

**STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF
LARGE PHARMACEUTICAL FIRMS IN KENYA**

BY

MWANGI IRENE NJERI

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DECLARATION

I declare that this management research project is my original work and has never been presented for a degree in any other college or University other than the University of Nairobi.

Signature: _____ Date: _____

MWANGI IRENE NJERI

ADM. No: D61/70484/2009

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

Signature: _____ Date: _____

Dr. Zachary B. Awino

Senior Lecturer,

Department of Business Administration

School of Business, University of Nairobi

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ABSTRACT

Strategic management practices bring to life strategic plans in organizations thus determining the achievement of desired outcomes by firms in any industry. These practices determine successful implementation or failure to implement strategic plans no matter how good they are. The study focused on strategic management practices and performance across firms in the pharmaceutical industry in Kenya. this study was conducted as a cross-sectional survey and the researcher used questionnaires as primary data tools. Questionnaires were either hand delivered or emailed to senior managers in the firms that had been sampled out as representation of the entire target population and were later collected upon completion. The data collected was qualitative and was analyzed using content analysis. The study found out that large firms of pharmaceutical industry in Kenya have adopted strategic management practices with most strategic initiatives having been discussed in detail in the data analysis and interpretation chapter here in. it was also clear that the activities implemented by the firms impact performance across the various functional areas within firms in this industry. These functional areas include internal business process coordination, customer service, marketing, distribution, human resource management and finance. They also impact learning and development within the firms. This study had a limitation in that firms that were involved in data collection were based in Nairobi, though most had branches or outlets across the country hence it is expected that the findings can be generalized across large firms pharmaceutical firms in Kenya. Further study should be conducted to establish the effect of strategic management practices on financial performance of firms in pharmaceutical industry in Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Strategic management is set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce & Robinson, 2005). Strategic management practices therefore include strategic planning, good human resource practice, organizational design and co-corporate culture which have in the past studies been seen to influence the competitive positioning of the firm in the industry thus determine the performance (John W. and Sons, 2005). Organizational performance can be judged by many different constituencies resulting to many different interpretations of successful performance, thus organizational performance requires a multi-attribute model that enables measurement of organizational performance (Carton, 2004). These Factors as adopted from balance score card concept for this study include financial, customer relationship, employee empowerment and internal business processes and learning and growth (Kaplan and Norton, 2004).

The theory of resource base view states those firms differ in fundamental ways because each firm possesses a unique bundle of resources. This view of the firm started with Penrose (1959) who argued that it is the heterogeneity and not the homogeneity of the productive resources that give each firm its unique character. It is this notion of the heterogeneity of the firm's resources that forms the basis of the resource base view. This theory was further emphasized by Wernerfelt (1984) when suggested that evaluating firms in terms of their resources could lead to insights that differ from traditional product view and position view.

Barney (1991) comprehensively presented a framework to identify needed characteristics of firm resources in order to generate sustainable competitive advantage. Therefore the test of the strategic value of a resource is fivefold, Inimitability, durability, appropriateness, sustainability and competitive superiority. This indicates that the firm's competitive advantage can originate from both its resources and its environment, making it necessary for firms to identify factors that are in the internal and external environments that enable them to operate in the industry and attain superior performance.

The pharmaceutical industry in Kenya, like any other industry faces the five forces of competition , which include rivalry among firms in the same industry, threat from new entrants, threat from substitute goods, bargaining power of suppliers and bargaining power of buyers (Porter,1998). According to Export processing zone (EPZ, 2005), Kenya is currently the largest producer of pharmaceutical products in common market for eastern and southern Africa region, supplying about 50% of the region's market. This study will be seeking to gain knowledge on strategic management practices firms in pharmaceutical industry in Kenya are adopting in order to attain and sustain superior performance in the industry.

1.1.1 Strategic management practices

Strategic Management framework consists of three main components, thus strategic Analysis, strategic Choice and Strategy Implementation (Johnson & Scholes, 1993). Strategic management practices are therefore approaches and actions an organization uses to respond to future events (Henry, 2004).The objective of the firm implementing strategic management practices is to achieve, sustain and enhance the competitive advantage. Successful implementation of strategic management requires allocation of resources that support the strategy of the firm, such as allocation of financial resources, supportive and informed human resource, a supportive culture as well as technology.

According to Nelson and Quick (2008), employees are key stakeholders in implementation of strategic management practices, among other stakeholders and there is need to have a workforce capable of thinking big, thinking global and thinking differently. It is therefore possible that in an industry some businesses are more successful than others because they have resources that are different from those of their competitors, who furthermore cannot easily acquire these resources.

Strategic management practices involve formulation of vision, mission statements, performance of situational analysis, strategy formulation and implementation of strategic choices. (Pearce & Robinson, 2008). Strategic decisions and practices determine the organizations relations to its internal and external environment. Inputs from every functional area are therefore important in determining the overall performance of the organization (Kathama, 2012).

According to Johnson et al. (2011) a firm that has attained competitive advantage in an industry achieves its objectives in the face of competition. It is therefore noted that success of the firm depends on initial condition and managerial choice, and explained through chain of casualty. However, different expectations of the firms on the future return of their resources create this a competitive advantage specific for the firm (Tokuda, 2005). This is applicable in the pharmaceutical industry in Kenya where the forces of competition are eminent.

1.1.2 Organizational performance

This is the analysis of a company's performance as compared to its goals and objectives, providing an audit of each business facet and how it operates (Bultler,2001). Within corporate organizations, there are various outcomes which can be analyzed to indicate the overall organizational performance, these include financial performance, market performance and shareholder value performance as well as production capacity performance where applicable.

Measuring organizational performance is difficult, especially when what has to be measured keeps changing (Carton, 2004). Organizational performance includes multiple activities helps assess the firm's progress towards achieving its goals (Mutau, 2012). The areas of assessment include leadership and management, human resource focus, customer orientation and marketing, financial management, innovation and technology, productivity and quality. Firms can use various approaches to establish progress towards achieving their goals.

Atkisson and Hatcher (2001) have suggested a four-quadrant alternative to the balanced score card that incorporates social and environmental measures and sums them into a single indicator. Their approach is based on of four elements that include nature, economy, society and human well-being. Each of the four elements is given an unweighted score and an overall score is calculated to produce a single, unweighted overall sustainability index' number.

In order to have a more comprehensive organizational performance approach, John & sons (2006) argued that combining sustainable balance score card and organizational sustainable performance index combined gives a more reliable and sustainable performance measure within the firm. These are approaches that firms can adopt in monitoring organizational performance.

1.1.3 Pharmaceuticals industry in Kenya

The pharmaceutical industry in Kenya consists of manufacturers, distributors, wholesalers and retail pharmacies and chemists. Kenya is the current largest producer of pharmaceutical products in the common market for eastern and southern Africa (COMESA) region supplying about 50% of the regions market (Export processing zone 2005, pharmacy and poisons board, Kenya 2013).

According to Kenya pharmaceutical and health report 2010, there has been growth in tremendous growth in pharmaceuticals market in Kenya with over the counter products growing from Kshs 14.4 billion in 2007, to Kshs 17.7 billion in 2008. This representing growth of 22.9 %. There are projections that by 2014, the market will hit Kshs 33.3 billion.

1.1.4 Large pharmaceutical firms in Kenya

The pharmaceutical industry in Kenya is regulated by pharmacy and poisons board, a government parastatal that issues license to all firms operating in the industry within Kenyan market. The licenses are issued with specific level of operation indicated thus stipulating if the firm is registered as pharmaceutical manufacturer, pharmaceutical distributor, pharmaceutical wholesaler or pharmaceutical retailer.

There are 20 registered pharmaceutical manufacturers, about 110 registered pharmaceutical distributors, about 700 registered wholesalers and about 1,300 registered retail pharmacies and chemists.(Pharmacy and poisons board, 2013 and Export processing zone 2005). The mode of operation of the firm will form the basis of identifying the target population for this study, with manufacturers and distributors forming the population of study herein termed as large pharmaceutical firms.

1.2 Research problem

Strategic management practices implementation is a challenging issue in many companies, with illustrated problem of up to 10 to 30% of the intended strategies being implemented thus greatly affecting corporate performance with most of the objectives of the strategy fading off before the implementation is effected (Mwangi,2012). Hence Strategic management practices implementation still remains a central issue in strategic management discipline (Johnson et al., 2011).

The pharmaceutical industry in Kenya consists of manufactures, distributor and retailers who actively support healthcare providers in the health sector (EPZ, 2005). It is a very competitive industry attracting new entrants from international to local motivated investors yet within a volatile economic environment (Kalunda, Nduku and Kabiru 2012).

In spite of empirical research in various aspects of strategic management such as strategic planning practices and performance of state co-operates (Kathama, 2012), Change management strategy (Ojwang, 2012), Competitive advantage (Mwangi, 2012), the focus of study in most of these studies has been on strategy development, with little focus on implementation and the after effect on the performance of the firm. The few studies that have focused on organizational performance of firms in the same industry attribute the cause of difference in performance to strategic choice that leads to strategic positioning, while others argue that the performance is influenced by the environment within which the firm operates (Mugambi, M'Nchebere and K'Obonyo, 2011).

There has not been a study on strategic management practices in pharmaceutical industry in Kenya, with few focusing on credit management practice in pharmaceutical industry in Kenya (Kalunda et al., 2012) or widely focusing on strategic management practices within large manufacturing firms from different industries in Kenya (Aosa, 2011). It's in view of this that this study seeks to determine the strategic management practices adopted by large pharmaceutical firms in Kenya and the effect on their performance.

1.3 Research objective

To determine the strategic management practices adopted by large pharmaceutical firms in Kenya and the effect on their performance.

1.4 Value of the Study

The findings from this study will be useful in providing additional knowledge for better understanding of the theory of resource base view and its applicability in to strategic management practice. The study will contribute to continuing endeavour of understanding the different aspects of strategic management practice. The future users of this study are expected to use it to advance their knowledge in area of strategic management practice and how it affects performance of the firm.

The debate on evidence based practice for policy makers and implementation is of great importance in strategic management (Mwangi, 2012). This study will seek to inform policy making for successful implementation of these policies in pharmaceutical industry, with the aim of attaining the strategic intent of the firm.

The finding from this study will seek to enlighten key decision makers in the industry on strategic management practices that need to be focused on. It will also be useful in terms of resource allocation and monitoring for effective implementation of formulated strategies in order to improve the performance of a firm in this industry. It will be valuable to investors, share holders and financiers in this industry in guiding strategic management practices that enable the firm to attain its strategic intent. Future researchers will also be encouraged to critic and improve on the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed strategic management practice and its relationship with organizational performance. It gave insights in to strategic management practices and factors that affect strategy implementation and organizational performance. Empirical studies in these areas were also reviewed.

2.2 Theoretical perspectives

According to the theory of resource base view, a firm can utilize its internal resources to attain competitive advantage. The resources that enable a firm gain such strategic advantage must provide economic value, be presently scarce, difficult to imitate, non substitutable and not easily obtainable in factor markets by other firms in order to attain and sustain superior performance in the industry against its competition (Barney, 1991).

Strategic management practices which involve setting vision statement, mission statement, carrying out an environmental analysis and strategic analysis of the firm, thus establishing a strategic choice are as a result of the best mind inside and outside the organization (Bresser & Bishop, 2003). Some scholars indicate that these practices involve producing fundamental decisions and actions that shape and guide what an organization does and why it does so. It allows organizations to deal with dynamic and rapidly changing environment (Bryson, 2004).

Strategic management frame work begins with the Strategic planning, which is essential in enabling the organization to match its capabilities with the opportunities and threats from its environment, highlight areas of future investment and development, allow new ideas to take root and give direction to the organization, thus enabling the management to pull in the same direction (Kathama, 2012)

The theory of knowledge based view of the firm, which is a recent extension of the resource base view indicates that knowledge is considered to be a special strategic resource to the firm that does not depreciate the way traditional economic productive factors do and can thus generate increasing returns. Through organizational learning, firms acquire, change and perceive their organizational capabilities. Organisational culture is therefore a stock of knowledge integrated in patterns, informing actions taken in decision making (Curado, 2006).

According to the theory of organizational behavior, leaders in firms need to understand organizational behavior, in order to recognize, explain, and eventually know how attitudes and behaviours of people at workplace develop. This will eventually affect work outputs for both individual and group within organizations (Kaifi & Noori, 2010).

Organisational strategic resources include financial, human resource, commercial, technological and organisational asset used by the firms to develop and deliver services to Customer (Barney, 1991). Upon combining the resources with a firm's capability to deploy and coordinate resources enable the firm to effect a desired end. Firm's capabilities are information based, intangible processes that are firm specific and are developed over time through interactions among resources (Conner & Prahalad, 1996).

2.3 Strategic management practices and organizational performance

Strategic management practice can be interpreted as a set of managerial decisions and actions of an organisation that can be used to facilitate competitive advantage and long-term superior performance over other organisations (Powell, 2001; Wheelen and Hunger, 2004). They involve a number of critical steps such as scanning the environment for information, selecting relevant data and interpreting it, building a strategic model, testing it and putting it into action. Strategic management practices ensure that the firm is engaging in the right activities the right way.

There are eight dimensions of strategic management that can be assessed to indicate corporate performance. These are leadership, culture and values, strategic thinking and practice, alignment, performance measurement, performance management, process improvement and sustainability of strategic management. Effective strategic management starts with leadership. Leaders question assumptions, look at problems in a new way and create a vision for the future. Leaders play a visible role as they work around staff and alongside staff to encourage teamwork in realization of the vision they articulated (Rolm, 2008).

Strategic management practices enable organization perceive issues related to its performance in a competitive advantage dimension, with business environment being complex, dynamic and competitive, organizations need to use strategic management practices in order to position themselves strategically (Porter,2004). Strategic management practices contribute to performance by generating relevant information, creating a better understanding of the environment and reducing uncertainty (Schwenk & Shrader,2003).While some studies find positive relationship between strategic management practices and performance within large firms (Bracker et al.,2008, Lyles et al., 2003, Schwenk and shrader, 2003), others indicate no consistent association between strategic management practices with organizational performance(Greenley,2006).

Porter (2004) states that organizational performance is determined by the ability of the firm to find its unique position and strategic management practice is the tool to enable the firm acquire that strategic position. Organizational performance is about creating value for the primary beneficiaries of the organization. Most organizations view performance in terms of effectiveness in achieving their vision, mission and goals (Guralnik and David,2004), others however view their performance in terms of efficiency in deploying resources, thus performance of an organization may be sub optimized(Missroon,2000).

Although used widely in empirical studies, the notion of organizational performance remains largely unexplained and mostly used to refer to financial performance. There is little agreement on which criteria to use in defining organizational performance (Gregore, Badea and Catalina, 2004).

Organizational performance may be measured in terms of accounting measures, operational measures, market based measures and survival measures, with measures of economical value creation practice also being popular (Carton,2004).Accounting measures are those that rely upon financial information reported on income statements, balance sheets and statements of cash flow. They can be further subcategorized in to profitability measures, growth measures, leverage measures, liquidity measures, cash flow measures and efficiency measures. (Carton, 2004).Operational measures include variables that represent organizational performance in non-financial issues.

The organizational performance measures as indicated by Kaplan & Norton (2004) include excellence in internal business processes and effective timely and accurate data collection, quality workforce, quality work environment as defined by workers, integrity of leadership as defined by workers, on time delivery as defined by customer, quality of products and services as defined by customer, responsiveness to enquiry and complaints as defined by customer. customer based parameters for assessing non- financial organizational performance include market share, number of new customers, product return rate, defects and order cycle time (Gregore, Badea, Catalina, 2004).

Measurement standards need to be derived from business strategy, provide key data and information on processes, productivity and results. Some studies have argued that firms characterized with an entrepreneurial strategic orientation have higher performance compared to rest of the firms in same industry (Covin & Slevin, 1991).

Studies have further indicated that these firms are more willing to innovate, better prepared to take risks and are more proactive than competitors hence entrepreneurial orientation culture is evident in decision making styles, methods and processes (Wikland & Shepherd, 2005) Successful strategic management implementation leads to action, builds a shared vision that is values based, is an inclusive, participatory process in which board and staff take on a shared ownership, accepts accountability for actions and is externally focused and sensitive to the environment. (Euro found, 2009).

Strategic analysis of management practices of the firms in an industry is essential in determining if its competitive edge lies with product or market dimension or in differentiation versus low cost dimension, then determine successful strategic positioning of the firm (Leask and Parker 2006). Other studies show that a firm's performance is largely determined by management practices whereby top management emphasizes on market orientation, organizational systems including formalization, decentralization, reward systems for best performing employees and interdepartmental connectedness. Thus ensure intelligence generation, intelligence dissemination and better responsiveness to opportunities and threats for better organizational performance, organizational commitment and competitive integrity (Akomea and Yeboah, 2011).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter set out the research methodology that was used in completing this study. It discussed the research design used, the target population, the data collection tools, and data analysis techniques. It gave detailed plan that was executed and how respondents were approached in the subsequent subsections such as research design, population of study, data collection and data analysis.

3.2 Research Design

This study adopted a descriptive cross-sectional survey approach. According to Mugenda (2003), a descriptive cross sectional survey is a systematic collection and analysis of data from different groups of people who differ in the variable of interest, but share other characteristics such as socioeconomic status, educational background, and work environment in order to answer questions concerning the current status of a program, proposal or activity. A descriptive study is concerned with determining the frequency with which something occurs without manipulating the variables, thus its observational (Bryman & Bell, 2011).

This approach was appropriate for this study since the study intended to collect detailed information from the players in pharmaceutical industry to understand the strategic management practices as they were without manipulating the variables. The descriptions were useful in identifying the variables and hypothetical constructs related to the application of strategic management practices and effect on performance of the firms in pharmaceutical industry in Kenya thus answer the research question of this study.

3.3 Population of study

The population of study was large firms in pharmaceutical industry in Kenya. The industry at the time of data collection consisted of 130 large firms specializing in manufacturing, importation, warehousing, marketing and distribution of pharmaceutical products, medical supplies and nutritional products.

3.4 Sample size

This study grouped similar firms together thus 20 manufacturers and 110 distributors and used stratified random sampling to reach at a representative sample from the sample frame of at least 10% of each of the group. According to Mugenda (2003), 10% of the population can give accurate findings for generalizing to the population. The sample size of 13 firms was identified with 2 firms being manufacturers and rest 11 firms being distributors.

The study involved a senior manager as respondent from 18 firms. Questionnaires with closed questions that used likert scale and ranking were then issued to them to fill in the responses. One respondent from each firm participated in answering the questionnaire.

3.5 Data collection

Self administered questionnaires with closed ended questions that were developed in line with the objectives of the study were used to enable respondents provide responses related to variables of study. This study involved collecting empirical data on strategic management practices from the various value chain activities within the firms and analyzed the data. It aimed at providing rich detail about strategic management practice and performance of value chain activities within the firms and eventually overall performance of the firm. The mode of data collection adopted for this study was drop and pick of the questionnaires to one senior manager within the firms included in the sample size.

3.6 Data Analysis

The collected data was edited for accuracy, uniformity, consistency and completeness and arranged to enable coding and tabulation before final analysis. The qualitative data was coded and cross tabulation done to enable analysis of responses.

Factor analysis was conducted to ensure content validity while determining the relationship between strategic management practices and organizational performance of large pharmaceutical firms in Kenya. Factor analysis also enabled generation of correlation matrices whereby communalities tables were established to determine how many factors were retained. Factor rotations and scree plots of eigenvalue of the variables were used as appropriate to interpret research findings and present data collected, for ease of understanding. Descriptive statistics were also used in facilitating interpretation of the analyzed data where factor analysis was not applicable.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter deals with how the data has been analyzed and presentation of the findings. The findings have been presented in sections that cover the profile of the organizations that were included in data collection, strategic management practices as adopted by firms in the pharmaceutical industry in Kenya and the performance of these firms in terms of organizational effectiveness.

4.2 Organization profile

Questionnaires were sent to 18 large pharmaceutical firms out of which 13 responded representing a response rate of 72%. The research sought to establish the number of years these firms have been in operation and it is clear that 85% of the firms have been in operation for more than five years in this industry

Table 1: Years of operation

Years of Operation	Frequency	Percentage
1-5	2	15
6-10	4	31
11-15	1	8
16-20	1	8
Above 20 years	5	38

Overall, 38% of the firms have been in operation for over 20years. 31% for 6-10 years while 15% have been in operation for 1-5 years. 16% having been in operation 11-20years.

4.3 Strategic management practices

Part of the research objective of this study was to identify the strategic management practices adopted by the firms in pharmaceutical industry in Kenya. These strategic management practices were identified in areas that affect internal orientation of the firm, external orientation of the firm, functional integration, and institutionalization of strategic management practices, opportunity exploiting practices, threat neutralizing practices and value creating practices.

These practices have been elaborated in the ensuing subsections. Practices mostly adopted across the industry will be discussed in relation to how they affect the performance of firms.

4.3.1 Practices that enhance internal orientation

These are practices that enable a firm to give attention to its history as well as current situation, past performance, analysis of weakness and strengths. There has been agreement by respondents on strategic management practices that are widely employed in the industry by firms in order to attain internal orientation. The most employed practice is setting measurable targets such as market share, growth rate and profitability. The set goals were thought to be realistic yet challenging enough to motivate the various teams in the firm to attain these goals.

Practice such as having documented mission and vision statements, setting long-term goals, involvement of managers who are affected by the goals in the process of goal setting and decision making were analyzed as averagely being employed in the industry. There are other practices however like lack of free flow of information within the firms and the industry that largely affect internal orientation of the firm.

4.3.2 Practices that enhance external orientation

These are practices that affect the firm's ability to obtain reliable and timely information in order to learn about external environmental opportunities and threats. The most employed practices include periodic gathering and evaluating information on market and other external factors which affect the business.

There are other practices that were thought to be averagely employed within the firm such as assessing institutional factors like cost and availability of capital. Other practices involving assessing the industry as a whole in terms of new competitors and concepts, new technologies, procurement practices, price trends and labor practices. Most of the respondents indicated that comparison of operational characteristics and business performance among competitors in the industry was being practiced.

4.3.3 Practices that enhance functional integration

These are practices that influence the extend of coverage given to different functional areas with a view to integrating different functional requirements in to a strategic management perspective. The most widely employed practices to enhance functional integration in this industry were internal analysis of marketing and promotional activities, internal analysis of pricing strategy and its effect on customer behavior. It was also noted that most respondent were in agreement that this internal analysis also includes profitability factor trends, after- tax earnings, return on asset and cash flow.

4.3.4 Practice that enhance creativity in strategy implementation

This is the extend to which strategy implementation plan of actions emphasize new modes of thinking. The response from across the firm indicated that three main practices are being employed to encourage creativity within firms in this industry; these include review of strategic diagnosis that identifies key issues such as outlet expansion, profitability improvement and positioning change.

Secondly firm in this industry employ use of external and internal analyses to review their mission and goals in light of apparent threat, opportunities, strengths and weaknesses. Thirdly, analyzing market penetration options such as pricing, promotion, market expansion and segmentation. There is high eigenvalue ranking fourth, indicating use of situational diagnosis in formulating strategic plan options, use of organizational analysis to effect structural and management options e.g restructuring, purchasing competitive businesses.

In this industry, creativity seems not emphasized in some areas according to data collected during this study. There is evident lack of prioritization on effecting product and service enhancement based on various analyses. The response also indicated that there is lack of use of feasibility studies and risk-return analysis in deciding what strategic plan and strategic management practice is to be employed by the firm in this industry.

Table 2: Communalities of internal orientation practices

Factor	Initial	Extraction
reviews the mission and goals	1.000	.968
identifying key strategic issues	1.000	.968
formulate strategic plan options	1.000	.757
business performance options	1.000	.836
market penetration options	1.000	.953
structure and management options	1.000	.934
product/ service enhancement option	1.000	.853
risk/return criteria	1.000	.715

Extraction Method: Principal Component Analysis.

4.3.5 Institutionalizing strategic management practices

This is the degree of involvement of top management, board of directors, line and staff managers in strategic management planning and implementation. It seems largely agreeable among the firms in this industry that top management takes formal responsibility of strategic management practices.

It has also been agreed that the firms allocate adequate resources earmarked for implementation of strategic initiatives implementation in terms of manager's time, money and staff. All managers whose work is to be affected by strategic decisions are involved in the decision making process in this industry. It is however noted that about 23% of firms in this industry don't seem to employ a defined set of procedures in implementing strategic management practices. It is also noted that 38.5% of the firms do not prioritize strategic management practices on all the levels of management.

4.3.6 Unique opportunity exploiting strategic practices

These are practices that enable the firm to take advantage of the opportunities within its environment. According to responses from the pharmaceutical firms involved in this study, majority of the firms are offering rapid opportunity for people within the firms to take more responsibilities. There is also high eigenvalue regarding rewarding personnel as high as they would get elsewhere in the industry, second highly practiced in this industry.

It is also a widely used practice to keep customers informed of what's happening in the firm according to the data collected across the firms in the industry. It is also clear from the highest eigenvalues that developing new services that are innovative is among the top opportunity exploiting strategic practice in this industry.

There are other opportunity exploiting practices that seem less practiced within the industry thus have registered low eigenvalues upon factor analysis. Thus there seem to be lack of good training opportunities offered to employees and partners in the industry, lack of sustained motivation among employees, lack of adequate awareness creation within the markets the firms target, lack of open communication within the industry and the firms still seem to be wanting on area of fostering commitment and loyalty by customers. It is also of concern to note that data analyzed indicate that up to 69.2% of the firms do not encourage risk taking.

Table 3: Unique opportunity exploiting practices as should be prioritized

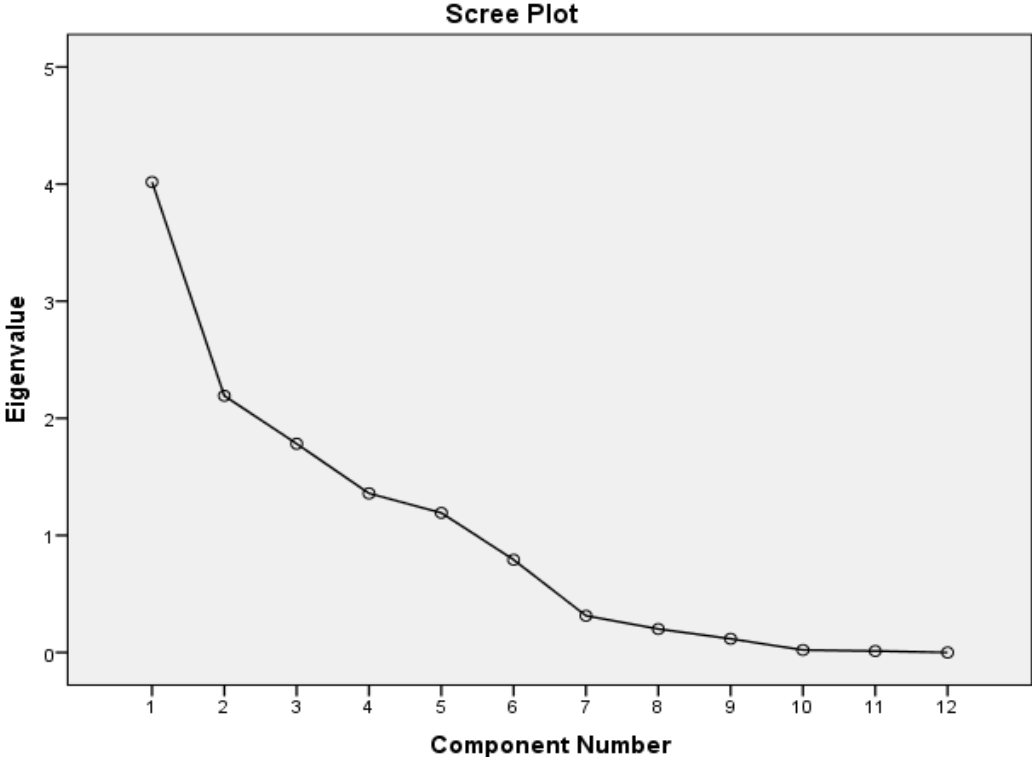
Factor	Initial	Extraction
quality leader	1.000	.972
well-known	1.000	.934
developing future leaders	1.000	.973
long term client relationships	1.000	.979
Innovative	1.000	.987
development of new services	1.000	.992
communicate openly	1.000	.951
respond quickly	1.000	.964
team players	1.000	.959
firm wide network	1.000	.963
encourage risk-taking	1.000	.966
reward our people	1.000	.990
implement effective business plans	1.000	.983
maintain a balance	1.000	.960
motivate our people	1.000	.913
cultural differences	1.000	.965
attract and retain	1.000	.986
fostering commitment and loyalty	1.000	.953
provide challenging work	1.000	.908
work to our non-partners	1.000	.978
good training opportunities	1.000	.910
rapid opportunities	1.000	.999
reward people	1.000	.994
keep our people informed	1.000	.990

Extraction Method: Principal Component Analysis.

4.3.7 Unique threat neutralizing strategic practices

These are uncommon attributes of the firms that enable it to neutralize its threats. There are several threat neutralizing practices that firms in this industry are engaging in, which upon data analysis have attained high eigenvalue, these include enhancing ability to be advisors to clients, changing the approach used to recruiting, reorganizing firms practice to serve clients better, changing current approach to targeting market segments and changing the incentive system to influence partners to act differently.

Figure 1: Scree plot of unique threat neutralizing practices



The scree plot above depicts the five factors that are accounting for the greatest variance hence highest eigenvalues. Graphically it clearly depicts on the factors that have most of factor loadings of the variance, hence isolating the key factors from among the items. Most of the factors with less factor loadings and thus lower eigen values are indicated on the scree plot as having leveled out, thus little correlation.

It is therefore notably vivid that firms in this industry have given less priority to changing approach of disseminating intelligence, and changing degree of specialization of people at any level. It is also of concern that firms are not prioritizing implementing new approaches in tracking and capitalizing on emerging client needs. The following table indicates a matrix of these factors as extracted during analysis.

Table 4: Unique threat neutralizing strategic practices

Rotated Component Matrix^a

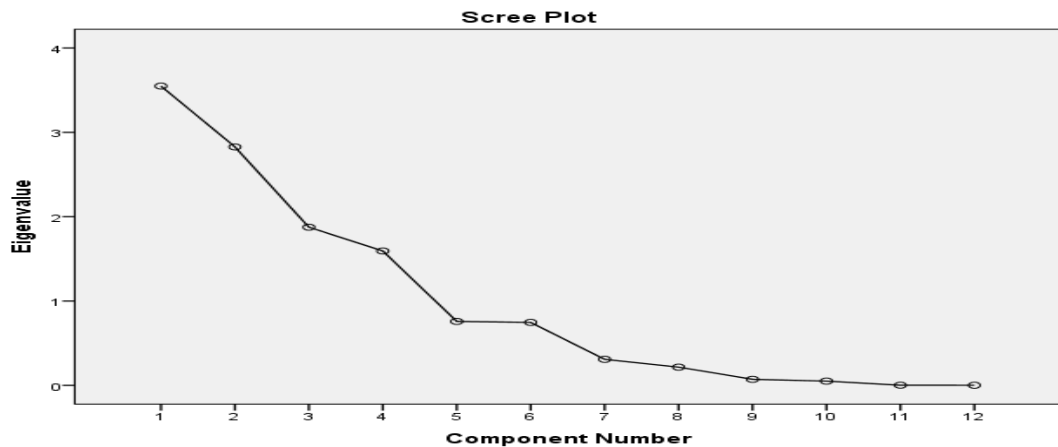
Factor	Component				
	1	2	3	4	5
Change the incentive system				.879	
Invest more in new services	-.679				
Change our approach to building new approaches in tracking disseminating intelligence recruiting patterns generate awareness	-.654		-.843	.508	.951
Reorganize our practice ability to be "advisors targeting market segments targeting specific clients degree of specialization		.944	.951	-.714	
	.942				
	.747				
		-.818			

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 8 iterations.

4.3.8 Value creating strategic practices

These are uncommon attributes of the firms that enable it to conceive and implement value creating strategies. There are several value creating practices that firms in this industry are engaging in, with focus on those that attained high eigenvalues upon factor analysis of the collected data as indicated in the following scree plot.

Figure 2: Value creating practices



The most important value creating practice is to offer quality service to customer by creating different mix of services, followed by increasing rate of skill building among partners who could be key opinion leaders in the market and employees who facilitate product promotion, marketing and eventually generate demand and service the orders from customers. The scree plot above shows how each of these variables is plotted against the eigenvalue, thus indicating the variance between the variables.

Table 5: Unique value creating practices

Rotated Component Matrix^a

Factor	Component			
	1	2	3	4
growth in profitability	-.960			
market share/growth	-.974			
rate of innovations		-.852		
Reduce cost of delivery		-.687		
level of client service				-.948
degree of specialization	.731			
integration of new technology			.718	
rate of skill building		.773		
different mix of clients	.538			.577
different mix of services		.829		
to improve employee satisfaction			-.909	
improve customer satisfaction	.662		-.511	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

The table above shows a matrix of the practices. It is clear that some practices are thought to be of least impact in value creating within the industry and these include attaining growth in profitability above historical level, market share growth, and improving employee satisfaction. It is also noted that reducing cost of delivery of product attained a low eigenvalue upon factor analysis whereby by firms don't seem to be keen on cost effectiveness in their operations.

4.4 Organizational performance

Part of the objective of this study seeks to establish how the adopted strategic management practices by firms in this industry affect performance. In the ensuing subsections, we will look at optimizing organizational effectiveness and managing strategic management practices with focus on control.

4.4.1 Optimizing organizational effectiveness

In this subsection, we will look at the practices that have been identified as optimizing organizational effectiveness and the order in which they have been prioritised by the industry. In this industry, most firms seem to be employing these practices as follows in the order of priority making highest and best use of personnel skills and capabilities as a whole, highest and best use of individual time and talent.

There are other practices however that seem not to widely employed by firms in this industry. These include efforts to cultivate next generation of leaders with the least practiced being management engaging with staff to ensure effective strategic thinking in planning, strategy formulation and implementation such as budgeting, market penetration strategies, cost cutting measures, operational strategies and logistical strategies.

Table 6: Optimizing organizational effectiveness

Factor	N	Sum	Mean	Std. Deviation
best use of personal skill	13	36	2.77	.599
best use of time	13	35	2.69	.630
Efforts to cultivate	13	34	2.62	.650
engaging with staff	13	32	2.46	.877
Valid N	13			

Upon factor analysis, the keiser-meyer-olkin measure of sampling adequacy was less 0.486, this is less than 0.50, meaning that the results of factor analysis on optimizing organizational effectiveness will not be very useful. Hence descriptive statistic such as central measure of tendencies was used to facilitate data interpretation.

4.4.2 Managing strategic plan implementation with focus on control

These are practices that are focusing on the set strategic plan, hence ensuring what the firms intend to achieve is considered before actions are taken. According to data from this study, firms in this industry have mainly prioritize three measures of control which are rewarding individuals responsible for successful performance of strategic planning and implementation , clearly assigning lead responsibility for action plan implementation to a particular person or team and developing an organized system for monitoring how well performance standards are met. Below table indicates a matrix of these factors as they have been extracted.

Table 7: Rotated component matrix on focus on control

Factor	Component	
	1	2
implementation action		.735
assign lead responsibility	.984	
resources allocated		-.735
performance standards	.753	
system for monitoring	.984	
review monitoring dat	.753	
rewarded for success	.984	

Extraction Method: Principal Component Analysis.

Rotation converged in 2 iterations

There is average practice on review of monitoring data regularly and revision of strategic decisions as appropriate. It has also been identified that firms are not prioritizing setting clearly defined and measurable performance standards for each plan element. It is also clear from the above matrix that there is lack of sufficient resource allocation for implementation of strategic management practices. This is the factor with least eigenvalue as per above table.

4.5 Strategic management practices and organizational performance

This is a focus on the firm's activities that enable it to utilize its uncommon organizational attributes to attain efficiency and effectiveness. Upon factor analysis, there are four practices that have been identified to have high eigenvalues. These include devoting enough time to practices that lead to sales growth which had 1.0 eigenvalue, followed closely by offering adequate incentive to spend time on quality products and service delivery to customers to reduce product return rate that had 0.938 eigenvalue .

There other two practices that had eigenvalue Of 0.67 and 0.624 respectively are firms having enough opportunity to propose products offerings and services to new customers and firms asserting that they are targeting the right kind of clients. These were the most applied practices in enhancing performance of the firms.

Table 8: Activities enhancing efficiency and effectiveness

	N	Sum	Mean	Std. Deviation
distinctive competence	13	38	2.92	.277
opportunities to propose to new customers	13	38	2.92	.277
existing clients	13	38	2.92	.277
well known	13	37	2.85	.555
level of repeat business	13	37	2.85	.376
brochure effective	13	37	2.85	.555
acquiring new customers	13	37	2.85	.376
firm as differentiated	13	36	2.77	.599
good job of cross-selling	13	36	2.77	.439
good at business-getting efforts are sufficiently focused	13	36	2.77	.439
targeting the right kind	12	33	2.75	.452
incentive to spend time	13	35	2.69	.480
devote enough time	13	35	2.69	.630
win an acceptable percentage	13	35	2.69	.751
"user-friendly" experience	12	32	2.67	.651
use teamwork	13	34	2.62	.506
help others	13	34	2.62	.768
ask satisfied clients	13	32	2.46	.660
too highly concentrated	13	29	2.23	.832
chase too many opportunities	13	23	1.77	.725
	13	22	1.69	.630

The response from large firms in this industry as indicated in the above table with measures of central tendency show that there are three highly employed practices that lead to efficiency and effectiveness basing on these practices getting a mean of 2.92 each out of 3. They include each firm acknowledging that they have a distinctive competency, in that they can do a markedly good job in some practices as compared to their best completion.

There is also a remarkably agreement among the respondents that firms in this industry have enough opportunities to propose their products and service offerings to new clients. The third most exercised practice that is agreed to mostly enhance efficiency and effectiveness is having existing clients as the best source of new business through repeat sales.

There are other practices that got a mean of 2.85, and seem to be practiced by some firms as well. These are four and include firms ensuring they are well known as offering best solution in the market segments they are interested in, having level of repeat business from existing customers form 50% of the total business generated, having brochures that are effective for the purpose they are meant for, and aiming at acquiring new customers every day.

It is also clear from the descriptive statistics that most firms felt that the following activities are being averagely practiced in the industry, thus having a mean of 2.77 to 2.75 out of 3. These include firm's differentiation from competition according to client's perception, cross selling to same clients by a given firm, quick business getting skills to ensure sales growth and focusing of strategic initiative efforts to new markets entered as a best opportunity for growth. There was a remarkable response regarding activities that are being poorly practiced by the firms that could improve efficiency and effectiveness of the firms if focused on.

4.5.1 Future unique opportunity exploiting practices

According to below rotational matrix from factor analysis of collected data, there are five practices firms should prioritize in order to exploit opportunities. These include educating partners and employees on importance of new business, improving on selling skills, generate public relations, cross-selling other firms products and services to existing clients and marketing to existing clients

Table 9: Unique opportunity exploiting practices

Factors	Component				
	1	2	3	4	5
skills development activities	-.810				
marketing to existing clients				.801	
increase weight given to practice				.663	-.564
development success			.646		
more people involved					.908
Improve selling skills					
Focus more time on fewer opportunities		.884			
Devote more resources to generating new opportunities		-.818			
Spend more time researching prospects	-.593				
more time on creative content				-.574	
more time on production values				-.724	
Hire different marketing specialists			-.896		
Develop new product offerings			-.955		
Cross-sell other services		.842			
Generate additional public relations	.887				
Educate partners and employees	.926				

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

4.5.2 Future unique threat neutralizing strategy

These are the unique practices that firms in this industry according to research data are indicating that they would be key in neutralizing threats in future. Upon factor analysis, the rotated matrix extracted had a determinant of 0, and the matrix was not positive definite, thus, descriptive statistics using measures of central tendency, where with mean of 3 are most to focus on and 1 being least to focus on were used.

Table 10: Suggested future threat neutralizing strategies

Factor	N	Sum	Mean	Std. Deviation
involve professionals	13	38	2.92	.277
re-allocate practice development	13	38	2.92	.277
continuously improve product knowledge and presentation skills	13	37	2.85	.555
top management involved	13	37	2.85	.376
monitoring and reporting on practice	13	36	2.77	.599
obtaining client feedback	13	35	2.69	.630
practice areas co-operate	13	34	2.62	.650
reward business getting	13	34	2.62	.506
participate in a market research	13	32	2.46	.776
time researching clients	13	32	2.46	.660
generate more work	13	32	2.46	.660
strategic considerations	13	31	2.38	.768
organize cross-disciplinary	13	30	2.31	.630
different kinds of clients	13	30	2.31	.855
write business offerings	13	29	2.23	.725
get different assign	13	29	2.23	.725
senior management	13	26	2.00	.913
too much use of standardization	13	26	2.00	.816

There is a room for change in future to improve on threat neutralizing strategies. The first two priority practices with a mean of 2.92 each include involving professionals in various areas of specialization in continuous professional development plan for the customer and reallocation of practice development efforts based upon analysis of the profitability of different kinds of work and clients.

The next two which had a mean of 2.85 out of 3 are in order of priority, are continuously improve knowledge on products and presentation skills in order to represent the company and products better to customer. The third in priority is having senior top management actively involved in practice development efforts.

There are other practices worth noting that the firms in the industry indicate would be of least priority to focus on. They include getting different assignments from those the firm is currently pursuing, which according to research data had a mean of 2.23, senior management spending more time visiting clients to obtain feedback and conduct general client relations activities which share a mean of 2 out of 3 with making too much standardization in practice development efforts that creativity is not given room.

4.5.3 Improving performance through strategic marketing Initiatives

Factor analysis was not giving meaningful output as the determinant of the matrix was 0 and the table of communalities was giving all initial factors Eigenvalue of 1, with no further extraction of factors. Measures of central tendency were therefore used with prioritized tactics have a mean of 1 with least prioritized having as 3.

The first level with most priority according to the firms in this industry is having a mean of 1.31 out of 3. They are three marketing initiatives that include supporting professional conferences in line with improving practice as well as ensuring continuing professional development, next are presentations to target customers and third in this category is participation in professional association activities.

The second level of marketing initiatives had a mean of 1.62 and 1.67. These are two marketing initiatives that would follow closely in terms of effectiveness to first level above. These include using brochure for particular service or product area and conducting free in-house seminars for existing customers.

The third level of marketing initiatives got a mean of 1.85 out of 3, and these include articles in professional journals, attendance in client industry meetings, cold calls and direct mails. These four marketing initiatives are ranked to have the same impact in marketing function of the firm as indicated by the share mean.

Table 11: Suggested strategic marketing tactics that firms should focus on

Factor	N	Sum	Mean	Std. Deviation
professional conferences	13	17	1.31	.630
Presentations to target customers	13	17	1.31	.630
Participation in professional association activities	13	17	1.31	.480
Brochures for product	13	21	1.62	.768
Free in-house seminars	12	20	1.67	.778
Articles in professional journals	13	24	1.85	.801
Cold Calls	13	24	1.85	.801
Attendance industry meetings	13	24	1.85	.689
Direct Mail	13	24	1.85	.899
Firm Brochures	13	25	1.92	.862
Speeches at client industry meetings	13	26	2.00	.816
Articles in trade press	13	28	2.15	.555
Participate in community activities	13	31	2.38	.768
Social activities with referral sources	13	31	2.38	.506
Public relations with non-client	13	31	2.38	.650
Newsletters	13	34	2.62	.650
Writing proposals	13	34	2.62	.506
Advertising in bill boards	13	39	3.00	0.000

There are other marketing initiatives that would be of least priority in this industry. These include advertising on bill boards which all the firms agreed with a mean of 3 out of three with 0 standard deviation that it would not be of benefit. This was closely followed by two marketing initiatives that seem to share a mean of 2.62 out of 3 which include newsletters and writing proposals. These would be least focus by firms in this industry.

4.5.4 Improving performance in customer service

These are activities that are indicated by the research data to impact customer service. Factor analysis conducted in this section also did not give meaningful output, hence other descriptive statistics were used. Mean score attained by each activity with 3 being most agreed upon as practiced and 1 being least agreed upon.

Customer service improving activities as they are being practiced by the firms, clearly show a total agreement among firms on the importance of documenting work activities, which has a mean of 3 out of 3 with 0 standard deviation. This then is followed by three other activities that shared a mean of 2.92 out of 3 which are showing interest in client beyond the specifics of the task allocated, making clients feel they are important to the firm and having people from the firm being accessible and ready to help a customer within 24 hours of receiving an enquiry.

The third level of activities impacting customer service shares a mean of 2.85 out of 3. They are two and include being thorough in firms approach to its work and having a good understanding of a clients business. The fourth level of activities has a mean score of 2.77 out of 3, and includes five activities namely, showing creativity in solutions proposed to customers, keeping clients informed on issues affecting their business, not wasting clients time, keeping customer sufficiently informed on progress and having communications to customer free of jargon.

Table 12: Improving customer service as a value creating activity

Factor	N	Sum	Mean	Std. Deviation
document work activities well	13	39	3.00	0.000
show an interest in the client beyond specifics of our tasks	13	64	2.92	.277
clients feel important	13	38	2.92	.277
Our people are accessible	13	38	2.92	.277
thorough in approach to work	13	37	2.85	.376
good understanding of the client's business	13	37	2.85	.376
show creativity in our proposed solutions	13	36	2.77	.439
keep the client informed on issues	13	36	2.77	.439
don't waste the client's time	13	36	2.77	.599
clients sufficiently informed	13	36	2.77	.599
Our communications are free of jargon	13	36	2.77	.439
notify the client promptly	13	35	2.69	.630
deal with problems	13	35	2.69	.630
listen well to what the client has to say	13	35	2.69	.480
up to date on what's going on in the client's world	13	34	2.62	.650
don't jump to conclusions too quickly	13	34	2.62	.650
helpful in redefining the client's view	13	34	2.62	.506
helpful in diagnosing the issues	13	34	2.62	.506
give good explanations	13	34	2.62	.506
let the client know in advance	13	34	2.62	.768
involve the client at major	13	34	2.62	.650
make it our business to understand	13	33	2.54	.660
don't wait for the clients to initiate	13	33	2.54	.519
keep our promises on deadlines	13	31	2.38	.768
offer less than 24 hour supply	12	25	2.08	.900
Valid N (listwise)	12			

CHAPTER FIVE

SUMMARY, DISCUSSION AND CONCLUSIONS

5.1 Introduction

This chapter relates the findings of the research study to the objectives of the study. It comprises of the summary of the findings, discussions of the research findings in relation to similar studies and conclusions. It also highlights limitations of the research study and the recommendations for further research.

5.2 Summary

The objective of this study was to determine how strategic management practices adopted by large pharmaceutical firms in Kenya affect their performance. The analysis of the findings has therefore been made within the context of this research objective.

The study found out that firms that are applying strategic management practices are more willing to innovate, are better prepared to take risks and are more proactive than competitors. In view of resources that are inimitable, durable, appropriate, sustainable and offer a firm a competitive superiority, strategic management practices adopted by firm were found to determine decision on the resources a firm invests in, capability to deploy and co-ordinate these resources in order to position the firm strategically for improved performance in the industry.

The study also identified strategic management practices that enable firms operate with efficiency and effectiveness. These practices include the ability of the firm to identify its distinctive competency which is as a result of rare resources, having enough opportunities to propose products offering to new clients and having existing clients as best source of new business through repeat sales.

5.3 Discussion

The study established that large pharmaceutical firms have been employing strategic management practices that enhance internal orientation, external orientation, value creation, opportunity exploitation and threat neutralizing. There are also practices that are aimed at attaining functional integration in order to facilitate internal business co-ordination.

The most employed practices to enhance internal orientation are having measurable targets where by most organizations ensure actual performance is measured. This is in agreement with the findings of Euro found (2009), which indicates that employing strategic management practices leads to action, builds vision that is value based and allows involvement and participation of both the board and staff. It therefore enhances internal orientation.

The most implemented practice that enhances external orientation by large pharmaceutical firms is market analysis. This finding is also in congruency with Akomeah and Yeboahs (2011), finding in their study of the pharmaceutical industry in Ghana, which indicated better performing firms to have adopted strategic management practices that enhanced intelligence generation and dissemination to enable firms respond better to opportunities and thus realize improved performance.

Among practices that encourage creativity in strategic options implementation, most prioritized practices include establishing market penetration options, business performance options, and identifying key strategic issues. This finding is similar to the finding of Curado (2006), which indicated that firms that employed strategic management practice as a culture integrated knowledge based decision making for better performance of the firm. It is evident that employing strategic management practices gives room for creativity within the firm in all decision making processes thus agreeing with Bresser and Bishop (2003), that strategic choice in the firm is as a result of the best mind inside the firm. This is an invaluable resource to a firm.

It is the view of this study that top executives take formal responsibility for strategic management practices within most firms in this industry. It is however of concern that practices aimed at implementing strategic initiatives do not get prioritized at all levels of the firm. It is important to note that market intelligence is a resource that should inform decision making and reduce uncertainty (Bracker, 2008). This indicates a positive relationship between strategic management practices and performance.

There are practices that have been indicated in the study to positively impact on the performance of the firm. Large pharmaceutical firms have been practicing some of these such as utilizing firm wide network to grow sales as well as riding on brand recognition. These practices are quick wins in driving sales within the industry.

It is however noticeable those firms do not quickly respond to changing client needs, and that they rarely have effective business plans. This requires balanced performance monitoring as indicated by Kaplan and Norton (2004), whereby firms performance is checked against four key functions of the firm thus Customer Service, Internal operation, learning and development as well as finance. This ensures that firms improvements in performance across all the key functional areas is closely monitored and avoids neglecting functions that otherwise drag the firm performance down despite much effort on marketing activities.

Most firms have indicated that they are not good in business getting a practice that is key in ensuring sales growth. Improving selling skills should be the practice to focus on henceforth in order to enable firms translates most of the opportunities they are pursuing in to sales. This would be essential according to Covin and Slevin (1991), who indicated that enterprenual strategic orientation within the firm, serves as a competitive edge thus enabling a firm to perform better.

5.4 Conclusion

The study found out that although strategic management practices are being implemented by large pharmaceutical firms improvement is needed on how firms identify their rare resources and deploy them. Ways shown to improve performance according to this study includes adopting strategic management practice that give firms unique opportunity exploiting capabilities. These practices as identified by this study would include educating employees on importance of new business, improving selling skills of employees, generating public relation, and marketing and cross selling firms products to existing customers. This study agrees with Conner & Prahalad (1996) on firms capabilities being information based and intangible yet greatly impacting firms performance.

In order to neutralize threats, this study has shown that firms would perform better if they involve professional expertise in various areas of specialization to conduct continuous professional development practices. It will also be of better outcome if resources are reallocated to practice developmental efforts that give returns to the business. Firms ought to enhance the product knowledge of its personnel who go to the market to represent the firm and its products as well as enhance presentation skills of these personnel.

This study has also outlined some of the strategic marketing initiatives that when adopted in firms practice, there is effectiveness in the firms marketing activities, hence better performance of the firm. These include firms supporting professional conferences that are of interest to their practice, presenting products to target customers and participation in professional association activities. Second in effectiveness is use of product brochure and free involvement in seminars for existing customers. It is worth noting that though mostly practiced by firms, the effectiveness of cold calls, direct mails and attending to client industrial meeting has been noted to be lesser effective in realizing better performance of firms in this industry. Just like Akomea & Yeboah (2011) it emphasizes market orientation.

5.5 Recommendation on Policy, Theory and Practice

The findings of the study show that firms are not prioritizing situational diagnosis to inform their choice of initiatives to pursue and eventually not informing strategic management practices. This largely is attributed to lack of free flow of information in the industry. It is therefore the intend of this study to inform policy makers on the value of enhancing policies that facilitate free flow of information within the Pharmaceutical industry in Kenya to facilitate timely information to the firms for necessary action. This will enable firms gain access to vital information that enable them to carry out situational diagnosis hence inform their decision making on strategic management practices.

This study found out that activities such as improving selling skills for its employees, continuously developing practice by its partners who influence the general practice in the industry are key in ensuring firms performance in terms of market share growth and profitability are achieved. This informs the theory of resource base view that knowledge is a key resource and agrees with the findings of Curado (2006), in that knowledge integrated in practices, informing decision making and actions taken is a rare resource for a firm. This can be developed through organizational learning, and selling skills is one of the major skills needed in this industry according to this study findings.

The study seeks to inform the practice of firms in this industry to work on engaging in strategic initiatives across the functions especially in marketing and customer service. Attention should be focused on initiatives such as building distinctive competencies, improving selling skills of its employees and devoting more resources to strategic initiatives implementation.

Practices such as most effective marketing activities that ought to be prioritized include actively participating in professional conferences and professional association's activities, as well as presenting to target groups should be prioritized. Holding free in-house seminars for the target professionals would be of positive impact too in generating sales according to the study findings. It is of unanimous agreement within the industry that all work should be properly documented. It is also of great impact to show interest to clients beyond the specifics of task and make them feel important.

5.6 Limitations of the study

This study was aiming at focusing on large pharmaceutical in Kenya with the view of generalizing findings to the entire industry in Kenya. Most of the large pharmaceutical firms are situated within Nairobi, thus data was collected from firms mainly in Nairobi. It is therefore expected that the findings of this study are generalized across the industry for all pharmaceutical manufacturers and distributors who form large pharmaceutical firms, and are the target population for this study.

5.7 Suggestion for further research

The study suggests that a follow-up study be carried out within entire pharmaceutical industry in Kenya to determine strategic management practices and their effect on financial performance of the firms in this industry. The follow-up study should also document effects of the findings of this study in firms practice in future, upon implementation of the recommendations herein by firms.

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APPENDICES

Appendix I: Questionnaire for senior management team

Section A

Kindly answer the following questions by providing the appropriate information or by

Ticking

1. Name of your firm.....
2. Number of years in existence in pharmaceutical industry.....
3. Please indicate how you get your products for sale:-
 - i) Manufacture ()
 - ii) Importation as authorised distributor for multinational company ()
 - iii) Buy from local importers/ distributors for supply to end users ()

Section B

Indicate your agreement or disagreement by scoring each of the following question using the following scale: 1 (strongly disagree); 2 (somewhat disagree); 3 (neither agree nor disagree); 4 (somewhat agree); 5 (strongly agree).

		1	2	3	4	5
1	Your firm is actively employing strategic management practices					
2	Your firm has formal documentation of vision and mission statements					
3	Formulation of mission statement and vision statement involved top, middle and operational level of management					
4	The firm has long term goals of at least 3 years and beyond to guide its strategic management practices					
5	The goals list quantified, measurable targets (e.g., volume, market share, growth					

Appendix I: Questionnaire for senior management team continued

	rate, profitability)?					
6	The goals specify targets by Customer service, efficiency of operations, attaining new customers, retaining old customers?					
7	There is fairly free flow of information within pharmaceutical industry regarding market activities by other firms.					
8	The goals list quality, time frame, and cost targets that are observable or measurable.					
9	the goals appear realistic yet challenging, based upon experience and/or research.					
10	the organization systematically measure actual performance versus goals					
11	management and staff whose responsibilities are affected by the goals participate in setting goals					
12	The organisation analyzes its own business objectively					
	Institutionalising strategic management practices					
13	Top executives take formal responsibility for the organizations strategic management practices.					
14	strategic management practices such as strategic initiatives to implement strategic plans, strategic decision making based on opportunities and threats identified are prioritized at all levels of management on daily basis					
15	The firm provides resources (managers' time, money,					

Appendix I: Questionnaire for senior management team continued

	Support Staff t, etc.) Earmarked specifically for implementation of strategic initiatives based on strategic plan?					
16	The organization follow a defined set of procedures in its implementation of strategic management practices					
17	All managers whose work might be affected significantly by strategic planning participate in the planning process, to facilitate implementation of the strategic Initiatives.					
	Conducting the Strategic Situational Diagnosis?(External Orientation)					
18	The organization periodically gather and analyze data about market and other external factors which affect the business.					
19	The external/market analysis identify key threats to the Business as well as key opportunities					
20	The analysis include detailed analysis of market or other geographic and/or demographic and/or psychographic segments					
21	The business' performance and operational characteristics compared with those of competitors					
22	Demographic, behavioural, and other consumer trends analyzed					
22	The organization assess the industry as a whole in terms of new competitors and concepts, new technologies, procurement					

Appendix I: Questionnaire for senior management team continued

	practices, price trends, labour practices, e					
23	the organization assess institutional factors such as cost and availability of capital, government regulations and the economy					
24	The organization have knowledge of and access to sources of information about the industry, markets, and other external factors					
25	this internal analysis identify key strengths and weaknesses in the organization					
	Functional Coverage					
26	internal analysis include profitability factor trends, e.g., after- tax earnings, return on assets, cash flow					
27	internal analysis include Marketing and promotional activities					
28	Internal analysis includes pricing strategy and its effects on customer behaviour					
29	Internal analysis includes quality of customer service and customer satisfaction/ loyalty/ defection data					
30	The organization assess its human resource development and management programs					
31	The organization's management information system provide relatively easy access to the internal data discussed above					
	Creativity in Strategic Planning and Implementation					
32	After completing its external and internal analyses the organization reviews the mission and goals in light of					

Appendix I: Questionnaire for senior management team continued

	the apparent threats/ opportunities and strengths/ weaknesses					
33	Based upon such a review, the strategic diagnosis culminate in identifying key strategic issues, e.g., outlet expansion, profitability improvement, positioning change					
34	The organization uses the strategic (situational) diagnosis to formulate strategic plan options basing on strategic initiatives					
35	Based on such analyses, the organisation consider business performance options, e.g., cost reduction, alternative suppliers and production improvements					
36	Based on such analyses, the organisation considers market penetration options, e.g., pricing ,promotion, market expansion, segmentation.					
37	Based on such analysis the organisation considers organizational structure and management options, e.g., restructuring, purchasing competitive businesses					
38	Based on such analyses, the organization consider product/ service enhancement option.					
39	The organization decides its strategic plan and strategic management practices based on feasibility and risk/return criteria					
	Managing Strategic Plan Implementation (Focus on control)					
40	The organization make strategic decisions (implementation action plans) based upon the strategic plan					

Appendix I: Questionnaire for senior management team continued

41	The organization clearly assign lead responsibility for action plan implementation to a person or, alternately, to a team.					
42	Sufficient resources allocated for implementation of strategic management practices					
43	The organization set clearly defined and measurable performance standards for each plan element					
44	The organization develop an organized system for monitoring how well those performance standards were met					
45	The organization review monitoring data regularly, and revise strategic decisions as appropriate					
46	Individuals responsible for strategic planning and implementation rewarded for successful performance					
	Optimizing Organisation Effectiveness					
47	The highest-and-best use made of individual time and talent					
48	The highest-and-best use made of personnel Skills and capabilities as a whole					
49	Efforts to cultivate the next generation of leaders are effective					
50	The management engaging with staff to effective strategic thinking in planning, strategy formulation and implementation and e.g. Budgeting, market penetration strategies, Cost cutting measures, operations and logistics					

Appendix I: Questionnaire for senior management team continued

C) Following are some statements about some of the firm's goals. Please rate how well the firm is achieving each goal on the following scale:

1 = not at all, 2 = a little, 3 = we're OK, 4 = we're doing well, 5 = we excel at this, N/A= not applicable

1	Clients perceive us as the quality leader in the areas in which we practice	NA	1	2	3	4	5
2	We are well-known among the market segments we are interested in	NA	1	2	3	4	5
3	We are good at developing future leaders for our practices	NA	1	2	3	4	5
4	We establish and maintain strong long term client relationships	NA	1	2	3	4	5
5	We are innovative in the services we bring to market	NA	1	2	3	4	5
6	We invest sufficient time and money in the development of new services	NA	1	2	3	4	5
7	We communicate openly and honestly with our people	NA	1	2	3	4	5
8	We respond quickly to changing client needs	NA	1	2	3	4	5
9	We function well as team players	NA	1	2	3	4	5
10	We take advantage of our firm wide network	NA	1	2	3	4	5
11	We encourage risk-taking	NA	1	2	3	4	5

Appendix I: Questionnaire for senior management team continued

12	We reward our people for their performance	NA	1	2	3	4	5
13	We develop and implement effective business plans	NA	1	2	3	4	5
14	We maintain a balance between short term and long term	NA	1	2	3	4	5
15	We motivate our people to do the best possible job for clients	NA	1	2	3	4	5
16	We are sensitive to local and cultural differences between practice areas	NA	1	2	3	4	5
17	We attract and retain our fair share of the best individuals	NA	1	2	3	4	5
18	We are successful in fostering commitment and loyalty	NA	1	2	3	4	5
19	We provide challenging work to our partners	NA	1	2	3	4	5
20	We provide challenging work to our non-partners	NA	1	2	3	4	5

Appendix I: Questionnaire for senior management team continued

21	We provide good training opportunities to improve skills	NA	1	2	3	4	5
22	We provide rapid opportunities to take on more responsibilities	NA	1	2	3	4	5
23	We reward people at levels at least as high as they could obtain elsewhere	NA	1	2	3	4	5
24	We keep our people informed about what is happening in the firm	NA	1	2	3	4	5

Appendix I: Questionnaire for senior management team continued

D) Please rank the following actions according to the degree to which you think your organization should give them priority. Put a "1" by the action that you think that this should be given most attention to, and a "12" by the action we should give least attention to.

PLEASE RANK ALL ACTIONS, NO TIES, PLEASE.

		RANK
1	Change the incentive system to influence partners to act differently	
2	Invest more in new services development	
3	Change our approach to building knowledge and skills: in technical matters, knowledge of clients' business, consultation skills	
4	Implement new approaches in tracking and capitalizing on emerging client needs	
5	Change our approach to disseminating intelligence on market needs around the practice	
6	Change our recruiting patterns to obtain the right non-partners for our current and future practice	
7	Change the means by which we generate awareness of our capabilities	
8	Reorganize our practice to serve our clients better	
9	Enhance our ability to be "advisors" to our clients	
10	Change our current approach to targeting market segments	
11	Change our approach to targeting specific clients	
12	Change the degree of specialization of our people (at any level)	

Appendix I: Questionnaire for senior management team continued

E) All of the following goals are important. However, to the extent possible, please rank order their importance in your mind, as a guide to what you think the firm should focus on in the next few years. Which measures of success would you put as high priority, and which is the one that should get the least (direct) attention? A "1" means this goal is most important, and a "12" means least important.

PLEASE RANK ALL, NO TIES.

(This will be tough, because many goals are consequences of others: but that's part of the point. what do you prefer should be prioritized?)

Please remember, A "1" means this goal is most important, and a "12" means least important.

		RANK
1	Increase growth in profitability above historical levels	
2	Increase market share/growth rate above historical levels	
3	Increase rate of innovations brought to market	
4	Reduce cost of delivery on existing services	
5	Increase level of client service	
6	Increase degree of specialization by partners	
7	Speed up the integration of new technology in our firm	
8	Increase rate of skill building among non-partners and partners	
9	Change qualitative mix of practice,(different mix of clients)	
10	Change qualitative mix of practice,(different mix of services)	
11	Find new ways to improve employee satisfaction and motivation	
12	Find ways to improve customer satisfaction and motivation	

Appendix I: Questionnaire for senior management team continued

F) Here is the same list of goals. This time, please give each practice or objectives one of three scores:

1 = Important; 2 = Very important; 3 = Critically Important

Here's the catch: *please give exactly eight 1's, eight 2's and eight 3's!*

		RANK
1	Clients perceive us as the quality leader in the areas in which we practice	
2	We are well-known among the market segments we are interested in	
3	We are good at developing future leaders for our practices	
4	We establish and maintain strong long term client relationships	
5	We are innovative in the services we bring to market	
6	We invest sufficient time and money in the development of new services	
7	We communicate openly and honestly with our people	
8	We respond quickly to changing client needs	
9	We function well as team players	
10	We take advantage of our firm wide network	
11	We encourage risk-taking	
12	We reward our people for their performance	
13	We develop and implement effective business plans	
14	We maintain a balance between short term and long term	

Appendix I: Questionnaire for senior management team continued

15	We motivate our people to do the best possible job for clients	
16	We are sensitive to local and cultural differences between practice areas	
17	We attract and retain our fair share of the best individuals	
18	We are successful in fostering commitment and loyalty	
19	We provide challenging work to our partners	
20	We provide challenging work to our non-partners	
21	We provide good training opportunities to improve skills	
22	We provide rapid opportunities to take on more responsibilities	
23	We reward people at levels at least as high as they could obtain elsewhere	
24	We keep our people informed about what is happening in the firm	

G) The Firm's Activities

Indicate your agreement or disagreement by scoring each question using the following scale: 1 (strongly disagree); 2 (somewhat disagree); 3 (neither agree nor disagree); 4 (somewhat agree);5 (strongly agree).

Appendix I: Questionnaire for senior management team continued

1	We devote enough time to practices that lead to sales growth	1	2	3	4	5
2	We aim at acquiring new customers every day	1	2	3	4	5
3	There is enough incentive to spend time on quality product and service delivery to customer to reduce product return rate	1	2	3	4	5
4	Our existing clients represent the best source of new business for us through repeat sales	1	2	3	4	5
5	In this firm, those who are good at strategic management practice development help others acquire the necessary skills to ensure defects are minimized in serving the customer	1	2	3	4	5
6	We have enough opportunities to propose our product offerings and services to new clients	1	2	3	4	5
7	We win an acceptable percentage of those opportunities we choose to pursue	1	2	3	4	5

Appendix I: Questionnaire for senior management team continued

8	We use teamwork well in servicing orders from clients to ensure order cycle time of 24 hours	1	2	3	4	5
9	We chase too many opportunities (We should pursue fewer with more concentrated effort)	1	2	3	4	5
10	Our brochure(s) is/are effective for the purposes it is (they are) meant to serve	1	2	3	4	5
11	We have a distinctive competence - in some things we can do a markedly better job than our best competition	1	2	3	4	5
12	We do a good job in ensuring that, for the client, using us is a comfortable, supportive "user-friendly" experience	1	2	3	4	5
13	We frequently ask satisfied clients to refer us business	1	2	3	4	5
14	Our level of repeat business from existing clients is over 50% of our total business generated	1	2	3	4	5
15	We do a good job of cross-selling in this firm	1	2	3	4	5

Appendix I: Questionnaire for senior management team continued

16	Clients perceive our firm as differentiated from our major competitors in significant ways	1	2	3	4	5
17	We are targeting the right kind of clients	1	2	3	4	5
18	Our strategic initiative efforts are sufficiently focused on new markets entered as a best opportunity for growth	1	2	3	4	5
19	We are well known in those market segments in which we are interested as a firm offering best solution to customer through our new products developed to meet customer identified needs	1	2	3	4	5
20	Practice development skills in this firm are too highly concentrated in a few people	1	2	3	4	5
21	Being good at business-getting is important in ensuring sales growth for this firm	1	2	3	4	5

H)Possible Changes

Indicate your agreement or disagreement by scoring each question using the following scale: 1 (strongly disagree); 2 (somewhat disagree); 3 (neither agree nor disagree); 4 (somewhat agree); 5 (strongly agree).

Appendix I: Questionnaire for senior management team continued

1	We should be trying to get different kinds of assignments than those we currently do	1	2	3	4	5
2	We should be trying to get different kinds of clients	1	2	3	4	5
3	We need to reward business getting more	1	2	3	4	5
4	We need to re-allocate our practice development efforts based upon an analysis of the profitability of different kinds of work and different kinds of clients	1	2	3	4	5
5	We should formally organize cross-disciplinary teams to market to specific industries	1	2	3	4	5
6	In our procedures for accepting new business we should rely more strategic considerations rather than profitability, i.e. turn down some business on grounds of strategic alignment with rest of the business other than conflicts or credit risk	1	2	3	4	5

Appendix I: Questionnaire for senior management team continued

7	The senior management spends more time visiting the clients to obtain feedback and conduct general client relations activities	1	2	3	4	5
8	We organize more formally to develop explicit "client level" practice development plans to generate more work from key existing clients	1	2	3	4	5
9	We have a system for routinely obtaining client feedback on their satisfaction with our products	1	2	3	4	5
10	We spend more time researching clients before proposing product offerings	1	2	3	4	5
11	We have a system for monitoring and reporting on practice development efforts as well as results	1	2	3	4	5
12	Our senior top management should be actively be involved in our practice development efforts	1	2	3	4	5

Appendix I: Questionnaire for senior management team continued

13	Our different practice areas co-operate better in the development and execution of marketing activities for the firm	1	2	3	4	5
14	Our firm and its business partners involve professionals in various areas of specialization in continuous professional development plan for the customer	1	2	3	4	5
15	We continuously improve on our product knowledge and presentation skills in order to represent our company and products better to customers	1	2	3	4	5
16	We need to rethink how we write business offerings and quotations	1	2	3	4	5
17	We make too much use of standardized materials in our practice development efforts that creativity is not given room	1	2	3	4	5
18	We conduct and/or participate in a market research effort to study client perceptions of our "Image "	1	2	3	4	5

Appendix I: Questionnaire for senior management team continued

I) Strategic initiative marketing tactics

Here is a list of possible practice development tactics. Taking into account both out-of-pocket costs and the costs of time invested, please rank these items in the order that you think we should be increasing our investment and level of activity. Place a "1" by the six tactics you think your firm is focusing on most, a "2" by the six tactics next in priority, and a "3" by the six tactics of least importance.

PLEASE ASSIGN EXACTLY SIX "1's", SIX "2's", and SIX "3's".

1	Newsletters	1	2	3
2	Firm Brochures	1	2	3
3	Brochures for particular service areas	1	2	3
4	Support professional conferences in line with improving practice as well as ensuring continuing professional development.	1	2	3
5	Participate in community activities such as medical camps in churches, boards, Schools, co-operate health and safety programs, and civic activities)	1	2	3
6	Free in-house seminars for existing clients	1	2	3
7	Social activities with referral sources ("networking") such as supporting screening for health conditions and health talks in hospitals through organized community activities	1	2	3
8	Advertising in bill boards, newspapers, Television among other mass media	1	2	3
9	Public relations with non-client as a good citizen practice e.g. through social co-operate responsibilities	1	2	3
10	Articles in trade press of client industries	1	2	3
11	Articles in professional journals	1	2	3

Appendix I: Questionnaire for senior management team continued

12	Writing proposals	1	2	3
13	Presentations to target customers	1	2	3
14	Speeches at client industry meetings	1	2	3
15	Attendance at client industry meetings (when not on program)	1	2	3
16	Cold Calls	1	2	3
17	Direct Mail	1	2	3
18	Participation in professional association activities	1	2	3

J) Possible Routes To Success

Listed below are some ways to improve practice development success. Place a "1" by the five tactics you think your firm should focus on most, a "2" by the five tactics next in priority, and a "3" by the five tactics of least importance.

PLEASE ASSIGN EXACTLY FIVE "1's", FIVE "2's", and FIVE "3's".

1	Spend more time and money on skills development activities	1	2	3
2	Reallocate more time to marketing to existing clients, and less on new prospects	1	2	3
3	Change reward system to increase weight given to practice development success	1	2	3
4	Get more people involved in knowledge, attitude and practice development activities	1	2	3
5	Improve selling skills	1	2	3
6	Focus more time on fewer opportunities	1	2	3

Appendix I: Questionnaire for senior management team continued

7	Devote more resources to generating new opportunities to present/propose/pitch	1	2	3
8	Spend more time researching prospects and their business	1	2	3
9	Spend more time on creative content of presentations/proposals/pitches	1	2	3
10	Spend more time on production values of presentations/proposals/pitches	1	2	3
11	Hire additional/different marketing specialists	1	2	3
12	Develop new services and product offerings	1	2	3
13	Cross-sell other services	1	2	3
14	Generate additional public relations for the office	1	2	3
15	Educate partners and employees in importance of new business	1	2	3

K) This section is related to the way as a firm you deal with clients.

Indicate your agreement or disagreement by scoring each question using the following scale: 1 (strongly disagree); 2 (somewhat disagree); 3 (neither agree nor disagree); 4 (somewhat agree); 5 (strongly agree).

Appendix I: Questionnaire for senior management team continued

1	Our people are accessible and ready to help a customer within 24 hours of receiving an enquiry						
2	We offer less than 24 hour supply within Kenya daily						
3	We keep our promises on deadlines						
4	Our communications are free of jargon						
5	We keep clients sufficiently informed on progress						
6	We have a good understanding of the client's business						
7	We listen well to what the client has to say						
8	We involve the client at major points in the engagement						
9	We let the client know in advance what we're going to do						
10	We don't waste the client's time						
11	We keep the client informed on issues affecting their business						
12	We make our clients feel as if they're important to us						

Appendix I: Questionnaire for senior management team continued

13	We show an interest in the client beyond the specifics of our tasks						
14	We don't wait for the clients to initiate everything, we anticipate						
15	We give good explanations of what we've done and why						
16	We deal with problems in our relationships openly and quickly						
17	We notify the client promptly of changes in scope, and seek approval						
18	We are thorough in our approach to our work						
19	We show creativity in our proposed solutions						
20	We document our work activities well						
21	We are helpful in diagnosing the issues in the client situation						
22	We are helpful in redefining the client's view of his situation						
23	We don't jump to conclusions too quickly						
24	We make it our business to understand the client company						
25	We are up to date on what's going on in the client's world						

Appendix II: Large pharmaceutical firms in Kenya

Pharmaceutical manufacturers and distributors in Kenya		
	Name	City/Town
1.	Interlake Pharmaceuticals Co.Ltd	Kakamega
2.	Piochem Ltd	Eldoret
3.	Nakuchem (K) Ltd	Nakuru
4.	Kentons Pharmaceuticals	Kisumu
5.	Laborex Kenya Ltd Kisumu	Kisumu
6.	Harley's Ltd	Kisumu
7.	Galaxy Pharmaceuticals Ltd Kisumu	Kisumu
8.	Neema Pharmaceuticals Ltd	Embu
9.	Spectropharm Ltd	Mombasa
10.	Shifa Chem Ltd	Mombasa
11.	Kadunguni Pharmacy Ltd	Mombasa
12.	Laborex Kenya Ltd Mombasa	Mombasa
13.	C. Mehta Co. Ltd	Mombasa
14.	Thika Pharmaceuticals	Thika
15.	Nairobi Enterprises Ltd	Kikuyu
16.	Medisel (K) Ltd	Thika
17.	Eastern Region Pharmaceuticals	Kerugoya
18.	Central Drug Company Ltd	Nyeri

Appendix II: Large pharmaceutical firms in Kenya continued

19.	Betroy Pharmaceuticals	Karatina
20.	Zadchem Pharmacy Ltd	Nairobi
21.	Wockaine (INT) Ltd	Nairobi
22.	Wellmed Pharmaceuticals Ltd	Nairobi
23.	Wessex Pharmaceuticals Ltd	Nairobi
24.	Veteran Pharmaceuticals Ltd	Nairobi
25.	Universal Pharmacy Ltd	Nairobi
26.	Uni Supplies & Marketing (K) Ltd	Nairobi
27.	Unisel Pharma (K) Ltd	Nairobi
28.	Twokay Chemicals Ltd	Nairobi
29.	Trinity Pharma Ltd	Nairobi
30.	Transwide Pharmaceuticals	Nairobi
31.	Transchem Pharmaceuticals Ltd	Nairobi
32.	Temple Stores Pharmaceuticals	Nairobi
33.	Syner-Med Pharmaceuticals (K) Ltd	Nairobi
34.	Surgipharm Ltd	Nairobi
35.	Syner-Chemie Ltd	Nairobi
36.	Surgilinks Ltd	Nairobi
37.	Sunpar Pharmaceuticals Ltd	Nairobi
38.	Sunnyland Pharmaceuticals Ltd	Nairobi
39.	Statim Pharmaceuticals Ltd	Nairobi

Appendix II: Large pharmaceutical firms in Kenya continued

40.	Sphinx Pharmaceuticals Ltd	Nairobi
41.	Sky Pharmacy Ltd	Nairobi
42.	Simba Pharmaceuticals Ltd	Nairobi
43.	Sanofi Aventist	Nairobi
44.	Sai Pharmaceuticals Ltd	Nairobi
45.	Saicare Enterprises Ltd	Nairobi
46.	Rup Pharm Ltd	Nairobi
47.	Roche Products Ltd	Nairobi
48.	Regal Pharmaceuticals Ltd	Nairobi
49.	Rangechem Pharmaceuticals Ltd	Nairobi
50.	Ran Baxy Laboratories Ltd	Nairobi
51.	Radiance Pharmaceuticals Ltd	Nairobi
52.	Phillips Pharmaceuticals Ltd	Nairobi
53.	Phillips Healthcare	Nairobi
54.	Pharmaceutical Manufacturing Company (K) Ltd	Nairobi
55.	Pharma Specialities	Nairobi
56.	Pharm Access Africa	Nairobi
57.	Pfizer Laboratories Ltd	Nairobi
58.	Pan Pharmaceuticals Ltd	Nairobi
59.	Omaera Pharmaceuticals Ltd	Nairobi
60.	Novelty Manufacturing Ltd	Nairobi
61.	Norvatis Pharms Services	Nairobi

Appendix II: Large pharmaceutical firms in Kenya continued

62.	Norbrook Kenya Ltd	Nairobi
63.	Nairobi Pharmaceuticals (K) Ltd	Nairobi
64.	Nairobi Medical Stores	Nairobi
65.	Monks Medicare Africa Africa Ltd	Nairobi
66.	Modupharma Ltd	Nairobi
67.	Mission For Essential Drugs & Supplies (MEDS)	Nairobi
68.	Metro Pharmaceuticals Ltd	Nairobi
69.	Medox Pharmaceuticals Ltd	Nairobi
70.	Medivet Products Ltd	Nairobi
71.	Maxim Pharmaceuticals Ltd	Nairobi
72.	Manhar Brothers (K) Ltd	Nairobi
73.	Madawa Pharmaceuticals Ltd	Nairobi
74.	Mac Naughton Ltd	Nairobi
75.	Mac Lawrence Pharmaceuticals Co. Ltd	Nairobi
76.	MS Pharma	Nairobi
77.	Lukim Pharmaceuticals Agencies Ltd	Nairobi
78.	Lords Healthcare Ltd	Nairobi
79.	Leo Pharmaceuticals	Nairobi
80.	Laxcon Pharmaceuticals Ltd	Nairobi
81.	Laborex Kenya Ltd	Nairobi

Appendix II: Large pharmaceutical firms in Kenya continued

82.	Laboratory & Allied Ltd	Nairobi
83.	Kulal International Ltd	Nairobi
84.	Kruger Kent Pharmaceuticals	Nairobi
85.	Ken-Bangla Pharmaceuticals Ltd	Nairobi
86.	KAM Pharmacy (Wholesale) Ltd	Nairobi
87.	Jos Hansen & Soehne (EA)	Nairobi
88.	Jaskam & Company Ltd	Nairobi
89.	Isis Africa	Nairobi
90.	IPA Laboratories Ltd	Nairobi
91.	Infusion Kenya Ltd	Nairobi
92.	Highridge Pharmacy Wholesale Ltd	Nairobi
93.	Highchem Pharmaceuticals Ltd	Nairobi
94.	Healthcare Direct (K) Ltd	Nairobi
95.	Haripharm Pharmaceuticals Ltd	Nairobi
96.	Goodman Agencies Ltd	Nairobi
97.	Global Net Medical Ltd	Nairobi
98.	Globe Pharmacy Ltd	Nairobi
99.	Glenmark Pharmaceuticals Ltd	Nairobi
100.	GlaxoSmithKline	Nairobi
101.	Giant Pharmaceuticals Ltd	Nairobi
102.	Gesto Pharmaceuticals Ltd	Nairobi

Appendix II: Large pharmaceutical firms in Kenya continued

103.	Galaxy Pharmaceuticals Ltd	Nairobi
104.	Framin Kenya Ltd	Nairobi
105.	FAW Pharmaceuticals Ltd	Nairobi
106.	Eurox Pharmaceuticals Ltd	Nairobi
107.	Europa Healthcare Ltd	Nairobi
108.	Elys Chemical Industries Ltd	Nairobi
109.	Eros Ventures Ltd	Nairobi
110.	Deutsche Healthcare (K) Ltd	Nairobi
111.	Depo Pharma Ltd	Nairobi
112.	Dawaline Pharmaceuticals (K) Ltd	Nairobi
113.	Dawa Pharmaceuticals Ltd	Nairobi
114.	Cosmos Ltd	Nairobi
115.	Comet Healthcare Ltd	Nairobi
116.	Cadila Pharmaceuticals (E.A) Ltd	Nairobi
117.	C. Mehta & Co. Ltd	Nairobi
118.	Boehringer Ingelheim Division Jos Hansen & Soehne (EA) Ltd	Nairobi
119.	Bio-Medical Laboratories Ltd	Nairobi
120.	Biodeal Laboratories Ltd	Nairobi
121.	Beta Healthcare International Ltd	Nairobi
122.	Beijing Holley-Cotec Co. Ltd	Nairobi

Appendix II: Large pharmaceutical firms in Kenya continued

123.	Bayer East Africa Ltd	Nairobi
124.	Autosterile (EA) Ltd	Nairobi
125.	Astrzeneca	Nairobi
126.	Armicon Pharmaceuticals Ltd	Nairobi
127.	Aim International Pharmaceutical Co. Ltd	Nairobi
128.	Ace Pharmaceuticals Ltd	Nairobi
129.	Accord Healthcare (Kenya) Ltd	Nairobi
130.	Abacus Pharma (Africa) Ltd	Nairobi

Pharmacy and Poisons Board 2013, Kenya Medical Directory 2012 and Export Processing Zone 2005

Appendix III: Letter requesting per mission to carry out research study

Dear Sir/ Madam,

RE: Research Project on Strategic management practices in large pharmaceutical firms in Kenya

I wish to undertake a management research project on strategic management practice within large pharmaceuticals firms in Kenya in order to fulfill my masters degree requirements at the school of business in University of Nairobi. Your firm has been identified as one of the large pharmaceutical firms in Kenya that form part of the target population for this study.

I hereby request your authorization to collect data from various levels of management as well as personnel within the company for this study that aims at understanding the strategic management practice within pharmaceutical firms. The research findings from this study could be used by the firms in the pharmaceutical industry to streamline strategic management practices, hence improve on effectiveness within the operations with an aim of achieving strategic intent of the firm.

Your approval and support are highly appreciated.

Thank you in advance.

IRENE NJERI MWANGI

D61/70484/2009

STUDENT

DR.ZACHARY AWINO

SUPERVISOR

Appendix IV: Introduction letter from University of Nairobi