

**STRATEGIC VALUE OF ACTION BY CHURCHES TOGETHER (ACT)
ALLIANCE TO FINN CHURCH AID, KENYA**

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DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the University of Nairobi for academic credit.

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This report has been presented for examination with my approval as the appointed University supervisor.

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DEDICATION

I dedicate this project research to my late parents George and Anne Ndurungi for their unwavering love and encouragement during their lifetime.

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ABBREVIATIONS AND ACRONYMS

ACT:	Action by Churches Together
CDI:	Capacity Building Initiatives
DCA:	Danish Church Aid
DFID:	Department for International Development
FCA:	Finn Church Aid
FBOs:	Faith-Based Organizations
LWF:	Lutheran World Federation
NCA:	Norwegian Church Aid
NGOs :	Non-Governmental Organizations
MDGs	Millennium Development Goals
MFA:	Ministry of Foreign Affairs
PBOs:	Public Benefit organizations
R&D:	Research and Development
RBV:	Resource-Based View
SMEs:	Small and medium enterprises
TCE:	Transaction Costs Economic
UN :	United Nations
USAID:	United States Agency for International Development
WCC:	World Council of Churches

ABSTRACT

Studies have shown that intense competition has driven organizations to examine different ways to enhance or retain their competitiveness and relevance. Strategic alliance is one such strategic competitive strategy through which an organization can leverage its resources to emerge an effective competitor and relevant. The study has focussed on the strategic value of Action by Churches Together (ACT) Alliance to Finn Church Aid Kenya as the research question in a case study. Seven FCA programme staff members who have extensively been dealing with Act alliance functions were interviewed guided by questionnaire that provided room for in-depth and interactive interview discussions. Reference was also made to secondary source of information. Data was analysed using content analysis. From the study FCA has accrued some strategic milestones from the alliance membership. The alliance facilitated FCA to access many programme locations through the partners, reduced administration costs and shared services. FCA visibility has been enhanced through the alliance branding, consequently contributing to FCA success in global fundraising. FCA has a high and influential standing in alliance. However, as the environment changes so is the FCA strategic direction; an emerging situation that necessitates FCA need to re-evaluate its current position and map out appropriate strategic direction to steer FCA ahead remaining relevant and competitive . This study will be beneficial to the management of FCA. The findings will assist FCA to evaluate the strategic sense of the alliance as it implements its 2013 to 2016 Strategy. The study will provide literature on further future research in organizations strategic responses in Kenya. The study recommends that FCA further re-evaluate the alliance collaboration to make appropriate strategic choices given its current strategic shift.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The environment under which an organization operates poses both opportunities and threats. Organizations are said to adapt or react to the environment by taking up appropriate and relevant competitive strategies. According to Moussetis (2011) organizations are environment dependent and rely on the external environment to survive. Some enter into strategic alliances to pursue their chosen strategic direction. Johnson, Scholes and Whittington (2006) define a strategic alliance as where two or more organizations share resources and activities to pursue a strategy.

The two basic philosophies which underlie the theories of a firm behaviour are that companies either adapt to their environment or that companies attempt to influence their environment (Varadarajan, Clark and Pride 1995). Reasons for strategic alliances formation can be summarised into three motives, critical mass, co specialization and learning. Successful strategic alliances are perceived to create new values for partners that can be traced to the collaborations. However, as much as strategic alliances are believed to be a prime vehicle for future growth, only a few succeed.

Transaction cost theory, resource based theory, knowledge based theory dependency are amongst theories that explain strategic alliances. These theories are of rational behaviour helping an organization adapt to its environment. Transaction cost theory (Williamson 1979) suggests that strategic alliances are formed as cost reducing methods internalized by an organization to adapt to the uncertain environment.

Resource dependency theory has the view that not all organizations are self-sufficient, (Glaister 1996). A deficiency in one or more strategic resource becomes the driving force for collaborations and a means of reducing uncertainty and managing dependency. Knowledge based theory alludes that organizations form strategic alliances to facilitate acquisition and accessibility of knowledge. Organizations retain or acquire competencies and are able to compete at different points of the value chain.

Action by Churches Together (ACT) Alliance founded in 2010 is a global strategic alliance of churches and church-related organizations related to the World Council of Churches (WCC) and the Lutheran World Federation (LWF). Finn Church Aid (FCA), a faith based non-governmental organization is a founder member of ACT alliance. FCA works in humanitarian assistance, advocacy and is actively involved in reinforcing the capacities of ACT international network, and local partners to react rapidly and effectively in event of crisis.

The formation of ACT alliance focused on the promotion of ACT work, under a shared name to enhance the visibility of the development work, humanitarian assistance, and advocacy initiatives of members. Through the strategic alliance, ACT would continually increase its effectiveness through capacity development and sharing of knowledge, learning and experiences. Under the alliance, members would respond quickly and effectively to emergencies to save lives ease suffering and support communities. Whether or not Finn Church Aid obtained any strategic value from being an active and a founder member of ACT alliance is the focus of the study.

1.1.1 The Concept of Strategic Alliance

In today's environment, creating sustainable value for customers and shareholders requires creating effective alliances. Alliances are essential building blocks for companies to achieve stronger and more effective market presence. Alliances are not only a fact of life for business, but also an important piece of current operations as well as future strategy (Chernesky, 2006). Strategic alliances are voluntary cooperative inter-firm agreements aimed at achieving competitive advantage for the partners. Li, Eden, Hitt and Ireland (2008) define strategic alliances as a cooperative strategy in which firms combine some of their resources and capabilities to create or gain a competitive advantage. The proliferation of strategic alliances in recent years marks a shift in the conception of the intrinsic nature of competition, which is increasingly characterized by constant technological innovations and speedy entry into new markets.

A strategic alliance as a business concept is changing the structure and dynamics of competition throughout the world. Organizations prefer to cooperate than compete even with their competitors. Strategic alliance relationships create more value and develop additional resources and capabilities as the foundation for new competitive advantages. Firms unite to reach objectives of a common interest, while retaining their autonomy. In general, to create successful alliances, a company must understand when alliances make strategic sense and how to manage them for a business results. From a longer-term perspective, an alliance that is not fundamental to achieving a business objective today could become critical in the future.

Alliances can be extremely useful in situations of great uncertainty and in markets with growth opportunities that a company either cannot, or does not want to pursue on its own (Reuer, 2004). Organizations form alliances to be able to complement their own strategy initiatives and strengthen their competitiveness. The critical part played by technology and speed in the new competitive calculus, among other factors, has led to the collaborative advantage through strategic alliances (Das and Bing-Sheng, 2000).

1.1.2 Non-Governmental organizations in Kenya (NGOs)

Non-Governmental organizations operate independently of any government participation and are neither profits making business nor formed for commercial purposes. In Kenya NGOs are coordinated through NGO coordination board established by an Act of Parliament in 1990 becoming operational June 15 1992. By December 2012 8,500 NGOs had been registered with the board. In Kenya, NGOs are divided into National and International NGOs based on the scope of operations. National NGOs are indigenous local NGOs set up by the individuals operating in the country. According to PBO Act 2013, International NGOs have their original registration in another country other than Kenya but operates in Kenya under a certificate of registration.

NGOs contribute immensely to the economy of a country and act as multilateral organizations of the government in social aspect. They complement the county and national government in all spheres of public delivery according to PBO Act 2013. NGOs perform in many areas such as in humanitarian issues, development and advocacy work influencing policies affecting the marginalized people.

Most NGOs depend on donors to fund their activities and thus NGOs activities could be said to be donor driven. Many NGOs face growing rivalry and competition within their field of operations. The turbulent environment demands that NGOs like any other organizations to rationally make strategic choices that will guarantee survival and relevance. Donors are demanding efficiency in NGOs as key to funding. Donors are also evaluating the returns of their investments through performances of these funding recipients. For an NGO to successfully provide better services and target focus communities, it needs to secure a reliable funding base.

Many NGOs are cooperating with other NGOs in sharing information, advocacy work and also in joint implementation of projects to reach their individual objectives. NGOs cooperation with other NGOs is a factor of similarity of vision, mission and to a larger extent the reputation of the organisation. LWF, NCA, and DCA are among examples of international local NGOs that are also faith based cooperating in ACT alliance to facilitate the achievement of their objectives. It is noticeable that many NGOs have shifted to cooperation rather than competing amongst themselves. Industry has a strong influence in determining the competitive rules of the game as well as the strategies potentially available to the firm (Porter, 1998). Successful organizations are those that reposition themselves in a dynamic environment by adapting rapid and swift suitable strategies.

1.1.3 The Action by Churches Together (ACT) Alliance

From the ACT alliance website, Action by Churches Together (ACT) Alliance is a global alliance of about 140 churches and church-related organizations linked to the World Council of Churches (WCC) and the Lutheran World Federation (LWF). It was founded in 2010. ACT alliance operates an annual budget of USD 1.5 billion in its work. ACT alliance has a global combined workforce of 25,000 both salaried staff and volunteers bringing together an extensive and diverse capacity of human expertise in a broad range of humanitarian, development and advocacy thematic areas. According to the ACT Alliance Mission Statement and By-Laws (2009), formation of ACT alliance focused on the promotion of ACT work, under a shared name to enhance the visibility of the development work, humanitarian assistance, and advocacy initiatives undertaken by the ACT alliance. Through the alliance ACT would continually increase its effectiveness through capacity development and sharing of knowledge, learning and experiences. The Alliance responds together at the national, regional and global level in its operations.

According to the ACT alliance Strategic Plan 2011-2014, the ACT alliance members organize themselves as ACT local (or regional) forums in programme countries. Finn Church Aid Kenya is a member of ACT Kenya Forum. ACT forums are shared platforms that bring together ACT members and observers operating in a particular country or region. This is a central tool to the way the alliance works. Forums enhance coordination, effectiveness and impact of the development, humanitarian and advocacy work undertaken by ACT members. The funding mechanisms in disasters are one of the most concrete coordination efforts by ACT alliance through the launch of appeals for easy effective coordination for member organizations.

1.1.4 Finn Church Aid (FCA)

Finn Church Aid, whose mission is shown in the website as Action for human dignity was first registered in Finland. The organization's Finnish name is Kirkon Ulkomaanapu. Currently Finn Church Aid has registered offices in West Africa, Central Africa, Eastern and Southern Africa, Asia, Latin America and Caribbean, Middle East and Europe. In Eastern and Southern Africa, Kenya is the regional office with country offices in South Sudan and Somalia respectively.

FCA is a faith based non-governmental organization with more than sixty years of experience in aid work. FCA specializes in supporting local communities in three priority areas: communities' right to livelihood, right to education and right to peace. It is a founder member of Action by Churches Together (ACT). FCA is actively involved in reinforcing the capacities of international network Action by Churches Together (ACT) and local partners to react rapidly and effectively in event of crisis.

FCA forms part of an international network of ecumenical organizations supporting development. Primarily, the Non-Governmental Organization (NGO) works with faith based organizations and secondarily with other organizations of compatible values and operations. Besides the ACT Alliance, FCA cooperates with Finnish Ministry for Foreign Affairs (MFA), the European Commission and various United Nations (UN) organizations.

According to FCA Strategic Plan 2009 -2012, Finn Church Aid carries out development cooperation work and humanitarian aid as part of the global communion of church and ecumenical aid organizations. This work tends to enable FCA to combine development cooperation, humanitarian aid and campaign work. In addition the organization is involved in building capacities of ecumenical networks. The special nature of FCA's work is based on partnerships and their proximity to the grassroots. In Kenya FCA was registered as an international NGO in 2010. FCA (K) works closely with local and national partners towards sustainable development and local ownership of the rights-holders.

1.2 Research Problem

In a turbulent environment organizations will consciously make strategic choices to remain relevant and competitive. It is important for any organization to understand the underlying sources of competitive pressures in its industry in order to formulate appropriate strategies that respond well to the environment turbulence. An industry has a strong influence in determining the competitive rules of the game as well as the strategies potentially available to the firm (Porter, 1998).Therefore an organization makes a conscious and rational choice to enter into an Alliance focussing on minimizing costs, gain resources, or accessing and acquiring knowledge as the driving forces for the collaboration.

FCA prescribed to the objectives, and thus expectations of the ACT Alliance formation, in order to remain competitive and relevant as a faith based humanitarian aid. Amongst the main strategic values of the ACT Alliance was promotion of ACT work, under a shared name to enhance the visibility of the development work, humanitarian assistance, and advocacy initiatives. Through shared knowledge, learning and experiences in ACT Alliance, FCA envisaged continued increase in its effectiveness. FCA as a member expected an improved emergencies responses mechanism that would effectively save lives, ease suffering and support communities in areas of operations through joint efforts.

Advocacy would be notable in changed structures and systems which impoverished and marginalized people. Improved chances of raising funds for the programmes, stronger brand recognition, and better identification were a driving force for the collaboration with other national regional and international ecumenical, inter faith and civil society organizations who share similar objectives. This study on FCA as a member of ACT Alliance was driven by the need to establish the strategic value attained from this collaboration.

There have been several studies carried out on strategic value of alliances in Kenya, in different organizations, both private and public. Kamanu (2005) undertook a research on strategic alliances among development NGOs in Kenya. His study concluded that strategic alliances are a very important and core issue in the NGO sector and on which the future of many NGOs depend. Rambo (2012) undertook a study on strategic Alliances and the performance of small and medium enterprises in Kenya. In his study he concluded that involvement of SMEs in strategic Alliances is advantageous.

Further past studies also include Kaloki (2011) studies on managing strategic Alliances between Church World Services and community based organizations in Kenya. In his study he outlined the various stages and phases of strategic alliance formation and their success. Mumelo (2012) focussed on strategic alliances between domestic and foreign firms in Kenya, and concluded that firms should consider forming strategic alliances with foreign firms to have a competitive edge and achieve their objectives.

This study was set to establish the strategic value of strategic alliances formation for faith based and related organizations involved in humanitarian and development work in Kenya. Strategic value of the alliance formation is an area of research that has not been sufficiently researched. In addition no study known to the researcher has been conducted locally to establish the strategic value of ACT to FCA, Kenya. The knowledge gap necessitated this research study. What is the strategic value of ACT Alliance to Finn Church Aid?

1.3 Research Objectives

The objective of the study was to determine the strategic value of ACT Alliance membership to Finn Church aid, Kenya

1.4 Value of the Study

The study findings are of great value to the academicians and researchers as they contribute to the academic literature and theory by providing empirical evidence useful to educators, scholars and researchers in strategic management.

The study is of value to the Government and regulators more specifically of the Public Benefit Organizations (PBO).The government of Kenya through formulation of policies regulating the PBOs investments in development in Kenya. Thus the study will assist in guiding on sustainable and beneficial strategic options available for non-governmental organizations and especially the faith based in the country.

The study is of valuable contribution to the regulators of PBOs who have been tasked with formulating regulations and policies that ensure compliance thereof. These findings will ensure development of policies and regulations that move the civil society sector to more sustainable and beneficial interventions in development.

The study will assist management of FCA identify and recommend strategies aimed at improving the organizational responsiveness to the dynamics of business environment, current and in the future. The study provides useful information to FCA management to re-examine its strategic choices appropriate for its new strategic direction.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter gives the introduction of the literature review of the study. It captures the concept of strategy. Various authors who explain out the concept of strategy and strategic alliances are highly listed. The chapter also brings on board the literature on the strategic value of strategic alliances.

2.2 Theoretical Underpinnings of the study

This study is premised on three key theories, transaction cost theory, resource based and knowledge based theory. The transaction cost theory alludes that organizations adopt an organizational mode that minimizes the total transaction costs. This theory views strategic alliance as a potentially cost reducing method. A firm's ownership decision centres on minimizing the sum of transaction costs and production costs. Strategic alliance becomes a viable option when the cost of owning certain resources or capabilities is higher than that of renting from other organizations (Williamson, 2008). This enhances organizations understanding the nature and purpose of transactions.

Whether or not to form an alliance with a supplier depends on the costs of the initial and ongoing transactions between the firm and that supplier. First decision is whether to internalize that activity or use an external supplier. A firm might internalize it to have control over the supply of valuable materials avoiding leaking of critical technological information to current and potential competitors.

There are other situations when the firm may not be as efficient in producing the materials for supply as an external supplier. The external supplier focuses on this activity and can do it much more effectively than more diversified firms. If a firm decides not to include the activity in its hierarchy but to buy the goods from the market, it must then select a supplier. Here, research on partner selection in strategic alliances may be of value (Williamson, 2008).

The Resource-Based View (RBV) alludes that a firm is equivalent to a broad set of resources that it owns. The view suggests that the rationale for alliances is the value-creation potential of firm resources that are pooled together (Das and Teng, 2000). A resource-based view seems particularly appropriate for examining strategic alliances because firms essentially use alliances to gain access to other firms' valuable resources. Eisenhardt and Schoonhoven (1996) found essentially that alliances are more likely to be formed when both firms are in vulnerable strategic positions that is (in need of resources) or when they are in strong social position (that is possess valuable resource to share). Thus, the resource-based view considers strategic alliance and mergers/acquisitions as strategies used to access other firm's resources, for the purpose of garnering otherwise unavailable competitive advantage and values to the firm. A truly strategic relationship would have a great bearing on the prospects for achieving revenue growth targets.

Grant and Baden-Fuller (2004) state that knowledge-based theory views knowledge as a firm's key productive resource in terms of value creation and strategic importance. Knowledge creation, integration, and application are critical to the success of the firm.

An organization's need to build incremental skills in an area of importance is often accelerated with the help of an experienced partner. In some cases, the learning objective of the relationship is openly agreed between the partners. Adner and Helfat (2003) introduced the notion of dynamic managerial capabilities where they found that managerial decisions influenced firm performance regardless of the environment in which they operate.

Dynamic managerial capabilities are largely created by adding new knowledge to the firm's current knowledge stocks. They also held that asset orchestration provides the underpinnings for dynamic managerial capabilities. Grant and Baden-Fuller (2004) provided the distinction between the two sets of knowledge; explicit and tacit knowledge. While explicit knowledge can be articulated, captured, and communicated easily between individuals and organizations, tacit knowledge (skills, know-how and contextual knowledge) is more personal and difficult to communicate and is manifest only in its application. They emphasized the knowledge collaboration aspect where firms in an alliance accessed each other's stock of knowledge to exploit complementarities.

2.3 Strategic Alliance

Strategic Alliance is an agreement between two or more organizations to cooperate in a specific business activity, so that each benefits from the strengths of the other, and gains competitive advantage. Hitt, Ireland and Hoskinson (2011) define strategic alliances as partnerships and collaborations among economic entities. Parties in a strategic alliance remain legally independent in the alliance. Partners share benefits and management control over the performance of assigned tasks, and make continuing contributions in one or more strategic areas; such as technology or products (Yoshino and Rangan, 1995).

Organizations form strategic alliances because they need each other to survive in a turbulence environment. In most cases even the resourceful and big organizations may lack certain resources. Powell (1987) suggests that these firms are pursuing diverse set business objectives that require cooperation because they involve reciprocal dependencies. The business objectives may include gaining access to new technologies, benefiting from economies of scale in joint activities or sharing risks for activities that are beyond the scope or capabilities of a single organization.

A firm's strategic decisions are driven not only by evaluations of its present circumstances, but also by expectations about its future outcomes. Strategic decisions involve both company policies and the resource investments necessary for their implementation, treating the perceived future benefits as expected returns on those investments.

Strategic alliances challenge the neoclassical economic assumptions in interfirm competition, because they are driven not by expected direct impact on costs, profits, and other tangible benefits, but by indirect positive outcomes from their accumulated intangible assets and corporate social capital (Todeva and Knoke, 2005). Organic growth alone is sufficient for meeting most organizations' required rate of growth; speed to market is essential and partnerships greatly improve it; complexity is increasing and no single organization has the required total expertise to best serve the customer; partnership can defray rising research development costs; and alliances facilitate access to global markets (Lorange and Ross, 1993). Consequently, firms must become innovative to counter equally innovative competitors if they have to survive the dynamics.

Reasons why firms undertake strategic alliances may include enhancement of productive capacities, reducing uncertainties in internal structures and external environments, acquiring competitive advantage that enables them to increase profits, or gaining future business opportunities that will allow them to command higher market values for their outputs (Webster, 1999). Partners choose a specific alliance form not only to achieve greater control, but also for more operational flexibility and realization of market potential.

Deciding to enter a strategic alliance and selecting a specific governance form also conveys organizational power implications. These choices are shaped by the distribution of economic power along the production chain within and outside the partnering firms. Pressures to form alliance emanate from both internal processes.

Researchers have found that alliance forms vary with the firms' market position (leader versus follower) and the strategic importance of collaborations within each parent firms' portfolios (core versus peripheral business) (Lorange and Ross, 1993). The industrial context in alliances exerts strong direct impacts on inter-firm relationships.

The intensity of industry competition and the social organization of specific product markets powerfully influence whether firm decide to internalize certain activities, to compete for greater market share, to cooperate with other firms for particular strategic value and advantages, or to internationalize by entering foreign markets (Mayer and Teece, 2008). The importance of industrial contexts lies on how leading supply chains spread across different sub-sectors and which economic transactions occur among connected firms (Stuart, 2000). The strategic orientation of a firm reflects the willingness of the firm to enter into strategic alliances and to adopt innovations strategies.

Forming business networks and contractual or relational alliances is driven less by firm's retrospective economic rationalities than by their strategic intentions. When two or more autonomous organizations decide to form an alliance for an emerging joint purpose, their decision to collaborate can neither be determined in a rational way by the purpose itself, nor by the current environmental pressures that compel them to cooperate. On the contrary these factors merely help firms to construct post-factor justifications and realizations about their collaboration decision.

A decision to cooperate is not a responsive action, but a fundamentally strategic intent, which aims at improving the future circumstances of each individual firm and their partnership as a whole (Stuart, 2000). Firms select strategies to improve their competitive postures and to gain an advantage over one or more competitors (Zaman and Movando, 2001).

Often firms form strategic alliances on ad hoc basis driven largely by immediate or tactical concerns and such moves often have become disastrous leading to failed alliances. Companies cannot afford ad hoc approaches to alliance formation and management, any more than they can rely on a small number of talented alliance managers. The complexity and difficulties experienced in management of alliances emanate from their very nature that brings into a collaborative relationship two or more independent companies each with its own strategy and culture. A highly collaborative relationship provides the flexibility and adaptability necessary to overcome uncertainties, resolve conflict and achieve mutually beneficial outcomes (Zaman and Mavando, 2001). Collaboration is the key dimension of the strategic alliance relationship. The collaborative associations are interactive and adaptive in nature, understanding the nature and scope of collaboration is essential in analysing the operation and success of an alliance.

Success in an alliance depends on the partners having a common vision of the future. Alliance success requires the establishment and execution of clearly defined goals. To achieve these goals, well-defined procedures must be clearly communicated to the managers involved with the alliance.

Organizations in strategic alliances without a coherent alliance strategy are almost sure to fail. Successful alliances put strategy ahead before making deals. Trust in alliances is a major factor. Trust is perhaps the foundation of a strategic alliance and these relationships are the building blocks for establishing trust amongst the individuals who represent the two parties in the strategic alliance. Trust must be present for partners to share critical information or manage the alliance and for each partner to believe its long term needs will be met (Moore, 1998).

2.4 The Strategic Value of Alliances

Johnson, Scholes and Whittington (2008) argue that the environment influences the strategic direction of an organization. The rapid changes in technology, the competitive environment, firm strategies and other pressures can influence many organizations towards more collaborative and cooperative relationships with other like-minded firms. Therefore strategic alliances formation is a strategic response to globalization and increasing uncertainty and complexity in the business environment.

Strategic alliances involve the sharing of knowledge and expertise between partners as well as the reduction of risks and costs in areas such as relationships with suppliers and the development of new products and technologies (Dussauge and Garrette, 1995). Shared knowledge and expertise – most firms are competent in some areas and lack expertise in other areas, such as forming a strategic alliance can allow ready access to knowledge and expertise in an area that a company lacks (Yoshino and Rangan, 1995).

Thus strategic alliances are considered as an essential source of resource-sharing, learning, and thereby competitive advantage in the competitive business world. Management of alliance and value creation to attain organizational performance and competitive advantage is very important in strategic Alliance (Ireland, Hitt and Vaidyanath, 2002).

To achieve competitive advantages firms combine their assets and capabilities. For example capital intensive and technology based firms are more eager to form alliance for their target success. In large firms, for example, alliances may account for more than 20 percent of revenue. This growth is not surprising because most strategic alliances are profitable (Dent, 2001). Today the commonest types of alliances firms engage in are in varied forms such as licensing agreement, distribution agreements and supply contracts. The external factors like uncertainty regarding technology and complex economic environment motivate commitment in relationships. Competition from rivals encourages the greater commitments with partners. To be successful in business and survive in the long run some sort of partnership, is required in this age of globalization (Folta and Miller, 2002).

With the increasing internationalization and globalization, one of the dominant issues within the area of strategic alliances deals with the choosing of appropriate mode of entry for foreign markets (Anderson and Narus, 1986).Entry to international business is easily facilitated by strategic alliances. This is evident in areas of telecommunications, computer technology and transportation.

The cost of entering in an international market can be overwhelming for a single firm. Shared risks, synergies are amongst other common rationale for undertaking a cooperative arrangement. New markets are likely to bring with them uncertainty and instability, thus validating the use of strategic alliance for shared risks with other organizations.

Strategic alliances with an established company of a good reputation can help create favourable brand image as well as efficient distribution networks. Even established reputable companies need to introduce new brands to market .Most of the times smaller companies can speedily achieve a market than bigger and more established companies. Leveraging off the alliance will help to capture the shelf space which is vital for the success of any brand (Biggs, 2006). Competition becomes more effective when partners leverage off each other's strengths, bringing synergy into the process that would be hard to achieve if attempting to enter a new market or industry alone (Dussauge an Garrette, 1995).Strategic alliances are formed based on strategies of how to manage environmental uncertainties, how to overcome lack of resources and in particular how to manage the firm's range of inter-organizational relations (Harrigan, 1988).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodologies that have been used to carry out the study. The chapter discusses the research design, data collection method and instruments for data analysis. A case study has been used to collect data. Both primary and secondary data have been heavily relied on as source of information. Data collected has been analyzed using content analysis technique.

3.2 Research Design

A research design has been defined as a strategic plan that sets out the broad outline and key features of the work to be undertaken in a research study (Mugenda and Mugenda, 2012). This study was conducted through a case study design, an in-depth investigation of an individual, group, institution or phenomenon. A case study design was found appropriate for the study because the emphasis was on an organization operating as a system, and thus offering an in-depth examination of the whole unit. The design was relevant to the objectives of the study. The main importance of a case study is that an entire organization is investigated in depth and with careful attention to facts is applied.

A case study was found important for analyzing information in a systematic way to arrive at useful conclusions and recommendations (Mugenda and Mugenda, 1999). The case study allowed details to be secured from multiple sources of information and evidence to be verified through in depth probing (Cooper and Emory, 1996).

An intense and comprehensive study was conducted on the strategic alliance motives and benefits. The study allowed in-depth exploration of issues regarding the subject of research. In addition, Aosa (1992) argued that a study with narrower focus would achieve greater depth thereby providing further insights of the strategic alliances amongst civil societies in Kenya. This focus enable the researcher to cautiously study the order of events as they occur or to concentrate on identifying the relationships among functions, individuals or entities (Robinson, 2003). In this kind of research design the study is characterized by qualitative data.

3.3 Data collection

Both primary and secondary data sources were used in this study. According to Mugenda and Mugenda (2003), primary data refers to data that the researcher collects from respondents while secondary data refers to data from other sources like records and documents, thus primary data is considered more reliable and up to date.

The primary data was collected through obtained through interactive interviews. The main instrument of data collection in this study was the interview schedule. For the purpose of this study data was collected from the Project and Programme coordinators, Programme director, and FCA Regional Representative and Program officers. This group of programme staff has been involved extensively in the affairs of the implementation of ACT Alliance activities in FCA. Secondary data was accessible from existing records in FCA which included annual reports, FCA strategic plans past and present, ACT alliance strategic Plan, ACT alliance 2013 annual report and other relevant documents.

An interview guide facilitated for the data collection .The interview guide comprising of comprehensive detailed questions assisted the researcher in obtaining relevant information for the study. This was appropriate for the purpose of getting detailed information about FCA. Face to face interview method was adopted because it provided in-depth and detailed information that was easy to confirm and clarify. Seven out of eight employees involved in ACT alliance activities in their various functions as FCA employees were interviewed, to establish the strategic value of the alliance to FCA. Appointments were arranged with the employees' convenience to ensure sufficient and conducive timings for the discussions.

3.4 Data Analysis

Data analysis is the process of cleaning and summarizing data with intention of making sense of the information. The nature of data collected was qualitative. This data was analyzed using content analysis technique. Content analysis is a tool for measuring the content of the data, thus facilitating understanding and the interpretation .Content analysis technique was used because it assists in making inferences by systematically and objectively identifying specific messages and then relating them with their occurrences trends.

Its objective is to obtain a qualitative description of the manifest content of communication (Robison, 2003). Content analysis involves observations and detailed descriptions, items or things that comprise the sample (Mugenda and Mugenda, 1999).It is suitable because of its flexibility and allows for objectivity. Use of content analysis was beneficial as it saved on time and resources.

Through content analysis, responses from different respondents were compared and summarized according to the objectives of this study. The analysis helped to determine the presence and meaning in the key words, concepts picked during the interviews. As one of today's most extensively utilized analytical tools, content analysis has been used vastly in different research applications. Qualitative content analysis is said to address some of the weaknesses of the quantitative approach. Qualitative content analysis is also referred to as a research method for subjective interpretation of the content of text data through systematic classification process of coding and identifying themes and patterns. It allows the researcher to understand the social reality in a subjective but scientific manner.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This section presents and explains data which was obtained from the interview analysis. The data analysis has been done in line with the objectives of the study, which were to establish the strategic value of ACT to FCA. The findings were analysed as per the research questions of this study. The regional representative, programme director and five programme coordinators were interviewed for the purpose of the study. The staffs interviewed have been involved in Act alliance activities in the organization. The analysis has been divided into three major areas with sub headings of the interview guide questions.

The guiding interview questions in the appendix were used during the interviewing of the identified programme staff whose functions in the organization interact closely with Act Alliance. Of the targeted eight respondents, only seven were available for the interview. The employees interviewed have worked for FCA for a range of one year to eight years some serving at different senior capacities and functions that had links with Act Alliance. The regional representative involvement in Act Alliance activities in FCA is at a strategic and advisory level. His function represents FCA in the ACT Alliance advisory groups deliberating on policy issues and humanitarian assistances globally. The same forum discusses advocacy agendas on behalf of members, mandated with coordination.

The programme director function is involved with local ACT forums drafting, implementing and reporting on ACT Appeals, and capacity building activities for the Forum. Programme coordinators ensure that Act Alliance policies are adhered to in preparation of appeals during humanitarian interventions .It is their responsibility as FCA representation to spearhead timely, rapid response funds applications from Act Alliance to offer timely humanitarian assistance when disaster strikes. Programme coordinators represent FCA in Act forums. For example in last general elections in Kenya, programme coordinators led in formulating contingency plans to counter any possible elections related violence in the country.

4.2 Overview of the Action by Churches Together Alliance

Action by Churches Together (ACT) Alliance, founded in 2010 hosts about 140 churches and church-related organizations related to the World Council of Churches (WCC) and the Lutheran World Federation (LWF). The main focus of the ACT alliance is development work, humanitarian assistance, and advocacy initiatives globally. The objective was to enhance its effectiveness through capacity development and sharing of knowledge, learning and experiences. The Alliance responds together at the national, regional and global level in its humanitarian operations. It also works closely with other national regional and international ecumenical; inter faith and civil society organizations who share similar objectives. The ACT Alliance members organize themselves as ACT local (or regional) forums in programme countries. Finn Church Aid in Kenya is a member of ACT Kenya Forum.

ACT Alliance is deeply rooted in the communities it serves. It has earned the trust and respect of local people long before large international interventions scale up, and remains steadfast in its grassroots commitments for many years after world attention has shifted elsewhere. This means that every day, ACT Alliance is on the frontlines: addressing systemic poverty; supporting survivors of disasters, wars and conflicts; training rural communities in sustainable agricultural techniques; helping people adapt to environmental change; and influencing governments and other key decision makers to safeguard citizens' human rights

4.3 Finn Church Aid in Action by Churches Together Alliance

The programme director explained that initially the alliance was deemed a relevant and efficient instrument for coordination of humanitarian work and fundraising among the church based organizations of the North. The working methods of these organisations were quite different back then. LWF and other Act partners were implementing in the field. Notably most of the Nordic agencies were only donors. She further added that the ACT Alliance had a clear function of coordinating the emergency response appeals of all these implementing agencies, and lobbying for funds for the Appeals.

Findings of the study established that FCA joining the Alliance was a strategic move to fundraise. To this statement the representative stated that FCA formation was initially driven by the need to create a platform through which funds would be raised and channelled to other sister church based organizations to implement various projects. The Act Alliance being a group of ecumenical actors with the similar values as FCA was an appropriate collaboration then.

The study findings established that FCA planned to share the resources and expertise in the alliance. Synergy would be created as members contributed their resources and expertise. The programme coordinators explained that FCA was playing an important role in Act Alliance. Thus its history goes far much back in time. Besides membership FCA has been in the executive board in Act Alliance, a role that has changed over time to participating in advisory roles thus contributing to different thematic working groups of the Alliance. FCA has in the past been a donor, and now is an implementer.

Findings established that through FCA funds have been mobilized to sister organizations. FCA oversees joint appeals for Act forums in terms of implementation and accountability in ensuring that the needy received the needed assistance. FCA has the Education in Emergencies expertise in the Alliance, and represents act Alliance in the global education cluster. FCA like any other member gives financial support to the ACT Alliance Secretariat in the form of annual contributions, and sometimes in the form of expertise through staff secondments for specific positions or issues.

Findings showed that FCA plays different roles at national level in the forum. Notably the chairmanship of the forum is rotational, FCA has had an opportunity to function as a Chair of the local forum, and therefore being able to push and lobby for certain advocacy issues or interest within or in relation to the forum. The programme director explained that FCA contributes to the capacity building of the local forums. In the past FCA has organised trainings for partners and ACT members in locations of operations. Such notable capacity building facilitations have been in areas of the disaster preparedness planning. This aims at building the capacities of local civil society actors, in addition to our bilateral local partners and thus contributing to sustainability.

The research findings show that FCA strategy has points of connection with issues that are central to the Alliance. Findings established that FCA is committed to Alliance objectives and work in general, pointing out that one objective is to strengthen the forums by developing the work of the Act forums in FCA programmes countries and lead local emergency responses. The representative explained that FCA strategy prescribes to working with partners as equal members rather than replacing them. This is a concept highly emphasized in Act Alliance work, which prides in its grassroots commitments with local communities in areas of operations.

Findings revealed that knowledge and to some extent awareness of ACT Alliance amongst FCA staff depends partly on the seniority and the functions of the staff. Senior staffs are more engaged in ACT Alliance affairs and understand the policies underlying the alliance relationship with FCA. About staff knowledge and alliance awareness, the programme director states that,

“Not much... only very few staff members are involved in the ACT Alliance “communities of practice” and very little from those deliberations trickles down to other staff. I am sure we can find information about the main ACT Alliance deliberations in our intranet if we look for it, but it is not actively disseminated”. She was quick to add that Act Alliance deliberations are periodically shared with FCA and can be found in the FCA intranet; however it is not actively disseminated in the organization. The ACT Geneva secretariat does sometimes disseminate important news from the Geneva level to the National Forums through the forum coordinators.

4.4 Strategic Value of Action by Churches Together Alliance to Finn

Church Aid

Research findings established that the Alliance was a strategic means for FCA to reach and respond to the grassroots humanitarian assistance. By working through sister agencies already in the ground FCA has succeeded in participating in humanitarian assistance globally. Further there are indications that FCA strategic coordination and cooperation with sister agencies in humanitarian alliance has proven to be a reliable partnership of church based organizations. Strategically the alliance is working towards fundraising consortiums, a new approach adopted by donors.

The study findings showed that FCA did not have any development initiatives attributable to the alliance.

“Very little development initiatives can be associated with ACT alliance. The alliance is mainly known for its humanitarian work,” one of the programme coordinators explained.

It is observed that alliance activities are predominately humanitarian. Most of the Act members have implemented own initiated development initiatives. In spite of no development initiatives findings showed that Act members have been fundamental and instrumental tool to FCA during the initial launching of field offices. Act members have accommodated FCA in the initial stages at subsidized administrative services.

The programme director revealed that one point of strategic value is the fact that by being part of the same Alliance, FCA coordination and cooperation with sister agencies is good and close, both in the field level and on headquarters level. She further explained that as a result FCA enjoyed easy and reliable partnerships in the field level concerning development activities.

“ It is somehow easy to partner or form consortia with other ACT partners, as we know each-others’ history, values and ways of working quite well” the programme director alludes.

The programme coordinators explained that the collaboration experienced in the alliance would perhaps not be possible with any other non-ACT INGOs. One programme coordinator explains the relationships of FCA with other members as follows

“Having an ACT member sister agency in a country where we are newly arriving, is kind of like having a distant family member while in a foreign country, who can help you get started.”

So the benefits of being part of the ACT Alliance are mostly the network relations that we have with the sister agencies through being members of the same “family”, explains the one of the programme coordinators. FCA has been able to reach out to the people in need by working in partnership with other Act members.

Research findings showed that the impact attributable to Act Alliance influence in advocacy work is difficult to measure in the short run, and in other instances very minimal. The programme director commented that,

“The impact of higher level advocacy work is difficult to measure and to see in a short run. It will hopefully bring about changes in the long run, but I cannot think of any remarkable break-through so far.”

At the global level FCA participates in the UN conventions specifically to influence and lobby global interventions, for example the post MDGs.

Findings revealed that nationally FCA in collaboration with Act Alliance participated in Kenya last general elections peace campaigns and initiated a contingency plan in case post elections violence erupted. The findings further showed that local levels Act forums can be a powerful channel for advocacy, especially considering that some of the local church-based Act members have significant influence in the communities, local and national governance.

Interview discussions revealed that there was only one citable instance where FCA as a requesting member in an ACT Appeal had received funds through the ACT mechanism. FCA has traditionally been a funding member for ACT Appeals. No supporting evidence that funds had been received from Act. No available information from Head quarter was forthcoming on funding emanating from the Act. This is well illustrated by one of the interviewed programme coordinators response during the interview discussions.

“Unfortunately we have not done any research regarding the ACT impact to fundraising. It's not yet very visible in even at the Headquarters, so I would say the numeric impact is perhaps yet not even accurate to look after yet.”

The programme director strategically perceives that despite the lack of funding from the Alliance there have been situations of humanitarian crisis where Alliance came out strongly up in FCA fundraising, since it is oftenly considered that some of the ACT

member organizations are already present in the area of humanitarian crisis, and therefore FCA assistance reaches the beneficiaries fast.

In some of the issues regarding global funding, FCA represents other ACT members, for example in discussions with the World Bank. Findings further established that FCA has financially supported the Alliance. However the strategic value for FCA is that as an Act member FCA has gained credibility within international donors, and has been facilitated to access external funding for its programmes all over the world.

Findings further showed that FCA has benefited from recommendations from external evaluations of ACT Appeals with large budgets above one million consequently facilitating FCA to access funding for two subsequent humanitarian assistance appeals. The programme director explained that it is of course up to each agency to make sure the recommendations are considered in future actions, and of course it does not always happen that the recommendations are acted upon. FCA has been able to implement its strategy by assisting the needy in these areas.

The programme director revealed that it was difficult to point out very concrete examples of how a particular capacity building action has improved the operationalization of FCA strategy. However in the longer term, as FCA has traditionally worked through other members like LWF the Alliance led capacity building actions have contributed to improved staff capacity of implementing partners in the field.

On new practices that have influenced FCA performance research findings alluded that FCA has now adopted the Organizational Capacity Assessment tool introduced by

Alliance to evaluate its partner organizations. This is in line with FCA way of working with partners in order to implement its programmes.

The findings showed that Act members had varied capacities in skills and resources. On this realization strong members like FCA have forged initiatives to support their counterparts in capacity building instead. The findings further established that in the past the Alliance has not been very good at following up on the impact of their capacity building efforts. The act Geneva secretariat is defined as not being effective and efficient in that field. One programme coordinator states that,

“They cover vast regions and do not have the budget to support a forum when needed. For this reason, FCA in some instances has taken on the role of ACT Geneva in supporting forums”

However there was also feedback stating that the situation has slowly been improving with the introduction of the organisational capacity assessment tools where ACT Alliance assesses the impact of its capacity development initiatives to its members.

Generally the most of those interviewed noted that CDI concept was not working and that each member had their own capacity building plans. The findings established that CDIs are more individual staff focused and not institutionalized and thus the impact has not tickled down to improve the institution capacities.

The projects that FCA has supported through the ACT mechanism have all been emergency relief projects, as the ACT mechanism is by definition an emergency response. Actual projects did not aim at a long term transformational change, but more life-saving or life sustaining effect in a crisis situation. One of the programme coordinator

explained that FCA is moving towards long term development interventions that aim at permanent change of people's lives.

Research interviews established that there was not much added value in the co-branding, as ACT Alliance is usually totally unknown to the non-ACT member Humanitarian community. Of those interviewed there were those who were of the opinion the Alliance benefited more from the co-branding than FCA and that by branding as act members the Alliance was being publicized making it known. The programme director was quick to add that being in the Alliance of big organizations of high repute like LWF,DCA NCA , FCA has gained credibility worldwide and especially with donors. FCA being a member of ACT Alliance has given to our brand more reliable visibility, as being part of the international group of organizations, especially in the point of view of individual donors.

4.5 Discussion

The objective of the study was to establish the strategic value of ACT alliance to FCA.

The study findings confirmed that initial motives of FCA joining the Alliance were deemed relevant and efficient means of coordination of humanitarian assistance, development and advocacy work among faith based organizations. The transaction cost theory was a evidently a key driver for FCA decision to work through other Act alliance members to reach the grassroots in service delivery in a more economical strategy. It is evident that through Alliance members FCA has been able to deliver its humanitarian assistance to the needy by accessing locations that it lacked a physical presence. This assertion agrees with Zaman and Movando (2001) concluding that firms will select strategies to improve their competitive postures and to gain advantage over one or more competitors. As a resourceful member FCA has been able to steer and influence crucial alliance deliberations to enrich its strategic direction.

FCA is the sole expert in education in emergencies amongst the alliance members. It plays an advisory role in the Alliance. Through FCA, many sister organizations have received financial assistance for many years to support programmes implementation. The study shows the alliance has remained strategic to FCA for some years. These findings concur to Powell (1987) assertions that though organizations in a strategic alliance may pursue diverse set of business objectives they leverage on each other's strengths and resources due to their reciprocal dependencies. Further Dussauge and Garrette (1995) assertion on partners leveraging off each other strengths bringing synergy and thus facilitating accessibility of new markets is together proven.

From the study, it is evident that FCA has played a crucial and influential role in the, positioning itself in a strategic level where it can lobby and influence important agenda in the alliance. FCA is a recognized member of the alliance with valuable resources. These findings are supported by assertions stated by (Das and Teng, 2000) concluding that the rationale for Alliances is the value creation potential of a firm resources pooled together. The Act Alliance brand has facilitated FCA to access external funding for its operations, even though it has not received any direct funding from the alliance. Further, findings concur with (Webster, 1999) assertions that firms undertake strategic alliances for many reasons, and not only to achieve greater control but also for more operational flexibility and realization of market potential. FCA requires the collaboration with alliance members to be able to achieve some of its strategic goals. FCA is committed to the alliance objectives and work in general.

Although forums have a pivotal role between the greater alliance and the grassroots they lacked a common vision and a common strategic agenda. Forums often meet to coordinate emergency appeals, and leadership is rotational and voluntary without a strategic common plan. A notable and major setback is that the forum is comprised of diverse membership both in resources and expertise, and thus different strategic interests. These findings conform to (Zaman and Mavando, 2001) assertions that collaboration is instrumental amongst the alliance members for flexibility and adaptability necessary to overcome uncertainties and resolve conflict so as to achieve mutually beneficial outcomes. Partners of the alliances should be collaborative for the alliance to work.

Evidently FCA has adapted other strategic choices in order to remain strategic and relevant. FCA has moved to the fields and commenced the implementation of its own programmes. There are several operational world-wide country offices. For example in Kenya there is Kenya country office and a regional office each with respective portfolio of programmes. This strategic move has given FCA the impetus to collaborate with other non-act member organizations with expertise not available in the alliance such as peace and conflict resolution. Consequently FCA has been able to sell to the donors its new approach to peace and conflict resolution through traditional religious elders, thus securing reasonable funding for the programmes. These findings agree with Scholes (2003) assertions alluding that organizations adopt strategies directed at improving effectiveness of their operations thus remaining competitive.

FCA has minimally benefited from the alliance capacity building initiatives. The general observation is that CDI in general is not working and many members have their own capacity building programs. Alliance CDI offer knowledge that is more endeared to individuals, than the institutions. Thus it was observed that the learning is only transferable to other staff if they worked alongside the trained individual. Another observation made was that the trained staff may decide not to practice the learning in their work. On a positive note FCA has adapted the organizational capacity assessment tool designed by the Alliance. The programme coordinators alluded that due to the varied knowledge and capacities of members, FCA has in certain instances taken the role of Geneva and supported some member organizations in capacity building.

Act Alliance is not widely known amongst the non-Act humanitarian members and the general conclusion is that the Alliance has benefited more from the branding than FCA. Nonetheless FCA membership and participation in the Alliance has paved way for global strategic participation and networking in consortiums to raise funds from international donors who prefer fewer but large contracts. This is on the premise that FCA is a member of an Alliance of faith based organizations involved in humanitarian work globally, supporting Glaister (1996) assertions that the businesses must depend on others on important resources since a few organizations are self-reliant.

Further there is a notable detachment of Geneva programme officers assigned to guide the forums with Act affairs in the grassroots. This separates them from the envisaged contact with the forums that would effectively and efficiently inform the decisions in Act Alliance periodic deliberations. The programme director explained that sometimes the responsiveness of ACT Geneva to issues raised by the country forums depends on the individual programme officer assigned as the contact for the respective region in Geneva. Some are very active and helpful while others are relatively passive. She also added that the Alliance has rapid support teams that can be requested by forums in case of emergencies, but could not substantiate the effectiveness and efficiency of this practice.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the results and findings of the study presented in previous chapter. Major findings of the study have been discussed and interpreted alongside the research questions. Conclusions have been arrived at based on the findings of the study and recommendations suggested for improving FCA strategic position in the Alliance.

5.2 Summary of Findings

The main focus of this study was establishing the ACT alliance strategic value to FCA, and to a large extent whether or not strategic Alliances create any strategic value for its member organizations. FCA was used as a case a study and in-depth, interactive and comprehensive discussions were used as a mode of data collection. The population of focus was a group of FCA programme and management staff whose functions and responsibilities link to ACT Alliance activities and collaboration with FCA. The staffs are based in Kenya. Seven employees were interviewed. Data collection was guided by detailed questions and comprehensive in the interview guide.

The study established that FCA has gained strategically by being in the alliance. Therefore the initial motives of FCA joining the Alliance are deemed relevant to some extent. From the findings it is evident that through working with Alliance members FCA has been able to deliver its assistance to the needy in locations that FCA lacks a physical presence at minimal administration costs.

The study shows that FCA cannot explicitly give an account of the funding raised through the Alliance for its own humanitarian programmes. Nevertheless the study also shows that FCA as an alliance member has been able to attract funding externally. The branding of Act alliance has somehow contributed to this new development. The interviewees explain that FCA is viewed as a donor in the alliance.

The study further revealed that FCA strategic direction is changing to ensure relevance and competitiveness. Findings revealed that FCA strategy has changed, and there is notable collaboration with other non-alliance organizations. FCA is facing pressure from its historical donors about its relevance and role by receiving funding and disbursing the same funds to others to other international organizations to implement instead. Available annual reports for the past three years confirm a decline in FCA support to the alliance members. Further findings implied an underlying competition within the Alliance forums, and in absence of a common strategic direction activities carried out were on adhoc basis.

Findings concluded that FCA has not benefited in the branding as would be expected since Act Alliance is not widely known amongst the non-Act humanitarian members. Nonetheless FCA membership and participation in the Alliance has noticeably enhanced FCA to global strategic participation and networking in consortiums raising funds from international donors for its expanding programmes specifically in Africa.

5.3 Conclusion

Findings support that FCA collaboration with Act alliance added strategic value to strategy implementation by creating and facilitating an enabling environment. FCA has been able to access its targeted communities in humanitarian and development assistances by channeling funds through Act Alliance members in a cost effective manner. Shared risks, and created synergy being amongst other common rationale for undertaking a cooperative arrangement have been registered as critically important in the alliance collaboration especially in targeted locations engulfed by uncertainty and instability. FCA as an influential Act member has been able to influence and lobby its agenda in the alliance.

The coordination and cooperation with sister agencies is of strategic value to FCA. Thus FCA strategic choices made then by collaborating with Act members can conclusively be linked to strategic benefits FCA has leaped and will gain from its future activities. This observation is supported by the transactional theory that underpins some of the reasons why firms form strategic Alliances.

Organizations form partnership to be able to complement their own strategy initiative and strengthen their competition. Findings show that FCA has not received funding from Act since FCA has been traditionally perceived as the donor. Nonetheless, FCA under the branding name of Act Alliance has gained credibility within the global multimillion donors consequently accessing large external funding for its operations like the EU, DFID and USAID.

Further findings alluded that Act forums are powerful channels for advocacy, especially considering that some of the local church-based Act members have significant influence in the communities, local and national governance. FCA in collaboration with Act Alliance participated in Kenya's last general elections peace campaigns and initiated a contingency plan in case post elections violence erupted by identifying the hot spots. However the study has revealed that it was difficult to measure the impact of advocacy initiatives in the short run and in some situations the impact was minimal. There are however milestones made by FCA in advocacy initiatives without involvement of act Alliance for example in Somalia peace negotiations.

Findings evidently show that FCA strategic direction as a donor has been transformed to becoming an implementer. This clearly shows that its initial strategic driver to being in the alliance has taken a different direction. FCA has commenced a field office presence by opening, and decentralizing its operations. It is strategic for FCA to remain competitive and relevant to its donors for its survival since the environment is very dynamic. Pressure is mounting for FCA from its donors for results based operations. One Strategic objective for FCA has been scaling down to manageable number of programme areas thus reducing funding channeled to its partners. Clearly success in the alliance will depend on the partners having a common vision of the future.

The study findings showed the Act forum is ineffective and lacks a strategic direction for members to maintain commitment. In absence of humanitarian needs the Act forum remains inactive. Leadership is rotational and voluntary without a strategic common plan. The forum is comprised of diverse membership both in resources, expertise, and strategic needs. Strong members influence and affect decisions in the forum. Like-minded members are said to be working together within the alliance forum. There is a notable passive relationship between the forum and the Headquarters.

5.4 Recommendations

The study recommends that FCA set policies on the selection and operations of strategic collaborations .These would guide the process and give directions of the strategic partners that FCA can partner with in the future.

As an influential Act member FCA can lobby for studies for the members to evaluate the relevance of the alliance in the current dynamic settings in the environment. A lot has changed, and the alliance like any other player in the market, depends on relevant and competitive strategies for its survivor in a turbulent environment. Policies can be formulated to facilitate clear communication on the distinct ways in which each of the alliance organizations function, including their respective contexts and constraints, and provide clarity about expectations and relevance of the collaboration.

The study also recommends that FCA adopts procedures that ensure periodical evaluations of strategic partnerships and collaborations. The practice would provide timely and accurate feedback that can inform decision making in the organization. This study recommends that FCA takes the initiative to evaluate its future partners; choice of

partners will have a significant impact on the performance of the alliance since it will dictate the mix of skills and resources available in the alliance.

5.5 Limitations of the study

The study concentrated its focus on the Kenya office whereas FCA is a global organization with country offices and regional offices that have diverse links with Act alliance in their distinct contexts. To conclusively generalize the Kenya office findings to FCA in general research in other offices would be of essence.

To collect data the study focussed on selected group of programme coordinators, programme director and the representative who were perceived to have an in-depth understanding of Act alliance. There is a possibility of biases and prejudices that may have influenced the findings of this study.

The findings of this study are based only on one aspect of the FCA collaboration with the alliance that is strategic value. There are other organizational areas such as governance, organizational culture, social responsibilities, strategic planning that could be researched on for conclusive results.

5.6 Suggestions for Further studies

Since findings of this study were focused only in one FCA, it is thus recommended that that further studies to be done on the strategic value of Act alliance to other FCA offices to conclusively generalize the findings of this study.

The study selected only a few employees as the source of data used in the study conclusions. Further studies recommended should enlarge the group size of the employees that can be interviewed to minimize any possibilities of prejudices and biases that could possibly affect the final findings of such study.

Further studies on other aspects of the alliance such as governance or organizational culture, power distribution, communication in the alliance are potential areas for future studies for FCA in further establishing the benefits of the alliance to FCA.

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APPENDICES:

Appendix i: Letter of Introduction



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22895 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE... 21/9/2013

TO WHOM IT MAY CONCERN

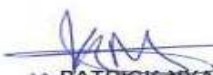
The bearer of this letter... NDURUNGI, SCOLASTICA, NYAKABU I
Registration No... DG/70109/2007


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

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

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

Thank you.


PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS


UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
21 SEP 2013
MBA OFFICE
P.O. Box 30197 - 00100, NAIROBI

Appendix ii: Interview Guide

RESEARCH TOPIC: STRATEGIC VALUE OF ACT ALLIANCE TO FINN CHURCH AID KENYA

General information on interviewee

1. What is your position in FCA, and for how long have you worked in FCA?
2. To what extent has your function been involved in ACT Alliance activities?

FCA in ACT Alliance

3. What were the initial motives that drove FCA to becoming a member of ACT Alliance?
4. What role does FCA play in ACT Alliance?
5. How does FCA strategy link to ACT Alliance objectives?
6. To what extent are FCA staffs aware of the ACT Alliance global deliberations affecting the Alliance?
7. How effective and efficient has ACT Alliance been to country forums on arising issues?

Objectives of ACT Alliance Formation

8. What are FCA strategic achievements attributable to the Alliance in areas of
 - i. Humanitarian assistance
 - ii. Development activities
9. What incidences attributable to the ACT Alliance work, through which Finn Church Aid has been able to influence structures and systems whose outcomes have greatly improved the lives of the marginalised and impoverished people at national, regionally and globally level.

10. Since becoming a member of the Alliance how much funds has FCA received through ACT Alliance for programmes? Over the years what has been the yearly trend of ACT Alliance income compared to other sources in FCA?
11. How efficient and effective have been the responses to emergencies in terms of funds availability/accessibility?
12. In the Alliance formation capacity building initiatives and sharing of knowledge, learning through experiences of members was a key driving force, how has this impacted on FCA performance in delivery of its strategy? What new practices in FCA implementation is evidence of ACT Alliance capacity building initiatives to its members? How often are CDI performed to members? How has the effectiveness been measured?
13. From the Alliance framework how many programs of implementation has FCA been able to successfully access even without a physical presence? How successful have these initiatives been, in terms of achieving transformational changes?
14. How has FCA benefited under the ACT Alliance brand name?