STRATEGIC RESPONSE BY KENYA RAILWAYS CORPORATION
IN ACHIEVING STANDARD RAILWAY OPERATIONS WITHIN
EAST AFRICA

BY

DANIEL MUSEMBI MATATA

A Management Research Project Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration (MBA), School of Business, University Of Nairobi

SEPTEMBER 2010
ABSTRACT

The history of rail transport dates back nearly 500 years and includes systems with man or horse power and wooden/stone rails. Modern rail transport system first appeared in England in the 1820s. These systems which made use of the Steam Locomotive were the first practical form of mechanized land transport. Starting with the opening of the first Shinkansen line between Tokyo and Osaka in 1964, high speed rail transport, functioning at speeds up and above 300 km/h has been built in several countries. The construction of many of these lines has resulted in the traumatic decline of short haul flights and automotive traffic between connected cities. Additionally, with the ongoing threat of global warming and energy shortages high speed rails is supposed to hold the key to the future transport across countries in the World. In connection to this managers should remain focused to the evolving changes in demand with a view to respond effectively. This study was designed to determine the strategic response by Kenya Railways Corporation in achieving standard Railway operations in East Africa.

A case study approach was used to collect the data. Primary data was collected from key informants that have been directly involved in strategy development in KRC using an interview and resultant data analysed using content analysis method.

The study found that in a move to achieve the standard railway operations in East Africa, KRC is outsourcing the marketing, investor identification, building and commissioning of the standard railway to potential professional firms. The laid down plan is to have an open access operating system to encourage innovativeness and competition.

It is recommended that in order for the company to cope with the ever changing market demands, there is need for it to be more innovative for competitive service delivery in the region.

It is also recommended that a study on concession effectiveness in East Africa be carried out.