STRATEGIC PLANNING PRACTICES AT KPMG KENYA

BY
OKETCH MICHAEL OGONJI
D61/70651/2007

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

SEPTEMBER 2010

DECLARATION

I hereby declare that this research project is my original work and has not been presented for a degree in any other university.

Signed ....

Oketch Michael Ogonji

D61/70651/2007

Date 13/11/2010

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

Signed....................................

Dr. Mohammed.

School of Business,

University of Nairobi

Date 13/11/2010

ACKNOWLEDGEMENTS

I would like to acknowledge and express my gratitude to the following people for their magnificent support and contributions throughout the study, to my supervisor Dr. Mohammed, for his valuable guidance and support during the project, Prof. Aosa and J Maalu, for their valuable contributions during my presentation and the academic staff of the department of Business Administration for their inspirational teachings. I also thank my wife Nuria and son Alex for their support and encouragement during the research.

DEDICATION

I dedicate the study to my dear wife Nuria and son Alex, who endured the many hours they spent alone when I was working on the study and for their endless love and support.

ABSTRACT

This study sought to determine the strategic planning practices at KPMG Kenya and the factors that influence strategic planning at KPMG Kenya. The study was done through a case study and data was obtained through responses to the questions that were contained in two questionnaires. Secondary data was obtained from company journals and the company's strategic plan for the year 2008-2013.

The study revealed that strategic planning in this organization was deliberate and highly formal. Strategy workshops were found to be the most favored way of conducting strategic planning sessions. The process of strategy development was also very inclusive with various levels of management represented apart from the lower level employees. Objective setting in this organization was mainly top-bottom. The organization was very keen on conducting environment and competitor analysis although this was not done at corporate level but at business unit level. The process of strategic planning was also influenced by a number of factors such as competition, external influence, organizational power and politics and culture.

As a result of these findings it was recommended that the lower level employees be given more representation in the process of strategy development. Furthermore, a need for a system to ensure accountability at the top level management was also highlighted in the recommendations.

TABLE OF CONTENTS

Declaration ii
Acknowledgements iii
Dedication iv
Abstract v
Chapter One: Introduction 1
1.1 Background of Study 1
1.1.1 Strategic Planning Practices 2
1.1.2 The Professional Services Industries 4
1.1.3 KPMG Kenya 4
1.2 Research Problem 6
1.3 Research Objectives 8
1.4 Value of the Study 9
Chapter Two: Literature Review 10
2.1 Introduction 10
2.2 The Concept of Strategic Planning 10
2.3 The Development of Business Strategy 12
2.4 Factors that Influence Strategic Planning 14
2.5 Factors that Complicate Strategic Planning 19
2.6 Empirical Evidence 21
Chapter Three: Research Methodology 23
3.1 Introduction 23
3.2 Research Design 23
3.3 Data Collection 24
3.4 Data Analysis 25
Chapter Four: Data Analysis, Results and Discussion 26
4.1 Introduction 26
4.2 Strategic Planning Practices 26
4.3 Factors that Influence Strategic Planning at KPMG Kenya. 30
Chapter Five: Conclusion and Recommendati 32
5.1 Introduction 32
5.2 Summary, Discussions and Conclusion 32
5.3 Limitations of the Study 36
5.4 Suggestions for Further Research 37
5.5 Implication on Policy and Practice 37
References 39
Appendices 42
Appendix I: Introduction Letter. 42
Appendix II: Interview Guide for Partners 43
Appendix III: Interview Guide for Managers 45

CHAPTER ONE: INTRODUCTION

1.1 Background of Study

Strategic planning is projecting where an organization expects to be in five, ten or fifteen years and how the organization will get there. It is a systematic planning process involving a number of steps that identify the current status of the organization, including its mission, vision for the future, operating values, needs (strengths, weaknesses, opportunities and threats), goals, prioritized actions and strategies, action plans and monitoring plans. Strategic planning's three main components are plan development, plan execution and plan review. Many of the functional areas within these components are similar in that all three require a team concept that is based on: ensuring the members roles are defined, educating team members about the process and using quality communication when interacting (Johnson, Scholes and Whittington, 2006).

Strategy may be developed through the rational analytical approach. It may be formulated by top management through careful analysis and planning and passed down through the organization .strategy may also be adopted from peoples experiences or it may emerge as a variety of diversity and exploration of ideas in and around the organization. Formality may be defined as the degree of deliberateness in planning. A high degree in deliberateness results in formality in planning while a low deliberateness in planning results in informality in planning. The formal planning process results in intended strategy while realized strategy is interplay between the intended and the emergent strategy (Johnson and Scholes, 2002).

The success of a corporation depends on how successfully it aligns its structure with its strategic objectives. This depends on its success in making a number of key decisions: determining the stage of the value-added process at which it will compete, identifying activities in which it has a competitive edge, selecting the functions it should execute internally, developing a plan of action it should execute internally and developing a plan of action for integrating those functions most productively. These decisions determine how resources should be allocated and how external and internal boundaries should be drawn (Jain, 2004).

1.1.1 Strategic Planning Practices

Strategy development is equated with formalized strategic planning systems. These may take the form of systematized, step by step chronological procedures involving different parts of the organization. A strategic planning system may have many uses. First, it may indeed play a role on how the future organizational strategy is determined through providing a structured means of analysis and thinking about complex strategic problems. Second is through encouraging managers to question and challenge the received wisdom they take for granted. Third is through encouraging a longer term view of strategy that might occur and providing a means of coordination, for example by bringing together various business level strategies within an overall corporate strategy. A planning system may also facilitate converting an intended strategy into organizational action by communicating intended strategy from the centre. Second is by providing agreed objectives or strategic milestones against which performance and progress can be reviewed. Third is ensuring the coordination of resources required to put strategy into effect. A planning system may also have psychological roles. It can be a way of involving people in strategy development, therefore perhaps helping to create ownership of the strategy. Second, it can provide a sense of security and logic for the organization, and in particular, senior management, who believe they should be proactively determining the future strategy and exercising control over the destiny of the organization (Johnson, Scholes and Whittington, 2006).

There are three ways in which a deliberate and planned managerial intent can be explained in an organization. These are the planning view, the command view and the logical incremental view. In the planning view, strategies are developed through a rational and formalized sequence of analytical and evaluative procedures. This view provides a structured means of analyzing and thinking. It also involves employees in strategy development and hence creating a sense of ownership. It also provides a means of control through which regular reviewing of performance can be set. The command view is where strategy is developed through the direction of an individual or group but not necessarily through formal planning. This individual or group could be the owner or cofounder or an appointee of the organization. The logical incremental view sees strategy to develop through small stepwise responses to a gradually changing environment (Johnson and Scholes, 2002).

Strategic planning could also be seen as formal or informal. Formality in strategic planning refers to the degree to which participants, responsibilities, authority and discretion in decision making are specified (Pearce and Robinson, 2002). Formal analytical processes are characterized by the use of analytical tools and methodologies to help managers reach a better quality of strategic decisions. Greater formality has been positively correlated with corporate success (Hofer and Schendel, 1978). The informal approach to strategy is characterized by executive bargaining and negotiation, building coalition, and the practice of 'muddling through' (Hax and Mujluf, 1996).

1.1.2 The Professional Services Industry

There are four major professional services firms in Kenya and KPMG is one of the largest. It is one of the Big Four auditors, along with PricewaterhouseCoopers (PwC), Deloitte Touché Tohmatsu (Deloitte) and Ernst & Young (EY). The professional firms offer the following services: Audit: Financial Statement Audit, Tax: Business and Personal Tax services, Advisory: Accounting Advisory Services.

Although the top four control about 85% of the market share in terms of deal value, the mid tier firms that have sought international affiliation hence been growing their client base at a faster rate than the multinationals. This is according to estimates from the institute of certified public accountants of Kenya.

1.1.3 KPMG Kenya

KPMG East Africa practice comprises Kenya, Uganda, and Tanzania. There are 16 partners and more than 400 professional staff who provide a full range of services to organizations in the region. KPMG East Africa has considerable experience in audit, tax and advisory services. The Nairobi office serves as the regional co-coordinating office providing the required networking to facilitate delivery of services on a timely basis to meet and exceed our clients' expectations. The firm's involvement in Kenya goes back to

1949 when it operated as Angus, Lawrie and Jeremy. In 1965, the name of the firm changed to Peat Marwick, Mitchell and Company. The firm operated as such until 1989, when, as a result of the international merger between Peat Marwick International and Klynveld Main Goerdeler, KPMG was created.

Expansion into the region came in the mid 90s with the setting up of offices in Dar-es-Salaam and Kampala and in the years that followed the creation of correspondent offices in Ethiopia, Eritrea, Rwanda and the Seychelles. Within a short period, KPMG gained recognition as a leading provider of audit, tax and advisory services in the East Africa region. KPMG's Audit practice helps clients manage risk so they can focus on their core businesses. KPMG's Tax practice is also focused on finding opportunities and leveraging them to clients' best advantage in the form of significant tax savings. KPMG's Advisory Services can help organizations uncover hidden opportunities to improve performance or unlock value in the business.

The firm has a coordinated approach to client service and by fielding teams of experienced professionals with specific skills in Information Risk Management, People Advisory Services, Financial Advisory Services and Internal Audit; KPMG can help move organizations ahead of the change curve. Strategic Planning is also part of the services offered at KPMG. Most companies have made significant progress in improving their strategic planning capabilities whereas some firms seek for professional services.

1.2 Research Problem

Competition from both within and outside the professional services industry has forced a change in strategy as the big four (KPMG, Ernst & Young, Deloitte Touché Tohmatsu and PricewaterhouseCoopers) race to grow and defend their market share. This competition is among the multinationals themselves coupled with strong challenges from midsized and locally owned firms. This has further been complicated by the emergence of investment banks including Dyre & Blaire, CBA Capital and Kestrel capital that are eating deep into the accountants' share of the lucrative financial advisory market which they previously dominated.

Ogari (2005) observes that to therefore ensure continued existence, these organizations have to anticipate change in advance, plan timely response, increase speed of implementation and be flexible to be able to anticipate surprises that could not be anticipated in advance. The chief executive can achieve this by employing management processes that will position the organization optimally in their competitive environment. Strategic planning is the means to achieve this end.

Strategic decisions of a firm competing in the global market place have become increasingly complex. In such a firm, managers cannot view global operations as a set of independent decisions. These managers are faced with trade off decisions in which multiple products, country environments, resources sourcing options, corporate and subsidiary capabilities and strategic options must be considered (Pearce and Robinson, 2007). Why the achievement gap between strategic planning and strategic performance?

Reasons undoubtedly will vary from corporation to corporation, but certain ones appear to be critical. First, many companies have found that top-down strategic planning produces resistance on the part of operating managers. Second, while there is a basket of generic strategic measurement tools, selection and application is highly dependent on detailed understanding of the particular business strategy and situation. Strategic performance measurements have to monitor key program implementation and monitor results (Johnson, Scholes and Whittington, 2006).

Several studies have been done on strategic planning practices in various industries in Kenya. Oteta (2003) studied comparative study of strategic planning in the private and public sectors in Kenya, Bett (2003) studied strategic planning by tea manufacturing companies in Kenya, Karanja (2004) studied a survey of strategic planning and perfomance of public corporations in Kenya, Muhoro (2004) studied the process of strategy development in Kenya Bus Services Ltd, Maundu (2005) studied an investigation of the strategic planning practices of horticultural exporters in Kenya, Ogari (2005) studied strategic planning practices by public universities in Kenya, Watitu (2006) studied strategic planning practices and school performance: the case of public and private primary schools, Nairobi province, Malusi (2006) studied strategy development and its challenges in Kenyan public corporations: the case of National Hospital Insurance Fund, Odhiambo (2006) studied strategy development for the Catholic Diocese of Machakos.

These studies established that organizations are now faced with rapid changes in their internal and external environments and have now resorted to strategic planning. Whereas several studies have been dedicated to this concept of strategic planning, none was found on the professional services industry and in particular KPMG Kenya. Yet just like other organizations in the corporate world, this industry also faces critical challenges in the environments they operate in that necessitate strategy and planning. Like other organizations, these organizations operate in an open system meaning they affect and are affected by external conditions that are largely beyond their control (Pearce & Robinson 1997).

This study therefore aimed at filling this gap by setting out to establish the strategic planning practices at KPMG Kenya. The study aimed at answering two research questions:

What are the strategic planning practices at KPMG Kenya? What factors influence strategic planning at KPMG Kenya?

1.3 Research Objectives

Major objectives of the study were:

i. To establish strategic planning practices at KPMG Kenya.

ii. To establish factors which influence strategic planning at KPMG Kenya.

1.4 Value of the Study

The project is intended to benefit the following three groups:

To KPMG Kenya the research shall provide valuable insight to management and staff on strategy development. It shall help in the formulation of the relevant policies and also help to identify solutions to some of the challenges faced in strategy development in the organization.

To researchers and academicians this research will provide an understanding of the nature of strategy development in the professional services industry. It will show the depth of understanding and practice of strategy development at KPMG Kenya and whether strategy development in the organization deals with strategic issues. This contributes to the available body of knowledge.

Organizations in other industries can use the findings as reference points in their strategy development processes and find out how strategy development can be used to deal with strategic issues in their specific areas.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed existing literature on strategic planning, the development of business strategy, factors that influence strategic planning and factors which complicate strategic planning.

2.2 The Concept of Strategic Planning

Strategic planning is the managerial process of developing and maintaining a viable fit between the organizations objectives and resources, and its changing opportunities. The aim of strategic planning is to shape and reshape the company's business and products, so that they combine to produce satisfactory profit and growth. The wordings "to shape and reshape the company's business and products", indicate that the product and geographical boundaries of the firm are less important than the attainment of laid out objectives. The wordings "so that they combine to produce satisfactory profit and growth" lay emphasis on dual goals of profit and growth. The words "developing and maintaining viable fit….." suggest that profit and growth come in phases. A growth phase must be consolidated for profit before surging a head for the next spell of growth. The definition emphasizes the dynamic relationship between resources and opportunities, requiring firms to constantly review long term operating strategies (Patel, 2001).

The strategic planning process involves three distinct activities, stating vision and setting goals, identifying thrust areas and making a strategic plan. Stating vision and setting goals involves two essential elements of vision statements, namely, a qualified goal and target date. The vision has been shared for solid action. This means that the vision must be clearly understood by everyone in the organization, accepted by all and there must be a mechanism for addressing issues which may crop up when plans are unfolded. Defining strategic thrust areas is where the ways and means of attaining corporate goals stated in the vision statement must be fully defined. Strategic thrust areas must be identified after a careful analysis of the enhancement as well as available resources. They should also be in tune with the strategic goals. A business uses various parameters in doing business, these are timely delivery, good product, quality, competitive pricing, effective distribution, packaging, credit facilities, after-sale service, effective handling of customer grievances, and customer friendliness are important factors to be considered for better customer satisfaction (Patel, 2001).

An effective set of important decision variables are selected and that is called the strategic thrust area. It integrates all functional areas in a single thread, and eliminates the possibility of disjointed efforts (Patel, 2001). Third is making strategic thrust areas provide impetus and guidance to the exercise of designing overall and functional strategic plans, proposals, negotiation and allocation of targets and budgets to each department are justified on the lines of strategic thrust areas. This adds objectivity to the exercise of planning and budgeting (Patel, 2001). Businesses operate through a continuous strategic planning process of setting goals, assessing performance, taking corrective action and monitoring results. When a symptom of a problem or a new business opportunity is detected, management must ensure its careful definition, which requires a detailed insight into the workings of the business. The more alternatives that can be put forth for investigation, the more effective the action taken is likely to be. Each of the alternative courses of action must be analyzed to determine its advantages and disadvantages and its economic cost and effectiveness. The additional revenue, likely costs and necessary investment must be estimated and the likely results calculated (Colley, Doyle and Hardie, 2002).

Lower level and straighter forward decisions are more apt to be accompanied by sufficient data to support the use of analytical tools and techniques. Conversely, higher level, more strategic decisions normally are made in an environment of insufficient data and the inability to estimate accurately the actions of competitors, trends in the market, or organizations ability to execute the strategy. These are the defining strategic decisions for corporations. The ability to handle these situations is what determines whether chief executive officers are effective or ineffective. The final task in the process of strategy formulation and implementation is to ensure that actions happen as they have been planned. The manager must determine the key success factors for the organization and provide for the continuous monitoring of results through effective control systems (Colley, Doyle and Hardie, 2002).

2.3 The Development of Business Strategy

Business strategy develops from planning. Strategic planning encompasses those activities that lead to the statement of goals and objectives and the choice of strategies to achieve them. The final outcomes of strategic planning are statements of vision, mission, strategy and policy. A vision is an idealized picture of the future of the organization. The mission identifies the firms' purpose and where it fits into the world. A mission is more grounded in present day realities than is a vision, but some companies use the terms interchangeably. Planning alone does not create strategy, corporate values also influence strategy because well managed organizations tend to develop strategy to fit what the people in power think is important. If the company highly values innovation, it will not adopt a strategy of being successful by imitating other successful products. Under ideal circumstances a firm arrives at a strategy after completing strategic planning. In practice, many firms choose a strategy prior to strategic planning once the firm has the strategy; a plan is developed to implement it (Dubrin, 2006).

Most companies will not have a single strategic plan, but they will have a number of integrated strategies set at different levels. Typically, a large company will have a corporate strategy that sets the broad direction for the company as a whole. The company will normally consist of a large number of different businesses that are usually grouped into divisions. Reporting into the divisions will be businesses normally either country units or business providing a line of related products. Finally, each business will have a collection of individual products or markets, each of which needs to be planned. Strategic planning can be defined as the management process of developing and maintaining a viable fit between the firms strategy and organization and its changing environment. A well defined strategy incorporates decisions about the following issues: Strategic business unit identification- most companies operate with a diversity of products, technologies and market segments. Management needs to structure the organization into identifiable business units with managers clearly accountable and responsible for their performance (Doyle and Stern, 2006).

Resource allocation- a central strategic task is to allocate resources of the firm among the business units and then among product-markets, functional departments and activities within each business. Developing sustainable differential advantage- The most important strategic objective is to achieve a sustainable competitive advantage that makes the business the preferred choice for a significant number of customers. Effective functional strategies- The competitive strategy needs to be activated and implemented by efficient and effective functional policies. These include policies for manufacturing, positioning the product line, pricing, promotion and distribution. Synergy- while the firm operates separate strategic business units, management should look for synergies; resource and capabilities that complement and reinforce one another. Unless such synergies are identified and exploited, a business unit within a large successful company will have no advantage over small firms. Potential synergies may lie in umbrella brand names, shared distribution and logistics, or access to special development and managerial skills (Doyle and Stern, 2006).

2.4 Factors that Influence Strategic Planning

The earliest planning systems were financial and based upon an annual budgeting cycle. They focused on controlling costs. Strategic planning was concerned with developing a detailed understanding of the new market environment, so that new patterns could be predicted and responded to. The new approaches to planning did not replace previous systems, but rather they augmented them (Doyle and Stern, 2006).Essentially corporate planning involves two major steps one is assessing the situation and the competitive environment and considering and working out alternatives and strategy. The plans must establish certain planning premises for which deductions can be made about the plan. The planner needs to see the organization as a sub-system or microsystems in terms of receiving input (resources, demands, influences) and giving out output by synthesizing these inputs within its own through put system (Sagimo, 2002).

The productivity improvement planning approach entails the concepts and practice of management efficiency, effective results achievement, standardization of jobs, cost-analyzing (break even and profits), financial budgeting and quality control. Management efficiency suggests systematic procedures of production leading to a high ratio of output to inputs, thus guaranteeing profits. This approach is useful in re-organization because it shows negative indicators of performance and targets achievement such as shortages of manpower, management deficiencies, outdated management methods and poor industrial relations. The basic productivity improvement planning tool is the application of the concept of creating equilibrium in planning changes for performance improvement. First, the assumption is that the management performance rests in a pivotal point that normally results into average performance and not complete realization of the planned targets. Second, is that this average performance is actually the result of two opposing factors that create a balance impact on the managers performance. Firstly, factors from within and without the organization that facilitate the average achievement of the target or objectives, they are supportive factors. Second, are other factors that hinder the achievement of objectives and thus make performance average rather than absolute; they are constraints (Sagimo, 2002).

A productivity improvement programme enables the manager to examine key factors from within and outside the organization that either hinder or facilitate effective performance. It also helps the manager to identify constraints to his work and to eliminate (or minimize) them through a management by exception process. Third, it enables the manager to identify factors which facilitate his performance for the purpose of sharpening them. Strategic management uses the strengths, weaknesses opportunities and threats theory in its planning method. This is management which sets goals for the organization and goes ahead to meet them as planned hence it is called strategic management. It involves strategic pooling of resources towards achieving the set goals. Strategy is defined as the formulation of the basic organizational mission, purpose and objectives, policies and programmes to be achieved and the methods needed to ensure that organizational ends are achieved. Strategic management thus encourages environmental, industrial and internal analysis (Sagimo, 2002).

Characteristics of an effective strategy are that it should be consistent with the organizational environment, internal capabilities, capacity, available resources and risk preferences. It should have its action plan choices aimed at clearly identified goals and should have a high chance of successfully reaching or guiding behavior towards them and their achievement. An effective strategy should also have appropriate timing; allow sufficient flexibility for adjustment to deal with competitors and environmental change. It should also have the organizations leadership convention support, to guarantee accomplishment through top management profile. There are many reasons that have been given by executives and researchers as to why firms should use strategic management method. The condition of most businesses changes so fast that strategic management is the only way to anticipate future problems and opportunities. The method thus allows an organization to make its decisions based on long range forecasting, not spur-of- the moment reactions; it allows the firm to take action at an early stage of a new trend and to consider the lead time for effective management (Sagimo, 2002).

Risk is reduced as the firm innovates in good time to take advantage of new opportunities in the environment. Strategic management approach provides all the employees with clear objectives and directions to the future of the enterprise. Most people perform better if they know what is expected of them and where the enterprise is going. Management by objectives is a systematic application of goal setting and planning to help individual and firms be more productive. This system continues to contribute to organization effectiveness. A management by objectives program typically involves people settling many objectives for themselves. Management by objective program usually involves sequential steps. First is establishing organizational goals. Top level managers set organizational goals to begin the entire management by objectives process. Quite often these goals are strategic (Dubrin, 2006).

Strategic planning requires effective communication which improves the functional coordination of efforts throughout the organization. In this part, this will be due to the clearer definition of objectives and policies that planning pre-supposes. Strategic Planning also motivates by showing what is expected of each member of the organization, and if plans have been agreed between superiors and subordinates in an appropriate way, there should be a high degree of commitment to their attainment. Strategic planning should lead to the making of better decisions by requiring an explicit statement of assumptions, underlying choices, as well as the enumerating of alternative courses of action and relevant states of nature. In other words, systematic thought needs to be given to the future, thereby ensuring that effort is not wholly absorbed in the present. Planning encourages a favorable attitude towards change which is due in part to a better state of preparation for sudden variations, so that they can be turned to the organization's advantage, but which is also due to constantly striving to create a desired future. Planning also enables standards of performance to be established, and this in turn allow the control process to be effective (Wilson and Gillian, 1999).

Effective management information systems are important because observation delays are cut by quick feedback on customer behavior. For example, modern retailers have scanning systems that alert management within hours to unanticipated changes in sales. The internet and other developments in information technology have given firms the capabilities to identify and respond to market changes much more rapidly. Enhanced strategic capabilities enable reduction of procrastination. Decisions have as far as possible to be devolved to managers and need to be customer rather than product-led. They need broader horizons to scan the environment for signals of changes in technology, channels or customer expectations. Top management has to have an expectation of change and to encourage an inspirational culture that seeks to capitalize on opening strategic opportunities (Wilson and Gillian, 1999).

Corporate flexibility is needed as change threatens companies because revenues fall faster than costs. Consequently, one obvious move to cope with managing in a turbulent environment is to seek to restructure the business with the objective of making fixed costs variable. Flexibility can be enhanced by diversifying the organization's portfolio of products or markets. This way it can spread its risks. The need for faster response also encourages organizations to find more dynamic less bureaucratic leaders capable of making quick, dramatic moves. Finally, it also encourages companies to move beyond annual budgeting and planning systems. Rapid power transfer is needed when radical changes in the company's markets and technological needs often make obsolete the competences of the existing management. When this power shift becomes necessary it should be done quickly rather than endure further destabilizing delays. This is why a company requires a strong, independently minded board, with non executive directors who can take the lead in bringing in a new executive team (Wilson and Gillian, 1999).

2.5 Factors that Complicate Strategic Planning

Firstly, is the size of business organizations. The size of firms, in terms of sales, products, employees, plant locations and new capital investment requires more detailed strategic planning to give direction to operations and to monitor performance.

Second is product – proliferation. The increasing rate of introduction of new products and the general growth of the marketing function have compelled managers to have some method of planning and controlling their product mix. Obsolete products must be eliminated and new products brought to market in a timely fashion to ensure that the firm maintains a stable pattern of profit and cash flow (Wilson and Gillian, 1999).

Third is diversification which is recognition of the risk inherent in dependence on a single or limited product line. This has led many managers to seek to diversify, either by developing new products or by mergers and acquisitions. The need to integrate the numerous diversified activities to produce a controlled pattern of results has increased the need for detailed strategic planning.

Fourth is decentralization. The traditional functions form of management organization such as marketing finance, operations and engineering is often awkward in its ability to respond in numerous markets with large numbers of product lines. Managers have come to realize that the ability to respond in specific market segments is greatly enhanced by decentralizing, by delegating complete authority to conduct a segment of the business to an autonomous general manager. This decision in turn makes the results of the firm, as a whole; depend largely on the sum of the results of its decentralized units. Strategic planning processes and systems provide tools to assist corporate managers in their effort to plan and control decentralized activities.

Fifth is growth of international businesses. The rapid spread of business operations around the world has complicated managements' strategic tasks in terms of language differences, variations in product codes and standards, facility and skill differences, currency exchange rates and movement restrictions, legal and other constraints.

Sixth is government regulation. Businesses have to cope with increasing government regulation in such areas as pollution, safety requirements and antitrust regulations (Wilson and Gillian, 1999).

2.6 Empirical Evidence

Several studies have been carried out on the concept of strategic planning. Odhiambo (2006) looked at strategy development for the catholic diocese of Machakos and concluded that there was some formality in planning though strategy development was largely informal, undocumented, less analytical and not deliberately undertaken. Maundu (2005) looked at strategic planning practices of horticultural exporters in Kenya and concluded that about 57% of the firms studied had informal strategic planning, 13% had no strategic planning while only 30% had formal strategic planning.

Other studies, Watitu (2006), Muhoro (2004), Karanja (2004) on strategic planning found out that certain strategic planning practices such as presence of formal vision and mission statements, interactive approach in objective setting, development of strategic plans and formal environmental scanning influenced better performance. Bett (2003) argues that the strategic planning by tea manufacturing companies in Kenya was as a result of the need to align organizational capability and strategies to the rapidly changing environmental conditions for the organization to survive and prosper. Otete (2003) concluded that customers and competitors had a strong influence on the strategic direction of private sector organizations. Ogari (2005) observed that though decentralized approach to strategic planning makes it everyone's responsibility for its implementation, effective strategic planning still begins and ends with the top management who is in a better position to influence the current and future direction of the organization. Malusi (2006) observed that issues such as resistance to change, organizational culture and politics and communication barriers were the main barriers to strategy development. To overcome them, he suggested training, effective communication and changing organizational culture as the solutions.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter is intended to give details of the research design that was used to achieve the objectives of the study. The research was carried out through a case study design that involved gathering data from five employees of KPMG Kenya. It also contains data collection and analysis methods. The objective was to investigate the strategic planning practices at KPMG Kenya.

3.2 Research Design

This research was conducted through a case study. The method enabled the researcher to have and in depth account of strategic planning practices at KPMG Kenya. Kothari (2004), states that a case study is a very popular method of qualitative analysis which involves careful and complete observation of a social unit. It is a form of qualitative analysis where the study is done in an institution or situation, and from the study, data generation and inferences are made. It is a method which emphasizes depth rather than breadth. This approach has been used by other researchers like Bahati (2006), Abdulaziz (2006) and Maundu (2005) in their studies.

Yin (1994) and Stake (1995) attribute a number of benefits accruing from using this method: it aids the researcher in getting a holistic view of an event or situation, a view that includes the context as well as the details; ability to lead to a more complete understanding of some aspects of a person, group, event or situation due to the case study method's richness in detail; the method's capability to satisfy the three parts of a qualitative method namely describing, understanding and explaining.

3.3 Data Collection

Primary data was collected using an interview guide. Personal interviews are useful in obtaining in depth information since the researcher can adapt the questions where necessary, clarify doubt and ensure that the responses are clearly understood by rephrasing or repeating the questions where necessary. The researcher can probe with additional questions, gather supplementary information as well as collect non verbal cues through observation (Cooper and Schindler, 2003).

Personal multiple interviews were conducted with five employees at KPMG Kenya (two top level management and three mid level managers). Kothari (2004), states that personal interview method requires the interviewer asking questions in a face-to-face contact to the other person. Usually the interviewer initiates the interview and collects the information. This method is particularly suitable for intensive investigations. The method of collecting information through personal interviews were carried out using a semi structured way. Company reports on past years plans were also used in gathering data. Observation through attending the opening session of the company's strategic planning session was also used to gather data.

3.4 Data Analysis

Content analysis technique was best suited for data analysis. Cooper and Schindler (2006), states that the breadth of content analysis makes it a flexible and wide ranging tool that may be used as a stand alone methodology or as a problem-specific technique. Content analysis follows a systematic process for coding and drawing inferences from texts. It starts by determining which units of data will be analyzed.

Nachmias and Nachmias (1996) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same approach to relate to trends. The researcher makes meanings from interviewees' responses through conceptualization and explanation building.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This research had two main objectives: to establish the strategic planning practices at KPMG Kenya and to establish factors which influence strategic planning at KPMG Kenya. Data was analyzed using content analysis based on meaning and implications emanating from respondents information and documented data on strategic planning. This chapter is based on the interviews conducted with two senior management of the organization (partners), two mid level managers (managers) and one lower level employee (senior). All the respondents have worked for the organization for between three to fifteen years. Analysis and results are presented in order of the objectives.

4.2 Strategic Planning Practices

The study sought to determine the strategic planning practices at KPMG Kenya. The findings were as indicated as follows: KPMG international sets the global strategic objectives. All KPMG practices worldwide are expected to formulate their objectives along those of the main franchise. KPMG Kenya set its objectives in three main areas that are financial, people agenda and markets. Setting of objectives is top-down and does not seem to involve lower level employees. There are business unit strategy meetings chaired by a partner to formulate business unit strategies. Thereafter managers in their respective business lines develop their own annual plans. The organization formulates its plans annually.

Strategic planning is used as a tool for motivation through involving most of the employees in the strategy formulation workshops. At the global level, there is the global partnership meeting where the CEO represents the organization. This is the level at which the global strategy is formulated At corporate level, the CEO conducts a meeting with the partners to review their strategy and define the strategic framework that will guide their business in the next 3-5 years. Here they share their knowledge of seminal moments in KPMG East Africa's history, from their entry in the region in 1949 to their present day contribution and impact in each country they operate in. they also share lessons from the leadership development events attended by partners. From this meeting a resolution is passed which defines the strategic thrust areas for the coming year. Partners who represent their respective business units are expected to communicate this to managers in their various units. Thereafter, partners and managers get together in a retreat before the final meeting the entire organization's management. The partner ensures that there is a common understanding and commitment to the strategic priorities agreed on at the partnership meeting. This is then disseminated to the entire organization across the entire organization and expected to serve as a motivator towards achieving the set goals.

An observation during the strategy session of 2010/2011 found out that there was the presence of a representative of KPMG international who gave an opening remark before the session started. This shows that objectives set by the Kenyan franchise must be in line with those of the international franchise. A case example is when the international franchise indicated it was discontinuing a product line, or driving up market share as its primary object, the Kenyan franchise also has to follow suit.

There exists an appraisal system called 'Dialogue'. Whereby at the beginning of every year each individual set their goals for the year, the performance managers ensure that those goals are aligned with the strategic objectives. Mid and end-year appraisals are conducted and the results have a direct impact on an individual's promotion and remuneration.

Each business unit does its own independent competitor analysis whereby each of the three main competitors' moves is analyzed, threats identified and used by the organization to leverage itself for future success. For example the competitor analysis indicated that one of the main competitors had dissolved one of its business units due to the global crisis. It therefore decided to strengthen its similar unit to take advantage of the situation. The organization also performs a situational analysis to address the negatives that they believe are inhibiting their success. Here emphasis is made consistency in quality, human resource and regional communication. The analysis also identifies the strengths that it can leverage from for future success. Here emphasis is on use of its success in running internal training, its success in internal audit and their success in Kenya.

There was an indication that the organization had taken a major step in its strategic planning process. It carried out a detailed analysis of its internal and external environment; the company's mission statement is translated to a simple goal for easy and effective implementation. Strategies are designed in a way to achieve the strategic objective for example by identifying each business unit's strategic priorities such as filing in human resource gaps, regional expansion and developing key business units. The strategy also spells out specific actions to meet the set priorities

The climax of the strategy development process is a retreat for a number of days attended by a representative from the international franchise, the CEO, partners and mid level managers. The CEO gives a recap of the previous year's strategy outlining what they intended to do and a summary of success. He then identifies the key priorities for the coming year. Each business unit through a manager then presents its strategy for the coming year identifying the key areas to be exploited in working towards the overall business strategy.

The lower level employees (seniors) are aware of the existence of a strategic plan in the organization. They are aware of the company's planning horizon of one year and the areas that the company's objectives are set. They are however not involve in the objective setting process and are just informed by the managers. The seniors seem not to be aware of the strategy development process due to lack of involvement. They are also not aware of how frequent the organization revises its objectives. They are also not aware if the organization undertakes an environmental analysis during its strategy planning. This group is also not aware of the factors posing a challenge in strategic planning in the organization. The mid level management is fully involved in the process and they know the strategy development process in the organization.

Strategic plans aim at analyzing and identifying the qualities and characteristics of the firm's best customers. This is called the premium customer who is defined at the top management level. In his communication to the organization, the CEO indicates that the heart of satisfaction strategy is premium specialization which requires a continued focus on premium clients.

4.3 Factors that Influence Strategic Planning at KPMG Kenya

This organization being a franchise, its strategy has to be in line with that of KPMG International. During the strategy session for 2010/2011, there was a representative from KPMG International who delivered a summary of the global partnership meeting. He indicated that they examined what changes they needed to make so that they are consistently able to recruit, retain and empower best talent and build a pre eminent reputation as the best firm to work with. They had developed a well informed comprehensive strategy to achieve their vision.

Competitor analysis indicated the changes in strategy of competitors such as dissolving a business line. This seems to have informed the organization to strengthen its respective business line. Analysis was done for the top three main competitors with each competitor's strategic advances clearly outlined. Reactions to these moves were incorporated in the future strategy of the organization. Situational analysis was also done to shed light on the organization's strengths, weaknesses threats and opportunities.

The main factors that were identified as having a major influence in the organization's strategy were environment, competition, power and politics, external controls, predominant management style and the size of the organization. External control is mainly from the international body that controls the product range, quality standards and methodologies. There are also other regulatory bodies such as The Institute of Public Accountants of Kenya. Predominant management style also influences strategy since the organization is known to be kind to employees and therefore believes in people agenda. The size of the organization made it easy to adopt a more participative approach in strategy development in countries with smaller sizes as compared to the large operations in Nairobi. Power and politics at senior level make it difficult for mid level managers develop strategies that cut across the organization. This led them to make business unit plans that might be dysfunctional to the organization as a whole.

Strategic planning in the organization developed an understanding of the new market environment with the aim of predicting and responding to new market trends. The needs of the customers are evolving and plans seem to capture these changes. The strategic planning in the organization allow for flexibility since they are modified and adapted to market changes. For instance a specific market may not be targeted in the specific objective but if it offers a great opportunity for growth, the organization is flexible enough to incorporate this. Strategic plans are designed to provide long term results. This is why the organization did not stop the recruitment of graduate trainees as some organizations did during the financial crunch.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings and conclusions of the study on the strategic planning practices at KPMG Kenya. It also includes limitations and recommendations for policy and further research.

5.2 Summary, Discussions and Conclusion

The study sought to establish the strategic planning practices at KPMG Kenya.

The results indicate that strategic planning in this organization was deliberate and highly formal. The organization had both, short term annual plans and midterm plans that cover three to five years. Plans are reviewed annually to determine the extent to which the goals set are being achieved. Annual plans are broken down into short term individual objectives with a method for evaluation called 'Dialogue'. Each employee is assigned a performance manager who is entitled to reviewing the employee's performance along the set individual targets. The reward system is performance-based and pegged on the extent of achieving the set objectives.

The Strategy Development Practice

The findings revealed that objective setting is mainly top down. At the global level the CEO attends a global partnership meeting where the global international strategy is discussed. He then convenes a meeting with his senior management (partners) at regional level to set the objectives for the next year. The CEO sends out an official communication to the entire organization before the start of the strategy development period highlighting the areas of concern for the next year's strategy. This communication forms the basis on which the business unit strategies will be developed.

The partners, who represent various business units, convene a strategy workshop with mid level managers in their business units to set the specific targets for their business units. The mid level managers then share these with the lower level employees in their various lines. Strategy workshops are mainly used during the strategy development period. Each partner conducts a strategy workshop for his business unit and on the final step, the mid and top level management meet at a retreat to bring together the various business unit strategies to form the corporate strategy.

Inclusivity of the Process

The findings of the study indicated that the lower level employees (seniors) were not involved in the process of strategy formulation. Staff at lower levels were however aware of the existence of a strategy and the organization's planning horizon. This level of employees believed that strategy development was mainly the preserve of the CEO. They were not aware of who undertakes environmental analysis and could not identify the factors that influenced their strategic planning.

This shows that strategy was only communicated to the lower level employees but they were not involved in the process of developing it.

On the other hand, the study evidences that lower level employees were aware of their individual targets. It was however not clear how the organization ensures that this level of employees owns the objectives.

Management by Objectives

The study also identified the existence of some elements of management by objectives. Each employee is assigned a performance manager. Each individual sets his own annual objectives at the beginning of the year. The performance manager is responsible to ensure that those objectives are aligned to the corporate objectives and is also in charge of evaluating the employee on a regular basis to determine the extent to which individual objectives are being achieved. There is a system of monitoring called 'Dialogue' that is used to perform this function. Reward and promotion is based on the result of the above as employees are only rewarded depending on the extent to which the set objectives have been met. However, the system lacks objectivity and does not ensure full accountability since actual reward and promotion is not always tied to achievement of individual objectives, which are aligned with the corporate strategies, and the discretion of the head of each business unit prevails. Also, it was noted that this appraisal system was not functional at the top level of management.

Environmental and Competitor Analysis

Environmental and competitor analysis was not done at corporate level but at business unit level. This is because it was realized that each business unit operates in its own unique micro environment and is therefore affected by different factors. Environmental analysis is done for both the internal and external environment. Competitor analysis carried out by each business unit focused mainly on the three biggest competitors. The analysis covered the threats caused by these competitors and the possible opportunities created by the recent moves of these competitors. The results of the analysis were incorporated in the strategy.

The Strategy Development Process

Strategy development in the organization appeared to adopt the experience lens view. It also developed in an adaptive fashion building on the existing strategy and changing gradually. The strategy was mainly informed by the previous years. Incremental change was mainly seen as an adaptation to the opportunities which arose in the continually changing environment. The partners shared their individual experience and collective experience since the organization started operations in 1949. Organizational culture also appeared to greatly influence the strategy of the organization. This is evident when the organization did not cut down on its staff during the financial crunch as many organizations did. Instead programs like graduate recruitment and increasing staff numbers were evident in the strategy. The organization is mainly known to champion for a people agenda.

External Factors Influencing Strategic Planning

There were factors that seemed to have significant impact in the strategic planning practices of the organization. Since this is a franchise, the international body has a significant influence on the future plans of this organization. This is mainly in terms of product line, quality standards and setting the global strategic objectives that the Kenyan operation is required to adapt locally. This factor was evident due to the presence of a representative from the international franchise who had also sent an official communication on the same. Competitor recent moves also had a significant influence on the organization's strategy development. A recent move by a competitor to discontinue a business unit seemed to have informed a decision to strengthen a similar unit in the organization. Changing customer needs also had a significant influence on the strategy whereby the process seemed to be adaptive with the previous strategy developed to carter for such changes.

Organizational Politics and Power

Organizational politics also seemed to have an influence on strategy formulation in the organization. Mid level managers felt that the strategy that was being followed was mainly an outcome of the bargaining power and politics that go on between important executives. The executives seemed to have positioned themselves such that their views prevail or that they control the resources in the organization necessary for future success. Strategy development was therefore the result of the outcome of negotiations among the powerful internal interest groups. This political activity seems to get in the way of thorough analysis and rational thinking. Although this seems to be inevitable, it has negative influence on strategy development.

5.3 Limitations of the Study

The research encountered a number of limitations. Time for the study was quite limited. There also seemed to be a lack of willingness to volunteer information due to the nature of competition in this particular industry. The number of respondents turned out to be too small, for instance only one lower level employee was interviewed and could not respond to all the questions because of the nature of the planning process which, as mentioned before, did not involve this level.

The findings of this study could have been more meaningful if the overall in charge of strategy in the organization, the CEO, was interviewed. This was however not possible because of his busy schedule. Furthermore more information could have been gathered if face to face interview had been conducted with all the respondents. This was also not possible due to the same reason.

5.4 Suggestions for Further Research

From the findings of this study, it is evident that there is very little or no involvement of the lower level employees (seniors) in the strategy development process yet they play an active and vital role in achieving these objective. A study on the strategic planning practices and their impact on performance should be conducted to determine if there is any correlation between the level of involvement of lower level employees and the achievement of strategic objectives. In other words, does the non involvement of lower level employees result in any form of resistance or hindrances in the achieving of the organization's objectives?

5.5 Implication on Policy and Practice

In summary, it can be concluded that strategic planning practices in this organization is not all inclusive. This assertion can be made because of the following reasons: the lower level employee who responded to the questionnaire stated that they were not involved in the formulation of objectives although they were aware of the mission and vision of the organization. According to the employee, they were also aware of the planning horizon and who was in charge of strategy formulation in the organization. However the employee was not aware if the organization conducted environmental analysis. The employee was also not aware of the factors that influence their strategy development. The strategy workshops organized by the organization did not involve this level of employees who play a critical role in the implementation of these objectives.

The strategy planning practice in the organization therefore needs to be an all inclusive process whereby all stakeholders from top to bottom are involved in objective formulation. Involving these employees would ensure that they own the process thus contribute to an effective implementation. 'Dialogue', the appraisal system used by the organization, proved to be a very effective way of monitoring individual performance. However it emerged that the appraisal process was not objective and the discretional evaluation criteria of the head of business unit prevailed. There also needs to be mechanism for evaluating top executives since the laid down process was not being implemented.

REFERENCES

Abdulaziz, K. (2006). Strategic Planning at K.P.A. Unpublished MBA Project, School of Business, University of Nairobi.

Bett, C. (2003). Strategic planning by tea manufacturing companies in Kenya. Unpublished MBA project, School of Business, University of Nairobi.

Colley, J. L., Doyle, J. L. and Hardie R. D. (2002). *Corporate strategy*. New Delhi: Tata McGraw-Hill.

Cooper, D.R and Schindler, P.S. (2006). *Business Research Methods* (9th ed.) New Delhi: McGraw-Hill.

Doyle, P and stern P (2006). *Marketing Management and Strategy* (4th ed.) New York: Prentice Hall.

Dubrin, A. J. (2006). *Essential of Management* (7th ed.) London: Thomson Learning.

Jain, S. C. (2004). *Marketing: Planning and Strategy* (7th ed.) India: Thomson Learning.

Johnson, G. Scholes, K. and Whittington, R. (2006). *Exploring Corporate Strategy*. London: Prentice Hall.

Karanja, A. (2004). Survey of strategic planning and performance of public corporations in Kenya. Unpublished MBA project, School of Business, University of Nairobi.

Kinicki, A. and Williams, B. K. (2008). *Management: A practical introduction* (3rd ed.) Irwin: McGraw-Hill.

Kothari, C.R. (2004), Research Methodology: Methods and Techniques (2nd ed.) New Delhi: Wishwa Prakshan.

Malusi, T.(2005). Strategy development and its challenges in Kenyan public corporations: The case of National Hospital Insurance Fund, Unpublished MBA project, School of Business, University of Nairobi.

Maundu, L. M. (2005). An Investigation of The Strategic Planning Practices of Horticultural Exporters in Kenya. Unpublished MBA Project, School of Business, University of Nairobi.

Muhoro, A.W. (2004). The process of strategy development in Kenya Bus Service Ltd. Unpublished MBA project, School of Business, University of Nairobi.

Odhiambo, T.O. (2004). Strategy development for the Catholic Diocese of Machakos Development initiatives. Unpublished MBA project, School of Business, University of Nairobi.

Ogari,G.O. (2005). Strategic planning practices by universities in Kenya. Unpublished MBA project, School of Business, University of Nairobi.

Otete,A.A.(2003). Comparative study of strategic planning in the public and private Sectors in Kenya. Unpublished MBA project, School of Business, University of Nairobi.

Patel, B.M. (2001). *Strategic Financial Planning, Evaluation and Control* (3rd ed). New Delhi: Vikas Publishing House.

Sagimo, P.O. (2002). *Management Dynamics: Towards Efficiency, Effectiveness, Competence and Productivity*. Nairobi: East African Educational Publishers.

Watitu, J.W.(2006). Strategic planning practices and school performance: the case of Public and private primary school, Nairobi province. Unpublished MBA project, School of Business, University of Nairobi.

Wilson, R.M.S and Gillian, C. (1999). *Strategic Marketing Management: planning Implementation and control. (*2nd ed*)* New Delhi: Viva Books Private Ltd.

APPENDICES

Appendix I: Introduction Letter

20th August 2010

Oketch Michael
C/O MBA office
Department of Business Administration,
School of Business
University of Nairobi
P O Box 30197
Nairobi.

Dear Respondent,

I am a postgraduate student at the school of Business, University of Nairobi, pursuing a Master's degree in Business Administration. I am undertaking a research project on the strategic planning practices at KPMG Kenya for the fulfillment of the academic requirement of the MBA degree.

My supervisor and I request you to take a few minutes to respond to the following questions. Your response will be kept confidential and your cooperation will be highly appreciated.

Yours faithfully,

Oketch Michael

MBA Student

Dr. Mohammed

Project Supervisor

Appendix II: Interview Guide for Partners

Instruction: To be answered by Partners (top level management of KPMG Kenya).

Section 1: Personal Details

1. Position in the Company
2. Years of experience

Section 2: Strategic Planning Practices

3. In what ways do you consider strategic planning important?
4. Strategic plans motivate members by showing what is expected of each member of the organization. Is this so here?
5. Does strategic planning enable firms to achieve competitive advantage? If so, how?
6. What role does communication of strategic plans play in connecting individuals and their roles to the vision and success of an organization?
7. How does your organization ensure that the management is accountable for each of the steps of the strategic planning process?
8. How do you ensure that strategic plans assist management in performance monitoring?
9. Does strategic planning aim at analyzing and identifying the qualities and characteristics of a firm's best customers?
10. During strategic planning, organizations consider the external environment and how it might affect the organization. Is this important?
11. How do you provide a sense of ownership of strategic plans to everyone in the organization?

Section 3: Factors that Influence Strategic Planning

12. In your own opinion, what are the factors which influence strategic planning?
13. In the past, strategic planning was concerned with developing a detailed understanding of the new market environment, so that new patterns can be predicted and responded to. Is this so now?
14. Does strategic planning enable standards of performance to be established?
15. Does strategic planning provide for corporate flexibility needed as change threatens companies?
16. Does strategic planning motivate organizational members by showing what is expected of each member of the organization?

Section 4: Factors that Complicate Strategic Planning

17. Sometimes, the future does not unfold as anticipated. Does this affect your strategic plans

    or complicate strategic planning?
18. Strategic plans are designed to provide long term results. Is it possible for a firm to conduct a strategic plan yet it has immediate crisis?
19. In your own opinion, do strategic plans impede organization flexibility, such as saying no to opportunities that may be available?
20. What other factors complicate strategic planning?

Appendix III: Interview Guide for Managers

Instruction: To be answered by managers (mid- level management of KPMG Kenya).

Section 1: Personal Details

1. Position in the Company
2. Years of experience

Section 2: Strategic Planning Practices

3. Does your organization set objectives? Yes….No…..
4. In which different areas are the objectives set?
5. What is the objective setting approach? (E.g. bottom –up, top-down, interactively?) Please explain.
6. Are you involved in setting the objectives of the organization? If yes explain how.
7. What is the time horizon for your plans?
8. Who is responsible for strategic planning in your organization?
9. Briefly describe the strategic planning process in your organization.
10. Does your organization revise its strategic plans? If yes how frequently?
11. Does your organization undertake environmental analysis? If yes who are involved?
12. Does any of the following pose a challenge in your strategic planning practices? If yes briefly indicate how.

    - Power and politics
    - External control
    - Predominant management style
    - Size of the organization