is therefore vital that middle managers are engaged with and committed to such strategies so that they can perform this translation process (Kazmi, 2002).

It is always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation) (David 1997). The strategic management process does not end when the firm decides what strategy or strategies to pursue. Strategy formulation and implementation differ in many ways. For example, strategy formulation is positioning forces before the action while implementation is managing the forces during the action. Unlike strategy formulation, strategy implementation varies substantially among different types and sizes of organizations (Alexander, 1985), Implementations of strategy calls for alteration of existing procedures and policies. In most organizations, strategy implementation requires shift in responsibility from strategists to divisional and functional managers (Kazmi, 2002). It is therefore important to ensure that there is a shift in responsibility to ensure successful implementation. The implementers of strategy should therefore be fully involved in strategy formulation so that they can own the process from the start.

2.4 Factors affecting Strategy Implementation

The new strategies are selected because they offer opportunities and potential benefits, but their implementation, because it involves changes, implies risk. Implementation of strategies should seek to maximize benefits and minimize risks (Reed and Buckley, 1988). Some factors that may affect implementation of strategies require that policies to be followed are clearly spelt out during the implementation process without operating within a vacuum. Guidelines, rules, procedures and ideal framework must be set up as the basis of strategy implementation, failure to which implementing a strategy may be difficult (David, 1997). The process for effective implementation is clearly dependent upon the appropriateness, feasibility and desirability of strategy (Thompson and Strickland, 1993).

The Organizational structure of a company should be consistent with the strategy being implemented. Changes in a company's strategy bring out internal problems, which require a new structure if the strategy has to be successfully implemented. The choice of company structure does make a difference in how a company performs. Not all forms of company structure are equally supportive in implementing a given strategy. The structural design of a company helps people pull together in their activities that promote effective strategy implementation. An inconsistency between structure and strategy will lead to disorder, friction and malperformance (Aosa, 1992). The structure of the organization should be compatible with the chosen strategy and if there is incongruence, adjustments will be necessary either for the structure or the strategy itself (Koskei, 2003). However, Mintzberg & Quinn (1991) argue that the central problem in structuring today is not the one on which most organization designers spend their time by dividing up tasks. It is one of emphasis and coordination on how to make the whole thing work.

Leadership is an important component of success in any organization. It gives direction in which the organization will move in order to accomplish its objectives. The members of the company need to focus their effort in the same direction. Such unity of direction is critical for successful strategy implementation. The Chief Executive should be at the forefront in providing leadership. He should provide a vision, initiative, motivation and inspiration. He should cultivate team spirit and act as catalyst in the whole strategy implementation process (Aosa, 1992). According to Barnajee (1999) the influence leadership has is in three major areas, these are; does the leader have a vision? That is, are the leaders of the organisation able to perceive quickly the trends? Does the leader have powers? That is, are the leaders of the organisation, through whatever devices they choose to use, able to translate strategic aspirations into operating realities? Does the leadership have the political astuteness necessary to neutralize the negative effects of conflicting internal interests?

Culture is a system of shared beliefs and values. The culture of the company needs to be compatible with the strategy being implemented. Corporate culture refers to the set of common values and beliefs that members of a company share in common (Pearce and Robinson, 1998). Corporate culture gives employees a sense of how to behave and act.

When culture influences actions of employees to support current strategy, implementation is strengthened. The managers are the ones who develop the strategic plan. It is part of their leadership task that once strategy has been developed, they bring the company's culture into alignment with strategy and keep it there (Thomson and Strickland, 1993). Culture can either be a strength or a weakness for the firm. As strength, culture can facilitate communication, decision making, control, co-operation and commitment. As a weakness, culture may obstruct the smooth implementation of strategy by creating resistance to change (Pearce and Robinson, 1998). Aosa, (1992) stated that it is important that the culture of an organization be compatible with the strategy being implemented because where there is incompatibility between strategy and culture, it can lead to a high organizational resistance to change and de-motivation which in turn can frustrate the strategy implementation effort. However, when culture influences the actions of the employees to support new strategy, implementation is strengthened.

Strategy support systems are the many routine activities that are performed in a company to keep it running smoothly. These activities act as and therefore need to be carried out efficiently to reinforce the implementation of strategy. One of the key support systems is communication. To stay informed of how well the implementation process is going, managers need to develop networks of contacts and sources of information, both formal and informal. Timely information helps managers to monitor implementation and take remedial actions where problems arise (Mintzberg and Quinn, 1991).

Control systems and instruments are also required for effective implementation of strategy. Essential question is how to assess performance during and after implementation. There is need to ensure that tools to support the process adequately are readily available and time restrictions are calculated with extra buffer for unexpected incidents. Administrative strategy implementation demands discipline, planning, motivation and controlling process.

Resource allocation is a central management activity that allows for strategy execution. Organizations have at least four types of resources that can be used to achieve desired objectives namely financial resources, physical resources, human resources, and technological resources (David, 1997). Of all the four resources, human resource is the

most valuable though intangible asset. Recent research indicates that it is progressively becoming the key success factor within strategy implementation. There should be a fit between intended strategy and specific personality profile of the implementation key players in the various departments of the organization. Once a strategic option has been selected upon (in the strategic selection stage), management attention turn to evaluating the resource implications of the strategy (Alexander, 1985). The operating level must have the resources needed to carry out each part of the strategic plan (Ansoff, 1991). It would therefore not be possible to implement a strategy which requires more resources that can be made available.

Policies refers to specific guidelines, methods, procedures, rules, forms and administrative practices established to support and encourage work toward stated goals (David, 1997). According to Pearce and Robinson (2003), policies are broad precedent setting decisions that guide or substitute for repetitive managerial decision making. Therefore they are directives designed to guide the thinking, decisions and actions of managers and their subordinates in implementing a firm's strategy. Policies set boundaries, constraints and limits on the kinds of administrative actions that can be taken to reward and sanction behaviour; they clarify what can and cannot be done in pursuit of an organization's objectives (Andrew, 1987). Policies let both employees and managers know what is expected of them, thereby increasing the likelihood of implementing strategies successfully. Whatever their scope and form, policies represent the means for carrying out strategic decisions and hence should be stated in writing whenever possible (Alexander, 1985).

Operational objectives of all units must align with the strategic plan to enable smooth implementation. A strategically driven and aligned measurement system, strategic measures analysis and reporting techniques can be viewed as a three-tiered hierarchy of measures, working from the top-down. Any operational system is generally too complex to serve as a practical link between the strategic objectives of a strategic business unit (SBU) and the many functions and departments that comprise its operating system (Judson, (1996). Thus even after an operating system has been successfully designed and placed into actual use, considerable managerial discretion remains. This is because

decisions must be made on a short-term basis - month to month, day to day, even hour to hour - as to how the system will be operated and controlled

Budgets are critical in strategy implementation for they support the objectives and operating plans. Hrebiniak (2006) observes that there are two relations between budgeting and the planning process. One begins with a budget, at least an implied one, and then asks what objectives can be achieved given the actual or projected financial resources. In the alternative approach, the budget follows from and is justified by the planning process. Emphasis first is on identified key result areas and positive outcomes to be attained by focusing on a given set of objectives and action plans. Hrebiniak (2006) further observed that the main problem with prior determination of budgets is that future activities may be tied in with and dependent upon the past. This can lead to an excessive dependence on previous activities and a myopic approach to planning

Alexander (1985) suggests that for successful implementation of a strategy, clear responsibility for the successful outcome or planned strategic change should be allocated. The number of strategies being pursued at any given time should be limited. Necessary actions to implement strategies should be identified, planned and milestones or progress measurement points should be established.

2.5 Challenges of Strategy Implementation

Thompson and Strickland (1993) states that one strategy implementation challenge is how to create a series of tight fits between strategy and organizations competences, capabilities and structure, budgetary allocation, the reward structure and corporate culture. However, the problems of strategy implementation relate to situations or processes that are unique to a particular organization even though some problems are common to all organizations. The key decision makers should therefore pay regular attention to the implementation process in order to focus attention on any difficulties and how to address them.

2.5.1 Internal Organizational Challenges

Changes in strategy often require changes in the way an organization is structured. Structure dictates how policies and objectives are established. Resource allocation of an organization is also dependent on the kind of structure the organization has. There is no one optimal design or structure for a given strategy or type of an organization (Pearce and Robinson, 2003). Symptoms of an ineffective organizational structure include too many people, too much attention being directed at solving interdepartmental conflicts, too large a span of control and too many unachieved objectives (David, 1997). Strategists should strive to preserve, emphasize and build upon aspects of an existing culture that supports proposed new strategies. If existing culture is antagonistic to a proposed strategy then it should be identified and changed. Alexander (1985) identifies inadequate planning and communication as the two major obstacles to strategy implementation. Owen (1982) suggests that for successful implementation of a strategy clear responsibility for the successful outcome or planned strategic change should be allocated, the number of strategies being pursued at any given time should be limited, necessary actions to implement strategies should be identified and planned.

2.5.2 External Organizational Challenges

Unforeseen and uncontrollable factors in the external environment interfere with strategy implementation by companies. Ogolla (2007) noted that the government controls effected through the governing bodies, like the Ministry of Health and the Pharmacy and Poisons board may sometimes affect the strategy implementation process. These regulations such as product registration, importation and duty charges, government subsidies and procurement affect the pricing and promotion of the product. Mwangi (2003) noted that some regulations are usually directly from hospitals and institutions who are the end users of the major clients of these companies. They may sometimes issue notices restricting the time and place that marketing representatives can access the hospital, the type of promotional materials that can be used within the hospital and institution and changes in their procurement procedures which directly affect the intervals of purchase and quantities of products bought each time.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section covered the methodology used in carrying out the study. It was sub divided into the research design, target population, sample size and sampling procedures, research instruments, data collection and data analysis techniques.

3.2 Research Design

Cross-sectional survey research design was used in the study. It involves observation of all of a population, or a representative subset, at a defined time, to determine the current status of that population with respect to one or more variables. It also seeks to obtain information that described existing phenomena by asking individuals about their perceptions, attitudes, behaviors or value in terms of the extent. It may be used to describe some feature of the population, such as prevalence of an illness, or they may support inferences of cause and effect (Mugenda and Mugenda, 2003). This design was found appropriate for collecting data that related with the study. The findings were generalized to the larger population affected by strategic implementation in the industry.

3.3 Target Population

The target population of this study was all the pharmaceutical companies registered in Kenya by the Pharmacy and Poisons Board which is under the Ministry of Health and Medical Services, as local importers and distributors, who are responsible for importing drugs and selling to the drugs wholesalers, retailers, hospitals and institutions. As at December 2009, there were 116 pharmaceutical companies registered with the board operating in Kenya. Of these, 52 companies are the local importers and distributors, while the others are pharmacies, manufacturing and multinational companies. (Source: East African Pharmaceutical Loci, Drug Index 10th edition).

3.4 Sample Size and Sampling Procedure

Random sampling was used in this study. Cooper and Schindler (2003) define random sampling as the purest form of probability sampling because each member of the population has an equal and known chance of being selected. When there are very large

populations, it is often difficult or impossible to identify every member of the population, so the pool of available subjects becomes biased. The study selected a sample size of 31 companies, which is 60% of the companies from where the researcher will pick the respondents.

3.5 Data Collection

The researcher used questionnaires to collect information from the Marketing managers as they are instrumental in strategy formulation and are actively involved in monitoring and evaluating strategy implementation results. Marketing or Medical representatives were also respondents as they are the one who actually implement the strategies, thus they may have faced other implementation challenges in their field work. Questionnaires had both structured and unstructured questions. This study preferred this because it is simple to administer and convenient for collecting data within a short time.

3.6 Data Analysis

The data collected from respondents was coded and analyzed using SPSS software. Descriptive analysis for Percentages and frequency distribution were used to analyze quantitative data. Qualitative data was also used to generate quantitative data. Both were finally integrated to form a report.

CHAPTER FOUR: FINDINGS AND ANALYSIS

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research in the methodology. The results are presented in line with the objective of the study which was to identify the challenges facing strategy implementation in local pharmaceutical importers and distributors and to determine what actions the local importing companies in the pharmaceutical industries take to successfully implement their strategies. The questionnaire was designed in two sections; the first section covered demographic and background information while the second section covered the strategic responses by these pharmaceutical firms. The study targeted a total of 31 pharmaceutical companies but out of that number of questionnaires given out 20 were completed and returned.

4.2 The Response Rate

The response rate is expressed as the return rate calculated as a percentage of the total number of questionnaires that the researcher gave out. Out of the total 31 questionnaires the researcher administered, only 20 were returned. The response rate was therefore 64.5%. This percentage was therefore fair and representative. Mugenda and Mugenda (1999) stipulate that a response rate of 50% is adequate for analysis and reporting. A response rate of 60% is good and a response rate of 70% is very good. This response rate of 64.5% is therefore an adequate rate to base the study conclusions.

Table 4.1 Response Rate

Variable	Frequency	Percentage	cumulative
Valid			
actual	31	100	
returned	20	64.5	64.5
unreturned	11	35.5	100

According to table 4.1 above the researcher gave out 31 questionnaires, out of which 64.5% were returned and 35.5% were not returned. The rate was however sufficient to base the study.

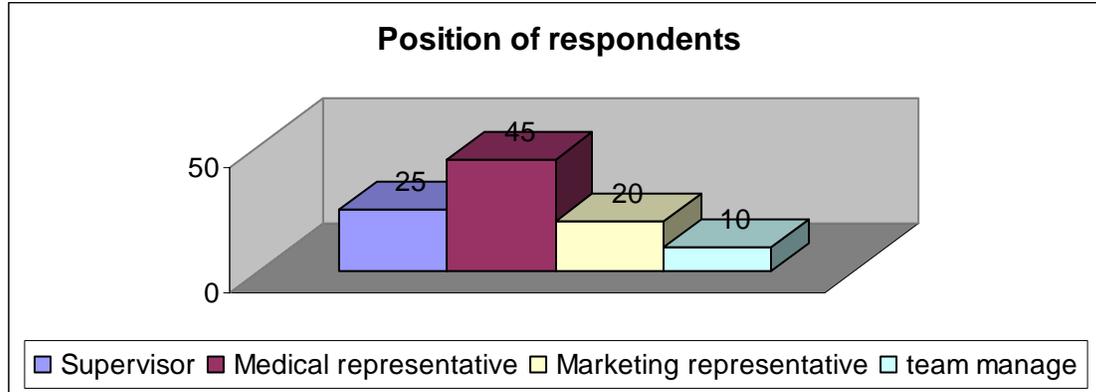
4.3 Organizational Background

This section analyses key characteristics of the company, this was intended to establish certain features within pharmaceutical sector like staff numbers and operational experience.

4.3.1 Staff Titles

The respondents were asked to indicate their designations within the pharmaceutical companies. The purpose of the challenge question was to establish their role and position in the implementation of strategy in the pharmaceutical companies. Below are the study findings.

Figure 4.1 Staff Designations

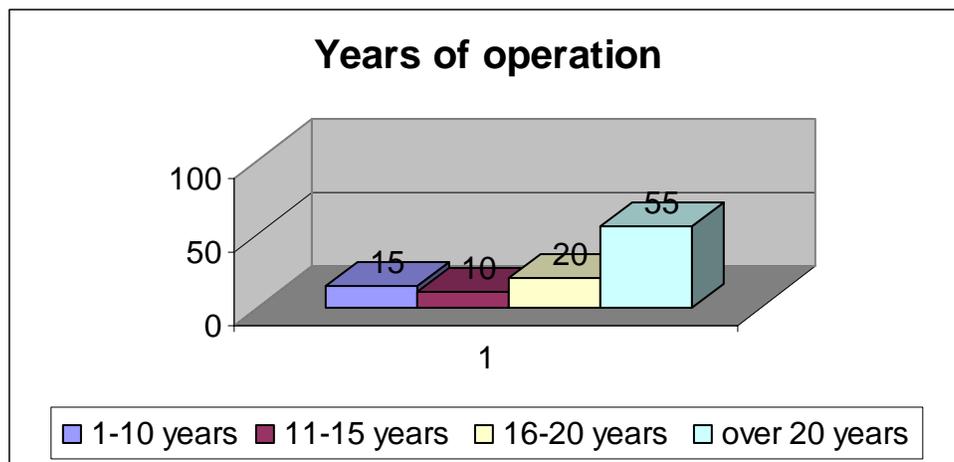


According to figure 4.1 the highest designation was that of Medical representative with 45%, this was followed by the title of supervisor at 25%, and that of marketing representative at 20% team manager had the least respondents at 10%. The firms had different titles for their employees though their duties were comparably similar, where some used team managers, others used supervisors. The terms medical representative and marketing representative were also used similarly but apparently most companies preferred the title medical representative.

4.3.2 Years of Operation

The study set to find out the years of operation of the companies in Kenya. The purpose was to link the years of experience with strategy implementation. The figure below illustrates the findings.

Figure 4.2 Years of Operation



According to figure 4.2 the highest number of firms had operated for over 20 years, 55%, those that had operated between 16 to 20 years were 20% followed by those between 11-15 years at 10%. Only 15 percent had operated for less than ten years.

4.3.3 Form of Ownership

The form of ownership has a positive correlation with management styles in a firm. Respondents were required to indicate the form of ownership of the pharmaceutical companies. This enabled the researcher to determine if the ownership determined the level of strategy implementation

Table 4.2 Form of Ownership

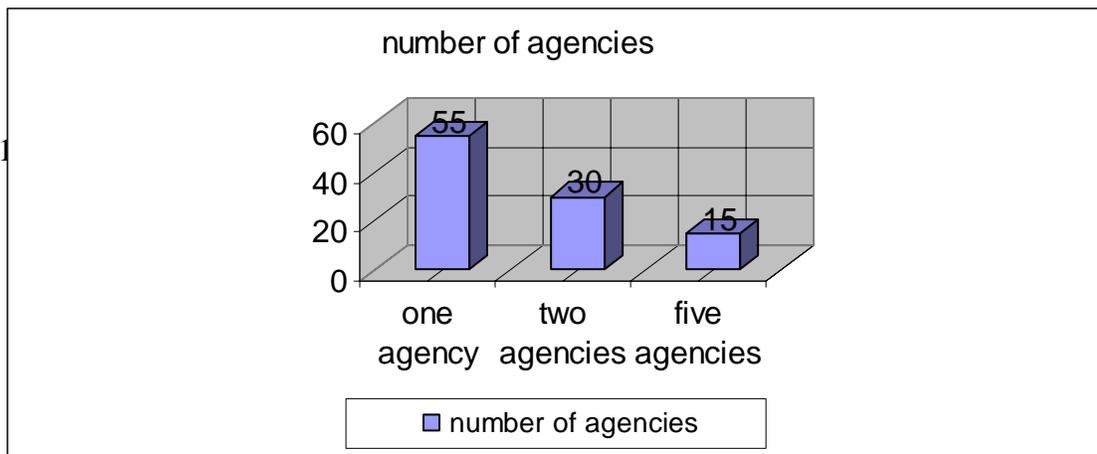
Variable	Frequency	Percentage	cumulative
sole proprietorship	3	15	15
Family business	4	20	35
Partnership	13	65	100

According to table 4.2, 65% of the companies were partnerships, 20% were family businesses while 15% were sole proprietorships. The majority of the companies therefore enjoyed the advantages of partnerships.

4.3.4 Size of Firms at Inception

This study set to find out the size of firms at inception. The respondents were required to indicate how many agencies their firms had at inception. The figure below illustrates the findings.

Figure 4.3 Number of Agencies at Inception



According to Figure 4.3 the firms with the highest number of agencies at inception were 15% with five agencies, 30% had started with two while the majority 55% started only as a single entity, which show that most of these firms test the market at the start.

4.3.5 Growth

On a scale of Yes/No the study sought to examine if the firms grown since inception. The following responses were recorded.

Table 4.3 Growth

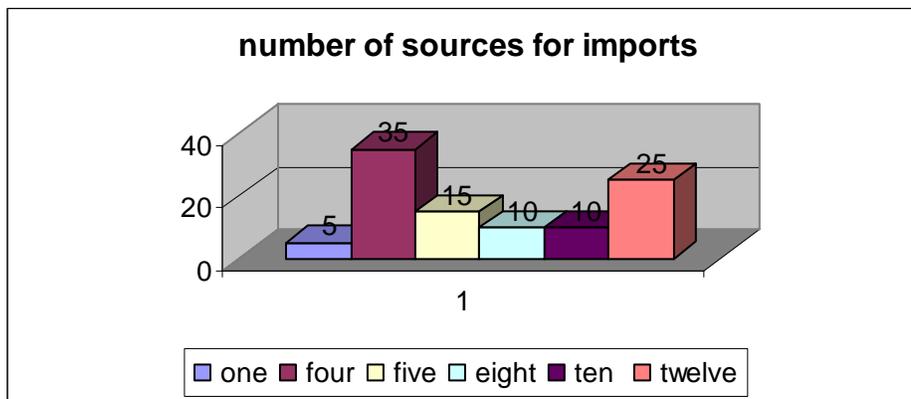
variable	Frequency	Percentage	cumulative
valid			
yes	18	90	90
No	2	10	100
Total	20	100	

From Table 4.3 above, 90% of the respondents indicated that their firms had grown since inception, while 10% said their firms had not.

4.3.6 Import Agencies/ Principles

The study sought to find out the procurement strategies that were employed by the firms. The respondents were asked to indicate the number of sources for their drugs. Below are the findings

Figure 4.4 Number of Sources

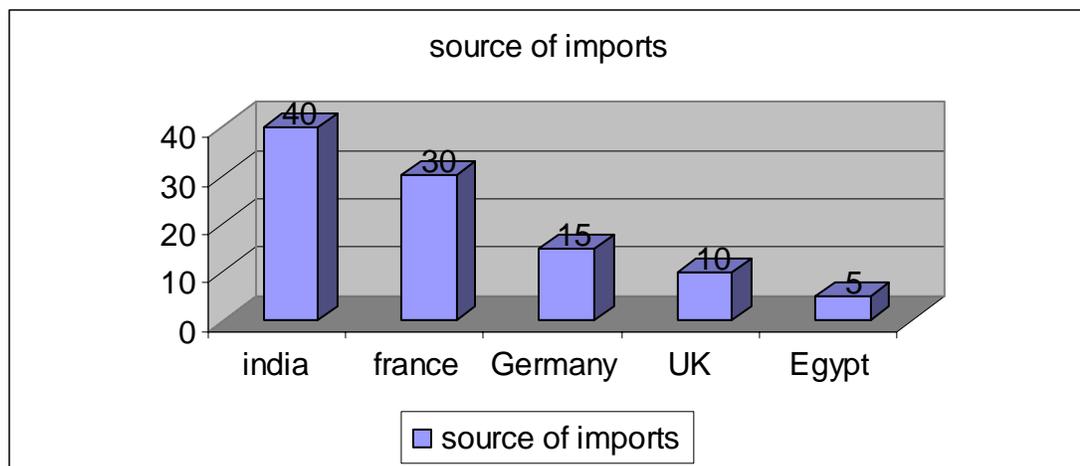


According to Figure 4.4 on number of sources or principles, 35% said they got from four sources, 25% got from twelve sources, 15% got from five while 10% each got from eight and ten sources respectively, only 5% obtained from one source. The majority therefore got from many sources and thus an actual indication of growth. The importance of the source of origin was to assist the study in determining if sourcing from different destinations was a response to strategy implementation.

4.3.7 Country of Import

The respondents were required to indicate which country the firms import from. Below are the findings

Figure 4.5 Country of Origin.

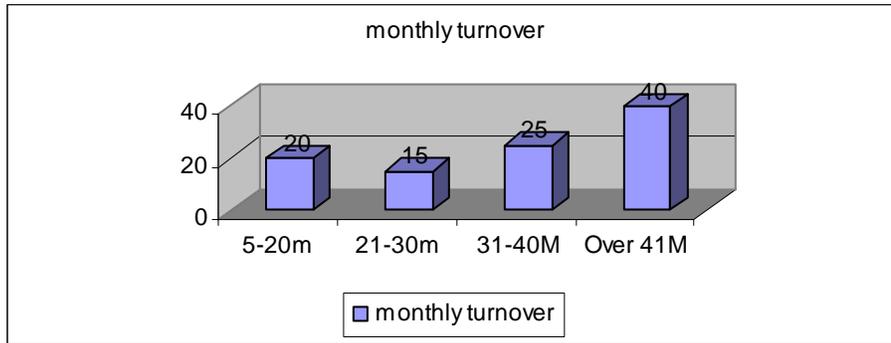


According to figure 4.5 the country of origin most firms imported from was India 40%, followed by France 30%, Germany followed with 15% while those who imported from the UK were 10% and 5% for Egypt. Most firms prefer importing from countries with low manufacturing costs like India.

4.3.8 The Average Monthly Turnover of the Firm

This study set to find out the size of firms in terms of turnover per month. The respondents were required to indicate the average monthly turnover of the firms. The figure below illustrates the findings.

Figure 4.6 Average Monthly Turnover

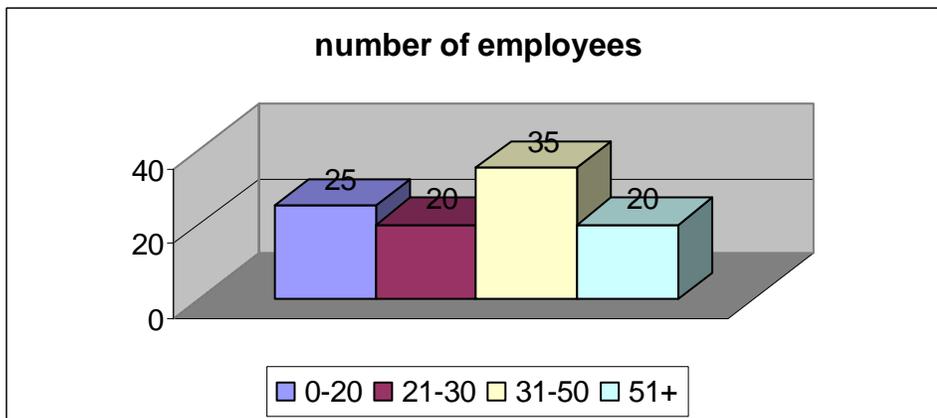


From Figure 4.6 above the average monthly turnover for companies with over 41million were 40%, 25% had between 31-40 million, followed by those with 21-30million 15% those with a turnover below 20 million were 20%. The findings indicate that most of the companies had average middle class turnover, again the implication here is that the companies were small and medium sized.

4.3.9 Number of Employees

This study set to find out the number of employees in the pharmaceutical companies. The number of employees is an important variable that reflects the growth and status of the companies.

Figure 4.7 Number of Employees



According to table 4.7 above the majority of the companies had between 31- 50 employees at 35% followed by those with 1-20 at 25%. Those with 21-30 and those with over 51 had 10% respectively. The implication here is that over 90% of the respondent companies are just small or medium sized enterprises.

4.3.10 Organizational Structures

This study set to find out if the organizational structures of the firms were formal or informal.

Below are the responses

Table 4.4 Organizational Structures

variable	frequency	Percentage	cumulative
valid			
formal	17	85	85
informal	3	15	100
total	20	100	

According to table 4.4 above 85% of the respondents indicated that their organizations were formal. Only 15% had informal outfits. From this findings it can be concluded that since the majority of the companies had formal structures it could be easy to deal with the challenges of implementing strategies.

4.4 Strategy Implementation

This section analyses the key strategies in the pharmaceutical companies and the challenges of implementing them in the industry. Frequency tables and percentages are extensively used. Graphs and charts are used to illustrate the data as given below

4.4.1 Communication of Strategies

Strategy support systems are also crucial and are the main routine activities that are performed in a company to keep it running smoothly. These activities therefore need to be carried out efficiently to reinforce the implementation of strategy. One of the key support systems is communication. To this effect the study set to find out if the strategies to be implemented were documented or verbally communicated.

Table 4.5 Communication of Strategies

	variable	frequency	Percentage	cumulative
valid				
	Documented	18	90	90
	Verbal	2	10	100
	Total	20	100	

According to Table 4.5 on communication of strategies 90% of the respondents indicated that the strategies were documented. 10% said they were verbally communicated. Documentation of strategies is imperative for companies implementing them.

On a scale of Yes/No the study sought to examine if these formulated strategies have allocated timelines for implementation. Below are the findings

Table 4.6 Allocated Timelines for Implementation

	variable	Frequency	percentage	cumulative
valid				
	Yes	19	95	95
	No	1	5	100
	Total	20	100	

According to Table 4.6 on allocated timelines for implementation, 95% of the respondents said there were. 5% indicated that in their firms there were no timelines. This finding has serious connotations since strategy implementation has to have objectives as well as timelines.

4.4.2 Schedule Implementation Timelines

Subsequently the respondents were required to indicate the schedule that best characterizes the strategy implementation timelines.

Table 4.7 Strategy Implementation Timelines

Variable	Frequency	percentage	cumulative
Valid			
Weekly Schedule	4	20	20
Monthly schedule	3	15	35
Quarterly Schedule	13	65	100

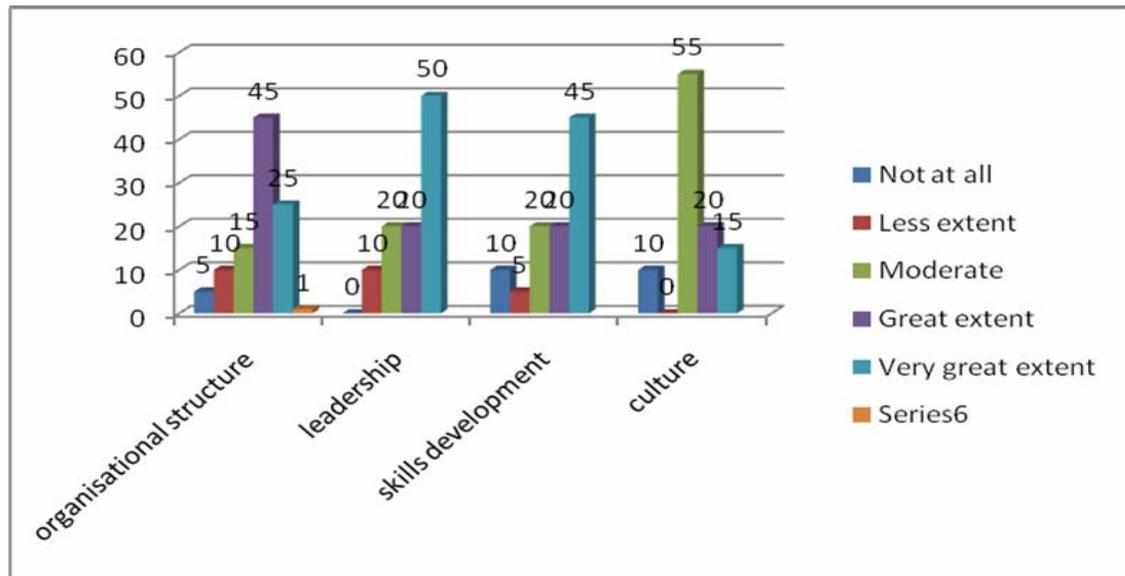
According to Table 4.7 on timelines, 65% of the respondents indicated that the schedules were quarterly, 35% said they were monthly and 20% indicated they were on a weekly basis.

4.5 Factors that affect Strategy Implementation

This section analyses the key factors in the pharmaceutical companies which affect strategy implementation in the industry. Frequency tables and percentages are extensively used. Graphs and charts are used to illustrate the data as given below.

The respondents were required to indicate the extent to which provided variable factors affect strategy implementation in their companies. On a likert scale where: **1** = Not at all, **2** = Less extent, **3** = Moderate, **4** = great extent, **5** = very great extent, the following responses were recorded.

Figure 4.8 (a) Factors that affect Strategy Implementation



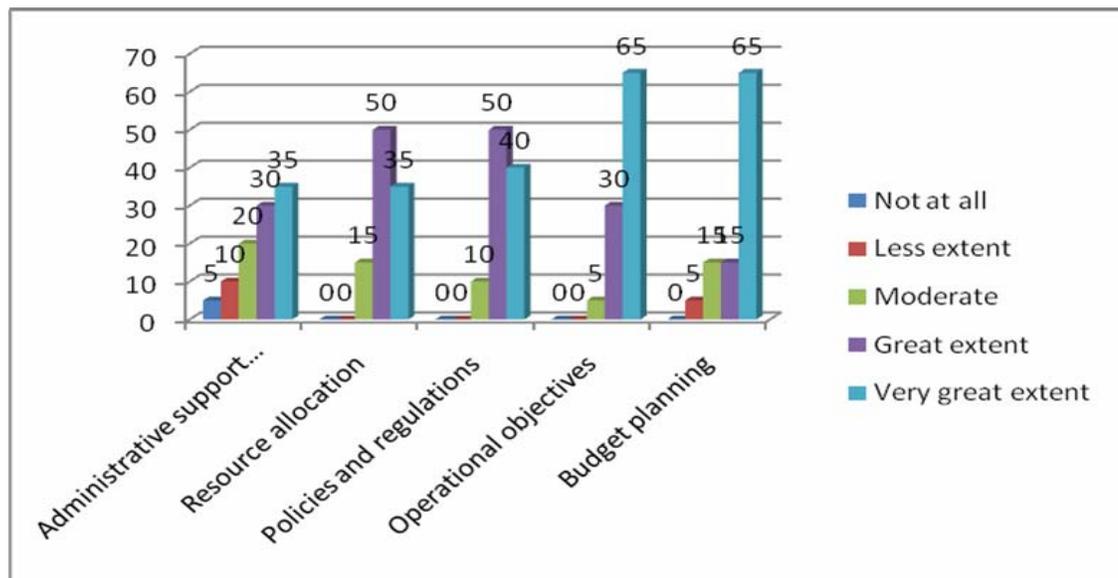
According to figure 4.8 (a) the factors that affect strategy implementation were rated as follows; Organizational structure affected the pharmaceutical firms to a very great extent at 45%, it was to a very great extent at 25% giving it a rating of 70%. The respondents indicated it affected implementation moderately at 15% while those who thought it was to a less extent and no extent was 10% and 5% respectively.

Leadership was rated as affecting implementation to a very great extent at 50%, while those who thought it was to a great extent and moderately so were 20% each. 10% said it was to a less extent.

From the study findings, Skills development was rated to a very great extent at 45%; it was to a great extent at 20% giving it a rating of 65%. The respondents indicated it affected implementation moderately at 20% while those who thought it were to a less extent and no extent were 5% and 10% respectively.

As far as Culture or shared values were concerned, 55% said its effect on strategy implementation was moderate, 20% thought it was to a great extent, 15% said it was to a very great extent while those who thought it were to no extent were 10%.

Figure 4.8 (b) Factors that affect Strategy Implementation



According to figure 4.8 (b) the factors that affect strategy implementation were rated as follows; As far as Administrative support systems were concerned, the respondents indicated that they affected strategy to a very great extent at 35%, it was to a great extent at 30%, while 20% said it was moderate. To a less extent and to no extent were at 10% and 5% respectively.

According to the study findings Resource allocation 50% said it was to a great extent, while 35% said it was to a very great extent. On the other hand only 15% said it was moderate. Resource allocation was therefore deemed to have a compounding effect on strategy implementation.

As far as Policies and regulations were concerned, 50% of the respondents felt that it was to a great extent while 40% said it was to a very great extent. Only 10% felt it was moderately so.

From table 4.8 (b), Operational objectives had an effect on marketing strategies at 65%, very large extent, those who said it was to a large extent were 30% and 5% for moderate extent.

As far as Budget planning and allocation were concerned, the respondents indicated that they affected strategy to a very great extent at 65%, it was to a great extent at 15%, while 15% said it was moderate and 5% to a less extent.

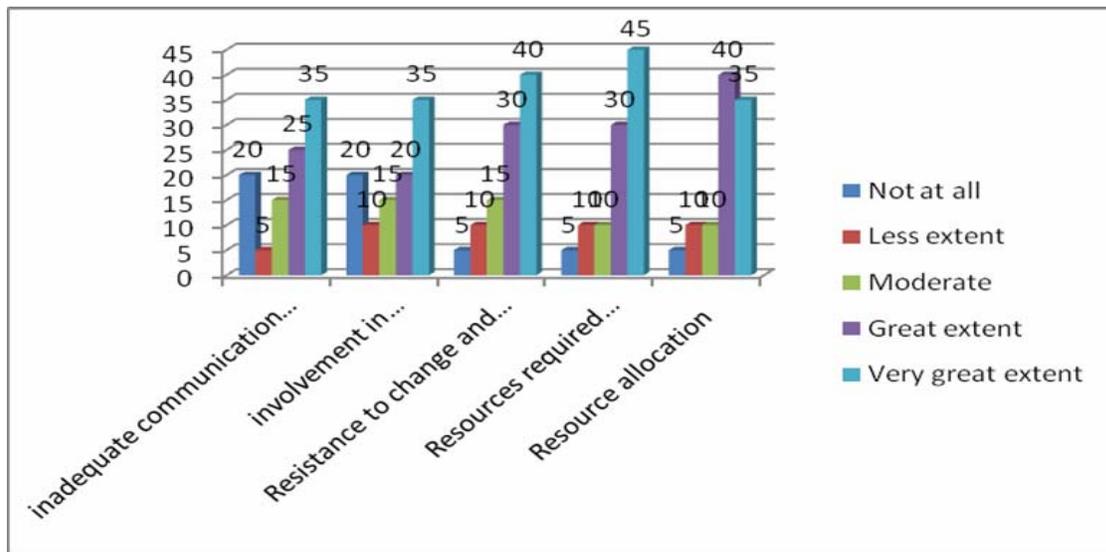
From the findings on key factors in the pharmaceutical companies which affect strategy implementation the in the industry, most of the variables analyzed had an effect on strategy implementation except Culture or shared values

4.6 Challenges of Strategy Implementation

This section analyses the key Challenges of strategy implementation in the pharmaceutical in the industry. Frequency tables and percentages are extensively used. Graphs and charts are used to illustrate the data as given below.

Respondents were asked to rate the level in which the following stated challenges affected strategy implementation NOTE: **1** = Not at all, **2** = Less extent, **3** = Moderate, **4** = great extent, **5** = very great extent

Figure 4.9 (a) Challenges of Strategy Implementation



According to Figure 4.9 (a) on challenges of strategy implementation 35% agreed that there is inadequate communication of the strategy to the staff to a very great extent, 25% said it was to a great extent and 15% said it was moderate.

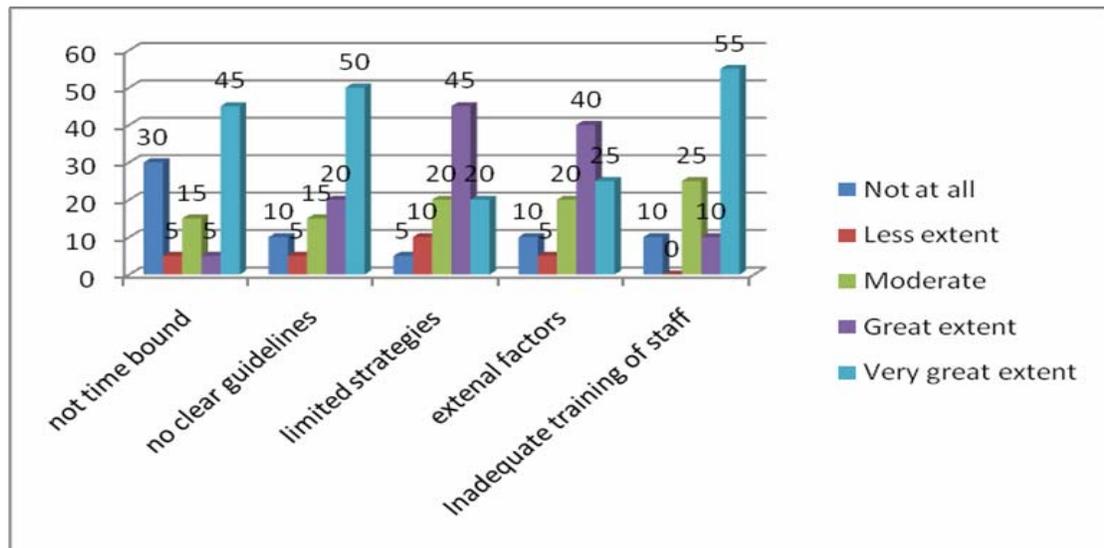
According to the findings 35% said those involved in formulation of the strategies were not involved in implementation of the same to a very great extent, 20% said they were not to a great extent while 15% thought it was moderately so.10% and 5% indicated they were to a less extent and not at all respectively.

As far as resistance to change and slow acceptance of new strategies by those involved in implementation 40% said they were to a very great extent, 30% said they were not to a great extent while 15% thought it was moderately so.10% and 5% indicated they were to a less extent and not at all respectively.

According to the findings those who agreed that resources required for the strategy to be implemented are inadequate were 45% to a very great extent, 30% to a great extent and 10% each for moderate and less extent.

As far as the challenge of resource allocation needs to be factored in during the planning process were concerned, 35% said it was to a very great extent,40% to a great extent and 10% each for moderate and less extent.

Figure 4.9 (b) Challenges of Strategy Implementation



According to Figure 4.9 (b) on challenges of strategy implementation 45% agreed that there is Strategy implementation is not time bound to a very great extent 45 % said it was to a great extent and 15% said it was moderate .15% said it was not the case.

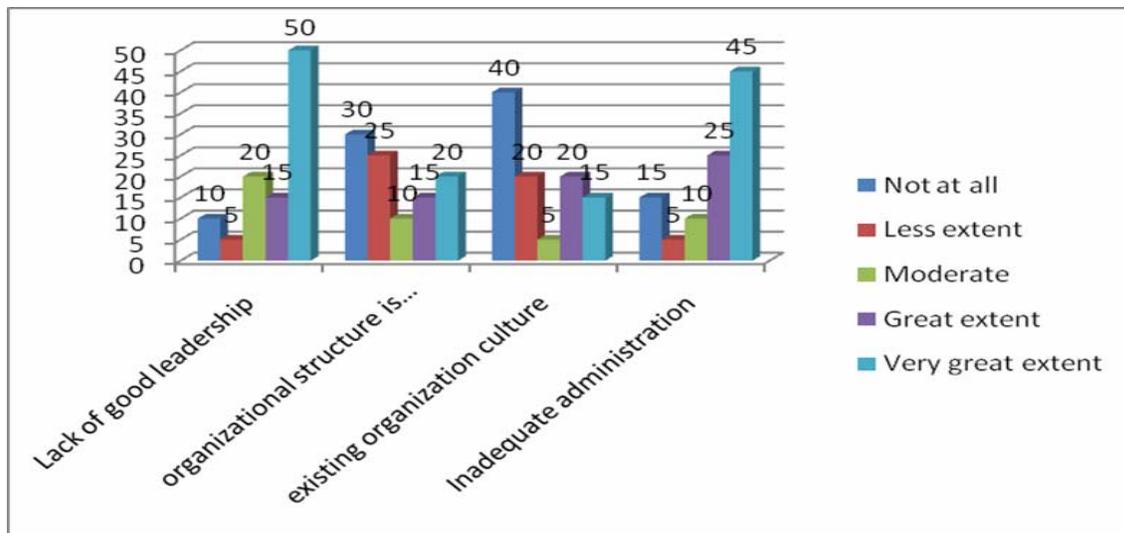
The challenge of no clear guidelines, rules and procedures in the implementation of the strategy was responded to as follows, 50% agreed to a very great extent, 20% to a great extent and 15% thought it was moderately so.10% said it was not at all

Those who agreed that the number of strategies being pursued at any given time should be limited were 20% to a very large extent, 45% to a large extent and 20% moderate only 5% thought it was not the case

According to the findings 25% agreed to a very large extent that Unforeseen and uncontrollable factors in the external environment interfere with implementation, 40% rated it to a great extent and 20% moderate10% said it was not at all

Inadequate training of staff was considered a challenge to a very great extent at 55%, those who rated it to a great extent were 10% while25% considered it moderate and 10% did not consider at all as a challenge.

Figure 4.9 (c) Challenges of Strategy Implementation



Lack of good leadership and delegation of activities during implementation was considered a challenge to a very great extent at 50%, 15% said it was to a large extent and 20% moderately so. 10% said it was not at all

According to Figure 4.9 (c) on challenges of strategy implementation those who rated the organizational structure's inappropriateness for the implementation of set strategy considered it a challenge to a very great extent at 20%, it was considered so to a large extent at 15% and moderate at 10% while to a less extent was 25% and not at all 30%.

Those who considered that the existing organization culture may hinder proper implementation of the strategy rated it at 15% to a very large extent, 20% to a large extent and 5% thought it moderate. 20% said it was to a less extent and 40% thought not at all.

Inadequate administration and information systems during strategy implementation were considered a challenge to a very great extent at 45%, 25% rated it to a great extent and 10% moderate. 5% considered it to a less extent and 15% not at all.

From the study findings on challenges of strategy implementation, only two challenges; organizational structure's inappropriateness for the implementation of set strategy and the existing organization culture may hinder proper implementation of the strategy were not considered as serious challenges by the pharmaceutical firms.

4.7 Other Challenges of Strategy Implementation

The study sought to find out if the pharmaceutical importing and distribution companies experienced any other challenges besides those discussed in 4.5 above. Most of the respondents agreed that the Government and regulatory body instituted policy changes in the selling period of drugs and that bureaucracy in government regulatory bodies' led to delayed issuance of import documents by PPB. Inefficiency at port of entry of product from overseas was also a challenge. The respondents indicated that the current WHO regulation and policies in marketing breast milk substitutes also posed a serious marketing challenge.

The respondents were subsequently required to indicate how their firms handled the above challenges, according to the study the firms had tried a proactive approach in preparation of the required drug registration documents before hand to ensure a reduction of the time they could deal with government bureaucracy.

The respondents were also required to provide suggestions to minimize strategy implementation. The following suggestions were documented, that: The pharmaceutical importing and distribution companies that sell vital substitutes like breast milk products should address challenges that make mothers not to breastfeed and from this approach lobby for policy changes at government level. Government officers to realize need for efficiency and treat each product based on purposes; drugs are life threatening products. And that the Government bodies in ministry of health should communicate vital information as regards drug registration and importation in good time to allow companies to prepare effectively.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Findings

This study set to find out the challenges facing strategy implementation in local pharmaceutical importers and distributors and to determine what actions the local importing companies in the pharmaceutical industries take to successfully implement their strategies. From the findings the companies were mainly partnerships. According to the study the average monthly turnover of the firm was over 41million with an average number of employees of between 31- 50.The implication here is that over 90% of the respondent companies are just small or medium sized enterprises.

From the findings the companies did not use elaborate communication of strategies which are Strategy support systems and are also crucial and are the many routine activities that are performed in a company to keep it running smoothly. According to the findings there are several factors that affect strategy implementation in the pharmaceutical industry. However From the findings on key factors in the pharmaceutical companies which affect strategy implementation in the industry, most of the variables analyzed had an effect on strategy implementation except culture or shared values

According to the study findings, the key challenges of strategy implementation in the pharmaceutical in the industry were those stemming from both the external and internal environment. However from the study findings on challenges of strategy implementation, only two challenges; organizational structure's inappropriateness for the implementation of set strategy and the existing organization culture may hinder proper implementation of the strategy were not considered as serious challenges by the pharmaceutical firms. The other challenges of strategy implementation were that the Government and regulatory body instituted policy changes in the selling period of drugs and that bureaucracy in government regulatory bodies led to a delay in issuance of import documents by the Pharmacy and Poisons Board. Inefficiency at point of entry of product from overseas was also a challenge. Some respondents indicated that the current World Health Organization regulations and policies in marketing vital substitute products like breast milk substitutes also posed a serious marketing challenge.

5.2 Conclusions

It can be concluded that strategies are important for a firm to stem the threat of competition. It appears like local pharmaceutical importers and distributors in Kenya are not exploiting fully the benefits accrued from the implementation of strategies in dealing with competition.

This study concludes also that there are many but closely related challenges to strategy implementation among the local pharmaceutical importers and distributor firms in Kenya. The study concludes that those who were critical in actual implementation were not involved in the planning process and the reverse too applied. Communication of the strategies was also not done well thus resistance to changes and inadequate implementation resulted. It was also noted from the finding that improper training of staff, lack of clear guidelines during implementation, and inadequate administrative support was considered a key factors that impede implementation of set strategies. Good leadership was also important as it set the pace during implementation.

Therefore, these firms need to embrace all these factors from the point of strategy formulation all through to implementation because one is a precursor of the other. Most importantly that good implementation is the evidence of the formulated strategies. The managers need to ensure that the foundation of strategic implementation achieves desired objectives.

5.3 Recommendations

Strategy support systems are crucial and are the many routine activities that are performed in a company to keep it running smoothly. These activities act as and therefore need to be carried out efficiently to reinforce the implementation of strategy. One of the key support systems is communication which the local pharmaceutical importers and distributor firms in Kenya should extensively employ to be able to meet the challenges of strategy implementation.

On the challenges facing importation of drugs, the study recommends that the suggestions by the respondents are pertinent. To this effect; a proactive approach in documentary preparation which ensures they deal with government bureaucracy. The

pharmaceutical importing and distribution companies should address challenges that make and from this approach lobby for policy changes at government level. The companies should also lobby Government officers to realize need for efficiency and treat each product based on purposes: Drugs and life threatening products.

Local pharmaceutical importers and distributor firms in Kenya should embark on an elaborate SWOT analysis programme, this will ensure that the management of local pharmaceutical importers and distributor firms find means of dealing with the strategic implementation challenges experienced over the years. The pharmaceutical importers and distributors should invest in the human resource by training them more frequently because it is them who perform and enable the organization have a competitive advantage over other organizations.

5.4 Suggestions for Further Research

This study was carried out on the challenges of strategy implementation only in the local pharmaceutical importers and distributors. A study on the multinational firms and the manufacturing firms in the pharmaceutical industry is recommended. A comparative study in any East African country can also conducted. Further research is recommended on the issue of strategy implementation challenges on related industry players, like health management organizations. There is need to also carry out research to determine how well organizations in the country are prepared on the implementation of strategy.

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APPENDICES

APPENDIX I: A SAMPLE OF THE LETTER TO THE RESPONDENTS

JEDIDA KING'ORI,

ADDRESS.

COMPANY NAME,

ADDRESS.

Date.

REF: INTRODUCTION TO THE RESPONDENTS

I am a post graduate student pursuing a Master in Business Administration (MBA) at the School of Business, University of Nairobi. Prior to the fulfillment of this course, one is required to conduct a management research project based on real management problems affecting Kenyan firms. In this regard, I am conducting a research project on **“Challenges of Strategy Implementation faced by Local Pharmaceutical Importers and Distributors in Kenya”**

To achieve this, I kindly request you to assist in sourcing for the required data for this study by filling in the attached questionnaire. This information will be treated with confidentiality, used solely for academic purposes and the name of the firm will not appear in the final report

A copy of the final research report can be availed to you upon request.

Your assistance will be highly appreciated.

Yours sincerely,

Jedida King'ori.

(MBA student)

Mr. Eliud O. Mududa

(Supervisor)

APPENDIX II: QUESTIONNAIRE

A: Organizational background

1. Title of the respondent.....
2. Name of the company.....
3. Which year was the company established?
4. How is the ownership of the firm
 - a) sole proprietorship ()
 - b) family business ()
 - c) partnership ()
5. How many agencies/ principles did the firm have at inception?
6. Has the firm grown since then? Yes () No ()
7. How many Agencies/ principles does the firm import from currently?
8. Which country does the firm import from mainly?
9. What is the average monthly turnover of the firm?
10. How many employees does the firm have?
11. How is the organizational structure of the firm?
 - a) Formal ()
 - b) Informal ()

B: Strategy Implementation

1. Are the strategies to be implemented documented (), or verbally communicated? ()
2. Do these formulated strategies have allocated timelines for implementation?
Yes () No ()
3. Indicate the feature that best characterizes the strategy implementation timelines.
Weekly schedule () Monthly schedule () Quarterly schedule ()
4. In your view to what extent do these factors affect strategy implementation?
(Please tick the relevant box for each)

NOTE: **1** = Not at all, **2** = Less extent, **3** = Moderate, **4** = great extent, **5** = very great extent

Factors**Ratings**

	1	2	3	4	5
Organizational structure					
Leadership					
Skills development					
Culture or shared values					
Administrative support systems					
Resource allocation					
Policies and regulations					
Operational objectives					
Budget planning and allocation					

5. How do you rate the level in which the following stated factors affect implementation of strategies in your firm?

NOTE: **1** = Not at all, **2** = Less extent, **3** = Moderate, **4** = great extent, **5** = very great extent

Challenges	1	2	3	4	5
There is inadequate communication of the strategy to the staff					
Those involved in formulation of the strategies were not involved in implementation of the same					
Resistance to change and slow acceptance of new strategies by those involved in implementation.					
Resources required for the strategy to be implemented are inadequate					
Resource allocation needs to be factored in during the planning process.					
Strategy implementation is not time bound					
There are no clear guidelines, rules and procedures in the implementation of the strategy.					

The number of strategies being pursued at any given time should be limited					
Unforeseen and uncontrollable factors in the external environment interfere with implementation					
Inadequate training of staff.					
Lack of good leadership and delegation of activities during implementation.					
The organizational structure is inappropriate for the implementation of set strategy.					
The existing organization culture may hinder proper implementation of the strategy					
Inadequate administration and information systems during strategy implementation.					

6. What other challenges of strategy implementation have you experienced in your organization?

.....

7. How has the firm handled the above challenges, if any ?

.....
.....

8. Are the strategy implementation challenges mentioned above unique to this organization only or are they also shared by the other firms in the industry?

.....

9. What suggestions would you give to help minimize these strategy implementation challenges.....

.....

APPENDIX III: LIST OF PHARMACEUTICAL IMPORTERS AND DISTRIBUTORS

1. Marketing Solutions Pharma
2. Seropharma Ltd
3. Philips Pharmaceuticals Ltd
4. Mac Naughton (K). Ltd
5. Pharma Specialities Ltd
6. Zadchem Pharmacy Ltd
7. Laborex Ltd
8. Pharmachem Ltd
9. Pan Pharmaceuticals Ltd
10. Dr. Pharma Limited
11. Bayer E. Africa
12. Universal Pharmaceutical Ltd
13. Rhino (K) Ltd
14. Globe Pharmacy Ltd
15. Jos Hansen & Soehne E. A.
16. Beta Healthcare Ltd
17. Madawa Pharmaceutical Ltd
18. Armicon Pharmaceutical Ltd
19. Trinity Pharma Ltd
20. Surgilinks Ltd
21. Mombasa Medical Stores Ltd
22. Kam Ltd
23. Deutshe Healthcare Ltd
24. Cosmos Limited
25. Crystal Chemicals
26. Dawa Ltd
27. Chemitex Ltd
28. Statim Pharmaceutical Ltd
29. Elys Ltd
30. Roche Products Ltd
31. Healthwise Ltd
32. Glaxosmithkline
33. Far East Medical Clinic
34. Infusions (K) Ltd
35. Kotec (K) Ltd
36. Ruppharm Ltd
37. Mac's Pharmaceuticals
38. Twiga Chemicals Ltd
39. Nairobi Enterprise Ltd
40. Norvatis Pharma Ltd
41. Monks Pharmaceutical Ltd
42. Sunpar Pharmaceutical Ltd
43. Precious Pharmacy
44. Unicorn Pharma Ltd
45. Omaera Pharmaceuticals Ltd
46. Surgipharm Ltd
47. Assia Pharmaceuticals Ltd
48. Sai Pharmaceutical Ltd
49. Goodman Agencies Ltd
50. Europa Healthcare Ltd
51. Harleys Ltd
52. Medisel Ltd
53. Chemoquip Ltd
54. Kulal International Ltd
55. C. Mehta & Co. Ltd
56. Caroga Pharma Ltd
57. Highchem
58. Metro Pharmaceutical Ltd
59. Kenya Swiss
60. Bakfa Ltd
61. Biodeal Laboratories Ltd
62. Pharma Share Ltd
63. Shriji Chemist Ltd
64. Pharmalinks Ltd
65. Cadila Pharma Ltd
66. Lords Healthcare Ltd
67. Barkpharma Ltd
68. Bulk Medicals Ltd
69. Medisco Ltd
70. Didy Pharmaceutical Ltd
71. Njimia Pharmaceuticals Ltd
72. Medivet Supplies Ltd
73. Synermed Ltd
74. Ray Pharmaceutical Ltd
75. Gesto Pharmaceutical Ltd
76. Eros Pharmaceutical Ltd
77. HighTech Pharmaceutical Ltd
78. Intas Pharmaceutical Ltd
79. Lab And Allied Ltd
80. Ron Pharmaceutical Ltd
81. Opa Chemist Ltd
82. Salama Pharmaceutical Ltd
83. Letap Ltd
84. Novelty Manufacturing Co.
85. Intergen Healthcare Ltd
86. Neema Pharmacy
87. Framin (K) Ltd
88. T3a Pharmaceutical Ltd

89. Wessex Pharmaceuticals
90. U. B. Pharma Ltd
91. Maclawrence Pharmaceutical Ltd
92. Medox Pharmaceutical Ltd
93. Aventis Pasteur
94. Modupharma Ltd
95. MEDS
96. Universal Corporation Ltd
97. Kenya Sterile Supplies Ltd
98. Kemipharma
99. Manhar Brothers
100. Ray Pharmaceutical Ltd
101. Reckitt Benkiser Ltd
102. Regal Pharmaceutical Ltd
103. Pharmadist Ltd
104. Nestle Foods Kenya Ltd
105. Denk Pharma
106. Kenya Sterile Supplies Ltd
107. Sanofi-Aventis
108. Accord Healthcare
109. Adcock Ingram E.A
110. Benmed Pharmaceuticals.
111. Eurox Pharmaceuticals
112. Glenmark Pharmaceuticals Ltd
113. Kulal Ltd
114. Wockaine Ltd
115. Lukim Pharmaceuticals Ltd
116. Galaxy Pharmaceuticals

(SOURCE: East African Pharmaceutical Loci. Drug Index 10th Edition)