

**FACTORS AFFECTING STRATEGY IMPLEMENTATION  
PROCESS: THE CASE OF PHARMACEUTICAL  
DISTRIBUTORS WITHIN NAIROBI COUNTY, KENYA.**

**BY**

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## **DECLARATION**

This is research project is my original work and has not been submitted for examination in any other university or institution of higher learning for Examination or for any other purpose.

Signed \_\_\_\_\_

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**D61/63311/2011**

This Management project report has been submitted for Examination with my approval as University Supervisor.

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To my wife Margaret and son Ben Carson for their understanding during my absence and their eager to see me finalize this research work.

## **DEDICATION**

To God Almighty from who all good things come and to my beautiful wife, Margaret.

## **ABSTRACT**

To achieve greater business performance and profitability, every business must seek to understand and act upon factors both internal and external affecting strategy implementation process. This research was undertaken to understand the factors affecting strategy implementation process in the pharmaceutical distribution companies within Nairobi County. The objective of this study was to establish the challenges faced by pharmaceutical distributors in strategy implementation process. Previously, various studies have been carried out on strategy implementation but non has been carried out on factors affecting strategy implementation in pharmaceutical distribution companies in Nairobi County. The study was specifically to understand how factors of production, communication, focus on strategy, job change, information system, current Economic changes and organization culture and politics affect strategy implementation process in pharmaceutical distributors in Nairobi County. The researcher used descriptive survey by administering a questionnaire to the targeted respondent. Data was analyzed using SPSS software and presented using bar graphs, pie charts and frequency tables. The result showed a majority of the sampled pharmaceutical distributors have the guidelines to the process of strategy implementation. Inadequate factors of production i.e. time, labour and capital greatly affects the process of strategy implementation. Lack of structures and strict profit deadlines also act as impediments to the process since much time is spent in trying to achieve these short term goals. Lack of proper information systems or presence of less understood information systems also affects the strategy implementation process. Lack of planning on information systems also poses a major challenge to strategy implementation according to this study. External factors such as inflation, global economic changes, government policy and changes in taxation rates also pose a great challenge to strategy implementation in the pharmaceutical distributors in Nairobi County. Communication is also very important in the process of strategy implementation and the study showed lack of clear communication as well as poor modes of communication greatly affect strategy implementation. Lack of information by employees on the process of strategy implementation is also a major factor affecting strategy implementation process according to this study. According to the study inadequate allocation of financial resources greatly affected the process of strategy implementation. The respondent in the organisation sample agreed that financial resources were very important in the causes of strategy implementation. Presence of strategy plan which were not well understood by the participant in the process of strategy implementation also posed a challenge in strategy implementation process.

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# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the study

The sustainable survival of a business is always difficult to achieve if the company lacks mechanism and structure to fully implement effective strategies in the dynamic business environment. Many organizations, both profit making and non profit making adopt strategies but the major issue is the strategy implementation stages.

Strategies may be adopted by will of plan or be emergent. A strategy is a company game plan (Pearce, 1991) and it provides a framework for managerial decisions. A strategy reflects company awareness of how, when and where it should compete, against whom it should compete and for what purpose it should compete. By strategy, managers outline their large scale future oriented business plan for interacting with the competitive business environment to achieve company objective (Pearce, 1991).

Strategy should have a business domain. It requires top management decision; it should have a long term impact on company prosperity and should be future oriented. Organizations whether profit or non- profit making have found it necessary to engage in strategic planning so as to achieve their goals. The environments in which they operate not only become increasingly uncertain but also more tightly interconnected (Machuki 2005). This means that managers have to think strategically to cope with the changes in the environment within which they operate and also to achieve their long term objectives. This calls for correct proper implementation of all the strategies which have been put in place through strategic planning.

For effective strategy implementation, environmental scanning is very important. It seeks to identify emerging situations, hazards and opportunities in the business environment particularly those that may be difficult for the manager to absorb or turn to advantage (John D. 1994). This will increase responsiveness to strategy execution as well enhance the adaptability of the decision making systems.

### **1.1.1 The concept of strategy**

There is no single definition of a strategy. A strategy is a pattern of actions and resources allocation designed to achieve the goal of an organization.(Thomas & Bateman el tal, 1999). Johnson & Scoles, (1999) defines strategy as the direction and scopes an organization over a long term driven towards achieving the stakeholders' expectations as well as meeting the needs of the market. Quinn (1980) describes strategy as the pattern or plan that integrates organizations major goals, polices of action sequence into cohesive whole. Strategy is a plan, a sort of a consciously intended course of action or a guideline to deal with a challenge towards achieving a given goal. Strategy reflects a company's awareness of how, when and where it should compete and for what purpose. It is the things which business does, the path they follow and the decisions they make in order to reach certain points and levels of success (Strickland and Thomson, 1996).

The concept of strategy revolves around deliberate attempts by an organization to obtain sustainable long term advantage in the delivery of expectations of stakeholders. Strategic management as a process therefore should be viewed in terms of the successful stages under which a strategic plan passes to deliver the expected results. Successful strategic formulation does not guarantee success in the strategy implementation. Strategy

implementation is equally important but more challenging since it involves the whole organizations if success has to be reported. Involvement of stakeholders including employees is essential in ensuring that they understand the strategy implementation and also see value in the strategy. Only 10% of formulated strategies are successfully implemented while 90% of well formulated strategies fail at implementation stage ,Mary M. M,(2010). Major scholars have paid great attention to strategy formulation and models of framework have been developed to guides the process of strategy formulation. The SWOT analysis, Industry analysis and other model have played the greater role of strategy formulation.

In contrast, there is no agreed upon and dominant framework in strategy implementation. According to Alexander, (1991) major reason why most strategies fail is due to lack of practical and sound models to guide managers and strategy implementers in the process of strategy implementation. Without adequate models, they try to implement strategy without good understanding of multiple factors that must be addressed, often simultaneously to make implementation process a success.

### **1.1.2 Strategy implementation**

Thomas & Wheelen, et al (1997) defines strategy implementation as a sum total of activities and choices required for the execution of a strategic plan. It is the process by which objectives, strategies and policies are put into action through development of programmes, budgets and procedures. Strategy implementation comes after strategy formulation and is one of the components of strategic management and refers to a set of decisions and actions that result in the formulation and implementation of long term plans

designed to achieve organizational objectives (Pearce & Robinson, 1997). Richard L. (2007) stipulates strategy implementation as a process to answer the question of what activities, what time and which process need to be undertaken to achieve agreed objectives

The assessment of strategy implementation is very crucial to both practitioners and researchers in order to evaluate different formulation process (Colson et al 2005). An important step in the strategic management process is strategy implementation, which is the “how” of strategies formulated in earlier stages of strategic planning. A good strategy which is poorly implemented will not meet the organization expectations. It can lead to loss of resources, waste of time and loss of trust in the strategic management process.

In order for organization to achieve their goals and objectives, its necessary for them to adjust and fit the current environmental structures (Pearce and Robinson, 1997) hence managers have the task of translating their organizational strategy into organizational actions and move from planning their work to working their plans as they shift focus from strategy formulation to strategy implementation. According to Thompson and Strickland (2007), strategy implementation can be considered successful if things go smoothly enough that the company meets or beats its strategic and financial performance target and shows good progress in achieving management objective. According to Pearce and Richard R.(2003) ghost of external and often largely uncontrollable factors influence a firm’s choice of direction and action and ultimately its organization structure and internal process.

All these factors, which are categorized as remote environment, set of forces originating beyond and usually irrespective of any single firm's operating situation & operating environment which involves factors in the immediate competitive situation that provide many challenges a particular firm faces in attempting to attract or acquire needed resources or in striving to profitably market its goods and services. These factors directly affect the company's efforts in strategic implementation.

When implementing a strategy, it is important not to ignore the existing environment that varies from organizational structure, cultural aspects, trends in the industry, human resources, competitive positions, customer profiles as well as reputation among customers and creditors. Miniace and Falter (1996), affirms that communication is a key component for success within the strategy implementation process. Communication with employees on strategy implementation is more often delayed until when plans to make changes have been made.

This makes employees lack a sense of belonging to the strategic plan and may not appreciate its importance. This in turn will paint the strategy as a management issue rather than an organizational issue. Therefore the stage of strategic implementation can be summarized in the following stages according to Judson (1966):- Analyzing the strategic plan (changes) and Communicating about the change to the entire organization should be the first step in this process. This is followed by ensuring you gain the acceptance of the required changes in behavior by all the stakeholders.

Management of the initial transition from current state to the new strategic changes is also important. Lastly it is essential to control the process of strategic change as a process rather than a situation.

### **1.1.3 Strategy Implementation Pharmaceutical Distributors**

The business environment has undergone a lot of changes and in order to keep up with the changing customer needs, pharmaceutical distributors have adopted various strategies. Adoption of marketing mix involving product, price, place, promotion and process strategies has been very key in the success of pharmaceutical distributors. Differentiation and cost leadership are also strategies widely adopted by pharmaceutical distributors in Kenya. Use of differentiation allows a distributor to differentiate themselves by providing unique products and services thus fulfilling customer needs by tailoring the product or service to the customer. Cost leadership strategy on the other hand allows a distributor to secure a relatively large market share by being lowest in prices of their goods and services. This is achieved by bulk purchases from the manufacturer so as to achieve low cost of products. Diversification in products stocking is also a strategy used by pharmaceutical distributors to achieve their objective. In this case, pharmaceutical distributors stock more than one product to capture the market on all levels of price (Mohamed 2011).

### **1.1.4 Pharmaceutical distributors in Kenya**

A pharmaceutical distributor can be defined as a stockist in pharmaceutical product whose main objective is to purchase the product in large quantity and distribute to chemists and pharmacies at retail level. According to pharmacy & poisons act, a

distributor is authorized as a wholesaler of the pharmaceutical products (pharmaceutical drugs) under a license from the board. In the last ten years, the number of pharmaceutical distributors has increased driven by the fact that most of the pharmaceutical manufacturers and pharmaceutical importers have appreciated the strategy of job separation. Pharmaceutical manufacturers have opted to concentrate on issues involving manufacturing leaving the distributions and logistical work to pharmaceutical distributors.

Distributors also play a key role of marketing the product to retailers and doctors as the end users. With the above roles therefore; it's essential to agreed that the pharmaceutical distributors are key link in the pharmaceutical industry and the role played have a direct impact in the health sector and to the national health system as a whole. Major pharmaceutical distributors source for product for both local and international manufacturers. They deal with both branded (original product) & generic products (which are cheaply manufactured

### **1.1.5 Pharmaceutical distributors in Nairobi County**

There is high presence of pharmaceutical distributor in Nairobi County. This is driven by the fact that most of the retailers source their pharmaceutical products within Nairobi County. According to the pharmacy and poisons Board, ([www.pharmacyboardkenya.org](http://www.pharmacyboardkenya.org)) there are 29 established pharmaceutical distributors within the country. Furthermore, due to the economic facts within Nairobi County, about 60% of pharmaceutical business is within the larger Nairobi province hence the high number of pharmaceutical distributors. Therefore, these study will concentrate on a survey within



the Nairobi county and shall specifically study the attach list of pharmaceutical distributors.

The roles of supply chain management are labour intensive as in the case of pharmaceuticals distributors and service oriented and such requires proper strategic planning so as to achieve the overall objective. The major challenge is not the strategic planning since most major pharmaceutical distributors have adopted strategic planning but the major challenge is how to actualize the strategy of more from strategy formulation to strategy implementation. It's worth noting that major pharmaceutical distributors are locally formulated strategies. Strategic management can be evident in major pharmaceutical distributors by the presence of the company objectives and well visions and missions which drive the day to day running of any institution. Their contribution can also be evident by the recent entries & participation of the pharmaceutical distributor's in the top hundred small and medium size companies, a survey conducted by K.P.M.G and the Nation Media Group

## **1.2 Research Problem**

The most critical phase of any strategic planning is the strategy implementation.

Implementation is successfully initiated in three interrelated stages (Pearce II & Richard 2002).Which includes identification of measurable, mutually determined annual objectives and development of specific functional strategies. This is followed by development and communication of concise policies to guide decisions. Annual objectives guide implementation by converting long – term objectives into specific short term ends. Functional strategies translate grand strategy at the business level into current

action plan for the business. Policies provide specific guidelines for operating managers and their subordinated in executing strategies. The success rate of strategy implementation is usually very low. Only 30% of strategies are properly implemented by companies and this obviously needs improvement (Sterling 2003). Strategy implementation is an uphill task since it is the stage which involves all the stakeholders whereas the other phases would/can only be undertaken by the top management. Strategy implementation is time consuming, resource intensive, involves changes from status quo and therefore complex.

Major scholars have not given strategy implementation good attention in their academic work. While Mintzberg et al, (1999) assumes that well formulated strategies helps to marshal and allocate an organizations resources into a unique and viable posture; there various factors which directly or indirectly affect strategy implementation hence hinder the foreseen success.

Pharmaceutical distributors are very critical in the health sector service provision and they serve a unique role which combines both business and entrepreneurship as well professionalism. It's a unique kind of business set up since it must adhere to the professional code of conduct as well as make profits. Extensive research has been done on strategy implementation in various industries in Kenya. Some of these studies include (Catherine 2008) who studied strategy implementation in Kenya commercial bank, (Njau 2000) Strategic responses by East African Breweries Limited, (Aiko 2009) focused on what implementation of strategy in GlaxoSmithKline, Kosgei (2003) looked at the challenges in strategy implementation in public corporations a case of Telkom Kenya.

These studies focused on challenges on strategy implementation in various sector while some focused on how to come up with a strategic plan. Thus this study will fill the gap by seeking to answer the following research question

What factors affect the pharmaceutical distributor's in implementing the strategy they have chosen.

### **1.3 Research objectives**

The main objective of this study was

To determine the factors affecting pharmaceutical distributors in strategy implementation process.

### **1.4 Value of the study**

The study will provide the stakeholders in the pharmaceutical distribution with a picture of factors affecting the process of strategy implementation. It will therefore equip the managers adequately to understand the process in the strategy implementation. It will guide the manager in the process of strategy formulation since they will incorporate the already foreseen factors in the process of strategy implementation.

The government and regulators will find this study useful in the sense that they will understand the challenges faced by the pharmaceutical distributors in strategy implementation and thus factor them in the policy formulation. The study will also be useful to other small and medium enterprise stakeholders since they will be able to borrow from the findings of these studies in a big way.

The findings of this study will be important to future and current scholars who may need to research on the factors affecting strategy implementation within small and medium enterprises in Kenya. This will lead to further research in strategy implementation as well as applicable knowledge in this subject issue.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter seeks to explain and deliver an in-depth understanding of the concept of strategy and strategy implementation process. It will outline various writers' explanations of strategy process, concept of strategy, strategy implementation, factors affecting the process of strategy implementation and management of these factors in strategy implementation.

### **2.2 The concept of Strategy**

A strategy can be defined as a managements' action plan for running the business and conducting operation (Strickland et al 2007). Wheelen & hunger (2008) defines strategy a compressive modern plan that states how the organization will achieve its mission and objectives. It is the thing which business does, the path they follow and the decisions they make in order to reach certain point and levels of success (Strickland and Thompson, 1996). The strategy therefore what an organization implements should be directed towards building strength in areas that satisfy the wants and needs of customers and other key stakeholders in the external environment.

A basic tenet of strategic management is that firms need to formulate strategies to take advantage of external opportunities and to avoid or reduce the impact of external threats. Johnson et al (2005) have stated that strategic management includes understanding the strategic position of the organization, strategic choices for the future and turning strategy into action. The specific approach to strategic management therefore will always depend

on the size of an organization and the producing to change of its business environment (Drucker, 1999).

It is important to note that there are different external elements which affect different strategies at different times and with varying strengths (Pearce + Robinson 1978). Further due to this external elements, it's important for an organization to continually monitor internal and external events so that timely changes can be made as needed as environments are not getting more stable or any answer to complete in (Grant, 2005) its therefore important to note that strategy formulation and strategic planning should be considered as the starting point of the strategic management process.

### **2.3 Strategy implementation**

Strategy implementing functions consists the act of finding out what it will take to make the strategy work and to reach the targeted performance on schedule. It is action driven administrative task that cuts across many internal functions of an organization. (Thompson and Strickland, 1999)

The implementation of the chosen strategy is the action phase of the strategic management process which follows the other phases of strategy formulation, analysis of alternative strategies and strategic choices. The three alone cannot ensure success, the strategy must be translated into concrete action and that action must be carefully implemented (Pearce II and Robinson, 2002). The level of strategy implementation involves everybody in the organization. Any decision made by the top management in regards to strategy implementation will affect the strategy success down wards. This

process might involve changes in the overall culture, structure and management systems of an organization. Its purpose is to complete the transition from strategic planning to actions in all relevant departments.

The process of strategy implementation is therefore affected by various factors which are both external and internal. Simons and Thompson (1998) referred to three categories of factors that affect strategic decision-making process: Environmental factors which are agents such as national culture, economic conditions and industry conditions. An organizational factor refers to organizational structure and culture, structure of decision making board of directors and impact of upward influence and employees' involvement. Decision specific factors can be explained as time, risk complexity and policies.

According to Porter (1979), strategists must assess the forces affecting competition in their industry and identify their company strengths and weaknesses then develop a plan of action that may include first positioning the company so that it's capable to provide the best defense against all competitive forces. It's also important to choose a strategy which is not only unique but provides the best alternative change as desired by the company. Once strategies have been developed, they will need to be implemented and unless they are successfully implemented an organization cannot obtain desired results. Pearce and Robinson (2002) maintained that shifting from strategy formulation to implementation gives rise to three interrelated concerns namely, identification of measurable, mutually determined crucial objective, development of specific functional strategies and communication of concise policies to guide action.

A system should therefore be put in place during strategy implementation process & the system should link the organizations strategy to companies' days to day activities it should explicitly link operational targets & strategic goals. It should integrate financial and non- financial performance information and the system should focus business activities on meeting the customer requirements. Strategy implementation is directly related to organizational change however organizations resist change and try to maintain status quo even when it yields unsatisfactory performance (Miller, 1997).

To achieve effective change, gradualism must be adopted since immediate change can be overwhelming and thus might meet a lot of resistance. Waterman et.al (1980) argued that to achieve effective strategy implementation the following six factors are key and should be focused. That is strategy, structure, system, staff, skills and subordinate goals. These factors are interrelated and are central in any strategy implementation. Organizational culture is a set of assumptions that members of an organization share in common. Implementations of a new strategy will be concern with adjustments in the culture, structure and style of performance (Pearce and Robinson, 2007).

Organizational culture is the set of assumptions (often unstated) that members of an organization share in common. Every organization has its own culture, John Pearce & Richard Robinson, (1999). Culture may be inferred from what people do & think within an organizational setting. It involves the learning and transmitting of knowledge, belief and patterns of behavior overtime. Thus, organizational culture is very important in the strategy implementation process. In the current competitive environment, organizational leadership is very essential in strategy implementation. A strategic leader must give and



share a clear vision, direction and purpose of the Organisation (Thompsons 1979). Success of a strategy goes hand in hand with the leadership provided by the organizational leader or the CEO.

Hence for success in strategic planning the CEO must give leadership and guidance and have the correct management team in place. Motivation of the staff members is also equally important in strategy implementation. A strategy should be set at a level where it's motivating to the members of staff and not too high to frustrates them. If a strategy is deemed unachievable, that perception can be discouraging and therefore demotivate the implementing team (John Pearce II and Richard Robinson, 1999). Organizational rewards are powerful incentives for improving employees work group performance. It can also produce a high level of employee satisfaction. Reward can be used to attain the highest level of satisfaction and therefore act as a driver toward strategy implementation.

#### **2.4 Factors affecting the strategy implementation process.**

Strategy implementation is the major stage of strategic planning and is the stage at which all factors and functions must be involved in one way or the other. The statement of strategy formulation must be translated into actions for the purpose of implementation. It's through this translation that the main factors affecting the process can be seen. (David 1997). Resources in terms of time, labour and finance must also be allocated for effective strategy implementation of an organization's strategy. For successful strategy implementation, the Organisation should be able to allocate resources and control performance in line with the strategy (David 1997) whereas crafting a strong strategy is largely an entrepreneurial activity, implementing strategy is largely an internal

administrative activity. Whereas a successful strategy formulation depends on business vision, market analysis and entrepreneurial judgment, successful implementation depends on working through others, organizing, motivating culture building and creating strong fit between strategies and how an Organisation does things (Thompson and Skickland, 1992).

Al- Ahamdi (1998) claims that an over whelming majority of the literature has been given on the formulation side of the strategy & only lip service has been given for implementation. Communication is a major factor experienced in strategy implementation process. According to Wang (2000), communication should be a two way i.e. provides information from the strategy formulation team to the team doing the ground work as well as getting the current feedback from the workers. Communication will bring understanding of strategy by those involved in the implementation. Communication breakdown therefore will hinder any progress in strategy implementation while proper communication will enhance strategy implementation process. Al–Ahmdi (1988), identified barriers to strategy implementation which include competing activities that destruct attention from implementing the decision, changes in responsibilities of key employees not clearly defined, key formulators of the strategic decision not playing an active role in implementation, problems requiring top management not be clearly communicated early enough, overall goal not sufficiently defined, information systems used to monitor implementation are inadequate, overall goals not sufficiently understood by employees, uncontrollable factors in the external environment.

Lack of focus on a strategy will also lead to poor strategy implementation. This is driven by the factors that some managers and workers may lack interest and focus on the process and thus frustrate the strategy implementation process. Proper planning is also a factor affecting strategy implementation. It must be clearly understood that planning is key to smooth strategy implementation. Planning will lead to enough resource allocation and at an advance stage. Strategy planers must incorporate proper plans from the onset of strategic planning.

Economic changes which are unforeseen will at one point hinder strategy implementation. Financial recession will lead to need for a tight operation budget which will therefore lead to maintenance of status quo. Poor economic environment may derail a strategy due to fear of the future economy performance. Operational efficiency also plays a role in the process of strategy implementation. Peters T.& Waterman, R (1982) “in search of excellence” New York London: Harper and Row came up with a model (MC Kinsey 7’s model) which identified seven factors that if not considered while executing a strategy, the implementation might be ineffective. The seven factors have to be in balance and need to be harmonized. This model centers on balancing staffing, structures, skills, style shared values, systems and strategy to meet the objectives of the Organization.

Organizational politics is also a challenge in strategic implementation because organizational politics are tactics that strategic managers engage in to obtain and use power to influence organizational goals and change strategy and structure to further their own interest (Hill and Jones, 1999) because some regard change as a threat to their survival. Thompson Stickland III (2006), terms culture conflicts as peril of strategy.

Conflicts between the behavior approved by the cultural and the behavior needed for a new strategy execution pose a real dilemma for company personnel. A choice may be made which will impair morale and lead to less than whole hearted commitment to management strategy execution.

## **2.5 Management of factors affecting strategy implementation**

In the process of strategy implementation, there are various factors as seen in the previous section and proper management of those challenges is what is most important in how to manage these factors. If the factors are properly managed, it's always easy to achieve proper strategy implementation. Alexander, (1985) states that successful strategy implementation in part involves preventing the implementation problems from occurring in the first place. If such problems are evident, it's also important to act fast to solve them. The first step in managing these factors in strategy implementation is building in strong organizational structure which is capable of supporting the strategy implementation process. An organizational structure is the formal framework by which jobs and tasks are divided and coordinated (Robins and Cotler, 2002). A good organizational structure will help people work together hence promote effective implementation of strategy.

Its also essential to institute policies and procedures that facilitate good strategy execution (Thompson, Et al, 2006). A company policy can either assist or hinder strategy execution. Careful review therefore is essential on the existing policies so as to discard those which are out of sync and encourages the positive ones. Instituting new policies and procedures provides top down guidance regarding how certain things need to be done.

Standardization and strict conformity are sometimes desirable components of a good strategy execution. Organizational culture is also very important in the strategy implementation process. Aosa (1992) stated that it is important that the culture of an Organisation be compatible with the strategy being implemented because where there is high degree of incompatibility between strategy and culture, these will lead to resistance to strategy implementation efforts.

Thompsons et al (2007) states that it's important to instill a corporate culture that promotes good strategy execution. A company corporate culture is mirrored in the character or "personality" of its work environments – the factors that underlie how the company tries to conduct its business and the behaviors that are held in high esteem. Pearce and Robinson, (1988) outlines that leadership and good leadership is very essential in the process of strategy implementation. Leadership unites and directs organizational efforts towards achievement of goals. Therefore leadership should cultivate team spirit and act as a catalyst in the process of strategy implementation. Business process reengineering is also crucial in the process of strategy implementation. In a company which involves various functions and departments with no one manager and group being accountable for optimum performance, it's easy to lack harmony needed in these processes. It's important therefore to reengineer the process and pull all pieces of strategy- crucial activities out of different departments to unifying cross functional work group, (Thompsons and Skicklard 2007).

In many industries, adding to a company's talent base and building intellectual capital is more important to good strategy execution than additional investments in plants,

equipments and capital projects. Therefore it's important for a organization to recruit and retain capable employees for the process of strategy execution to be excellent (Thompson, Et al, 2008). The management team plays a central role in the execution of a strategy. They offer not only the leadership but practical skills in the process of strategy execution. Therefore, it's important to put together a talented management team with the right mix of experiences, skills and abilities to get things done. Weak executives are serious impediments to getting optimal results because they are unable to differentiate ideas and approaches that have merits and those that are misguided.

It also important to build core competences and competitive capabilities for strategy implementation. Good strategy execution required putting place desired competencies and capabilities and upgrading them regularly as the market evolves. Core competence is essential in managing the process of strategy implementation. Core competence and competitive capabilities are bundles of skills and knowledge that most often grow out of the combined efforts of cross functional work group of departments doing different duties in the firms' value chain. However, building core competence occurs over a period of time and is a multi stage which cannot be done overnight.

One of the major challenge in strategy implementation as discussed earlier is the lack of required resource in the process of strategy implementation. It is essential to budget towards these processes. For successful strategy implementation, the management needs to marshal resources behind the process of strategy execution. Too little resources will slow the process while too much funding will waste organizational resources and reduce the financial performance. Capital allocation therefore must be well distributed and

thought of so as to promote strategy implementation .Thompson, Strickland and Gamble, (2008) suggest that its also important to the rewards good strategy execution. A properly designed reward structures is the most powerful tool for mobilizing commitment to successful strategy execution. It's essential to employ motivational techniques that build whole hearted commitment towards strategy implementation process. It's also important to recognize strategically relevant performance outcomes and reward them as a way of creating commitment to strategy implementation.

## **CHAPTER THREE: RESEARCH METHDOLOGY**

### **3.1 Introduction**

This chapter outlines the general methodology that was used in conducting the study and adopts the structure of research design, target population, data collection and overall study instruments that has been utilized in the pursuit of the study goals.

### **3.2 Research design**

A descriptive survey design was used for the purpose of this study. Gay, (1989) defines descriptive research as a process of collecting data in order to test hypotheses or to answer questions concerning the current status of the subject of the study. Mugenda and Mugenda (2003), describes descriptive research design as systematic empirical inquiring into which researchers does not have direct control of independent variables as their manifestation has already occurred and cannot be manipulated. Therefore, since in this study the researcher wanted to establish the factors affecting strategy implementation in pharmaceutical distributors, this kind of a study was the most appropriate. This type of research also described the situation as in its current state.

### **3.3 Population of the study**

According to the pharmacy and poisons board, there are 29 registered pharmaceutical distributors within the Nairobi County. Therefore the researcher conducted a census in all the distributors since they were easily accessible and manageable. This enhanced wide representation of the current state and a definite answer to the research questions (Mugenda & Mugenda 2003).



### **3.4 Data collection**

In this research, data was collected using questionnaires. The study used primary data which was collected by the questionnaires. Likert type questionnaire were used in data collection which are structured. The questionnaire consisted of both open ended and close ended questions. Since the population of the study was accessible, the questionnaires were dropped and picked as appropriate so as to give enough time to the respondents. According to Ochola (2007) primary data is the one collected directly by the researcher. Self administered questionnaire is a suitable method in descriptive study since it avoids subjectivity due to the absence of interviewers influence, Ochola (2007). The respondent were operational managers, relationship managers, Human resource managers, unit managers, general managers or their equivalent in respective organisations.

### **3.5 Data analysis**

Karlirger (2000) points out that, data analysis means categorizing, ordering, manipulating and summarizing of data to obtain answers to research question. Quantitative analysis of data was used to analyze these data. Descriptive statistics such as frequency distribution and percentages, were used to summarize the data. Descriptive statistics technique was used since it makes it possible to show the distribution or the count of individual scores in the population for a specific variable. The statistical package of social sciences (SPSS) was used to process and analyze the data in order to determine the relationship between the variables. Mugenda & Mugenda (1999), explains that SPSS is a comprehensive, integrated collection of computer programme for managing analyzing and displaying data.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1 Introduction**

The main objective of the study was to investigate the factors affecting strategy implementation process the case of pharmaceutical distributors within Nairobi county, Kenya. The research was conducted on sample size of 29 respondents out of which 23 respondents completed and returned the questionnaires duly filled, in making a response rate of 79.3% Mugenda and Mugenda (1999) stated that a response rate of 50% and above is a good for statistical reporting. The study initially sought to inquire information on various aspects of the respondents' The study made use of frequencies (absolute and relative) on single response questions. On multiple response questions, the study used Likert scale in collecting and analyzing the data whereby a scale of 5 points were used in computing the means and standard deviations. These were then presented in frequency tables, as appropriate with explanations being given in prose .background, i.e. the respondent's current position, the number of years in current position and the company name. This information aimed at testing the appropriateness of the respondent in answering the questions regarding the factors affecting strategy implementation process: the case of pharmaceutical distributors within Nairobi county Kenya.

#### **4.2 Demographic Information of respondents**

The study initially sought to inquire information on various aspects of the respondents' i.e. the name of the company, the position held, the name of interviewee and number of years in current position in pharmaceutical distributors in Nairobi. This information

aimed at testing the appropriateness of the respondent in answering the questions regarding the factors affecting strategy implementation process: the case of pharmaceutical distributors within Nairobi County.

#### **4.2.1 Respondents' position held**

The study sought to establish the position held and the findings are as shown in Table 4.1 below.

**Table 4.1 Respondents' position held.**

	<b>Frequency</b>	<b>Percent</b>
Operational Manager	6	26.1
General Manager	9	39.1
Hr Manager	6	26.1
Strategic Manager	2	8.7
Total	23	100.0

**Source: Author 2013**

From the study findings majority of the respondents 39.1% were general managers, 26.1% were operations manager and HR managers and the rest were strategic managers 8.7%. these depicts that most of the opinions in the study come from general managers in pharmaceutical distributors in Nairobi county.

#### **4.2.2 Respondents' number of years in current position**

The study sought to establish the number of years in the current position of the and the findings are as shown in Table 4.2 below.

**Table 4.2 Respondent's Number of years in current position**

	Frequency	Percent
(1-3)years	2	8.7
(4-5) years	15	65.2
(6-8)years	3	13.0
more than 8 years	3	13.0
Total	23	100.0

**Source author 2013**

The study revealed that majority of the respondents 65.2% had been in the current position for a period of (4-5) years,13%had held the position for (6-8) years and more than 8years while the remaining 8.7% had been in current position for (1-3) years. The study concludes that the management team of these organizations had enough experience owing to the number of years in management position

### **4.3 Strategic Management practices of the organization**

#### **4.3.1The Effect of strategic management in your company**

The study sought to find out the effect of strategic management in the companies under the study and findings are as shown below Table 4.3.

**Table 4.3 Effect of strategic management in your company**

	Frequency	Percent
very effective	12	52.2
Effective	6	26.1
not effective	5	21.7

**Source author 2013**

According to the findings on the strategic management on the organisation studied majority 52.2% had very effective strategic management, 26.1% had just effective

strategic management skill and remaining 26.7% had no effective strategic management. The study reveals that most of pharmaceutical distributors in Nairobi had very effective strategic management.

#### 4.3.2 The extent to which organisation implement chosen strategies

**Table 4.4 Extent to which organisation implement chosen strategies**

	<b>Frequency</b>	<b>Percent</b>
To least extent	1	4.3
To as more extent	5	21.7
Moderate	6	26.1
To great extent	6	26.1
To very great extent	5	21.7
<b>Total</b>	<b>23</b>	<b>100.0</b>

**Source :Author 2013**

From the findings 26.1% of the studied organization had implemented the strategies moderately and to great extent,21.7% had implemented the strategy to a small extent and some to very great extent, the remaining 4.3% had not implemented or to least extent had the strategy implemented done.

#### 4.3.3 Organisation guidelines on how to implement chosen strategies

The study further sought to find out the guidelines on the strategic implementation and findings are as shown below Table 4.5 below.

**Table 4.5 Organisation guidelines on how to implement chosen strategies**

	<b>Frequency</b>	<b>Percent</b>
yes	17	78.3
no	6	13.7
Total	23	100.0

**Source author 2013**

From the findings majority of the respondents 78.3% agreed that they had guidelines on how to implement the chosen strategies, only 13.7% disagreed on the guidelines. This shows that most of pharmaceutical distributors that participated in the study had guidelines on strategy implementation.

#### **4.4 Factors affecting strategy implementation process**

##### **4.4.1 Factors to production**

The researcher sought to know the level of agreement on various factors affecting strategy implementation process a case of pharmaceutical distributors. The responses were rated on a five point Likert scale where: 1- least important, 2-important,3-moderate, 4-very important,5-most important. The mean and standard deviations were generated from SPSS and the findings are contained in table 4.6 below.

**Table 4.6 Factors to production**

	Mean	Std. Deviation
lack of enough time to implement a strategy	3.39	1.233
lack of proper time management	3.30	0.875
untrained staff	3.30	0.973
insufficient labour supply	3.56	1.036
availability of capital for strategy	3.69	1.019

**Source author 2013**

According to the findings, Majority strongly agreed that it was most important to have availability of capital for strategy (mean=3.69), insufficient labour supply ( mean=3.56), lack of enough time to implement a strategy (mean=3.39),lack of proper time management and untrained staff (mean=3.30) respectively. These reveals that time labour and finance are crucial in any strategy implementation best when there is availability of capital for strategy.

#### **4.4.2 The important of communication in strategy implementation**

The researcher sought to know the level of agreement on the important of communication in strategy implementation a case of pharmaceutical distributors. The responses were rated on a five point Likert scale where: 1- least important, 2-important,3-moderate,4-very important,5-most important. The mean and standard deviations were generated from SPSS and are as illustrated in Table 4.7 below.

**Table 4.7 The important of communication in strategy implementation**

	<b>Mean</b>	<b>Std. Deviation</b>
lack of clear communication	3.47	1.081
late communication	3.43	1.121
poor mode of communication	3.60	1.033

**Source: Author 2013**

From the findings vast majority agreed to the greatest extent that timeless and clarity in communication is very important in strategy implantation (mean=3.60),lack of clear communication (mean=3.48),late communication (mean=3.43) respectively. The depicts that poor mode of communication affect strategy implementation.

#### **4.4.3 Attention and focus important in strategy implementation**

The study further sought to know the level of agreement on the importance of focus and attention on strategy implementation process a case of pharmaceutical distributors .. The responses were rated on a five point Likert scale where: 1- Most important, 2- important,3-moderate,4-leastimportant,5-very least important. The mean and standard deviations were generated from SPSS and are as illustrated in Table 4.8 below.

**Table 4.8 Attention and focus important in strategy implementation**

	<b>Mean</b>	<b>Std. Deviation</b>
Focus of present performance	2.65	1.027
Employees lack of interest	2.69	1.145
Management lack of interest or good will	2.86	1.099
Profit deadlines	3.00	1.087
Lack of structures	3.13	1.013

**Source author 2013**



The study revealed that from the findings majority of the respondents agreed that it was the most to have attention and focus in strategy implementation and lack of structures would hamper the implementation most (mean=3.13),profit deadlines (mean=3.00),lack interest or good will by the management (mean=2.86),lack of interest by the employees (mean=2.69) and finally focus of present performance (mean=2.65) respectively. One can conclude that lack of structures affect the strategy implementation in big manner.

#### **4.4.4 The Importance of Information systems in strategy implementation**

The researcher sought to know the level of agreement on the importance of information systems in strategy implementation strategy implementation a case of pharmaceutical distributors. The responses were rated on a five point likert scale where: 1- to no extent, 2- to an extent,3-moderate,4-vto great extent,5-to very great extent the mean and standard deviations were generated from SPSS and are as illustrated in table 4.9 below.

**Table 4.9 The effect of job change rate in strategy implementation.**

	<b>Mean</b>	<b>Std. Deviation</b>
Lack of proper information to guide strategy implementation	3.00	0.9045
the current information systems are not fully understood by the staff in strategy implementation	2.86	0.8148
lack of planning on information systems	3.13	0.9197

**Source author 2013**

From the study findings most respondent agreed to the greatest extent that the rate of job change in the organisations caused lack of planning information systems (mean=3.13),

lack of proper information to guide strategy implementation (mean=3.00) and that the current information systems are not fully understood by the staff in strategy implementation( mean=2.86) respectively. The reveals that strategy implementation is greatly affected by lack of planning on information systems

#### **4.4.5 The current economic changes a challenge to the strategy implementation**

The study further sought to know the level of agreement on the effect of economic changes as a challenge in strategy implementation process in the case of pharmaceutical distributors. The responses were rated on a five point likert scale where: 1- most important, 2-important,3-moderate,4-leastimportant,5-very least important. The mean and standard deviations were generated from SPSS and are as illustrated in Table 4.10 below

**Table 4.10 The current economic changes a challenge to the strategy implementation**

	<b>Mean</b>	<b>Std. Deviation</b>
Inflation i.e. rate at which prices of goods and services increase thus currency value goes down?	3.34	1.152
global economic changes	3.26	0.915
Government economic policy changes	3.26	0.864
Changes in taxation rates	3.17	3.834

**Source author 2013**

From the findings, the study reveals that the current economic changes poses a challenge in strategy implementation occasioned by the Inflation rates i.e rate at which prices of

goods and services increase thus currency value goes down (mean=3.34), global economic changes and government economic policy changes has effect strategy implementation equally (mean=3.26), and changes in taxation rates (mean=3.17) also affected strategy implementation process in the sampled organisations.

#### 4.4.6 General Challenges in strategy implementation

The study further sought to know the level of agreement on the following challenges on strategy implementation process in the case of pharmaceutical distributors. The responses were rated on a five point Likert scale where: 1- Most important, 2- important, 3-moderate, 4-least important, 5-very least important. The mean and standard deviations were generated from SPSS and are as illustrated in Table 4.11 below.

**Table 4.11 General challenges in strategy implementation**

	Mean	Std. Deviation
staff good will towards strategy implementation process	3.21	0.850
procrastination of plans	3.43	0.945
lack of knowledge about strategy implementation	3.60	0.891

**Source :Author 2013**

From the findings majority of respondents agreed that among the challenges stated below lack of knowledge about strategy implementation greatly affected the strategy

implementation (mean=3.60), procrastination of plans (mean=3.43),and staff good will towards strategy implementation process (mean=3.21) respectively. These reveals that lack of knowledge about strategy implementation adversely affect strategy implementation.

#### **4.4.7 Financial resources as basis of strategy implementation**

The study sought to know the level of agreement on the effect of financial resources as the basis of strategy implementation process a case of pharmaceutical distributors. The responses were rated on a five point likert scale where: 1- to no extent, 2- to an extent,3- moderate,4-vto great extent,5-to very great extent the mean and standard deviations were generated from SPSS and are as illustrated in Table 4.12 below.

**Table 4.12 Financial resources as basis of strategy implementation**

	Mean	Std. Deviation
To what extent does inadequate financial resources affect strategy implementation process in your organisation?	3.73	0.864

**Source author 2013**

From study findings majority of respondent agreed that inadequate financial resources affect strategy implementation process in their organisations (mean=3.7391).These reveals that financial resources is very important in the process of strategy implementation.

#### 4.4.8 The challenge of organisation politics and culture

The researcher sought to know the level of agreement on the effect of organizational politics and culture in day to day running of organizations in strategy implementation process in the case of pharmaceutical distributors. The responses were rated on a five point likert scale where: 1- to no extent, 2- to an extent, 3-moderate, 4- to great extent, 5- to very great extent. The mean and standard deviations were generated from SPSS and are as illustrated.

**Table 4.13 The challenge of organisation politics and culture in day to day running of business**

	<b>Mean</b>	<b>Std. Deviation</b>
To what extent does organisation culture and politics pose a challenge to strategy implementation	3.73	0.864

**Source author 2013**

From the findings all the respondents agreed to a greater extent that politics and organisational culture poses a challenge in the process of strategy implementation (mean=3.73). The study therefore concludes that in pharmaceutical distributors Nairobi county strategy implementation is greatly hampered by politics and culture in daily business operations.

#### 4.4.9 The extent to which planning is an essential factor in strategy implementation

The researcher sought to the level of agreement on the effect of the planning as a factor on strategy implementation process in the case of pharmaceutical distributors in Nairobi county. The responses were rated on a five point likert scale where: 1- to no extent, 2- to an extent, 3-moderate, 4-to great extent, 5-to very great extent. The mean and standard deviations were generated from SPSS and are as illustrated

**Table 4.14 Extent to which planning factors affect strategy implementation**

	<i>Mean</i>	<i>Std. Deviation</i>
lack of proper plans both short term and long terms	3.34	1.070
preferences of ad-hoc to formal planning	3.21	1.204
substitution of planning with urgent reactions to current state	3.30	1.222
Plans which are not very clear for strategy implementation	3.47	1.274

According to the findings majority agreed to greatest extent that Plans which are not very clear for strategy implementation hampers the organization from achieving its objectives (mean=3.47), lack of proper plans both short term and long terms (mean=3.34), substitution of planning with urgent reactions to current state (mean=3.30), and finally preferences of ad-hoc to formal planning (mean=3.21) respectively affects the process of strategy implementation.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter provides a summary of the findings and also it gives the conclusion and recommendations of the study based on the objectives of the study. The objective of the study was to identify factors affecting strategy implementation process in pharmaceutical distribution companies in Nairobi County.

### **5.2 Summary of the findings**

According to the findings on the strategic management effectiveness on the organization studied, a majority practiced very effective strategic management while a quarter of the organization practiced just effective strategic management. The rest had no effective strategy management. The study hence reveals that most of pharmaceutical distributors in Nairobi County practiced very effective strategy management. The findings further revealed that a majority of the organization sampled had formal guidelines on how to implement the chosen strategies. Only a few of the sampled organizations did not have the guidelines on strategy implementation. This shows that most of pharmaceutical distributors in Nairobi have guidelines on strategy implementation process.

From the research findings majority of the organization agreed that factors of production i.e. capital, labour, time and finance were most important in strategy implementation. Availability of the same factors supported the process fully while insufficiency of the above mention factors lead to poor strategy implementation. Finance and labour however stood out as the most important factors in strategy implementation in the sampled

organizations. From the findings a vast majority agreed that lack of clear communication, late communication and poor mode of communication affect strategy implementation to a great extent. Only a few of the sampled organization agreed that these factors of communication had no effect on strategy implementation. Therefore communication factors i.e. mode of communication and time of communication are very important in strategy implementation and should be adhered to so as to achieve organization objective in strategic management processes.

The study revealed that lack of organizational structures would hamper the strategy implementation process most while profit deadlines, lack interest or good will by the management, lack of interest by the employees and focus on present performance will would affect the strategy implementation process moderate. One can conclude therefore that lack of proper organization structures and rush to achieve profit dead lines affects the strategy implementation in big manner.

From the study findings most respondent agreed to the greatest extent that lack of proper information systems to guide strategy implementation and the fact that the current information systems are not fully understood by the staff in strategy implementation process affects strategy implementation to a large extent. These reveals that strategy implementation is greatly affected by lack of planning on information systems.

From the findings, the study reveals that the current economic changes poses a challenge in strategy implementation occasioned by the Inflation rates i.e rate at which prices of goods and services increase thus currency value goes down, global economic changes and government economic policy changes has effect strategy implementation equally,



and changes in taxation rates also affected strategy implementation process in the sampled organizations

The study found out that lack of knowledge about strategy implementation greatly affected the strategy implementation process, procrastination of plans and staff good will towards strategy implementation process also affected the process to a certain extent. These reveals that lack of knowledge about strategy implementation process adversely affect strategy implementation in the sampled organizations. Further a majority of respondent agreed that inadequate financial resources affect strategy implementation process in their organizations to a large extent. These reveals that adequate financial resources allocation is very important in the process of strategy implementation.

According to the findings all the respondents agreed to greater extent that politics and organizational culture poses a challenge in the process of strategy implementation process.

The study also found out that presence of strategic plans which are not very clear on strategy implementation hampers the organization from achieving its strategic objectives. Lack of proper plans both short term and long terms, substitution of planning with urgent reactions to current state and absence of formal planning respectively affects the process of strategy implementation.

### **5.3 Conclusions**

According to the finding of this study, the researcher can confidently conclude that the process of strategy implementation has been impaired by various challenges .some of the challenges are from within the organization(internal) while others are external. Whereas a majority of the sampled organizations have the guidelines to the process of strategy implementation inadequate factors of production i.e. time, labour and capital greatly affects the process of strategy implementation. Lack of structures and strict profit deadlines also act as impediments to the process since much time is spent in trying to achieve these short term goals. Lack of proper information systems or presence of less understood information systems also affects the strategy implementation process.

Lack of planning on information systems also poses a major challenge to strategy implementation according to the study. External factors such as inflation, global economic changes, government policy and changes in taxation rates also pose a great challenge to strategy implementation in the pharmaceutical distributors in Nairobi County.

### **5.4 Recommendations for policy and practice.**

The study would recommend that pharmaceutical distributors within Nairobi county should come up with measures to address the reported internal challenges in strategy implementation. To enhance a smooth process of strategy implementation, it's further recommended that organization allocate enough resources in terms of time, labour and finances specifically for strategy implementation process.

Communication should be enhanced between all stake holders in the process of strategy implementation so as to pass relevant information in time. Whereas focus on presence performance is relevant a futurelistic approach in operations is very important for any organization, hence organizations should also shift focus to strategy implementation as to the latter proper structures should also be put in place to achieve the successful strategy implementation. The study would recommend that organizations should put in place proper plans to guide in the process of strategy implementation. Further, planning on information systems is recommended to achieve proper strategy implementation. Knowledge about strategy implementation should be properly passed to all staff members involved in strategy implementation. These is to enhance participation in the process of strategy implementation. Organization culture and politics should be managed well to avoid them posing a challenge to strategy implementation process.

### **5.5 Limitation of the study**

The study was carried out only in Nairobi County hence some potential distributors might have been left out of the study. Some respondents were suspicious of the study although were assured on confidentiality of the information.

The study was conducted using a structured questionnaire hence hindering respondents from giving much information.

### **5.6 Recommendation on further research**

The study proposed further research on ways to mitigate the factors affecting strategy implementation in pharmaceutical and distributors in Nairobi County. Further studies

with a holistic approach should be done on factors affecting strategy implementation in Kenya as a whole.

The study also recommends further studies on challenges brought about by the seen factors affecting strategy implementation process in pharmaceutical distributors with an aim of advising the distributors on the way forward.

The study also proposes future research on factors causing these challenges in strategy implementation as a way of finding a permanent solution .

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# APPENDICES

## APPENDIX I: LETTER OF INTRODUCTION



### UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS MBA PROGRAMME

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE.....

#### TO WHOM IT MAY CONCERN

The bearer of this letter ...IRERE KENEDY MURAGE.....

Registration No...DG1/6334/2011.....

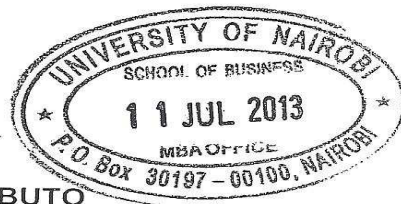
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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

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

Thank you.

**PATRICK NYABUTO**  
FOR: MBA CO-ORDINATOR  
SCHOOL OF BUSINESS





## APPENDIX II: QUESTIONNAIRES

### SECTION ONE

1) Name of the Company \_\_\_\_\_

2) Name of the interviewee (Optional) \_\_\_\_\_

3) Position held

Operational Manager [ ]                      General Manager [ ]

H.R Manager                      [ ]                      Strategic manager [ ]

Others specify .....

4) Level of Education

Graduate [ ]                      Diploma [ ]                      Others specify [ ]

5) Number of years in current position

1- 3 years [ ]                      4-5 years [ ]                      6- 8 years [ ]

More than 8 years [ ]

### SECTION II

1) How would you rate the effect of strategic management in your company?

Very effective [ ]

Effective [ ]

Not effective [ ]

2) To what extent does your organization implement chosen strategies?

(1- To least extent, 5- to the greatest extent)

(i)                      (ii)                      (iii)                      (iv)                      (v)

[ ]                      [ ]                      [ ]                      [ ]                      [ ]

3) Does your organizations have guidelines on how to implement chosen strategies

No [ ]

Yes [ ]

**SECTION III**

1) Factors to production i.e. time, labour and finance are crucial in any strategy implementation. Kindly name them according to their importance as challenges of strategy implementation:-

(1- least important, 5- most important)

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Lack of enough time to implement a strategy	[ ]	[ ]	[ ]	[ ]	[ ]
2. Lack of proper time management	[ ]	[ ]	[ ]	[ ]	[ ]
3. Untrained staff	[ ]	[ ]	[ ]	[ ]	[ ]
4. Insufficient labour supply	[ ]	[ ]	[ ]	[ ]	[ ]
5. Availability of capital for strategy implementation	[ ]	[ ]	[ ]	[ ]	[ ]

2) Communication is very important in strategy implementation. Its timeliness and clarity helps to get proper strategy implementation. To what extent does the following affect strategy implementation

[1- to no extent -5, Greatest extent)

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1) Lack of clear communication	[ ]	[ ]	[ ]	[ ]	[ ]
2) Late communication	[ ]	[ ]	[ ]	[ ]	[ ]
3) Poor mode of communication	[ ]	[ ]	[ ]	[ ]	[ ]

3) Attention and focus are very import in strategy implementation. Rate the following factors with their importance as destructors of attention and focus on strategy implementation ( 1- most important, 5- Less important)

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1) Focus of present performance	[ ]	[ ]	[ ]	[ ]	[ ]
2) Employees lack of interest	[ ]	[ ]	[ ]	[ ]	[ ]
3) Management lack of interest or good will	[ ]	[ ]	[ ]	[ ]	[ ]
4) Profit deadlines	[ ]	[ ]	[ ]	[ ]	[ ]
5) Lack of structures	[ ]	[ ]	[ ]	[ ]	[ ]

4) Information systems are very important for any company to achieve its objectives in strategy implementation. To what extent does information systems factors listed below pose a challenge to your strategy implementation process.

[1- to no extent -5, Greatest extent)

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Lack of proper information systems to guide strategy implementation	[ ]	[ ]	[ ]	[ ]	[ ]
2. The current information systems are not fully understood by the staff in strategy implementation	[ ]	[ ]	[ ]	[ ]	[ ]
3. Lack of planning on information system.	[ ]	[ ]	[ ]	[ ]	[ ]

5) The current economic changes have lead to greater challenge in strategy implementation. In many cases, economic changes occur between the planning and implementation a strategy. To what extent does this affect your organization strategy implementation process?

[1- to no extent -5, greatest extent)

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Inflation i.e. rate at which prices of goods and services increase thus currency value goes down?	[ ]	[ ]	[ ]	[ ]	[ ]
2. Global economic changes	[ ]	[ ]	[ ]	[ ]	[ ]
3. Government economic policy changes	[ ]	[ ]	[ ]	[ ]	[ ]
4. Changes in taxation rates	[ ]	[ ]	[ ]	[ ]	[ ]

6) Generally, how would you rate the following as challenges in strategy implement in your organization

( 1- most important, 5- Less important)

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1) Staff good will toward strategy implementation process	[ ]	[ ]	[ ]	[ ]	[ ]
2) Procrastination of plans	[ ]	[ ]	[ ]	[ ]	[ ]
3) Lack of knowledge about strategy implementation	[ ]	[ ]	[ ]	[ ]	[ ]

7) Financial resources form a basis of strategy implementation. To what extent does inadequate financial resources affect strategy implementation process in your Organization?

[1- to no extent -5, greatest extent)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
[ ]	[ ]	[ ]	[ ]	[ ]

8) Organizational politics and culture are vital in day to day running of any organization. To what extent does organization culture and politics pose a challenge to strategy implementation in our organization?

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
[ ]	[ ]	[ ]	[ ]	[ ]

9) Planning is essential to achieve objectives in an organization. To what extent does the planning factors listed below affect strategy implementation in an organization?

[1- to no extent -5, greatest extent)

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
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1. Lack of proper plans both short term and long terms
2. Preferences of ad-hoc to formal planning
3. Substitution of planning with urgent reactions to current state
4. Plans which are not very clear for strategy implementations.

**APPENDIX III: LIST OF PHARMACEUTICALS DISTRIBUTORS  
COMPANIES IN NAIROBI COUNTY**

1. Njimia Pharmaceutical
2. Nila Pharmaceutical
3. Transwide Pharmaceutical
4. Tranchem Pharmaceutical
5. Haripharm Pharmaceutical
6. Eastleigh Pharmaceutical
7. Modana Pharmaceutical
8. Karuri Drug Stores
9. Omaera Pharmaceutical
10. Eldohosp Pharmaceutical
11. Belea Pharmaceutical
12. Bilova Pharmaceutical
13. Rangechem Pharmaceutical
14. Sky Pharmaceutical
15. Bureau Pharmaceutical
16. Statim Pharmaceutical
17. Galaxy Pharmaceutical
18. Harleys Pharmaceutical
19. Lords Pharmaceutical
20. Krisna Pharmaceutical
21. Macnoughton Pharmaceutical
22. C-Mehta Pharmaceutical

23. Europe Pharmaceutical
24. Pan Pharmaceutical
25. Sunpar Pharmaceutical
26. Labonex Pharmaceutical
27. Medox Pharmaceutical
28. Unisell Pharmaceutical
29. Globe Pharmaceutical 8