CHALLENGES IN THE FORMULATION AND IMPLEMENTATION OF STRATEGY – THE CASE OF KENYA SUGAR BOARD

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DECLARATION

This management research project is my original work and has not been submitted for a degree in any other university.

Signed : ....

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Date : 24-11-2008

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

Signed : ....

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Date : 24-11-08

DEDICATION

To my late mum Sara Khatenje and late dad Peter Magero for your efforts.

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LIST OF ACRONYMS

BCG	Boston Consulting Group
CEO	Chief Executive Officer
GE	General Electric
GOK	Government of Kenya
KSA	Kenya Sugar Authority
KSB	Kenya Sugar Board
MDG	Millennium Development Goal
R&D	Research and Development
SDL	Sugar Development Levy

ABSTRACT

Kenya Sugar Board (KSB) replaced the defunct Kenya Sugar Authority (KSA) on April 1, 2002 with the mandate to regulate, develop and promote the sugar industry in Kenya. In an effort to meet these mandates, management decided to formulate the 2004 – 2007 strategic plan to act as a tool towards this end. The development was handled by senior managers and representatives of the Board. Implementation of the strategy did not succeed leading to its premature review and development of the 2007 – 2012 strategic plan.

This research was conducted to establish and document the challenges encountered during the formulation and implementation of the 2004 - 2007. Additionally, any related issues that occasioned the subsequent strategy developed from 2007 were to be established.

In carrying out this research, both primary and secondary data was used. Primary data was collected by the researcher using an interview guide through personal interviews of senior managers. Secondary data was gathered from reviewing both the 2004 - 2007 and 2007 - 2012 strategic plan documents.

From the research, it was established that KSB encountered seven major challenges during the formulation stage. These ranged from organisational culture, government policies, adequacy of resources, resistance to change, stakeholders support, link between organisational and departmental strategies to communication. During implementation, challenges encountered included lack of focussed leadership, organisational structure, strategy-culture relationship, government policies, support from Board of Directors, allocation of resources and lack of a monitoring and evaluation framework.

While the subsequent review of the 2007 - 2012 addressed most of the challenges earlier experienced, the research found that implementation of this new strategy was also facing a number of challenges. These include inadequate resources and their allocation, management commitment and lack of adherence to the implementation matrix. Preparation of budgets is still not linked to the strategy while quarterly review meetings are not held. Its success is doubtful.

CHAPTER ONE

INTRODUCTION

1.1 Background

All organizations exist in an open system - impacting and being impacted by external conditions beyond their control (Pearce & Robinson, 2005). Organisations depend on the environment for survival - attracting resources of labour and raw materials from the environment and giving back their products in terms of finished products and services to the environment (Ansoff & McDonnell, 1990). To succeed in positioning themselves in future competitive situations therefore, Pearce and Robinson (2005) suggest that strategic managers must look beyond the limits of the firms' own operations.

A company's strategy must therefore be aligned to the elements in the environment. The firm must strive to adapt to the environment. Ansoff's strategic success formula thus states that a firm's performance potential is optimised when the aggressiveness of its strategic behaviour matches the environmental turbulence and the responsiveness of its internal capability matches the aggressiveness of its strategy. A shift in environmental turbulence will exert pressure to change strategy and the internal dynamics of the organization.

Once strategy has been changed to align with the environment, the internal capability must of necessity also change for successful implementation. For all these to happen, it is important to always carry out environmental scanning. Stoffels (1994) defines environmental scanning as a methodology for coping with external competitive, social, economic and technical issues that may be difficult to observe or diagnose but that can not be ignored and will not go away. Stoffels further suggests that environmental scanning seeks to identify emerging situations, hazards and opportunities in society, particularly those that may be difficult for the manager or the organisation to absorb or turn to advantage. It is therefore the dynamics of market economics that create the links between managerial strategy and the environment.

On their part, Robbins and Coulter (2004) define environmental scanning as the screening of large amounts of information to anticipate changes in the environment. Firms that scan their environments have a better chance of capturing opportunities and avoiding threats than firms that simply react to events (Stoffels, 1994). "Research has shown that companies with advanced environmental scanning systems increased their profits and revenue growth" (Robbins & Coulter, 2004, pg. 224). It is therefore a crucial responsibility for managers to ensure that their firms develop capacity for survival. This is done by anticipating and adapting to environmental changes in a way that provides new opportunities for growth and profitability (Pearce & Robinson, 2005).

1.1.1 Strategy Formulation

Strategy formulation is designed to guide executives in defining the business their company is in, the aims it seeks and the means it will use to accomplish these aims (Pearce & Robinson, 2005). It combines a future-oriented perspective with concern for a firm's internal and external environments in developing its competitive plan of action.

In formulating strategy, organisations must first understand their external environment. A situation analysis is therefore carried out to analyse the external environment. A host of external and often largely uncontrollable factors influence a firm's choice of direction and action and, ultimately, its organisational structure and internal processes (Pearce & Robinson, 2005).

It is important that a firm clearly understands the industry they are in. It thus becomes important to conduct a competitive industry analysis. It has been found useful to consider the nature and degree of competition in an industry as hinging on five forces. These are the threat of new entrants, the bargaining power of customers, the bargaining power of suppliers, the threat of substitute products or services and the rivalry among existing competitors (Porter, 1980). Understanding these forces would largely shape strategy formulation.

With the forces affecting competition in the industry and the underlying causes understood, the company's strengths and weaknesses must be identified. This can be done using the SWOT analysis. The aim is to identify the extent to which the current strengths and weaknesses are relevant to and capable of dealing with the changes taking place in the business environment (Johnson, Scholes & Whittington, 2005). Failing to judge the company's situation objectively will lead to failure in implementing strategy thus developed.

Of critical importance is accurate forecasting of changing elements in the environment. Environmental forecasting is therefore an important aspect of strategy formulation. Pearce and Robinson (2005) assert that strategic managers need to develop skill in predicting significant environmental changes. Accurate forecasting of changing elements in the environment is an essential part of strategic management. Strategy development is therefore seen as a process of systematic thinking and reasoning (Johnson et al, 2005).

Strategy must place realistic requirements on the firm's internal resources and capabilities. Therefore, an important ingredient of strategy formulation is a realistic analysis of the firm's internal capabilities. Systematic internal analysis leads to an objective company profile which is essential in the development of a realistic and effective strategy (Pearce & Robinson, 2005).

To assure success, the company must determine its vision and define its mission. While vision is the firm's ideal future, the mission statement is concerned with the present. These two provide direction and scope for the firm's activities. Pearce and Robinson (2005) define company mission as the fundamental, unique purpose that sets a business apart from other firms of its type and identifies the scope of its operations in product and market terms. It reflects the firm's self-concept, indicates the principal product or service areas and primary customer needs the company will attempt to satisfy. The mission describes the product, market and technological areas of emphasis for the business. The company policy assists in making decisions by providing guidelines. A policy establishes parameters for the decision maker rather than specifically stating what should or should not be done (Robbins & Coulter, 2004).

To provide specific benchmarks for evaluating the company's progress in achieving its aim, long-term objectives are developed. These are statements of the results a business seeks to achieve over a specified period of time, typically five years. Long-term objectives should of necessity be acceptable, flexible, measurable over time, motivating, suitable, understandable and achievable. These form the framework for planning.

The final stage in formulation is strategic analysis and choice. Here, alternative strategies are evaluated before making the ultimate choice. The choice made must be consistent with the resource capabilities of the company. Managers need to develop and evaluate strategic alternatives and then select strategies that support and complement each other and that allow the organisation to capitalise on its strengths and environmental opportunities (Robbins & Coulter, 2004). Methods of selection used include the BCG Growth/Share Matrix and the GE Nine-Cell Planning Grid.

Each of these steps can pose a serious challenge to strategy formulation if not handled properly. Unless carefully planned and executed, the process may not succeed.

1.1.2 Strategy Implementation

Once the strategy has been developed and long-term objectives set, the tasks of operationalising, institutionalising and controlling the strategy still remain (Pearce & Robinson, 2005). Strategic thought must be translated into strategic action. A strategy is only as good as its implementation (Robbins & Coulter, 2004). On their part, Hrebiniak & Joyce (1984) define strategy implementation as the use of managerial and organisational tools to direct resources toward accomplishing strategic results. It is the administration and execution of the strategic plan.

To translate long-range aspirations into an implementable form, annual objectives are formed. If well developed, they provide clarity, which is a powerful and motivating facilitator of effective strategy formulation. Accomplishment of annual objectives adds up to successful execution of the long-term plan. It is from annual objectives that the annual budget will be drawn. Provision of an adequate budget and other resources is critical for success. It is important that strategy is matched to the firm's resources.

To accomplish the objectives, functional strategies must be clearly identified. Pearce and Robinson (2005) define functional strategy as being the short-term game plan for a key functional area within a company. Functional strategies must be developed in the key areas of marketing, finance, production/operations, R & D and personnel. They must be consistent with the long-term objectives and the grand strategy.

The next requirement for strategy implementation is identification of concise policies that guide the thinking, decisions and actions of operating managers and their subordinates. Often referred to as standard operating procedures, they serve to increase managerial effectiveness by standardising many routine decisions.

To institutionalise strategy, focus is now shifted to the structure of the organisation, its leadership and culture. The need for a good strategy-structure fit can not be overemphasised. Organisational leadership is essential to effective strategy implementation (Pearce & Robinson, 2005). The company CEO plays a critical role in this regard. He must ensure that key managers within the top-management team are appropriately assigned. This is a major challenge to the success of implementation.

Organisational culture, described as the shared beliefs and values of organisational members, has been found to have a major influence on implementation of strategy. It gives employees a sense of how to behave, what they should do and where to place priorities in getting the job done. It is about the collective behaviours in an organisation and strategies can be seen as the outcome of the collective taken-for-granted assumptions, behaviours and routines of organisations (Johnson et al, 2005). The stronger the culture, the greater its efficiency in generating higher levels of cooperation and commitment in the organisation.

Strategy is implemented over a long period of time, usually five or more years, during which time many changes occur that have major ramifications for its ultimate success. Consequently, it is essential that strategic control is instituted that recognise the unique control needs of long-term strategies, by tracking the strategy as it is being implemented, detecting problems or changes in underlying premises, and making necessary adjustments (Pearce & Robinson, 2005). Reward systems also play a key role in directing strategy implementation and motivating strategic control. Companies should emphasise incentive systems that ensure adequate attention to strategic thrusts. On his part, Daft (2000) suggests that managers may use persuasion, new equipment, changes in organisation structure or reward system to ensure that employees and resources are used to make formulated strategy a reality. This will avoid challenges that would result in failed strategies. A natural organisational reaction is to fight against the disruption of the historical culture and power structure, rather than confront the challenges posed by the environment. Many organisations lack the capability, the capacity or the motivational systems to think and act strategically.

1.1.3 The Kenya Sugar Industry

The history of the Kenya sugar industry dates back to 1922 when the first sugar factory was established at Miwani in Nyanza province. This was followed by the establishment of Ramisi in 1927 at the coast. After independence, six additional companies were established namely Muhoroni Sugar Company in 1966, Chemelil Sugar Company in 1968, Mumias Sugar Company in 1973, Nzoia Sugar Company in 1978, South

Nyanza Sugar Company in 1979 and West Kenya Sugar Company in 1981. The establishment of the government sponsored parastatal sugar companies was driven by a national desire to:

(i) accelerate social-economic development;

(ii) address regional economic imbalances;

(iii) increase Kenyan citizens' participation in the economy;

(iv) promote indigenous entrepreneurship; and

(v) promote foreign investments through joint ventures.

This desire was expressed in the Sessional Paper No. 10 of 1965 on African Socialism and its Application to Planning in Kenya.

Despite all the investments made, self-sufficiency in sugar has remained elusive over the years as consumption continues to outstrip supply. Total sugar production grew from 368,970 tonnes in 1981 to 517,000 tonnes in 2004. This was the highest production realized since the inception of the industry. Domestic sugar consumption increased even faster, rising from 324,054 tonnes to 669,914 tonnes over the same period (KSB, 2006). Consequently, Kenya has remained a net importer of sugar with imports rising from 4,000 tonnes in 1984 to an all time high of 249,336 tonnes in 2001 (KSB, 2006). The country on average imports 200,000 tonnes of sugar per annum to bridge the deficit between domestic production and consumption. All the refined sugar required by various manufacturers is currently imported.

1.1.4 The Kenya Sugar Board

Prior to the year 2002, the then Kenya Sugar Authority (KSA) regulated the sugar industry in Kenya. It operated under an order of the Agriculture Act Cap 318 through legal notice number 32 of March 17, 1973. With the enactment of the Sugar Act 2001, the Kenya Sugar Board (KSB) was established to replace KSA. The Act gave specific mandates to

KSB to regulate, develop and promote the sugar industry. It was also to co-ordinate the activities of individuals and organizations within the industry and to facilitate equitable access to the benefits and resources of the industry by all interested parties (GOK, 2002).

Prior to the enactment of the Sugar Act 2001, the country's president appointed the top leadership of KSA. This changed with the new Act and the first elected Board of Directors was constituted in May 2002. The Sugar Act 2001 specified the composition of the Board. The first competitively recruited CEO was hired in 2003 by the Board of Directors under powers of the Sugar Act 2001.

Following these events, KSB developed a strategy for the period 2004 – 2007. Its implementation came with a number of challenges leading to its revision even before the end of the strategic plan period. A consultant was hired to develop a new strategy for 2007 – 2012 which has been formulated and launched.

1.2 Statement of the Problem

As open systems, organizations depend on the environment for their survival (Ansoff, 1984). Environments do not change on any regular or orderly basis (Mintzberg, Quinn & Ghosal, 1999). As the environment changes, so should organizations if they are to remain relevant.

In his study on strategy development at National Hospital Insurance Fund, Malusi (2006) concluded that public corporations operated in a complex environment that was more unpredictable than stable compared to private sector establishments. There is increasing pressure from the Kenyan public and donors. Political interference is another challenge that can not be ignored. Management therefore does not have the freedom to optimise its own performance in pursuit of a single objective.

The environment that KSA operated in prior to 2002 changed with the legislation of the Sugar Act 2001. KSB was created with clear mandates. This new corporation could not continue doing things the same old way and needed to change by developing a corporate strategy to provide direction for its operations.

As sited earlier, a strategy is only as good as its implementation. Once a new strategy has been selected, it is implemented through changes in leadership, structure, information and control systems and human resources (Galbraith & Kazanjian, 1986). One major short-coming of strategy implementation in organisations is a failure to translate statements of strategic purpose, such as gaining market share, into an identification of those factors which are critical to achieving these objectives and the resources and competences which will ensure success (Daft, 2000).

Studies have been carried out in the recent past on strategy development and implementation by different scholars. These have concentrated on the private sector with a lot of focus on banks and manufacturing firms. Some studies have also been carried out in the public sector with a number of state corporations studied. In the sugar industry, studies have been carried out by Chepkoit (1992), Kassamani (1999), Okunyanyi (1999), Kwena (2002), Nafula (2005), Obado (2005), Dulo (2006) and Jowi (2006). All these studies, however, focused mainly on marketing, human resource issues and competitive strategies of the sugar manufacturing firms. In his study on the competitive strategies employed by the sugar manufacturing firms in Kenya, Obado (2005) recommended that more research was needed in the sugar sub sector as it had been given little attention by researchers. In his research on aspects of strategy formulation and implementation within large, private manufacturing companies in Kenya, Aosa (1992) argued that a study with a narrower focus would achieve greater depth thereby providing further insights into strategic management process in Kenya. He suggested that studies could be focussed on areas such as problems in strategy development and implementation.

While previous studies have looked at the sugar manufacturing companies, this particular study focused on the Kenya Sugar Board as the regulator and umbrella body in the industry. The first strategy developed by KSB did not work well leading to its premature revision. The questions that arise therefore are: -

i) Why did the first strategy not work well?
ii) Was it because of weaknesses in the formulation process or in the implementation of the strategy?

The study, therefore, targeted the nature of both strategy formulation and implementation processes as carried out by KSB. A case study was adopted as this would allow a detailed evaluation of both processes at this organisation.

1.3 Research Objectives

The objectives of the study were to: -

i) Establish and document the challenges encountered during the formulation and implementation of KSB's strategy between 2004 and 2007.
ii) Establish whether there were any related issues that occasioned the revision of the subsequent strategy developed as from 2007.

1.4 Importance of the Study

The Kenya Sugar Board regulates an industry on which 6 million people depend (KSB, 2006). Almost every household in Kenya uses sugar in its various forms. Sugar is a major input in the beverage, confectionary, pharmaceutical and distilling industries among others. The success of KSB therefore has a direct impact on a big percentage of the total population of Kenya. The study therefore will benefit the following groups.

1.4.1 Government

The study will benefit the government in formulation of policies affecting the sugar sub sector. While planning for her citizens, especially in matters that relate to poverty eradication in achievement of the Millennium Development Goals (MDGs), this sub sector is critical.

1.4.2 Investors

As the regulator of the sub sector, the performance of KSB would have direct impact on the performance of the stakeholders in the sugar trade. Investors will particularly find this study useful especially now that the government plans to divest from the parastatal mills. Those intending to establish new ventures would be interested in the performance of the regulator. Sugar cane farmers, suppliers and consumers including manufacturers that use sugar as an input in there processing should also find the study useful.

1.4.3 Scholars

It is anticipated that this study will contribute to the existing body of knowledge and that scholars will be stimulated to carry out further research in this area.

1.4.4 Practitioners

Practicing managers in the field of strategic management may use the outcome of this research in designing monitoring and control systems that mitigate challenges in strategy formulation and implementation. Other state corporations may also draw lessons from the experience of KSB.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of Strategy

By strategy, managers mean their large-scale, future oriented plans for interacting with the competitive environment to optimise achievement of organisational objectives. Strategy represents a firm's "game plan" and provides a framework for managerial decisions (Pearce & Robinson, 2005). A strategy is about winning. It is a unifying theme that gives coherence and direction to the actions and decisions of an individual or organization. It acts as a vehicle for communication and coordination within organisations. Porter (1980) argued that strategy was about positioning a company in its industry. Competitive advantage was largely the result of such positioning. Burnes (2004) simply defines strategy as a plan of action stating how an organisation will achieve its long-term objectives.

Strategy may also be said to be about mapping-out the future directions that need to be adopted against the resources possessed by the organisation. The strategies adopted will establish the internal character of the organisation, how it relates to the external environment, the range of products and services and the markets in which it operates (Bannock, Davis, Trott & Uncles, 2002). Organisations vary in how well they perform because of differences in their strategies and differences in competitive abilities (Robbins & Coulter, 2004). It will be observed that strategy is likely to be concerned with the long-term direction of an organisation. Strategic decisions are concerned with the scope of an organisation's activities in trying to achieve some advantage for the organisation over competition (Johnson et al, 2005).

Strategy can be seen as the search for strategic fit with the business environment (Porter, 1980). Strategy may also be seen as creating opportunities by building on an organisation's resources and competences (Hamel & Prahalad, 1994). This is what is commonly referred to as the resource-based view of strategy. It is about exploiting the strategic resources of an organisation. Strategy can be said to evolve from unique strengths possessed by the firm, from identifying weaknesses in competitors and from finding new markets, new customers, new technologies and other new forces in the environment (Stoffels, 1994). The less predictable a firm's environment, the worse a firm is likely to perform.

On their part, Thomson & Strikland (2003) define strategy as the pattern of organisational moves and managerial approaches used to achieve organisational objectives and mission. Hax and Majluf (1996) view strategy as being a multi-dimensional concept that embraces all the critical activities of the firm, providing it with a sense of unity, direction and purpose, as well as facilitating the necessary changes induced by its environment. Perhaps the best and most comprehensive definition of strategy is that by Johnson et al (2005). They conclude by defining strategy as the direction and scope of an organisation over the long-term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations.

2.1.1 Levels of Strategy

When it comes to operationalising strategy, it is most usual to consider this in terms of levels of strategy (Bannock et al, 2002). Most authors distinguish three different levels of strategy. These are corporate level strategy, business level strategy and functional level strategy. The corporate level strategy considers long-term issues and fundamental questions such as what business should we be in and what should be our portfolio of business are answered. The business level strategy considers the long-term plans of that particular business and concentrates on improving its competitiveness in the short and long term. On the other hand, functional level strategy focuses on the activities of the function to improve competitiveness and quality of performance.

2.2 Strategic Management Process

Strategic management is the totality of management decisions that determine the purpose and direction of the firm. It involves strategic planning and eventually implementation (Bannock et al, 2002). According to Ansoff and McDonnell (1990), strategic management is to position and relate the firm to its environment in a way which will assure its continued success and make it secure from surprises.

Robbins and Coulter (2004) define strategic management as the set of managerial decisions and actions that determine the long-term performance of an organisation. It entails all the basic management functions; i.e. the organisations strategies must be planned, organised, put into effect and controlled.

Pearce and Robinson (2005) assert that the complexity and sophistication of business decision-making requires strategic management. They define strategic management as the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of the organisation. Strategic management is different in nature from other aspects of management. While an operational manager is often required to deal with problems of operational control, the scope of strategic management is greater than that of any one area of operational management (Johnson et al, 2005).

Firms confront new challenges that are numerous, discontinuous, diverse and complex. The challenges of tomorrow are therefore different from those of yesterday (Ansoff & McDonnell, 1990). The continuing change agenda makes it dangerous to base future plans on successful responses to previous challenges. Strategic management is concerned with complexity arising out of ambiguities and non-routine situations with organisation-wide rather than operation-specific implications. Johnson et al (2005) further aver that strategic management includes understanding the strategic position of an organisation, strategic choices for the future and turning strategies into action.

The strategic management approach emphasises interaction by managers at all levels of the organisational hierarchy in planning and implementation. This leads to participative decision-making (Pearce & Robinson, 2005). The process centres around the belief that the mission of a firm can best be achieved through a systematic and comprehensive assessment of both a firm's resource capabilities and its external environment.

Today, strategic management has moved beyond for-profit business organisations to include governmental agencies, hospitals and other not-for-profit organisations. Although strategic management in not-for-profits has not been well researched as that in for-profit organisations, we know that it is important for these organisations as well (Robbins & Coulter, 2004). Discussing strategic management in the public sector, Johnson et al in 2005 concluded that the concepts of strategy and strategic management are just as important in the public sector as in commercial firms. They see the challenge of strategic management as being able to understand complex issues facing organisations and developing the capability for long-term organisational success.

2.3 Strategic Planning Process

Prior to implementation of a strategy, organisations need to ensure comprehensive strategic planning is undertaken to help deliver effective decision-making (Bannock et al, 2002). These authors define strategic planning as a top-down approach to business planning, with emphasis on long-term business-wide issues. They further assert that strategic planning gained popularity in the 1970s, particularly with the development and application of portfolio models, growth-share matrices, studies of business synergy, product life-cycle analysis and research studies.

Strategic plans apply to the entire organisation and establish the organisation's overall goals. They seek to position the organisation in terms of its environment. They cover a longer time-frame and a broader view of the organisation (Robins & Coulter, 2004).

Johnson et al (2005) noted that while major strategic decisions may not be a direct result of such planning processes, nonetheless, a strategic planning system may have many uses by playing a role in how the future organisational strategy is determined. It might provide a structured means of analysis and thinking about complex strategic problems, encourage long-term view of strategy than might otherwise occur and provide a means of coordination by bringing together various business-level strategies within an overall corporate strategy. These authors also note that a planning system may have psychological roles by involving people in strategy development thereby helping to create ownership of the strategy.

Pearce and Robinson (2005) consider strategic planning as a management process that blends new venture management, planning, programming, budgeting and business policy. This, they observed was with increased emphasis on environmental forecasting. It is a process that gives internal as well as external consideration in formulating and implementing strategy. In strategic planning, the future is not necessarily expected to be an improvement of the past, neither is it extrapolative (Ansoff & McDonnell, 1990).

Johnson and Scholes (1999) highlight that in the 1960s and 1970s, strategic planning was the only way of formulating strategy. However there was no clear evidence that organisations were performing better than others because of adopting this approach. They appreciate command and logical incremental views as other ways of developing a strategy.

Mintzberg, Quinn and Ghoshal (1999) see strategic planning as a means not to create strategy but to programme a strategy already created and also work out its implications formally. It is analytical in nature, based on decomposition, while strategy creation is essentially a process of synthesis. They argue that trying to create strategies through formal planning most often leads to extrapolation of existing ones or copying those of competitors.

Recent authors have heavily criticised formal strategic planning and its role in the organisations. Most common critiques of strategic planning argue that it is overly concerned with extrapolation of the present and the past as opposed to focusing on how to reinvent the future (Hamel & Prahalad, 1994). However, formal strategic planning is still widely practiced in organisations today. It helps organisations make better strategic decisions. Johnson and Scholes (1999) observe that it provides a structured means of analysis and thinking. It is a way of involving people in organisations and communicating the intended strategy. Pearce and Robinson (2005) note that proper strategic planning systems lead to increased profit for a firm. Ansoff (1999) observed that though introduction of strategic planning is a much more complex and an organisation-disturbing process, when properly installed and accepted by management, strategic planning produces improvements in the firm's performance.

Johnson and Scholes (1999) define strategic planning as a sequence of analytical and evaluative procedures meant to evaluate an intended strategy and the means of implementing it. The preparation of a strategic plan is a multi-step process covering vision, mission, objectives, values, strategies, goals and programs. A vision is a pen picture of the business in three or more year's to come. It is the desired future state: the aspiration of the organisation (Johnson et al, 2005). A mission on the other hand is a general expression of the overall purpose of the organisation, which, ideally, is in line with the values and expectations of stakeholders. Values spell out what governs the operation of the business and its conduct or relationships with society at large, customers, suppliers, employees, local community and other stakeholders. Objectives state the results the business wants to achieve both in medium and long term. These must be clearly stated and as much as possible, quantifiable.
Strategies indicate the rules and guidelines by which the mission, objectives may be achieved. Goals are specific interim or ultimate time-based measurements to be achieved by implementing strategies in pursuit of the company's objectives.

Studies of the effectiveness of strategic planning and management have found that as with planning in general, companies with formal strategic management systems had higher financial returns than did companies with no such system (Robbins & Coulter, 2004). Karger and Malik (1975) found that strategic long-range planners significantly outperformed non-formal planners in terms of generally accepted financial measures.

2.3.1 Strategic Planning Systems

These are the mechanisms or arrangements put in place by the organisation for strategically managing the implementation of agreed upon strategies. The systems are themselves a kind of organizational strategy for implementing policies and plans. The systems characteristically embody procedures and occasions for routinely reassessing those strategies (Bryson, 1995).

According to Gluck, Kaufman and Wallak (1980), four strategic planning typologies exist, namely, financial planning, forecasting planning, external oriented planning and strategic management. Financial planning consists of annual budgets, gap analysis and static allocation of resources. Externally oriented planning utilizes situational analysis, competitive assessments and evaluation of strategic alternatives. In this type of planning, there is dynamism in allocation of resources. Strategic management, which is the final phase, involves a well-defined framework, where the organisation is strategically focused. There is a widespread strategic thinking capability, coherent reinforcing management incentives and a supporting value systems climate (Gluck et al, 1982)

Gunn in 1991 produced a summary of the types of strategic planning which reflected the chronology of the development of planning systems.

These ranged from the highly structured top down systems planning to less formalised alternatives such as strategic issues planning and logical incrementalism. In the 1990's the fashion swung towards the participative and cultural modes. These modes involve multiple constituencies in the planning process and they place particular emphasis upon the underlying systems, which bond people to organisations. Types of strategic planning include systems planning, marketing approaches (industry structure analysis, portfolio analysis and competitive strategy), strategic issues planning and logical incrementalism, political and cultural approaches. He categorised trends in strategic planning along three dimensions: in terms of their comprehensiveness of approach, degree of participation and emphasis upon the market.

Strategy development is equated with formalized strategic planning systems (Johnson et al, 2005). These may take the form of systematized, step-by-step, chronological procedures involving different parts of the organization.

2.3.2 Scenario Planning

When the business environment has high levels of uncertainty arising from either complexity or rapid change (or both) it may prove impossible to develop a single view of how environment influences might affect an organisation's strategies (Johnson et al, 2005). It will therefore be useful to plan for different scenarios based on different influences. Scenario planning is useful in circumstances where it is important to take a long-term view of strategy, at minimum five years.

Bani and Banerjee (2001) define scenario planning as conceptualising a range of different futures which an organisation might have to deal with to ensure that the less likely possibilities, opportunities and threats are not overlooked. It encourages high-level flair and creativity in strategic thinking.

2.4 Challenges of Strategy Formulation

One of the biggest challenges to strategy formulation is environmental turbulence and uncertainty. A changing environment therefore will demand varied responses from organisations (Johnson & Scholes, 2002). These responses may negatively affect the strategic development process of the affected organisations.

Organisation culture and its influences also challenge the development of strategy in a given organisation. A change in strategy may of necessity require an adjustment in culture. A supportive culture adaptive to change will ensure success in strategy formulation.

State Corporations such as KSB are greatly influenced by government directives and regulations. This influence thus poses a serious challenge to the process of strategy development. The government may impose a strategy that conflicts with managements selected position. Johnson & Scholes (2002) assert that government regulations, taxation policies, foreign trade regulations, social welfare policies and expectations play a role in an organisation's choice of strategy.

Availability of resources will determine what strategy to adopt. Inadequate resources may hinder selection of a sound strategy and limit the choices that can be selected.

It has been said that the only person that likes change is a wet baby. Most individuals resist change. Resistance to change can impact negatively on strategy development. Changes aimed at improving performance are the essence of strategic management. Education and effective communication involving the explanation of the reasons for and the means of strategic change play a key role (Johnson & Scholes, 2002). If there be communication barriers, this would pose a serious challenge.

Different stakeholders have different expectations and interests in a given organisation. It is therefore critical that the expectations of different stakeholders be understood in detail. The extent to which they may influence an organisations performance must be understood. If these interests are not adequately addressed, they may cause a delay in implementing whatever strategy is selected.

2.5 Implementation of Strategy

After strategies are formulated, they must be implemented. A strategy is only as good as its implementation. It has been found that if new strategies are to succeed, they often require hiring of new people with different skills, transferring some current employees to new positions or laying off some employees (Robbins & Coulter, 2004). Different levels of staff have different roles in the delivery of the strategy and must play them effectively for success to be achieved. Staff must be empowered to carry out their various roles and adequate resources provided. The infrastructure must be supportive of strategy implementation. Adequate budgetary provisions must be made and necessary equipments and materials provided.

Strategy must be translated into concrete action, and that action must be carefully implemented. Otherwise, accomplishment is left to chance

(Pearce & Robinson, 2005). Implementation is successfully initiated in three interrelated stages namely:

i. Identification of measurable, mutually determined annual objectives and action plans,
ii. Development of specific functional strategies and
iii. Development and communication of concise policies to guide decisions.

A new strategy must also be institutionalised. It must permeate the very day-to-day life of the company for effective implementation. The three organisational elements that provide fundamental, long-term means of institutionalising the company's strategy are:

i. Structure of the organisation,
ii. Leadership of the CEO and key managers and
iii. The fit between the strategy and the company's culture.

As strategy is implemented in a changing environment, execution must be controlled and evaluated if strategy is to be successfully implemented and adjusted for changing conditions (Pearce & Robinson, 2005). The control and evaluation must include at least three fundamental dimensions. These are:

i. Establish strategic controls that steer strategy execution,
ii. Operations control systems that monitor performance, evaluate deviation and initiate corrective action and
iii. Reward systems that motivate control and evaluation.

Johnson et al (2005) assert that to translate the intended strategy from the top into workable strategies down through the organisation, top management may realise the likelihood is that they will not, themselves, be able to identify all the issues relevant in strategy implementation; so they may involve other levels of management in doing this. Githui (2006) while investigating the challenges for strategy implementation in Barclays Bank of Kenya Ltd. reports that a change committee was set up by the bank alongside the strategic committee for successful implementation.

Chandler (1962) proposes one of the fundamental rules in strategic management: “unless structure follows strategy, inefficiency results”. Mintzberg (1990) similarly concludes that “structure follows strategy as the left foot follows the right”. He however warns that a simple “design” approach to strategy and structure can be misleading as structure is not always easy to fix after the big strategic decisions have been made. Strategists should check to see that their existing structures are not constraining the kinds of strategies that they consider.

2.6 Challenges of Strategy Implementation

A major challenge for the success of a chosen strategy is leadership. This is the ability to influence organisational members to adopt the behaviours needed for strategy implementation (Daft, 2000). Strategic leadership is about purpose and the leaders lead between paradigms and manage strategic changes within these paradigms. This leadership is about managing radical change to achieve a dramatic improvement in performance. Strategic leadership refers to the ability to articulate a strategic vision for the company, or a part of the company, and to motivate others to buy into that vision (Hill & Jones, 2001).

Another big challenge is the decision on whether to utilise the current staff or to bring in new personnel. This is a difficult, sensitive and strategic issue. To achieve success, an organisation might find it appropriate to recruit, select, train, discipline, transfer, promote and even lay off employees to achieve the organisation’s strategic objectives.

The organisational structure may also have to change. Successful strategies require properly matched organisational structures. According to Daft (2000), interdependence influences structure. This is the extent to which departments depend on each other for resources or materials to do their work. The challenge for managers is to know whether to design a structure that emphasis the formal, vertical hierarchy or one that emphasis on horizontal communication and collaboration and how to balance interdependence between departments. Organisational politics also comes into play and must be handled appropriately.

The strategy – culture relationship is a critical issue in strategy implementation. As implementing new strategies is concerned with making adjustments in the organisational resources, culture may be a major help or hindrance to its success.

Allocation of resources must be carefully done. Aosa (1992) noted that companies which maintained links between strategies and budgets were significantly more successful in implementing strategy than those not maintaining such links.

Where no proper link exists between the development and the implementation activities, failure is likely to occur. Shumbusho (1983) observed that it was very important to involve the board of directors to ensure that there was no separation between planning and decision-making. Their involvement provided the visible evidence of the importance attached to planning and thus encouraged the rest of the company to accord it the attention it deserved.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The research design used was a case study of the Kenya Sugar Board. This involved a detailed evaluation of both the strategy formulation and strategy implementation processes carried out at this state corporation. This design was selected as it enabled the researcher to have an in-depth understanding of the behaviour pattern of the concerned organisation. The essence of the case study method is to locate the factors that account for the behaviour patterns of the given unit as an integrated totality (Kothari, 2002).

3.2 Data Collection

This research used both primary and secondary data. Primary data was collected using an interview guide. This was administered by the researcher on five members of senior management staff (Heads of Departments and the Chief Executive Officer) through face to face interviews. This allowed for probing questions to be asked to obtain detailed information. Kothari (2002) proposes this method as being particularly suitable for intensive investigation. Secondary data was obtained from reviewing both the 2004 - 2007 and the 2007 - 2012 strategic plan documents. A review of results from the employee satisfaction surveys was also done.

The first part of the interview guide gathered data on challenges in the strategy formulation process. The second part focused on challenges during implementation. The last part of the guide was used to establish how lessons learnt from implementation aided in the design of the revised strategy.

3.3 Data Analysis

Data collected was qualitative. Content analysis was used to identify repetitive issues. This is a research technique for the objective, systematic and quantitative description of the manifest content of a communication (Cooper & Schindler, 2003). Conclusions were then made. This technique has been used by researchers in similar studies in the past including Kombo (1997), Kandie (2001), Muriuki (2005) and Ndung'u (2006). The method proved suitable for this kind of research.

CHAPTER FOUR

RESEARCH FINDINGS

4.1 Formulation of the 2004 - 2007 Strategy at KSB

KSB was established by the Sugar Act 2001 on April 1, 2002 to succeed the defunct KSA. The Act gave the new Board very clear mandates. In a bid to fulfil these mandates, the Board embarked on the development of a strategic plan. The result was the 2004 - 2007 Strategic Plan. It was an initiative of management as a tool to help the Board meet the mandates imposed on it by the government through the Act.

Development of the strategic plan was done by senior management staff and representatives of the board of directors through two workshops facilitated by a consultant. Arising from the mandates dictated by the Act, and in order to pursue a competitive future, the group adopted the following vision, mission and value statements:

Vision: To be the best facilitator and regulator of a world class sugar industry.

Mission: To provide effective leadership towards an efficient, competitive and sustainable sugar industry in Kenya.

Value Statement: At KSB we are driven by a passion for excellence through teamwork and care in an atmosphere that ensures efficiency, integrity and social responsibility.

The group conducted a strategic analysis where operations and practices of the state corporation were analysed. A SWOT as well as PESTLE analysis was carried out. Key stakeholders were identified. The group also identified key success factors for success of the corporation. It was identified that the corporation would have to carry out a human resource restructuring and culture change programmes for success of the strategic plan.

To effectively address the critical success factors identified, corporate objectives and corresponding strategies were formulated.

4.2 Challenges in the Formulation Process

The organisation faced a number of challenges during the strategy formulation stage. These are discussed below.

4.2.1 Organisational Culture

This was found not to be supportive of the new direction the corporation wished to go. It was decided that team-building and culture change programmes would have to be carried out. This however did not happen until 3 years later. Development of a code of professional conduct and work ethics based on values were to be promoted. This did not happen. The group identified the need to attract, develop and retain competitively remunerated human capital in line with market trends. Again this was not done.

4.2.2 Government Policies and Regulations

Government polices and regulations posed another challenge. Although the Sugar Act seemed to suggest that KSB would be autonomous to carry out its mandate, the corporation still had to observe other statutory requirements such as the State Corporations Act. KSB still required to seek approval from the parent ministry as well as the ministry of finance in conducting its activities. KSB therefore had insufficient empowerment and autonomy to enable it fulfil its mandate.

4.2.3 Adequacy of Resources

KSB at the time collected colossal sums of money in the form of the Sugar Development Levy (SDL). However, the amount allocated for the corporation's administration was too small for the proper performance of its mandate. Adequacy of resources thus posed a challenge even as the strategy was formulated. While a corporate objective to establish a strong capital base for KSB's activities by broadening the income base and stepping up levy collection mechanisms was formulated, little was done to achieve the same.

4.2.4 Resistance to Change

From interviews carried out by this researcher, it emerged that resistance to change was a major challenge. Resistance was encountered from even among senior managers involved in the process of formulating the strategy. They did not support the whole idea of having a formal plan and preferred to continue with life as usual. The situation was made worse by lack of participation in the process by most of the staff from various cadres whose input was not incorporated.

4.2.5 Stakeholders' Support

While KSB had identified its stakeholders, no effort was made to seek their input. Apart from senior management and a few directors who participated in the two workshops, other stakeholders felt left out. They therefore did not support the developed strategy.

4.2.6 Link with Departmental Strategies

It came out clearly during the interviews that there was no link between the corporate objectives and departmental strategies. In fact, the strategy document did not identify who was to do what. Once the document was compiled, it was left to the individual departments to make reference to it and coin their own objectives and strategies aligned to corporate ones. No review was made to ascertain that departments had done the same.

4.2.7 Communication to Staff

Communication to staff not involved in the development of the KSB strategy was not adequately done. It was assumed that department heads would communicate to the rest of the departmental staff. In some instances this was not done. There was no mechanism of establishing who did and who did not.

4.3 Implementation of the 2004 – 2007 Strategy at KSB

In its strategy document, KSB stated that it was going to adopt the "Seven S model" as the key vehicle for implementation. Little was however done to implement the strategy. The challenges leading to poor implementation may be attributed to those already identified during the formulation stage while others were encountered at the implementation stage. Those encountered at the later stage are discussed next.

4.4 Challenges in the Implementation Process

4.4.1 Leadership

Most managers interviewed expected the CEO to drive the implementation process. They however indicated that he did not. It was therefore left to each department head to select what they considered relevant to their department and implement. When asked if a strategic leader was identified, all the interviewees indicated that the CEO was assumed to be the strategic leader. It was not appreciated that the CEO needed not have been the strategic leader. An Implementation Committee chaired by a senior manager could have been established to coordinate the task. This committee would have collected reports from various departments and reported to the CEO on implementation progress or lack of.

4.4.2 Organisational Structure

The strategy document identified review of KSB's organisation structure as critical to the implementation of the formulated strategy. Agriculture and Sugar Technology departments were to be merged into Technical Services department. Two new departments were to be created. These were the Commercial Services department and the Information and Communication Technology department. However, up to the time when the strategy was reviewed and a new one crafted, this had not happened.

It was reported that the move to create a new structure was resisted by some of the existing heads of departments. Some directors on the Board did not support the creation of new departments as well. Another reason cited was inability of KSB to competitively recruit staff due to low pay dictated by the government. A long approval process requiring concurrence of the parent ministry was yet another reason sited for the delay.

4.4.3 Strategy - Culture Relationship

During formulation of the strategy, it had been identified that KSB was going to facilitate the development of a coherent working culture. This was to be achieved through the introduction of a shared values management system to enhance teamwork and change the organisational culture to one supportive of the newly developed strategy. The HR strategy was generally poorly implemented. It was reported that vested interests and lack of support from staff played a role in the failure. Standard operating procedures to guide the thinking, decisions and actions of staff were not developed.

4.4.4 Influence of Government Policies

Government policies proved to be a major challenge to strategy implementation. Where management identified changes to be made, government became a hindrance as concurrence had to be sort prior to implementation. With the big bureaucracy in government, approval at times took too long or never came at all.

4.4.5 Support from Board of Directors

Some interviews described the support from the Board of Directors as being lukewarm. Others said it was limited while others felt the directors defeated a strategy they had approved.

4.4.6 Allocation of Resources

It was determined from those interviewed that there was no link between the annual budgets and annual objectives. The finance department received budget preparation guidelines from the ministry of finance, forwarded the same to departments and budgets compiled without reference to the objectives to be achieved within a given period.

4.4.7 Monitoring and Evaluation Framework

There was no implementation matrix developed with milestones. A review of the strategy document suggests that it was left incomplete. Therefore, there was no monitoring and evaluation framework upon which implementation could be tracked. No resources were stipulated for the identified strategies. Allocation of responsibilities was also not done. There were no incentive programmes put in place to reward those adhering to the strategy.

4.5 Lessons Learnt and the 2007 - 2012 Strategy

In developing the 2007 - 2012 strategy, a new approach was used to correct some of the challenges of omission and commission experienced in the 2004 - 2007 strategy. The contracted consultant first took the KSB Board of Directors and management through a training session on strategic management. This was meant to have both the directors and management understand strategic management in a uniform way.

The Board of Directors and management then critiqued the 2004 - 2007 strategic plan and made recommendations for amendments. The group then developed a draft 2007 - 2012 strategic plan document. A training session was also organised for the consultant to take the rest of the staff through the draft strategy and seek their input to create the buy-in required.

A workshop was then organised where the Board of directors, management, representatives of farmers and millers were invited to review the draft strategic plan. Their views were used to improve the draft further. A management taskforce was constituted to work with the consultants to fine-tune the draft plan. This was then circulated to the Board, management and other stakeholders for comments.

The fine-tuned document was then presented to the Board, management and staff, and sugar industry stakeholders for their final comments before a final draft was unveiled at a stakeholders' validation workshop. The document was then finalised, adopted by the Board of Directors and launched by the Minister for Agriculture.

It was observed therefore, that in developing the 2007 -2012 strategy, more stakeholders were involved. Unlike in the previous strategy, all staff were given a chance to review the draft strategy and make contributions. More staff could therefore associate themselves with the organisation's strategy.

The new strategy identified the resources required to implement the strategy over a five-year period. A chapter was included on implementation, monitoring and evaluation. An implementation structure was suggested with an Oversight Committee chaired by the Head of Corporate Planning proposed. Heads of technical as well as service departments were to provide regular reports on performance to the Oversight Committee which would in turn report to the Chief Executive Officer. The committee was to hold quarterly meetings to review implementation progress.

A logical framework showing the overall goal, purpose, outputs and inputs to guide evaluation of the strategic plan implementation was developed. It also showed the objectively verifiable indicators, means of verification and the assumptions made.

4.5.1 Challenges that still Exist

Despite the effort to make the development process all inclusive, various challenges are reported to still exist with implementation of the 2007 – 2012 strategic plan. Resources are sited as still being inadequate. Allocation of resources to is also reported to be a problem with resources being allocated to unplanned items. Management commitment is not satisfactory to ensure effective implementation. Targets are still not being met despite an elaborate implementation matrix. Budgets are not prepared in line with the strategy while the quarterly review meetings are not being held.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

The study established that KSB experienced numerous challenges both at the formulation and implementation stages of the 2004 - 2007 strategy. At the formulation stage, challenges encountered pointed to a lack of understanding of the whole strategic management process. If this had been properly understood, some of the mistakes made could not have been allowed. Organisational culture was not supportive of the strategy and efforts to train staff on culture change and team-building came very late. Government policies did not allow the corporation the flexibility necessary while resources were inadequate. As most staff were not involved in the process, resistance to change came as a natural consequence. Corporate strategies were not aligned to departmental ones while key stakeholders that would have contributed to success of the strategy were left out during formulation.

Effective implementation was not achieved due partly to a document that was not complete. No implementation matrix was developed. Resource requirement was not detailed and budgetary allocation not matched to the strategy. Leadership to drive implementation was inadequate. Due to organisational politics and vested interests, the organisation structure remained unchanged although a need for change had been identified. New departments that should have been created to assure success of the strategy were not created. Support from the Board of Directors was not forthcoming.

5.2 Conclusions

Arising from the outcome of the research, it is possible to conclude that failure of the 2004 – 2007 strategy was as a result of challenges experienced at both the formulation as well as the implementation stages. Unless resources are availed and managers commit themselves and follow the implementation matrix developed for the revised 2007 – 2012 strategy, there is the possibility that even this one may not succeed.

5.3 Limitations of the Study

This study was limited to strategy formulation and implementation at one state corporation. The results may not be generalised as being representative of all state corporations.

5.4 Suggestions for Further Research

At the time of this study, challenges relating to monitoring the implementation of the 2007 – 2012 strategy were being experienced. A study may therefore be carried out on the implementation of the 2007 - 2012 strategy to confirm to what extent lessons learnt from the previous failure translated into success for the subsequent strategy.

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INTERVIEW GUIDE

SECTION A: CHALLENGES IN STRATEGY DEVELOPMENT

a) KSB was established by an Act of parliament with clear mandates. How did this influence development of the 2004 – 2007 strategy?

b) Did you feel there were opportunities you could not utilise because of your mandates being pre-determined?

c) Would you say the strategy was imposed by government or willingly formulated by management?

d) Do government regulations and policies make it easy for KSB to carry out its mandate?

e) Was a SWOT analysis carried out to determine the company's strengths, weaknesses, opportunities and threats prior to strategy formulation?

f) Did the 2004-2007 establish clear strategic objectives?

g) Who were involved in the strategy formulation process?

h) How was input from employees incorporated?

i) How did the following factors affect the development of strategy?

- Government policies
- Business environment
- Availability of resources
- Organisational goals
- Employee support
- Communication barriers
- Adequacy of resources
- Resistance to change
- Organisational culture
- Organisational policies
- Organisational politics
- Stakeholder support

j) Was a strategic leader identified? What was their role?

k) How were departmental strategies linked to organisational strategies?

l) How was the strategy communicated to the rest of the departmental employees?

m) Were alternative strategies evaluated before making the ultimate choice?

SECTION B: CHALLENGES IN IMPLEMENTATION OF STRATEGY

a) What role did the CEO and top management play in implementing the 2004 – 2007 strategy?

b) Were annual objectives developed? If yes, were they achieved? If not, why?

c) To what extend was organisational culture i.e. the shared beliefs and values in the organisation helpful or a hindrance to implementation of the strategy?

d) Were culture change programmes undertaken to align the developed strategy to a supportive culture?

e) Was a review of the organisational structure done to align it with the strategy being implemented?

f) What obstacles were faced in implementing the HR strategy?

g) How did government policies assist/hinder strategy implementation?

h) How would you rate the support from the Board in implementing the strategy?

i) Was development of annual budgets based on annual objectives? Was the budget adequate?

j) Were functional strategies developed for the different departments within the company?

k) Were standard operating procedures developed to guide the thinking, decisions and actions of staff?

l) Was there a strategic control mechanism established to track implementation?

m) How were problems encountered handled?

n) Were there incentive systems that encouraged strategy implementation such as a reward system for those adhering to the new strategy and making it a success?

SECTION C: LESSONS LEARNT AND THE 2007 - 2012 STRATEGY

a) How were the lessons learnt from the 2004 - 2007 strategy used in developing the 2007 - 2012 strategy? What was done differently?

b) What is going well now than then?

c) What challenges still exist?

d) How do you plan to overcome them?

APPENDIX 1: INTRODUCTION LETTER

Richard Magero
Kenya Sugar Board
NAIROBI

September 25, 2008

Dear Respondent,

RE: MBA RESEARCH PROJECT

I am pursuing a Master of Business Administration (MBA) degree at the University of Nairobi. I am required to complete a research project as part of the course.

My chosen topic of study is "Challenges in the Formulation and Implementation of Strategy – the Case of Kenya Sugar Board". You are aware that the 2004 – 2007 strategy developed by KSB did not work well leading to its premature review and development of the 2007 – 2012 strategy. A strategy may not work due to challenges with its formulation, implementation or both. I intend to establish and document the challenges that KSB faced.

Information collected is intended for academic purposes only and will be treated with utmost confidentiality. Your name will not be used in the project report. A copy of the report will be availed to you upon request.

Attached is an interview guide that I will use to obtain your views on the process that was used by KSB. I will be visiting you at a mutually agreed time to discuss the same.

It is hoped that the study will be of benefit to me and the organisation as well. Your kind assistance will be highly appreciated.

Yours faithfully,

Richard Magero
MBA Student
School of Business
University of Nairobi