STRATEGIC PLANNING PRACTICES AND PERFORMANCE OF DYER AND BLAIR INVESTMENT BANK KENYA LIMITED

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NOVEMBER, 2014
DECLARATION

This is my original work and has not been submitted for any award at any other institution.

Signature……………………………                    Date………………………………………..

Stanlee Njuguna Nganga

This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

I dedicate this research project to my loving family that has been a great source of inspiration and joy throughout my daily endeavors to attain my full potential and to my wonderful family members for their unconditional love, patience and support throughout the course of this project.
ABSTRACT

Organizations from both the private and public sector are increasingly embracing the practice of strategic planning in anticipation that this will translate to improved performance. Past studies have focused on the direct relationship between strategic planning and performance but they have mainly focused on state corporations and non has covered on private corporations like Dyer and Blair Investment Bank Ltd. Our study sought to examine the relationship of strategic management practices and firm performance in Dyer and Blair Investment Bank Ltd. The study was guided by the following specific objectives: To determine strategic planning practices at Dyer and Blair Investment Bank Ltd and to determine how such practices influences the performance of Dyer and Blair Investment Bank Ltd. A review of the relevant literature was undertaken in order to eliminate duplication of what has been done and provide a clear understanding of existing knowledgebase in the problem area. The literature review is based on authoritative, recent, and original sources such as journals, books, thesis and dissertations. A case study design was used to undertake the study. The population comprised of the chief executive director, revenue director, finance and administration director and risk and compliance director. The study used primary data. An interview guide was used in collecting the primary data. Data was analyzed by employing content analysis to determine the link between the competitive strategies and organizational performance. The study found that strategic planning leads to effective company performance. Strategic planning is an effective way of improving performance of Dyer and Blair Investment Bank Ltd. The findings also showed a significant relationship between the strategies adopted by Dyer and Blair Investment Bank Ltd in Kenya and their respective performances with respect to the following objective performance indicators: total revenue growth, total asset growth, net income growth, market share growth and overall performance or growth.
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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The last decade has seen businesses improve though relatively insular processes of business process redesign, re-engineering and transformation. The aim of these processes has been generally to create a customer-focused approach. Such an approach can obviously be appropriate and effective where the business is confident that what it is doing is right for now and for the future. However, periodically, there is a need to revisit original aims and objectives to ensure that the company is doing the right things as well as doing them right (Albarran and Moellinger, 2002).

Steiner (1979) provided a thorough conceptualization of strategic planning. According to Steiner, planning is an attitude and a process concerned with the future consequences of current decisions. The game theory postulates a formal language to describe conscious goal-oriented decision making process involving one or more players. The solution concepts derived from game-theory may be thought of as normative or descriptive views of multi-person decision-making (Shubik 1972). Porter (1990) further argues that a company’s strength ultimately could be placed into two categories: cost advantage or differentiation. Application of those strengths in either a broad (industry wide) or narrow (market segment) scope results in three generic strategies: Cost leadership, differentiation and focus. These three strategies are supposed to be applied on a business unit level.

Formal strategic planning links short, intermediate, and long-range plans of Dyer and Blair Investment Bank Ltd.
does not attempt to make future decisions or even forecast future events. It need not replace managerial intuition and judgment with massive, detailed sets of plans.

In an organization, strategy can be applied at the following three levels; corporate level which looks at the general direction of the whole organization, business level which looks at how the organization or its strategic business units (SBU) tackle particular markets and functional level which looks at specific strategies for different departments of the business (Schwenk and Shrader, 2003). It is a top-down approach concerned with the long-term mission and objectives of an organisation, the resources used in achieving those objectives, and the policies and guidelines that govern the acquisition, use, and disposition of those resources. It must also take into account the opportunities available to the organisation, and an assessment of its ability to exploit those opportunities with a view to gaining a distinct competitive advantage (Henry, 2004).

1.1.1 Concept of Strategy

A strategy is the outcome of some form of planning, organized process for anticipating and acting in the future in order to carry out an organisations mission (Baker, 2007). The people who drive strategy in organisations are seen to be visionaries, the entrepreneurs and innovators. They are those who take risks and try new ways of doing things. Strategy refers primarily to business strategy; which specifies how a business unit will achieve and maintain competitive advantage within an industry. Therefore, one element that we consider is the competitive capabilities (Stock, 1999). A strategy is a game plan that a firm adopts to gain competitive advantage. Without a strategy, decisions made today
could have negative impact on future results. Strategy is a tool, which offers significant help for coping with turbulence confronted by business firms (Ansoff and McDonnel, 1990).

Strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences to meet the needs of markets and to fulfill stakeholder expectation (Johnson et al., 2005). The formulation of competitive strategy in any industry involves first the comprehension of the fundamental determinants of competition. Competition is defined as the fight for market share between two or more firms. An understanding of competition helps the strategy makers in evaluating whether the degree of competition in an industry offers scope for good profitability. It promotes sound strategic thinking about how to develop the overall competitive strategy for the company. Development of competitive position helps the firm to more accurately forecast both short and long term growth and its profit potentials (Pearson and Robinson, 1997).

It can be argued that a sense of direction is very important for an organization, and strategy gives a framework to place this sense of direction in. If there is an over-emphasis on strategic planning as opposed to implementation it can also in my opinion kill creativity as the focus goes away from doing to thinking about doing. Aptly put by Macmillan and Tampoe (2000) that good strategic choices have to be challenging enough to keep ahead of competitors but also have to be achievable.
1.1.2 Strategic Planning Process

Strategic planning processes will be designed to fit the specific need of the organization. It’s argued by (McCarthy, 1986) that every successful model must include vision and mission, environmental analysis, setting objectives, strategic analysis and choice. Identification of the firm’s vision and mission is the first step of any strategic planning process. This help in infusing the organization with a sense of purpose and direction and giving it a mission. A mission is a statement broadly outlining the organizations future course and serves as a guiding concept. Once the vision and mission are clearly identified, the organization must analyze its external and internal environment (Karger and Malik, 1975). The environmental analysis performed within the frame work of the SWOT analysis, analyses information about organization’s strengths and weakness, threats and opportunities and PESTEL analysis that analyzes the external environment; Political Economic, social, technological, ecological and legal.

According to Bresser and Bishop (2003), strategic planning practice is the product of the best minds inside and outside the corporation. The process considers future implications of current decisions, adjusts plans to the emerging business environment, manages the business analytically, and links, directs, and controls complex enterprises through a practical, working management system. Strategic planning process involves formulation of vision and mission statement, performance of situational analysis and finally strategy implementation and choice (Pearce and Robinson, 2008).
The formality of strategic planning has been associated with the field of strategic planning from its earliest foundation. The early developments significantly include that of Andrews (Ansoff, 1965). According to Bresser and Bishop (2003), formalization is the degree to which the norms of the organization are explicitly defined. He further distinguished between formalization, referring to whether these norms are written down in manuals and other documents. Formality in strategic planning requires explicit practices. The reason of having strategic planning written in detail is to ensure strategic planning process receives commitment from those who are affected by it and to allow an explicit evaluation and clearly specify objectives is part of the formal strategic planning (Armstrong, 1982).

1.1.3 Strategic Planning Practices

Strategic planning practices involve formulation of vision and mission statement, performance of situation analysis and finally strategy formulation and choice (pearce and Robinson, 2008). Strategic decision determines the organizational relations to its external environment, encompass the entire organization, depends on input from all of the functional areas in the organization and have a direct influence on the administrative and operational activities and are vitally important to the long term health of an organization (Shirley, 1982).

A strategic plan is usually set by the top management echelon and has a time horizon consistent with the scanning abilities of the organization and set at the risk level that planners feel is appropriate for their organizations. The specifics of the plan should
address questions of scope, resource requirements, competitive advantage, quality expectations, social responsibility issues, and synergy (Henry, 2004). Henry (2004) explains that no amount of elaboration will ever enable a formal process to take the place of managers who are fully engaged in their operations, or for that matter replace the critical and creative thinking that is necessary to create novel and innovative strategies.

According to Byars (2001) a strategic plan is used to describe the steps taken by an organization in achieving its objectives and mission. In addition to this, Starkey (2004) points out that the mission is the first step of the strategic plan that defines the long-term vision of the organization. If an organization does not have a vision, then there is no reason for existing. A very simple and clear definition is also given by Henry (2004) who believes that this is the process for creating and choosing a particular strategy to respond to future events and plan how to implement it.

1.1.4 Organizational Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard (2009) organizational performance encompasses three specific areas of firm outcomes. Financial performance (profits, return on assets, return on investment, etc.; product market performance (sales, market share, etc.); and shareholder return (total shareholder return, economic value added, etc.). An organization performance is tested against the commitment that the management made in management system. It measures the
management plans of whether social, economical and ecological goals are being achieved.

Bernardin and Russel (2009) define that performance is the record of the result which is gained from the function of certain work or certain activities in certain period of time. Many organizations are employing multiple measures of performance as opposed to a single measure that might have been used in the past. Organization performance can be done by introducing organization management system. There are a number of major movements and methods that could increase performance of an organization such as use of the balanced score cards, best practices and quality circles. Each of these methods includes regular recurring activities that are used to establish the goal of the organization. These activities are required to monitor the progress of the organization toward the set goals; they are used to make adjustments to achieve the desired targets more effectively and efficiently.

1.1.5 Investment Banks in Kenya

Investment banking is split into front office, middle office, and back office activities. While large service investment banks offer all lines of business, both "sell side" and "buy side", smaller sell-side investment firms such as boutique investment banks and small broker-dealers focus on investment banking and sales/trading/research, respectively. Investment banks offer services to both corporations issuing securities and investors buying securities. For corporations, investment bankers offer information on when and how to place their securities on the open market, an activity very important to an
investment bank's reputation. Therefore, investment bankers play a very important role in issuing new security offerings.

Investment banking has changed over the years, beginning as a partnership form focused on underwriting security issuance, i.e. initial public offerings (IPOs) and secondary offerings, brokerage, and mergers and acquisitions, and evolving into a "full-service" range including securities research, proprietary trading, and investment management. Major independent investment banks such as Goldman Sachs and Morgan Stanley reflect three product segments: investment banking (fees for mergers and acquisitions advisory services and securities underwriting); asset management (fees for sponsored investment funds), and trading and principal investments (broker-dealer activities including proprietary trading ("dealer" transactions) and brokerage trading ("broker" transactions).

Investment banks in Kenya are regulated by Capital Markets Authority and the Authority derives its powers to regulate and supervise the capital markets industry from the Capital Markets Act and the Regulations issued there under. The regulatory functions of the Authority as provided by the Act and the regulations include the following: Licensing and prevising all the capital market intermediaries, ensuring proper conduct of all licensed persons and market institutions, regulating the issuance of the capital market products, promoting market development through research on new products and institutions and promoting investor education and public awareness and protecting investors’ interest.
1.1.6 Dyer and Blair Investment Bank Ltd

Dyer and Blair was founded in 1954 and is one of the oldest stockbrokers in Kenya. Dyer and Blair Investment Bank is a leading Regional investment bank that provides services in financial advisory, capital raisings, securities trading and investment management to a diverse range of clients that includes: governments, corporations, financial institutions, institutional foreign investors, retail investors and high net worth individuals. Dyer and Blair Investment Bank has played a lead role in several landmark East African transactions as transaction advisor, lead arranger, sponsoring broker and placing agent in the region. The Bank operates in East Africa with the headquarters in Kenya, a subsidiary in Uganda and strategic alliances and partnerships in Rwanda and Tanzania. The Investment bank is a member of the Nairobi Securities Exchange, Uganda Securities Exchange and the Rwanda Securities Exchange.

On October 1, 1973, Kenya Commercial Bank Limited acquired the partnership of Dyer and Blair and incorporated it into a limited liability company. The Company then operated as a wholly-owned subsidiary of the Bank. In 1983, its ownership changed when the present shareholders acquired the Company. Since then, the Company has grown significantly and expanded the range of products and services, making it one of the leading Investment Banks in East Africa. Dyer and Blair is a full service Investment Bank that provides services in financial advisory, capital raisings, securities trading and investment management to a diverse range of clients that includes: governments, corporations, financial institutions, institutional foreign investors, retail investors and high net worth individuals. Dyer and Blair has played a lead role in several landmark
transactions as transaction advisor, lead arranger, sponsoring broker and placing agent.

As one of the original six founder members of the Nairobi Stock Exchange, Dyer and Blair has played a pivotal role in the development of the stock market; more notably in the switch from a Call-over Trading System, then, Open Outcry Trading System to the present Wide Area Network Automated Trading System platform where brokers and investment banks trade in NSE at the comfort of their offices. From 1966 to 1990 Dyer and Blair Limited was solely responsible for compiling the Nairobi Stock Exchange 17-Share Index. This responsibility was taken over by the Nairobi Stock Exchange when it established its Secretariat in July 1990.

1.2 Research Problem

Strategic planning practices is a formal process designed to help a firms identify and maintain an optimal alignment with the most important elements, the environment within which the organization resides. An organization practicing strategic planning involves, defining the organizational vision and mission, environmental scanning, setting of objectives, generating strategic options, evaluating and deciding on the strategic methods to monitor progress. For organization to achieve its desired goals and maximize profits, it needs to follow the steps of corporate strategic planning.

Strategic planning practices involve the formulation of vision and mission statement at Dyer and Blair Investment Bank Ltd, performance of situational analysis and strategy formulation proper budget allocation to support the strategic planning practices in the
bank and the need of thorough market and competitor analysis so as to be able to foresee challenges and opportunities in the company.

There are numerous research studies done in Kenya in strategic planning practices and performance; Abuya (2008) studied strategic management practices among state corporations in Kenya; Wambui (2004) factors driving strategic planning by the corporate sector; Churqo (2009) have done studies on the perceived link between strategic planning and performance contracting in Kenya state corporations and Ajwag (2009) studied the relationship between corporate culture and organizational performance, a survey of Kenyan state corporations. They did not cover strategic impact of strategic planning practices on the performance of Dyer and Blair Investment Bank Ltd, thus the purpose of the study was to fill this gap in literature by addressing the following questions; How do strategic planning practices influence the performance of Dyer and Blair Investment Bank Ltd?

1.3 **Research Objectives**

The objectives of this study were:-

i. To determine strategic planning practices at Dyer and Blair Investment Bank Ltd

ii. To determine how such practices influence the performance of Dyer and Blair Investment Bank Ltd
1.4 Value of the Study

The findings of this study will assist the management of Investment Banks to exercise organization control by identifying the training and development needs of the future. It will also provide information to assist in the impact of strategic planning practices on the performance that will help to strengthen the relationship and communication between management and subordinates.

The employees of Dyer and Blair Investment Bank Ltd will benefit from the findings of this study as performance appraisal will be a very effective tool to improve performance and productivity and to the career development of employees. This is by helping individuals to do better and to raise self-esteem and motivation, resulting in job satisfaction.

Other organizations will be able to understand the strategic planning practices on the performance and the industry as a whole and therefore will be prompted to seek ways through appropriate and proactive policies and procedures to enhance the adoption and implementation of the balanced scorecard methodology in their organizations and in the industry.

The study will provide information to potential and current scholars on how strategic planning practices influence the performance of organizations. This will expand their knowledge on competitive strategies and also identify areas of further study. Moreover,
the researcher and other academicians will be in apposition to comprehend the concept of
Competitive strategies more so in the context of the investment banks sector.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed literature on theoretical underpinning of the study and strategic planning practices and organization performance.

2.2 Theoretical Underpinning

Game theory can be defined as part of a large body of theory providing a formal language to describe conscious, goal-oriented, decision making processes involving one or more players. The solution concepts derived from game-theory may be thought of as as normative or descriptive views of multi-person decision-making (Shubik 1972). Porter (1990) further argues that a company’s strength ultimately could be placed into two categories: cost advantage or differentiation. Application of those strengths in either a broad (industry wide) or narrow (market segment) scope results in three generic strategies: Cost leadership, differentiation and focus. These three strategies are supposed to be applied on a business unit level. This theory which stems from the principle that the source of firms competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. That is rather than simply evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses (Barney, 1995). The resource-based view of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance (Ainuddin et al., 2007). This emphasizes the importance of the human element in the strategy
development of organizations. In addition, the agency theory stresses the underlying important relationship between the shareholders or owners and the agents or managers in ensuring the success of the organizations.

The core idea behind the stakeholder theory is that organizations that manage their stakeholder relationships effectively will survive longer and perform better than those organizations that don't (Shiller, 2003). This is based on the theory of stakeholder that is a conceptual framework of business ethics and organizational management which addresses moral and ethical values in the management of a business or other organization it is suggested that organizations should develop certain stakeholder competencies. This involves making a commitment to monitoring stakeholder interests. Additionally, it involves developing strategies to effectively deal with stakeholders and their interests. Organizations should also develop certain stakeholder competencies by dividing and categorizing interests into manageable segments and trying to ensure that organizational functions address the needs of stakeholders.

2.3 Strategic Planning Practices in Organisations

Strategic planning begins with the development of what we call the framework policies of mission, vision, and values and the goals that will direct all organizational activities during the period covered by the plan. There are some reasons that make strategic plan essential in an organization. First, the existing plan may be out of date; the organization may be in need of a focused plan; there may be the need for the organization to match its business to its resource capabilities; the organization would like to highlight areas of
future investment/development, to allow new ideas to take root; the new plan itself would allow the mission statement of the organization to be questioned; the plan would ensure that management is pulling in the same direction and finally the plan would provide a reference document for long-term strategy development (Alex, 2004). Other factor that may drive an organization into formulation of strategic plan would be the need to analyze the performance of the organization.

Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of the functional areas in the organization and have a direct influence on the administrative and operational activities and are vitally important to the long term health of an organization (Shirley, 1982). Although strategic planning is important, what is more important is how it is practiced in different organizations. Many organizations keep on redefining their mission and vision statements, organize seminars and include consultants to formulate strategies so as to achieve competitive advantage and be able to deal with the unexpected environmental changes.

Strategic planning practices is important as it leads to customer focus, quality management, technology strategies, research and development, production operation strategy, human resources strategies and financial strategies. According to Bryson (2004), strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization or other identity is what it does and why it
does it. It allows organizations to anticipate and deal with dynamic and rapidly changing environment and accounts for allocation of resources.

2.4 Organizational Performance

Most organizations view their performance in terms of effectiveness in achieving their mission, purpose or goals (Guralnik and David, 2004). Most organisation would tend to link the larger notion of organizational performance to the results of their particular programs to improve its effectiveness. At the same time, a majority of organizations also see their performance in terms of their efficiency in deploying resources. This relates to the optimal use of resources to obtain the results desired. Finally, in order for an organization to remain viable over time, it must be both financially viable and relevant to its stakeholders and their changing needs.

The overall performance of the organization may be sub-optimized (Missroon, 2000). Only a performance management system engenders strategic evolution and ensures goal congruence. As the balanced scorecard provides a comprehensive, top-down view of organizational performance with a strong focus on vision and strategy, performance management can be greatly facilitated through it’s use (Missroon, 2000).

Learning forces influence strategic planning practices when organizational members experiment, self-organize, or behave in other self-directed ways, and when new patterns of action and norms of behavior that emerge from such actions are adopted and internalized at the organizational level. Under the influence of such learning forces,
strategy tends to emerge in an evolutionary way, spreading through feedback cycles, mutual adjustments, and experience accumulation among strategy actors. In contrast to decision-making theory that primarily focuses on managers, the organizational learning perspective emphasizes the importance of bottom-up processes that create learning by accumulating ideas and knowledge from all levels of an organization.

2.5 Strategic Planning Practices and Organization Performance

Organizations do not exist in a vacuum; each organization is set in a particular environment to which it is inextricably linked. This environment provides multiple context that affect the organization and its performance, what it produces and how it operates. Over the past decade, researchers have investigated the effects of formal strategic planning on organizational performance. Many have concluded that there is no consistent association between the strategic planning process and performance (Cappel, 1990; Greenley, 2006).

Strategic planning consists of plan processes that are undertaken in firms to develop strategies that might contribute to performance (Starkey, 2004). Key aspects of strategic plan are a long time horizon, formality, the use of plan instruments, and frequent control of plans. Strategic plan can contribute to performance by generating relevant information, by creating a better understanding of the important environment, and by reducing uncertainty (Schwenk and Shrader, 2003). While the analysis of the performance impact of strategic plan is largely confirmed in the context of larger firms (Bracker et al., 2008; Lyles et al., 2003; Schwenk and Shrader, 2003), its relationship in the context of smaller
enterprises has not been given much attention in existing research. While there is some evidence in support of a positive relationship between strategic plan and performance in smaller enterprises, other studies find no relationship or even a negative relationship.

In response to studies highlighting the impact of strategic planning on firm performance (Karger and Malik, 1975; Sapp and Seiler, 1981), recent research has seen a greater emphasis on the strategic process rather than only on the strategy content that (Godiwalla, Meinhart and Warde, 1981) proposed in his early study. Langley (1988) also provided support for the benefits of planning, identifying four roles of formal strategic planning. In the public relations role, formal strategic planning is intended to impress or influence outsiders.

The literature is inundated with the apparent advantages of planning, most notably its ability to improve the fit between the organization and its external environment (Godiwalla, Meinhart and Warde, 1981). Others have argued that planning aids in the identification of future marketing threats and opportunities, elicits an objective view of managerial problems, creates a framework for internal communication, promotes forward thinking and encourages a favorable attitude to change (Hausler, 1968; Stern, 1966). Further, there are intrinsic benefits that accrue as a result of the planning process, including the positive effects of planning on local employment and the economy (Greenley, 2006). The concept of performance measurement attempts to answer the basic questions of how much output is required to achieve a particular output which cannot be fully achieved without formal strategic planning.
Strategic planning practices enable organization to perceive issues related to its performance in a competitive advantage dimension. Porter (2004) explains that the business environment is complex, dynamic and competitive. To establish your business within an industry to a performing level the organization need to strategize and use strategic planning practices as keys aspect toward establishing or positioning themselves strategically in the market. Porter (2004) states that organization performance is determined by its ability to find a unique position, strategic planning practices is the tool for enabling an organization to establish a unique position to acquire a unique competitive advantage.

Organizations are environment dependent. Each organization is set in a particular environment to which it is inextricably linked. This environment provides multiple contexts that affect the organization and its performance, what it produces, and how it operates (Nabli and Nugent, 1989). However, for any business to be successful, functions must be defined and accomplished. It is important for an organization to develop strategies that are designed around the skills that would enhance the performance of the organization.

Strategic planning provides all the employees with clear objectives and directions to the future of the organization. Most people perform better (in quality and quantity) if they know what is expected of them and where the organization is going. Strong incentives, unified opinions, no conflicts, control and evaluation basis and others are the positive
effects of strategic planning (Loasby, 1987). A strategic planning practice helps an organization to perceive issues related to its performance in a competitive advantage dimension. Porter (2004) explains that the business environment is complex, dynamic and competitive. To establish your business within the industry to a performing level the organization needs to strategize and use strategic planning practices as key aspects towards establishing or positioning themselves strategically in the market.

According to Porter (2004) organization performance is determined by its ability to find a unique position. Strategic planning practices provide tools for enabling an organization to establish a unique position to acquire a unique and competitive advantage. Organizational performance is about creating value for the primary beneficiaries of the organization. Strategic thinking and planning can help you to keep focus of your team and this value creation, and not on management tools or practices for their own sake. For example SWOT Analysis is a useful tool in one of the essential stages or elements of such planning process.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the approach that was used to conduct the research. It encompasses the research design, data collection and analysis.

3.2 Research Design

The research design was a case study due to the fact that the unit of analysis is one organization. Research design is a plan outlining how information was gathered for an assessment or evaluation that included identifying the data gathering method, the instruments used, how the instruments were administered, and how the information was organized and analyzed (Mugenda and Mugenda, 2003). This referred to the methods and procedures followed in conducting the study. A case study allows an investigation to retain the holistic and meaningful characteristics of real life events. It involved a careful and complete observation of the social units.

The main focus of the study was qualitative. The research design is a method of study in depth rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other interrelations. Primary data was collected from such a study was more reliable and up to date design helped the researcher obtain information concerning the strategic planning practices influences the performance of Dyer and Blair Investment Bank Limited.
3.3 Data Collection

The study used primary data. An interview guide was used in collecting the primary data. This was used in order to gain a better understanding and enabled a better and more insightful interpretation of the results from the study. The interview guide was devoted to the identification of the responses to strategic planning practices that influence the performance of Dyer and Blair Investment Bank Limited.

The interviewees were 4 members of board of directors of Dyer and Blair Investment Bank Limited this included; chief executive director, revenue director, finance and administration director and risk and compliance director. The interview guide was administered through personal interviews in order to get facts on strategic planning practices that influenced the performance of Dyer and Blair Investment Bank Limited.

3.4 Data Analysis

The qualitative data was done using content analysis. Qualitative data analysis seeks to make general statements on how categories or themes of data are related. The data was qualitative in nature, due to this fact; content analysis was used to analyze the data. Mugenda and Mugenda (2003) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends.

Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda, 2003). The data was obtained
from the various management team members belonging to different departments and compared against each other in order to get more revelation on the issues under study. This research yielded qualitative data from the interview schedules and analyzed using content analysis because the study sought to solicit data that was qualitative in nature. Analysis of data collected was compared with the theoretical approaches and documentations cited in the literature review.
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter entails data analysis and interpretations of the study findings. The main objective of the study was to determine how strategic planning practices influence the performance of Dyer and Blair Investment Bank Ltd. The main objective of the study was achieved through determination of strategic planning practices at Dyer and Blair Investment Bank Ltd and how such practices influence the performance of Dyer and Blair Investment Bank Ltd. Primary data was collected using interview guides administered to the 4 directors which include chief executive director, revenue director, finance and administration director and risk and compliance director. Secondary data from secondary sources was also used. The data collected from the research was qualitative in nature and therefore analyzed through content analysis.

4.2 Background Information

The respondents interviewed were 4 members of board of directors of Dyer and Blair Investment Bank Limited who included chief executive officer, revenue director, finance and administration director and risk and compliance director. The results show that majority of the respondents had worked for over two years in the organization and had vast experience in the position they were holding gained from working in other companies in the same capacity for several years. It was found that Dyer and Blair Investment Bank Ltd had 45 staffs who were distributed in various branches around the country. In terms of ownership, Dyer and Blair Investment Bank was founded in 1954 as a partnership of stockbrokers Hickman and Grey and in the same year by one of the six
founder members of the Nairobi Stock Exchange (NSE). In 1956 the partnership was
taken over my Messrs. Derek Ingram Dyer and Patrick Murdoch Blair who changed the
name to Dyer and Blair; a name that has been maintained ever since. In 1973 The Kenya
Commercial Bank (KCB) took over and incorporated it into a limited liability company
operating as a wholly owned subsidiary of the bank. Current ownership assumed control
in 1983 and since then Dyer and Blair has continued to make significant growth by
expanding their range of products and services making it one of the leading investment
banks in East Africa. This led to their conversion into a fully fledged licensed investment
bank in 2004.

4.3 Strategic Planning Practices

Strategic planning has been adopted in Dyer and Blair Investment Bank. Strategic
planning facilitates effective organization performance. Strategic planning is arguably
important ingredient in the conduct of strategic management. Strategic planning has
potential advantages and intrinsic values that eventually translate into improved firm
performance. Strategic planning process comprise three main elements which helps turn
an organization’s vision or mission into concrete achievable. These are the strategic
analysis, strategic choice and strategic implementation. The strategic analysis
encompasses setting the organization’s direction in terms of vision, mission and goals.
Therefore, this entails articulating the company’s strategic intent and directing efforts
towards understanding the business environment. Strategic choice stage involves
generating, evaluating and selecting the most appropriate strategy.
This section contains information on strategic planning practices adopted in Dyer and Blair Investment Bank. This sections include: strategic plans adopted by Dyer and Blair Investment Bank, Importance of strategic planning options; Responsibility for formulating the strategies to be implemented and The process of formulating strategic plans.

4.3.1 Strategic Plans Adopted by Dyer and Blair Investment Bank

The interviewees indicated that Dyer and Blair Investment Bank had adopted the following strategies: one of the strategies is cultivating a culture of honesty; Developing and adhering to a code of conduct; Competitive procurement practices; Uncompromising determination to professionalism and excellence in everything that the company undertakes, maintain highest levels of integrity in the business practices and ensuring unswerving adherence to professional ethics; Conducting business with employees, customers and other stakeholders in an honest, fair and caring manner; Observing transparency and accountability; Promoting sound corporate governance principles; Affording fair and adequate opportunities to all.

4.3.2 Importance of Strategic Planning Options

The interviewees indicated that strategic planning can provide an overall strategic direction to the management of the organization and gives a specific direction to areas like financial strategy, marketing strategy, organizational development strategy and human resources strategy to achieve success. These other kinds of planning, some of which are confused with strategic planning are intended for parts of the organization, or
specific functions or processes within the organization. All of these other types of planning should be guided and informed by the strategic plan. The importance of strategic planning comes not from the degree of control or supervision, and the level of detailed instruction it includes, but for the scale, time horizon, and importance of the decisions it embodies.

It was indicated that strategic planning practices is important as it leads to customer focus, quality management, technology strategies, research and development, production operation strategy, human resources strategies and financial strategies, performance of the organization of the organization achievement must be supported by strategic decisions. Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization or other identity is what it does and why it does it. It allows organization to anticipate and deal with dynamic and rapidly changing environment and accounts for allocation of resources.

Strategy is a fundamental framework through which an organization can simultaneously assert its vital continuity and facilitate its adaptation to the changing environment. It is one of the top management tools for coping with both external and internal changes. It is the match between organizations resources, skills, environmental opportunities and risks, and the purposes it wishes to accomplish. A good strategy is one that has simple, consistent and long-term objectives. This involves the single mindedness of goals, unity of purpose and long term focus.
4.3.3 Responsibility for Formulating the Strategies to be Implemented

It was found that the directors are the ones responsible in strategic planning of the company. The interviewees indicated that they also involve other stakeholders to participate though the responsibility is of the board members who have to ensure that planning is done in line with the company goals and objectives. Participatory planning requires the involvement of concerned stakeholders. This includes identifying public concerns and values and developing a broad consensus on planned initiatives. It is also about utilising the vast amount of information and knowledge that stakeholders hold to find workable, efficient and sustainable solutions.

The process of designing a strategic plan was important because it allowed the organisations to agree on and build commitment among stakeholders regarding priorities which were essential to their missions. The active involvement of stakeholders in the above programmes can be observed as stakeholders implement the strategies. Alongside the stakeholders’ active involvement, a plan guided the actions of the stakeholders in the planning and implementation processes.

All members are involved and this is done by requesting for suggestions on the best way to achieve and put forward a strategic plan from the employees. It is also done by ensuring there is free flow of information on where the company wants to be and requesting for suggestions from members on how to get there. The interviewees indicated they involve all members by asking the departmental managers to request for innovations and suggestions from employees on how to come up with strategic plan.
It is generally recognized that stakeholder involvement in the management of institutions is necessary and important. The determination of which stakeholders should be involved is, however, not always obvious, partly because some potential stakeholders may not be interested in or may not have the capacity to add value to a programme/project. Participation can be seen as a continuous scale, or continuum, ranging from a low level of stakeholder participation to a high level of participation. The interviewees indicated that the other stakeholders involved include major Dyer and Blair Investment Bank suppliers, customers, dealers, the market regulators and counter parties that provide the company with banking and financing are involved in strategic planning.

4.3.4 The process of Formulating Strategic Plans

There is no one formula or process for strategic planning. There are however, principles and required steps that optimize the value of strategic planning. The steps in the process described in this series of articles on strategic planning are presented below: Current Situation Analysis; Segmentation Analysis; Strength, Weakness, Opportunities, and Threat Analysis; Core Competencies Analysis; Key Success Factors; Business Unit Strategy / Business Plan; Balanced Score Card; Evaluation.

Dyer and Blair Investment Bank prepares strategic plan. This is done using situation analysis of where the company is and where it should be and then coming up with plans to help it get there. Strategic plan is developed using market intelligence and evaluation through SWOT analysis and at times it is developed through annual budget, procedures
and programs. It then assumes the process as by looking at the mission and vision of the company, it does an environmental scanning, then strategy formulation and finally strategy implementation and evaluation. The company ensures that its strategic plans are prepared and documented since they have to be reviewed for short term medium plan and long term plan. It is the way to know whether the company is on track or not.

### 4.3.5 Revising or Evaluating the Strategic Plans

Strategic objectives are of necessity based on the best information the company has at the time and the most realistic assessments of what the company can achieve. Dyer and Blair Investment Bank also benefit from building a stage into the strategic planning process that involves evaluating goals and progress after an elapsed period of time in light of the company's success in achieving these goals and developments that have arisen in the interim.

The interviewees indicated that they typically develop their strategic business plan in late November, identifying three to five major objectives they want to reach for the coming year, and then three to five strategic tactics for achieving each one. It’s a road map that they refer to quite frequently, usually during weekly management meetings. It truly serves as their compass in making decisions and, if needed, they make the necessary adjustments to keep them on track.

The interviewees indicated that their strategic plan is a living, breathing document that they tend to look at pretty frequently on an informal basis. They develop a plan through a
process of facilitated meetings with staff, board and constituents every three to five years, but they review/revise their plan at least annually. Things change, so they keep the plan fluid rather than casting it in stone.

4.3.6 The Process of Strategic Planning Formulation

The interviewees indicated that they first decide on the general focus of the company, know what’s best for the company and stakeholders, then come up with the mission and vision of the company. The interviewees indicated that the Vision and Mission is done when the company first identifies why it exist. Then they identify with the right words then come up with a sentence that best depict why they exist. The interviewees indicated that the process is done though management teams which comprise leaders from all functions of Dyer and Blair Investment Bank. They are given the vision and target which in turn set targets for different departments.

Executive team that comprise Managing Director, Finance director, Risk and Compliance Director and all line managers starts the process by setting company objectives that are then used to set team objectives. These team objectives are then used by individuals to set their personal objectives in line with the company objectives. Top management and general managers normally give general objectives and these are given to departmental managers to align their objectives with the overall company.

Once the firm has specified its objectives, it begins with its current situation to devise a strategic plan to reach those objectives. Changes in the external environment often
present new opportunities and new ways to reach the objectives. An environmental scan is performed to identify the available opportunities. The firm also must know its own capabilities and limitations in order to select the opportunities that it can pursue with a higher probability of success. The situation analysis therefore involves an analysis of both the external and internal environment.

Once an organization has committed to why it exists and what it does, it takes a clear-eyed look at its current situation. Part of strategic planning, thinking, and management is an awareness of resources and an eye to the future environment, so that an organization can successfully respond to changes in the environment. Situation assessment is therefore done by, means of obtaining current information about the organization's strengths, weaknesses, and performance. This is information that will highlight the critical issues that the organization faces and that its strategic plan must address. These includes a variety of primary concerns, such as funding issues, new program opportunities, changing regulations or changing needs in the client population, and so on. The point is to choose the most important issues to address. The Planning Committee agrees on no more than five to ten critical issues around which to organize the strategic plan.

4.3.7 The Process of Strategic Planning Implementation Adopted

A strategic plan is of little use to an organization without a means of putting it into place. Implementation is an essential part of the strategic planning process, and organizations that develop strategic plans must expect to include a process for applying the plan. The general manager indicated that developing an organization having potential of carrying
out strategy successfully, then there is Disbursement of abundant resources to strategy-essential activities, creating strategy-encouraging policies, Employing best policies and programs for constant improvement and making use of strategic leadership.

The interviewees indicated that to achieve effective implementation, Dyer and Blair Investment Bank ensures that any changes initiated by the strategic plan are reflected in areas such as budgeting, reward schemes and information systems. The overall goal is to integrate the results of strategic planning with daily, weekly and monthly routines. The goals articulated in the strategic plan drives marketing and sales efforts, human resources practices and research and development. These goals become a central part of the business by guiding daily operational activities.

Dyer and Blair Investment Bank first evaluates its strategic plan. The first step in the implementation process is that they step back and make sure that they know what the strategic plan is. It is review carefully, and they highlight any elements of the plan that might be especially challenging. Then they recognize any parts of the plan that might be unrealistic or excessive in cost, either of time or money. The issues are highlighted Dyer and Blair Investment Bank makes sure they are kept in mind as they begin implementing the strategic plan. They also keep back-up ideas in mind in case the original plan fails.

Dyer and Blair Investment Bank then selects team members to help in implementing the strategic plan. When new strategies are agreed on by management, Departmental managers are required to pass information to those that report to them. The strategy is
then implemented by appointing the overseer of the whole project. Resources are allocated to them and set deadline set on when to implement. When there is consensus on strategies to be used at Dyer and Blair Investment Bank, they are communicated to employees; implementation method is discussed by departmental heads and deadlines of implementation given to employees.

4.4 Strategic Planning Practices and Performance

It was found that strategic planning affects performance of Dyer and Blair Investment Bank. Strategic planning assists in providing direction so organization members know where the organization is heading and where to expend their major efforts. It guides in defining the business the firm is in, the ends it seeks and the means it will use to accomplish those ends. The process of strategic planning shapes a company’s strategy choice. It reveals and clarifies future opportunities and threats and provides a framework for decision making throughout a company. It helps organizations to make better strategies through the use of more systematic, logical and rational approach to strategic choice.

This section will provide information on how strategic planning increased effectiveness; How strategic planning led to developing a sustainable competitive position; How strategic planning practices led to a good fit between the external environment and the internal capabilities; How new product development increase customer base in the investment banking institution.
4.4.1 How Strategic Planning Increased Effectiveness

Strategic planning is only useful if it supports strategic thinking and leads to strategic management the basis for an effective organization. By defining a company’s purpose and goals, strategic planning provides direction to the organization and enhances coordination and control of organization activities. The company’s strategy provides a central purpose and direction to the activities of the organization and to the people who work in it. The primary goal of strategic planning is to guide the organization in setting out its strategic intent and priorities and refocus itself towards realizing the same.

The identification of strategic issues, strategy analysis and selection facilitates the achievement of efficient allocation of resources, sustainable competitive advantage, and improved innovation. It is also perceived that the development of implementation programme, evaluation and control systems facilitates smooth execution and implementation of the planned tasks. Strategic planning assists in providing direction to organization members to know where the organization is heading and where to expend their major efforts. It guides in defining the business the firm is in, the ends it seeks and the means it will use to accomplish those ends.

The process of strategic planning shapes a company’s strategy choice. It reveals and clarifies future opportunities and threats and provides a framework for decision making throughout a company. It helps organizations to make better strategies through the use of more systematic, logical and rational approach to strategic choice.
4.4.2 How Strategic Planning Led to Developing a Sustainable Competitive Position

The interviewees indicated that strategic planning has led to an improved customer service. Strategic planning has led to an expansion of company facilities. Strategic planning has led to an increase in the number of client in terms of service demand. Strategic plan has led to efficiency in the internal process. Strategic Implementation has resulted into improvement in procurement procedures. Strategic planning has assisted the organization to develop a comparative advantage or an edge over competitors and created sustainable competitive advantage to the company.

Interviewees indicated that management team treats strategic planning as part of its daily responsibilities. They ensure that all planning participants have a solid understanding of business, its strategy and the underlying assumptions. Middle managers can contribute their knowledge to the setting of the strategic agenda.

4.4.3 How Strategic Planning Practices Led to a Good Fit Between the External Environment And The Internal Capabilities

Strategic planning results in a viable match between the firm and its external environment. Strategy concerns an analysis of the firm’s environment, leading to what the firm, given its environment, should achieve. Environmental scanning and analysis allows the firm to be connected to its environment and guarantees the alignment between the firm and its environment. Environmental analysis reveals the market dynamics, business opportunities and challenges, customer expectations, technological
advancements and the firm’s internal capacities and this provides the basis for strategy selection.

Strategic planning process is a means of repositioning and transforming the organization. The essence of good strategy making is to build a market position strong enough and an organization capable enough to produce successful performance despite unforeseeable events, potential competition, and internal difficulties.

Strategic planning is a forward-looking exercise and all managers should be involved with it. If strategic plan is available and well implemented, an organization will have little or no challenge in managing external changes. For businesses to survive, it should be able to operate successfully with environmental forces that are unstable and uncontrollable and which can greatly affect decision making process. Organizations adapt to these environmental forces as they plan and carry out strategic activities. It is through strategic planning that an organization can predict changes in the environment and act proactively.

An objective analysis of external and internal environment facilitates the establishment of the firm-environment fit and improved decision-making. The interviewees indicted that the company did not respond to all the changes in the environmental conditions but to those changes which were deemed to impact on the company’s activities to a large extent. The interviewees indicated that the following factors have elicited responses from the company. In the political-legal environment the key variable had been changes in
taxation. In the technological environment the rates of obsolescence and new technological developments had played a major role. In the economic environment key variables had been the income levels and willingness to invest, business cycles and demutualization of the capital markets.

### 4.4.4 How New Product Development Increase Customer Base in the Investment Banking Institution

New products are needed because they provide what is needed by the customer and the companies. decision-making on new product strategy has important implications for determining the future of business and involves several areas in the organization functions. Development of new products and services by banks influences attraction of customers. A main source of business growth is through product innovation. New products often come from ideas. These are either new ideas or ideas for extension strategies for existing products or services

### 4.5 Discussion of the Study

The discussion of the study outline two theories; Game theory and stakeholder’s theory linking to the study. The section also discusses the link between the results of the study and other studies.

#### 4.5.1 Link to Theory

Game theory can be defined as part of a large body of theory providing a formal language to describe conscious, goal-oriented, decision making processes involving one or more
players. The solution concepts derived from game-theory may be thought of as normative or descriptive views of multi-person decision-making (Shubik 1972). Porter (1990) further argues that a company’s strength ultimately could be placed into two categories: cost advantage or differentiation.

The study found that quality that is attained at low cost was the most appropriate to achieve a competitive advantage. This was in line with what Porter (1980) observed in his theory of competitive strategies in which he suggested both generic and grand strategies. Through development of personnel at low operating efficiency, the study was conforming to Scholes (2003) observation that the theory of competitive strategies was practical and that other measures that were implementable could both work and sustain a firm’s competitive advantage.

4.5.2 Link to Other Studies

According to Pearce and Robbinson, (2008), Strategic planning practices involve formulation of vision and mission statement, performance of situation analysis and finally strategy formulation and choice Strategic decision determines the organizational relations to its external environment, encompass the entire organization, depends on input from all of the functional areas in the organization and have a direct influence on the administrative and operational activities and are vitally important to the long term health of an organization. The question is, then, whether strategic planning really influences performance. Although it is difficult to draw an answer from the current literature, it is worth indicating that the numerous reviews conducted over the years have generated
more statistically significant positive results than negative ones. Kaplan and Norton (1992) argue, however, that traditional performance measures have been oriented to financial metrics such as returns on capital employed and profit, which record how organizations have performed but not necessarily how they will perform in the future. Although traditional financial performance measures worked well in the past, they are outdated and do not support the skills and competencies that organizations currently need to master.

This study agrees with Mathew and Michael (2009) findings, which stated that the broad explanation of strategic planning as an umbrella term including activities such as planning, performance measurement, program budgeting, etc. This notion is very useful but limited. This is because strategic planning also covers other factors such as the business environment and level of competition. The relationship between strategic planning and performance in general and financial performance in particular has been inconclusive. Powell (1992) indicates, for example, that the extensive planning-performance studies were confusing, contradictory, and impossible to reconcile.
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Introduction
This chapter includes a summary of the study’s objectives and their attainment, the findings, conclusion and recommendation for further studies. The chapter will be based on the results and discussion in chapter four.

5.2 Summary
The study found that strategic planning is a management tool that helps an organization to focus its energy, to ensure that members of the organization are working towards the same goals, to assess and adjust the organization's direction in response to a changing environment. The study established that, Dyer and Blair investment bank applied the following strategic planning practices; development of key strategies that contribute to the overall vision, development of specific measurable realistic and time bound strategic goals communication of organizational vision, mission and key policies, development of short and long term operational goals; subdividing goals and allocating sub-goals with careful attention to details, participating, schedules.

The study also established that, majority of the respondents agreed to a great extent that Dyer and Blair Investment Bank Ltd applied the following measures to improve the planning process and get optimal results from strategic planning process; strategy development is combined with capital allocation, and management team treats strategic planning as part of its daily responsibilities respectively. A strategic plan is of little use
to an organization without a means of putting it into place. In fact, implementation is an essential part of the strategic planning process, and organizations that develop strategic plans must expect to include a process for applying the plan. The general manager indicated that developing an organization having potential of carrying out strategy successfully, then there is Disbursement of abundant resources to strategy-essential activities, creating strategy-encouraging policies, Employing best policies and programs for constant improvement and making use of strategic leadership.

From the findings, the top management is committed towards strategy implementation plans. The commitment by the top management affected to a very great extent the strategy implementation. The study also found out that the top management’s commitment to the strategic direction is significant factor and that the managers must demonstrate their willingness to give energy and loyalty to the implementation process for it to succeed and not spare any effort to persuade the employees of their ideas for strategy implementation to be effective at Dyer and Blair Investment Bank Ltd.

The study found that Dyer and Blair Investment Bank Ltd has developed it strategic plan which is aimed at sustaining the obtained strategic advantage for the next five years by adopting a number of major business decisions. These include, a team, approach thus empowerment of all stakeholders, site analysis and appraisal before setting up a new branch; product assortment; use of previous knowledge from customers’ feedback at every branch thus catering to their specific needs and use of pioneer suppliers thus quality products on the shelves.
5.3 Conclusions

The study found that strategic planning leads to effective company performance. Strategic planning is an effective way of improving performance of Dyer and Blair Investment Bank Ltd; this, at least, has been the general perception in the strategic management literature to date. A closer look at the empirical literature on the subject reveals a more diverse picture. The results are not equivocal; the study found a positive relationship between strategic planning practices and performance of Dyer and Blair Investment Bank Ltd.

5.4 Recommendations

After this study, a window has been exposed for further specific studies to be pursued. Issues came out which because of the initial intentions and scope of this study could not be attended to conclusively. Some of the areas that may require attention include the examination of the relationship between the strategic planning intervening outcomes and performance and the implications of a participatory orientation to strategic planning and performance. In this study we did not control for the effects of contexts and time periods because of our initial scope and resource constraints. A study could be carried out giving attention to this dimension.

As revealed from the study findings, every step in the strategic planning process is important. If the company business or purpose is not clear, how will the workers know that they are on the right track? Or if the business environment has not been critically analyzed, how will the organization understand its internal competences or business
opportunities from where appropriate strategies are crafted to facilitate a fit and success. In a nutshell what we are saying is that the process of strategic planning should be given its deserved attention in terms of all the prescribed steps within the existing literature.

5.5 Suggestion for further studies

This study mainly focused on the connection between the strategic planning process and organizational performance. Therefore our study suggests further studies to be done on investigating the role of intervening variables in translating the strategic planning intentions into reality.
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APPENDIX I: INTERVIEW GUIDE

SECTION A: BACKGROUND INFORMATION

1. What is the title or position of the respondent in the organization?
2. How long have you been with this organization?
3. How many employees are in the organization?
4. How would you classify your organization in regard to ownership?

SECTION B: STRATEGIC PLANNING PRACTICES

5. Which are strategic planning adopted by Dyer and Blair Investment Bank?
6. How important has the various strategic planning options been to Dyer and Blair Investment Bank Limited in response to changes in the operating environment?
7. Who are responsible for formulating the strategies to be implemented?
8. What is the process of formulating a strategic plans?
9. Does the bank revise or evaluate the strategic planning it has adopted?
10. Please explain the process of strategic planning formulation at Dyer and Blair Investment Bank
11. Please explain the process of strategic planning implementation at Dyer and Blair Investment Bank

SECTION C: STRATEGIC PLANNING PRACTICES AND PERFORMANCE

12. How has strategic planning increased effectiveness of meeting the organization’s goals and objectives?
13. How has strategic planning led to developing a sustainable competitive position?

14. Has strategic planning assisted managers to consider the future implications of the current decisions?

15. To what extent has strategic planning practices led to a good fit between the external environment and the internal capabilities?

16. Can new product development increase customer base in banking institution?