

**STRATEGIC RESPONSES OF SIMLAW SEEDS COMPANY  
LIMITED TO ENVIRONMENTAL CHALLENGES**

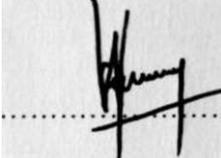
**GEOFFREY K. CHEPKWONY**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF  
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION  
SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

**OCTOBER, 2012**

## DECLARATION

This research project is my original work and has not been presented for the award of a degree in any other university or institution for any other purpose.

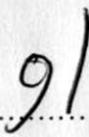
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**Geoffrey Kipchumba Chepkwony**

**D61/8523/2006**

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

Signature  Date  (M

**Mr. Jeremiah Kagwe**

**School of Business**

**University of Nairobi**

## **DEDICATION**

**To my loving wife Jane, my sons Brian and Elvis for your love and**

## **ACKNOWLEDGEMENT**

My foremost gratitude goes to God Almighty who renewed my strength at every single stage of doing this project. Thank you so much loving Dad and Mum for taking me to school and ensuring excellence in my studies.

A lot of thanks go to my supervisor Mr. Jeremiah Kagwe for his indispensable assistance given without complaint, many hours of positive criticism, comments and suggestions that have enabled me to come up with a refined project. I also take this opportunity to thank the University of Nairobi for introducing a flexible Master of Business Administration Degree and all my lecturers for their contributions in my entire pursuit of my MBA study.

I also thank the management and staff of Simlaw Seeds Company for their support during the data collection and also as I pursued my MBA studies. I appreciate and sincerely thank my mother, sister, brothers, friends, colleagues and in-laws, especially Mr. and Mrs. Turn for their moral support. Last but not least special gratitude goes to my loving wife Jane Chepkwony, children Brian Kigen and Elvis Kiprono for their patience and whose valuable time I used to compile this project. May this inspire you to excel. Despite all the ups and downs, working on this project has been a great learning experience.

## **ABSTRACT**

Firms largely are open systems where there is continuous interaction and interfaces with the external environment and the environment can be relatively stable or highly turbulent. Each level of environmental turbulence; has different characteristics, requires different strategies and requires different firm capabilities. To survive in the dynamic environment, organizational strategies need to focus on their customers and dealing with emerging environmental changes in its operating environment.

The purpose of the study was to establish the strategic responses of Simlaw Seeds Company to environmental challenges. The study adopted a case study research design where the respondents were the managers in the company. Data collection was undertaken using an interview guide. Content analysis was used to analyze the qualitative primary data which had been collected by conducting interviews and secondary information from the organization.

The findings of the study was that the company is faced by the challenges emanating from globalization and market liberation, subdivision of land, lack of storage facilities for raw and processed seed. Climate change and unpredictable weather, pests and diseases, mergers. Genetically Modified Organism (GMO) Bill adoption of appropriate technology, leadership, coordination and sharing of responsibilities and regulatory bodies and government policies.

The response strategies which were adopted to counter the challenges were; sourcing seed from other seed companies, production of some varieties locally hiring of government parastatals lands, hiring of Kenya Farmers Associations (KFA) stores, growing of seed under irrigation and breeding drought resistant varieties, spraying against pests and diseases, paltering with other research institutions. However the company should adopt modern technologies and the government should reduce its shareholding to enable the company operate as a private company. The staff should be trained regularly to match environment and strategies. The company should lease stores and god owns for storage of raw and processed seeds in the farms.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

In today's world of cut-throat fierce competition, customer satisfaction is very essential to not only exist but also to excel in the market. Today's market is enormously more complex. Henceforth, to survive in the market, the company not only needs to maximize its profit but also needs to satisfy its customers and should try to build upon from there. According to Davidson (2001) the fast-changing competitive environment and firms' competitive positions are constantly challenged by the emergence of new technologies, products, markets and competitors. Flexibility and adaptability have become key management concepts to develop a sustainable competitive advantage. Successful firms apply them in new organizational strategies that put into question many conventional tenets on organizations and their management. These strategies involve a decentralized and responsive work organization, based on co-operative relations not only within the firm but also in its relations with customers, suppliers and competitors. However, firms are also increasingly resorting to traditional market mechanisms through the use of contingent workers and arms'-length subcontracting relations.

<sup>II</sup> In global and highly competitive markets, organizations strive to be innovative and agile enough to meet customers' demands. Competitiveness, based on organizational capabilities and production strategies, may lead to quality, efficiency and flexibility. In the pursuit of "mass customization", flexibility and scale economies are followed

simultaneously. The search for a system's flexibility, responsiveness and reliability on the one hand, and low costs on the other, has led to the reconfiguration of the design and production activities and thus advocated the changes in the overall business environment (Suri. 1998). An organization that decides and acts on plans to achieve objectives does not do so in a sterile environment. Its success largely depends on the knowledge and quality of the relationships it maintains with the external environment (systems) and its own internal environment (systems). To maintain the quality of relationships implies that the organization's management truthfully assesses the state of the relationships with the external and internal environments, constantly monitor the dynamics that affect the relationship, and adjust to maintain or improve those relationships over time in order to achieve the organizational goals.

This demands constant environmental scanning to recognize trends that affect the workplace. Those trends include the changing face of the workforce, the technological environment, the legal environment and the economic environment (Buhler, 1997). Managers must not only examine the way in which the company is competing, but also the basis on which they are competing: this includes assessment of internal strengths and weaknesses in skills and competencies that may affect systemic growth. These core competencies and skills can provide a sustained competitive advantage (Aaker. 2006).

### **1.1.1 Strategic Responses**

A strategy is a pattern or plan that integrates an organizations major goal, policies and action sequences into a cohesive whole (Porter. 1980). Strategic management is therefore

concerned with deciding on a strategy and planning how the strategy is to be put into effect through strategic analysis, strategic choice, strategic implementation and control (Johnson and Scholes. 1993). The strategic management process allows an organization to take advantage of key environmental opportunities to minimize the impact of external threats, to capitalize upon internal strengths and overcome weakness. A large number of research studies have concluded that organization's that have adopted strategic management are likely to be more profitable and successful than those that do not (Fred, 1996). Strategic management relates to positioning and relating a firm to its environment in a way that will assure continued success.

One of the most prevalent questions within strategic management is how firms are able to attain profits that allow them to gain superior competitive performance compared to their competitors. Porter's (1980) model of competitive strategy proposed that firm's position within an industry was an important factor in attaining competitive advantage. This position is largely influenced by the firm's strategic responses to the continuous environmental changes. Ansoff and McDonnell (1990) argued that this can be done by positioning of the firm through strategy and capability planning in its rightful competitiveness, use of real time response through issue management and systematic management of resistance to change during strategic implementation. According to Ross (1996). the firm has to learn, adopt and reorient itself to the changing environment. He also postulates that when a discontinuity begins to affect a firm in a turbulent environment, brought about by globalization and trade liberalization for instance, its impact typically remains hidden within the normal fluctuations in performance.

According to Pearce and Robinson (1988) strategic responses are a set of decisions and actions that result into formulation and implementation of plans designed to achieve a firm's objectives. In order to effectively achieve the firm's objectives, these set of plans and actions must be strategically fit to the complexities and dynamism of a rapidly shifting environment. Firms largely are open systems where there is continuous interaction and interfaces with the external environment. Strategic responses are the strategies that firms take and largely triggered by continuous changes in the environment. Environment is key to a firm's success. Environment can be relatively stable or highly turbulence. Each level of environmental turbulence: has different characteristics, requires different strategies and requires different firm capabilities (Ansoff and McDonell, 1990). Thus there is need for continuous strategic diagnosis. Strategic diagnosis is a systematic approach to determining the changes that have to be made to a firm's strategy and internal capability in order to assure the firm's success in the future environment. Based on appreciation that periodic planning systems are not able to perceive and respond to threats and opportunities in a turbulent/chaotic environment.

According to Beal (2000) timely response is critical to avoid adverse effects or missed opportunities. Considering that performance is the major objective of an organization, it is generally accepted that the structure and decision making in an organization is influenced by environment complexity and volatility (Malik et al., 2000). Furthermore, it is argued that the alignment of strategies of organizations with the requirements of their environment outperform organizations that fail to achieve such an alignment (Venkatraman and Prescott, 2007).

### **1.1.2 Environmental Challenges**

According to Pearce and Robinson (2002) all businesses operate as open systems. They constantly interact with its environment to survive, are environment dependent and depend on environment for survival. Organizations require money, equipment and human resources from the environment as input. Resources go through transformation process in the company. The finished products as output go to the environment. It is important that the product has to be accepted in the environment for company's success. An organization should be able to maintain the system, because any interference spells death for the organization. The firm's environment consists of remote environment, industry environment and operating environment. The organization ought to know how and what to respond to; know whether the action should be proactive or reactive in order to increase market share and safeguard customers. This requires new skills to help counter these challenges in the environment. Failure to align the internal capability of the firm to its environment spells doom for the organization.

Johnson and Scholes (2002), state that environmental changes shape opportunities and challenges facing the organization, the paces of technological change, speed of global communication mean faster change now than never before thus, the need to constantly adjust according to these changes to remain successful. According to (Kotler 1997). marketing concept holds that the key to achieving organizational goals lies in determining the needs and wants of the target market and delivering the desired satisfaction more effectively and efficiently than competitors. This concept has been expressed in many colourful ways among others; the customer is always right, the customer is the king, at

your service, your problem is our business, have it your way and you are the boss. A customer therefore is core to an organization and ought to be satisfied with the products of the organization for it to succeed in an ever changing environment (Kotler, 1997). To survive in the dynamic environment, organizational strategies need to focus on their customers and dealing with emerging environmental changes in its operating environment.

According to Johnson *et al.*, (2005). an organization exists in the context of a complex political, economic, social, technological, environmental and legal world. The environment changes and affects different organizations differently. Burncs (2004) further argued that there is considerable support for the view that the pace change is accelerating as never before and organizations have to chart their way through an increasingly complex environment. Organizations have to cope with pressures of globalization, rapid changes in technology, rise of e-commerce, situations where customers and suppliers can be both competitors and allies and a change in emphasis from quantity to quality and from product to services.

### **1.1.3 Seed Industry in Kenya**

The seed industry in Kenya is under the Ministry of Agriculture which contributes 24% of GDP and employs 56% of the population formally or informally ([www.nesc.go.ke](http://www.nesc.go.ke)). Seed companies supply certified seed to farmers hence ensure national food security. The government of Kenya gets revenue through taxes from the sector. In 1998 Simlaw Seed Company and East African Seed Company were the only seed companies selling horticultural seed in Kenya. The liberalization of the seed sector in 2001 has seen the horticultural seed companies increase to 60. Simlaw Seed Company controls 40% of the horticultural seed market in Kenya while the other seed companies control 60%. The major competitors of Simlaw Seeds are East African Seed Company, Scminis Seed Company, Syngenta, Amiran Kenya, Safari Seed, Kenya Highlands, pioneer seeds and Technisem.

The trend internationally in the seed industry has been acquisition and mergers by Multinationals to adapt to the globalization and changing eating habits. The effect of this on Simlaw Seeds Company has been a reduction in market share, declining profitability and stiff competition. The regulator of the seed industry in Kenya is Kephis, whose primary mandate is to check the seed sector to ensure conformity to set standards.

### **1.1.4 Simlaw Seed Company**

Simlaw Seed Company Limited is a government Parastatal which was incorporated in 2002 and registered under the company's Act (cap 460). The company was bought by the government in 2002 from Simpson and Whitelaw and renamed Simlaw to cater for

the growing need for horticultural seeds in Kenya. The shareholding is 15% government while 49% is owned by the public. The Ministry of Agriculture appoints board members who are responsible for decision making at the corporate level. The managing Director and Head of departments are responsible for the day to day running of the company. The organizational structure of the company is horizontal with the top management providing guidance on goals, vision and standards to uphold. Under the structure, responsibilities are decentralized to facilitate the generation and cultivation of new knowledge, ideas and development of the products and services that will sustain the company's competitive advantage. The company produces imports and markets top quality certified seeds for the country's farming community with an overall objective of adding value to the farming business, hence contributing to food self sufficiency in Kenya and beyond.

The company occupies a strategic position in the Seed industry and is expected to provide quality certified seeds to farmers and protect national and regional economies from the risk of poor quality seed supply. However, the company faces numerous threats and challenges which include food and seed self sufficiency, globalization and market liberalization, declining yields, erratic weather patterns, land subdivision creating isolation problems. Genetically Modified Organisms (GMO's), fake seeds, impact of HIV and Aids on human resources, plant pest and diseases, changing eating habits and high poverty levels. The company faces stiff competition from multinational seeds companies after the liberalization of the seed sector by the government in its vision 2030 strategic plan.

## **1.2 Research Problem**

An organization's strategy must be appropriate for its resources, environment circumstances, and core objectives. Ensuring that an organization can compete effectively in the marketplace is one of the principal tasks of management. In an era of transformational change. Huselid (1995) argue that as other sources of competitive advantage have become less important, what remains, as a critical differentiating factor is the organization, its employees and how they work. Organizations have to be able to respond effectively to challenges as they arise. According to Waverman (2001), the customer has increasing expectations of service standards and availability. In response, organizations should work towards an outward focused view of the way services should be provided. At the same time, major opportunities for improvement may arise from developments such as new information and communications technologies, and the availability of additional financial resources. In many cases the response to the problem or opportunity will: require the continuous attention of senior management, effect most or all of the organization, have long term implications, require substantial resources, be interconnected with other issues and developments.

The seed production industry has been under intense competition recently from both local competition and global competition. The companies involved in seed production locally has increased and at the same time the seeds imported to the country are been sold at a cheaper price than the locally produced seeds thus putting immense pressure the local companies to put in place strategies which will counter the challenges. The production and distribution of seeds in the country has been liberalized and therefore there is high

competition in the industry in the recent past from seeds produced locally by other companies and also those imported. This therefore calls for environmental analysis by firms in order to remain competitive in the market.

Recent studies done in the area of strategic response to environmental challenges include: Kandie (2001) researched on strategic responses by Telkom Kenya Ltd in a competitive environment and found out that although Telkom Kenya has responded to its environment, financial constraints and lack of managerial empowerment considerably limited the organization's capacity to respond. Kiptugen (2003) researched on strategic responses by Kenya Commercial Bank to a changing competitive environment and established that Kenya Commercial Bank responded to its changing competitive environment through restructuring, marketing, embracing information technology and culture change: Atheru (2007) focused on strategic responses by the Meteorological Department to the needs of their customers and found out that Kenya Meteorological Department did not have adequate capacity to respond to the needs of their customers.

Mwangi (2010) worked on strategic responses adopted by large fast food restaurants at Nairobi Central Business District and found out that the outlets have specific target markets to serve, outlet stock mostly determines the customers, branding of an outlet differentiates it from others, the outlets use brand name in order to cultivate customer loyalty, ensuring high quality of food and services and enter new markets. The agricultural sector has undergone a change from natural production of seeds to genetically modified seeds which takes fewer periods to produce and mature when used.

This change coupled by the weather changes and other environment challenges requires fast response by the management of the production companies in order to continue operating. The study therefore seeks to answer the questions; "what strategic responses have Simlaw Seeds Company adopted?"

### **1.3 Objective of the Study**

The objectives of the study are to:

- a) Determine the environmental challenges facing Simlaw Seeds Company.
- b) Determine the strategic responses adopted by Simlaw Seeds Company to the environmental challenges.

### **1.4 Importance of the Study**

The study will aid various stakeholders: the study will assist the management of Simlaw Seeds Company to improve the seed quality to its customers. The management will also be able to identify the areas that require strategic response to enhance customer satisfaction thus increase sales. The seed production companies will obtain details on challenges facing the industry and the details of responses to the challenges. In addition the study will provide the justification to the responses adopted depending on the success obtained.

The study will be important to practitioners and academicians both in public and private sector by contributing to the existing body of knowledge in the area of strategic Management. The study will also be important to government Agencies whose interests

lies in improving service delivery by responding strategically to its operating environment for the much needed economic development and creation of investor confidence.

The policy makers will obtain Knowledge of the seed production industry dynamics and the responses appropriate: they will therefore obtain guidance from this study in designing appropriate policies that will regulate the industry. For academicians, this study will form the foundation upon which other related and replicated studies can be based on. Investors can also gain an insight on the business and its strategic position within the environment, which can assist them in determining their viability of their investments.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter is concerned with the review of literature related to the study, an overview of the environment, environmental challenges and the strategic response.

#### **2.2 The Environment**

The environment can be classified into internal and external environments. The external environment refers to those factors outside the organization's influence but which affect the organization's operations. The external environment presents opportunities which the firm can exploit and poses threats which can hinder the organization's activities. The internal environment refers to factors within the organization which the organization exercises a great deal of control and which affect the organization's operations. This presents the organization's strengths and weaknesses. The internal environment therefore constitutes an organization's internal capability which is essential in addressing the external environment. Pearce and Robinson (1997) argue that in order for organizations to achieve their goals and objectives it is necessary for them to adjust to their environment.

According to May et al.. (2000), the external environment consist of; competitors, economic system, legal systems, technologies, social and ethical factors. Competitors' actions affect the ability of the business to make profits, because competitors will continually seek to gain an advantage over each other, by differentiating their products

### **2.3 Environmental Challenges**

An organization is environment dependant and has significant influence on its performance. In determining the future thematic focus of the organization, the various factors that impact on sustainable delivery of services both core and non-core are identified as being either external or internal. The environment consists of; competitors, employees, management team, economic system, legal systems, technologies, social and ethical factors. Competitor's actions affect the ability of the business to make profits, because competitors will continually seek to gain an advantage over each other, by differentiating their product and service, and by seeking to provide better value for money.

Competition from other companies is akin to domestic competition because similar technologies are accessible and factor costs are comparable. In contrast, companies with less funds lack access to and experience in the latest technologies but enjoy significant advantages in factor costs. In order to sustain competitive advantage, companies have to consider strategies that focus on technology- and skill-intensive products which are not easily imitated by competitors rather than price-based strategies (Bernard, Jensen, and Schott, 2006). Competitors from outside the country may exhibit a wide range of experience and product quality as they will be closer to the leading edge of technology and experience, while domestic companies, such as state-owned enterprises, may be at the low end of experience, quality and product advantage.

The economic system is the organization of the economy to allocate scarce resources. The economy tends to go through periods of faster and slower growth. Businesses prosper when the economy is booming and living standards are rising. These industry-level findings are complemented by observations made on individual businesses. Companies that rely solely on cost reduction/cost leadership strategies in response to environmental challenges lose market share and see their relative competitive position eroded (Eden and Molot. 1996). In contrast, companies that respond by exploiting comparative advantage through various strategies are able to maintain or even increase their competitive strength over their rivals (Kumar. 2006). When facing few challenges scholars have pointed out that market incumbents need to carefully analyze their new rivals, identify their source of competitive strength, and adapt their strategies accordingly. When a low-cost entrant reduces average profit margins within an industry, companies respond by differentiating their products, cutting prices, or doing both at the time.

The social system is the fabric of ideas, attitudes and behavior patterns that are involved in human relationships. In particular businesses are influenced by consumer attitudes and behaviors which depend on such factors as the age structure of the population, and the nature of work and leisure. The monetary system facilitates business exchange. Monetary activity is based around earning, spending, saving and borrowing. Money has been likened to the oil that lubricates the wheel of commerce. Monetary activity involves businesses in a web of relationships involving financial institutions (e.g. banks and building societies), creditors, debtors, customers and suppliers. A key monetary influence for business is the interest rate. Higher interest rates increase business cost and act as a

break on spending in the economy. The political/legal system creates the rules and frameworks within which business operates.

Government policy supports and encourages some business activities while discouraging others. The environment system is the natural system in which life takes place. Increasingly businesses have become aware of the relationship between their economic activity i.e. making goods and services for profits and the effects that this has on the environmental system. Managers are faced with a myriad of challenges due to an array of environmental factors when doing business abroad. These managers must effectively plan, organize, lead, control, and manage cultural differences to be successful globally.

According to Schendel and Hofer (1979) the idea that competition as one environmental factor affects strategic behavior is as old as the strategy field itself. Research at the industry level suggests that, as environmental challenges increase, price-cost margins are negatively affected, productivity levels rise as weak firms exit and wages face downward pressure (Siotis. 2003). A key aspect of the analysis of a firm's strategy is the interaction between the strategic choice and its environmental context. Strategy scholars have found that operating in a global industry context is an important element in determining the organizational environmental fit. For domestic firms facing global competition, industry imports impose an additional competitive challenge that differs from purely domestic competition (Venkatraman and Prescott. 1990).

When managers perceive their environment as uncertain and dynamic, their strategies are more comprehensive or multi-faceted, suggesting that import competition will play a major role in determining strategic actions. According to the resource-based theory, the competitive advantage of a firm draws on its internal resources and competences. In this paradigm, a company can be considered as a bundle of resources that makes it unique if the resources are valuable, rare, hard to imitate, and difficult to substitute (Barney, 1991).

For firms operating in a highly challenging environment a distinctive strategic orientation is needed, requiring the exploitation of critical resources in order to gain competitive advantage. In case of an environment characterized by competition the resources and competences of domestic firms differ dramatically from those of their competitors. The strategic responses of domestic firms will focus on those competences that are difficult to imitate or substitute. In such an environment, measuring global competition as an aggregate variable reflecting the intensity of imports can be misleading as it does not capture important dimensions of quality and technology.

Consistent with the resource-based view, Mintzberg (1973) considers strategy as a pattern stream of decisions which allocate resources to reach consistency between a firm's strategy and its environment. However, in case of inconsistency, strategic choice theory suggests two distinct categories of strategic action to resolve this misfit. 'Organizational strategies' refer to situations where companies seek to actively fit their strategies to the existing environment; the environment is perceived as being given, while the strategy can be adapted. Alternatively, 'environmental strategies' aim at manipulating the

environment in such a way that fit between strategy and the environment is established, i.e. strategy is largely fixed while the environment is mutable. Such a change can either be achieved if firms relocate themselves into a more favorable environment or if the environment is actively manipulated in favor of the firm's strategy. In the context of competition, strategic choice theory suggests that companies either can remain in their given environment pursuing a dedicated strategy best suited in response or can decide to change the environment.

## **2.4 Strategic Responses**

Organizations are environment dependent and serving (Ansoff and McDonell, 1990). Strategic responses involve changes to organization's strategic behavior to assume success in transforming future environment. Strategy is a bridge between the firm's resources and the opportunities and risks the firm faces in the environment. It incorporates the competitive moves and approaches to deliver the best performance and satisfaction to all stakeholders. The choice of the responses depends on the speed with which a particular treat or opportunity develops in the environment. Well developed and targeted strategic responses are formidable weapons for a firm in acquiring and sustaining competitive edge. Some of the strategic responses may include development of; new products, new markets, new process, new service, new strategies for entering the market, restructuring, marketing, information technology, leadership and culture change.

### **2.4.1 Marketing**

Marketing can be defined as a societal process by which individuals and groups obtain what they need and want in through creating, offering and freely exchanging products and services of value with others (Kotler. 2000). It can also be defined as the process of planning and exercising the concept of pricing, promotion and Distribution ideas, goods and services to create exchanges that satisfy individual and organizations objectives. Marketers" argue that the company assets have little value without the existence of customers. The key company task therefore is to attract and retain customers. Customers are attracted through competitive superior offering and retained through satisfaction. A marketer's task is to develop a superior offering and deliver customer satisfaction. Organizations therefore need to embrace marketing concepts that rest on five pillars namely: marketing focus, integrated/coordinate marketing, profits and competition.

The company must define the boundaries of its markets. It should know those customers that are members of their market. This can be done through a process known as segmentation. The company should determine the needs and wants of the customers from the customers' point of view but not the company's (Kotler. 2000). Customers' needs must be identified and satisfied as these results into customer loyalty which is a source of company goodwill. When all company departments work together to achieve the consumer's interest, the result is integrated marketing which involves: The marketing function, where the various marketing functions such as advertising, marketing research, sales and branding must work together. They must be well coordinated from the customer's point of view and the country wide orientation where marketing must be

embraced by other departments. They must think customer. Marketing is not a department but much of a co-wide orientation. Teamwork must be fostered among all departments. This requires the practice of internal as well as external marketing. Whereas the latter is directed at people outside the firm, the former is the task of hiring, training and motivating employees to serve customers well. Internal marketing must strengthen external marketing. Managers must consider customers as the true profit centers hence adopt a modern organizational chart. The ultimate purpose of the marketing concept is to help organizations achieve their objectives (Kotler, 2000). In the case of private firms, the major one is profit.

However, they should aim for profits through customer satisfaction. The concept recognizes the existence of competition. However, a company should offer superior customer value. It should serve customers better than competitors. Most companies do not embrace the marketing concept until driven to it by circumstances. Various events forcing companies to adopt the market concept includes sales decline and slow growth in sales forces some companies to search for new markets. Most companies therefore realize they need marketing skills to identify new opportunities and to address the issue of changing buying patterns where most companies operate in markets characterized by rapidly changing customer needs. Such companies need more marketing know-how if they are to track buyers' changing values (Kotler, 2000). Increasing competition also force complacent companies to think about marketing. A number of strategic marketing variables can be manipulated in response to a changing competitive situation. They

include adjusting of target market, diversification and development of" new product, distribution changes, advertising, promotion and establishment of relationship market.

Business Strategic Analysis models help the business answer the question how to succeed in the market place. A choice has to be made among various strategic options. The strategic option chosen must be one that will enhance the organizations competitive position (Ansoff and McDonell, 1990). The company may chose to employ market penetration by serving the present market with present products. The company will concentrate on protecting and building the market share. Product development strategy will entail serving the present market with new products using existing and new competencies and diversification. Market penetration strategy is used where the company decides to enter into new markets with present products. It may de identifying mew product uses, or identifying new segments or new territories to serve. Diversification strategy is employed where the company decides to enter new markets with new products. This is the most challenging zone for a company to operate in. Success will depend on use of both existing and new competencies.

#### **2.4,2 Information and Communication Technology**

The computer and developments in Telecommunication are most important aspects of Information Technology (IT) that have transformed business environment and processes. Automation of business processes has led to a drastic improvement in productivity and reduction in costs while Telecommunications has improved the speed with which information is transmitted thus facilitating speedy decision making. IT has become

indispensable ingredient in organizations in several strategic to meet challenges of change they include internet, intranets that support business operations and using it in BPR. IT is also used to develop new products, services, processes and capabilities that give a business a strategic advantage over the competitive forces it faces in its industry (O'Brian, 2002).

According to Chapman (2004). all doors of communication are opened as a way of problem solving and feedback provided immediately to enhance strategic response. Development of ICT facilities is pivotal in creating the necessary networking to the whole organization. For the strategic response to be achieved all the departments need to work dependently and effective communication is quite crucial because it provides synergy. Information access, sharing and exchange are exploited to their full potential. In practice, policy also allows management to communicate a company's mission, major goals and objectives, and operational domain to its internal and external stakeholders.

### **2.4.3 Leadership and Culture**

Organizations should be structured in such a way that it can respond to pressure to change from the environment and pursue any appropriate opportunities which are spotted (Lorsch 1967). Thompson and Strickland (1980) notes that strategy implementation involves working with and through other people and institutions of change. It is important therefore that in designing the structure and making it operational, key aspects such as empowerment, employee motivation and reward should be considered. Structure

according to Thompson (1997) is the means by which the organization seeks to achieve its strategic objectives and implement strategies and strategic changes.

According to Wang *et al.* (2007) organizational culture is a set of important assumptions, often unstated that members of an organization share in common. Organizational culture similar to an individual's personality is an intangible yet ever present theme that provides meaning, direction and the basis of action. Insightful leaders nurture key themes or dominant values within organizations that reinforce the competitive advantages they possess or seek, such as quality, differentiation, cost and speed. Most typical beliefs that shape organizational culture is belief in being the best; belief in superior quality and service, belief in importance of people as individuals and a faith in their ability to make a strong contribution, importance of details of execution and customers should reign supreme.

Organizational culture helps in nurturing and dissemination of core values, implementation of new strategy will be concerned with adjustments in the structure, employees, systems and style of doing things in order to accommodate the perceived needs of the strategy (Pearce and Robison. 2007). Wehrich and Koontz (1993) look at culture as the general pattern of behavior, shared beliefs and values that members have in common. Culture can be inferred from what people may do and think within an organization setting. It involves the learning and transmitting of knowledge, beliefs and patterns of behavior over time. It sets the tone for the company and establishes rules on how people should behave.

The potential of changing the culture of a government is influenced by the beliefs of strategic leaders and the extent of strategic need. According to (Kotter. 1990). leadership is about coping with change. Leadership has become very important in recent years due to businesses becoming more competitive and volatile. Pearce and Robinson (2002), indicates that organizational leadership involves action in first guiding the organization to deal with constant change by embracing change, clarifying strategic intent and shaping culture to fit with opportunities and challenges that change afterwards. Also it entails identifying and supplying the organization with operating managers prepared to preside leadership and vision. Total Quality Management is one approach to develop a culture of quality. Total Quality Management ideas and principles focuses on management and continuous improvement of all operations, functions and above all processes of work it is built around an intense focus of customer satisfaction on accurate measurement of every critical variable in business operation, continued improvement of products, services and work relationships based on mutual trust and teamwork. An important tool of total quality management is bench marking whose objective is to identify the "best practices" in performing an activity to learn how to lower costs, have fewer defects or other outcome linked to excellence are achieved.

#### **2.4.4 Employees Involvement**

The most important thing when implementing a strategy is the top management's commitment to the strategic direction itself. This is undoubtedly a prerequisite for strategy implementation (Kubinski. 2002). Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This

demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members. To successfully improve the overall probability that the strategy is implemented as intended, senior executives must abandon the notion that lower-level managers have the same perceptions of the strategy and its implementation, of its underlying rationale, and its urgency. Instead, they must believe the exact opposite. They must not spare any effort to persuade the employees of their ideas (Kubinski, 2002).

The strategic response is not a top-down-approach. The success of any strategic response effort depends on the level of involvement of middle managers. To generate the required acceptance for the response as a whole, the affected middle managers' knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process. Unfortunately, in practice, managers and supervisors at lower hierarchy levels who do have important and fertile knowledge are seldom involved in response strategy formulation and when they do, the probability for realizing a smooth targeted and accepted strategic response process increases substantially (Kaplan and Norton, 2001).

To involve employees is an important milestone to make strategy everyone's everyday job. That is why the involvement of middle managers is essential to increase the general awareness of the strategy. The involvement of middle level managers helps in building consensus for the strategy. A lack in strategic consensus can limit a company's ability to concentrate its efforts on achieving a unified set of goals (Miniace and Falter, 19%).

### **2.4.5 Restructuring**

Activities within a business value chain are more critical to the success of the business strategy than others. Business process reengineering popularized by consultants Hammer (1996) is one popular method. Business process reengineering is intended to regularize a company so that it can best create value for customer by eliminating barriers that create distance between employees and customers. It involves fundamental rethinking and radical redesign of business process to achieve dramatic improvements for instance, cost, quality service and speed. Reengineering and value orientation have led to downsizing, outsourcing and self management as themes of influencing original structure.

Downsizing is eliminating the number of employee's particularly middle level management, it results to increased self management, larger span control and more work for those that remain. Outsourcing means obtaining work that was previously done by employees inside organization from sources outside the company who can perform better. It is a source of competitive advantage. Activities that can be outsourced include; information processing, various personnel activities, security among others.

According to Rugman and Verbekc (2000) restructuring also entails removal of structural barriers and creation of learning organizations capable of continued re-generation from the variety of knowledge, experience and skills of individuals within a culture which encourages mutual questioning and challenge around a shared purpose of vision.

### **2.4.6 Managing Change**

Change is part of the daily life within an organization. The ability to manage change has shown to be a core competency for corporations. A great challenge within strategy implementation is to deal with potential barriers of the affected managers. Implementation efforts often fail when these barriers are underestimated and prevention methods are not adopted at the beginning (Thompson *et al.*, 2007). One has to be aware that barriers against the implementation of the strategy can lead to a complete breakdown of the formulated strategy.

In psychology, much research is done about human barriers. The cause for these barriers is seen in affective and non-logical resistances, which are, in a way, incomprehensible because they come out of the subconscious of human beings (Donaldson, 1995). Barriers to implementing a strategy range from delay to outright rejection. However, this psychological point of view is often downplayed during discussions of implementation issues, even though it is becoming more and more obvious that strategy response consists, for the most part, of psychological aspects. By changing the way they view and practice strategic response, senior executives can effectively transform change barriers into gateways for a successful execution (Thompson *et al.*, 2007).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter describes the proposed research design, data collection and the techniques for data analysis that will be used.

#### **3.1 Research Design**

The research design was a case study. A case study is an in-depth investigation of an individual, institution or phenomenon (Mugenda and Mugenda. 2003). Cooper and Schinder (2005). states that case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations. The primary purpose of a case study is to determine factors and relationships among the factors that have resulted in the behavior under study. The study was used to identify the response strategies to environmental challenges. In this light therefore, a case study design was deemed the best design to fulfill the objectives of the study as the results were expected to provide an insight in understanding how the seeds company responds to the environmental challenges.

#### **3.2 Data Collection**

The study used of primary data which were collected using an interview guide. An interview guide is a set of questions that the interviewer asks when interviewing (Mugenda and Mugenda. 2003). The respondents were interviewed in their respective

offices by the researcher. The respondents who were interviewed were those involved with formulation and implementation of organization's strategies. This made it possible to obtain data required to meet specific objectives of the study.

The respondents consisted of top management involved in strategy formulation and implementation and they included: managing director, strategy officer, technical manager, operations manager, marketing and research division manager, public affairs and communication division, commercial division and the human resource officer. In addition the departments in which the intended respondents work in are the key developers' and implementers of the company strategies.

### **3.3 Data Analysis**

The data obtained from the interview guide was analyzed using qualitative analysis. Qualitative data analysis makes general statements on how categories or themes of data are related (Mugenda and Mugenda. 2003). The qualitative analysis was done using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda. 2003). It involves observation and detailed description of objects, items or things that comprise the object of study.

## **CHAPTER FOUR**

### **DATA ANALYSIS, FINDINGS AND DISCUSSIONS**

#### **4.1 Introduction**

This chapter presents the analysis and findings with regard to the objectives of the research. It covers data analysis, findings and discussions.

#### **4.2 Data Analysis**

The respondents comprised of the managing director, procurement manager, research manager, processing and technical manager, sales and marketing officer, strategy and operations manager, chief production officer, chief accountant, and information and communication technology manager. In total the researcher interviewed all the nine targeted respondents.

The respondents have worked in the company for a duration ranging from four to twenty three years although majority have worked for more than ten years thus they understand the environmental challenges facing the company. The respondents have been holding the current position for a period of over one year making them knowledgeable enough on the research subject matter and thus of help in the realization of the research objective. The data collected was analyzed using content analysis.

### **4.3 Research Findings**

The following paragraph describes the research findings.

#### **4.3.1 Environmental Challenges**

The respondents noted that the wave of globalization and market liberalization was a threat as it affects the market share of the company, performance and profitability. The company has to compete with multinational that have more knowledge, capacities resources and networks. Some competitors have a wide range of products.

The second environmental challenge is posed by land subdivision on production of certified seeds, the respondents were of the view that subdivision was a threat as seeds requires isolation distance to check on pollination issues in the farms, many farmers do not meet the minimum acreage for seed production and these becomes a challenge to contract farmers from the same locality, it results to less chances of mechanization hence diminished economies of scale, affects output yield due to seasonal variation, less land is becoming available for seed production with time due to population increase and urbanization, continued subdivision will require the company to contract many small scale farmers which is resource intensive.

Storage was identified as another environmental challenge as the produced certified seeds are stored at farmers" stores before transporting to the processing unit for processing. On the existence of sufficient seed storage facilities at the farm and for processed seed in the market, the respondents indicated that they do not have enough storage facilities, and

these leads to shortage of seeds when the demand is high, high costs of production and transportation, the company losses some seeds as some farmers opt to sell the seeds when there is delay in collection of seeds. Storage of seeds in temporary yards contributes to moisture issues, pest and diseases: the company lacks capital outlay to construct the storage facilities.

Another environmental challenge faced by the company was climate change and unpredictable weather pattern which: affects crops at different growth stages, reduces purchasing power of the farmers due to losses incurred in the farms, reduces seed yields output and at times total crop failure. Crop failures affect Company planning as it is not easy to calculate seed production projections and loss of critical seed like the basic seeds. Pests and diseases were highlighted as a challenge and the respondents noted that some pests and diseases have become resistant to the available pesticides. Frequent disease outbreaks clear crops in the stores and in the field. The high costs of pesticides impedes usage by farmers, resulting in poor quality seeds, poor yields and causing lots of financial and physiological constrain to the fanners.

According to the respondents, the mergers of multinationals pose a challenge to the company as they have huge financial base which enables them to focus on both local and regional market thus eroding the company's market share, some multinationals supply the company with seed and when they merge with others already in the market, it poses challenges as they cut off the company's seed sources and also become competitors. Multinationals offer stiff competition in the market to the company, they buy out

traditional seed merchants and suppliers, stop seed supplies of popular varieties to later introduce them using other trade names.

According to the respondents the passing of the Genetically Modified Organism bill (GMO) has lead to new products in the market causing low demand for some of the company products. This has reduced the market share of the company, created unemployment and customer Loss. The Company has a limited research capacity on Genetically Modified Organism (GMO).

Technology enables organization to produce superior products and offer quality services. The adoption of technology in the production of seeds has not been fully utilized by the company as reliance mostly is on imported seeds; hence need to invest in superior technologies. Most of the seeds are produced in uncontrolled environment thus affected by biotic factors. The respondents indicated that the company has not invested adequately in Information Technology (IT) for its operations, although its operations were rated as being fair. Respondents are of the view that effective monitoring and evaluation should be an integral part of stabilization interventions.

It is essential to track and evaluate the outcomes of activities, to maximize positive impacts, and to minimize unintended consequences or plans going off track. Strategy monitoring and evaluation was identified as key to achievement of intent ended goals. These activities have a direct bearing on adoption of appropriate information technology.

The leadership of the company at the board level are political appointees whom sometimes have limited knowledge of the seed industry yet making very crucial decision. Coordination and sharing of responsibilities emanates from the management of the organization. According to respondents the company has not shared out responsibilities effectively and these leads to duplication of duties. Employees' commitment is minimal since it is not clear who is responsible to what extent leading to: delays of payments, inappropriate decision making, misunderstandings, conflict of interest, and ambiguity due to overlapping of duties. The respondents indicated that they do not have an efficient corporate communication channel as there is no fully mandated department for corporate communication, there is no clear channels especially response to customer complain and also internal communication. The use of memorandum results in poor monitoring and evaluation system as there is no down-stream or up-stream communication channel.

The seed production industry involves several players with the seed regulatory bodies and the government policies affecting the company. There is a long time lapse between crop inspections, processed seed sampling resulting in delayed supplies to customers. Government bureaucracy in launching new products in the market, regulation of prices, ban on export of seeds affect the company in meeting regional market demand. The company has to adhere to policies that are unfavorable. The respondents further commented on the government erratic orders of seeds for relief supplies, which distort the production planning.

### **4.3.2 Strategic Responses**

The respondents indicated that the company has responded to the environmental challenges and has put in place strategies to counter these challenges. The respondents were of the view that the company was average in response to globalization and market liberalization. The company's traditional seed sources i.e. Olsenke Seed Company of Holland has been bought by Sygenta Seed Company who are competitors of the company in the region. The company is sourcing its seed from other seed companies namely; Vikima Seed Company of south Africa. Bejo Seeds of Holland and other vegetable seed companies in Europe and Asia.

The company has embarked on local production of some varieties namely tomatoes, capsicum and egg plant. This production gives the company a competitive edge. The company has reviewed the credit period given to wholesales and stockiest from sixty days to ninety days to pay. The company has purchased vehicles for seed distribution and hired more officers to monitor activities at the market level. To ensure that the company has sufficient land for seed production, the company has contracted big scale farmer for periods of up to five years, purchased land for research purposes, lease land for use from private owners and government institutions i.e. Bura and Tana River irrigation schemes and Agricultural Development Corporation (ADC).

The respondents indicated that although the company has not been able to mitigate fully against storage issues for both raw and processed seeds, some measures had been put in place. Contracted transporters are hired to transport seed from the farms to the factory for

processing. The company has hired Kenya farmers association (KFA) stores in strategic areas namely Meru. Karatina. Sotik and Loitoktok. for distribution of seed and as collection points for raw seed from the farms. The farmers have been provided with drying canvas, fumigants and educated on harvesting, ethics, storage and seed handling.

On the responses to challenges posed by climate change and unpredictable weather pattern, the respondents indicated that the company has responded by growing seeds under irrigated conditions to avoid dependence on rain fed farming, undertaken research geared towards products that can withstand change in weather patterns, introduced early maturing crops to the market, ventured into hybrid seed which adapt better to environmental changes, diversified the product ranges for various climatic areas and advised farmers on modern moisture conservation methods i.e. minimum tillage. Planning and forward contracting is undertaken by the company to mitigate against crop failure or disease outbreaks ensuring seed unavailability. Overproduction is minimized and yields estimated for a particular season.

Pests and Diseases affect the production of seeds. The company has come up with mechanisms to counter the challenges which include establishment of a research unit, carrying out evaluation trials to select pest and disease tolerant varieties for adoption and sale to customers, liaising with other stakeholders to counter the threats, spraying of seeds in the farms, spraying of stores and go-downs, identifying and recommending to customers the best pesticides to use and dressing of processed seeds before its planted.

According to the respondents the company has responded to mergers of multinationals by collaborating with local research institutions namely Kenya Agriculture Research Institute (KARI). University of Nairobi and other nongovernmental organizations to produce local seed varieties popular for the regional markets e.g. Collards Simlau Select Variety. The company has further embarked on production of traditional vegetables which are unique in the market hence increasing its product range and diversifying.

The technology of Genetically Modified Organism (GMO) has not been fully embraced by the company, although the government is yet to issue the regulations to the bill. To counter the challenges of appropriate technology the respondents indicated that the company should put more resources on research and production of products which can withstand adverse weather conditions, adopt new technology like green houses and drip irrigation system.

According to respondents the top leadership of the company is dynamic with the top executives being appointed by the minister of Agriculture on contract basis for three years. The top management cannot effectively implement the five year strategic plan. According to respondents the representation of the government through the Ministry Of Agriculture representative makes the company to have a competitive edge over the competition because marketing of company products is sometimes done through board resolutions. The formulation and implementation of strategic plans should involve more the staff and effective communication for implementation. The employees should be trained more on change management to ease strategy implementation.

#### **4.4 Discussions**

The results obtained in the study do agree with empirical knowledge. The business environment in which the company operates is affected by market forces which are beyond the control of the company. For the company to survive in this 'hostile' environment, the company has to adopt strategic responses to counter the environment challenges. The area where Simlaw Seed Company has responded to the environment is in marketing, technology, leadership and culture, employee involvement, structure of the company. The environment involves the internal and external environment, and the strategies are reactive or planned depending on the stimuli from the environment.

**CHAPTER FIVE**  
**SUMMARY OF FINDINGS, CONCLUSION AND**  
**RECOMMENDATIONS**

**5.1 Introduction**

This chapter presents the summary of findings with regard to the objectives of the research. It covers the conclusion and recommendations.

**5.2 Summary of the findings**

The results from the study has indicated Simlaw Seed Company has environmental challenges mainly being; globalization and market liberalization, subdivision of land, lack of storage facilities for seeds, unpredictable weather and climate change, pests and diseases, mergers of multinationals, passing of the Genetically Modified Bill (GMO) resulting in intense competition, slow passe of adoption of appropriate technology, poor leadership and coordination, adherence to statutory requirements by government and seed regulatory bodies.

The company has however adopted strategic responses to counter the environmental challenges. The short coming is the low commitment of the management of the company to make a turn around. The five year strategic plan has not been fully implemented and there is no monitoring and evaluation to ensure success. The company has financial incapability to expand fully to the East Africa region to compete with multinationals. The senior staffs of the company are competent in the duties and would prefer the company to be managed as a private company, by the government sale of shares. This would reduce

on government bureaucracy. Professionals can then be hired to leadership positions through competitive bidding.

### **5.3 Conclusion**

Environmental challenges affect Simlaw Seed Company and the continued mergers and acquisitions of multi nationals will continually seek to gain an advantage over the company. The Company needs to differentiate their products and services, and by seeking to provide better value for money. The strategy officer should come up with radical strategies to check on competition which is "eating' into the company's market share. The environmental challenges has brought the need by the organization to react appropriately to the threats posed by globalization, subdivision of land, lack of sufficient storage facilities in the farms, climate change and unpredictable weather, pests and diseases, mergers and acquisitions, genetically modified organism bill, adoption of appropriate technology, leadership, coordination and sharing of responsibilities and conforming to government policies and statutory requirements of industry regulators.

The company needs to adopt a monitoring and evaluation system, efficient corporate communication channels, ineffective coordination and sharing of responsibilities. An effective response by the company is founded on continuous response by the company to the changing environment. The response strategies of a firm play an important strategic role of creating value and improve business performance. The competitive advantage of companies in today's economy stems from market position, the strategies implemented

and how it responds to the challenges faced. Management of the company will enable an organization to grow and develop the appropriate response strategies.

The fact that organizational responses are based on the effective and efficient management of strategic assets puts management at the heart of business performance and value creation. However, there is need to understand the processes of creation of response strategies to avoid a scenario where the strategies adopted does not yield the intended benefits to the organization. The leadership structure in the company is ambiguous with vetted interests of government. The minister of agriculture appoints the directors and this is not done competitively. Poor sharing of responsibilities and the disregard for the management structure clearly shows the top management is not committed to achieving the goals of the mission and vision of the company. The company has limited capacity on Genetically Modified Organism (GMO) and should embrace this technology for survival in the business environment.

#### **5.4 Recommendations for Policy and Practice**

The study established that the company's organizational structure was not able to respond to pressure from the environment and it is recommended that the company should institutionalize a structure with clear institutional authority and power. The company strategies should be understood by all employees and should be tailored around the structure. The quality assurance should be strengthening to oversee quality of all products in all departments.

The study found out that the company contracts farmers to enable it to produce seeds. It is recommended that in order to ensure that there is continuous production of quality seeds the company should acquire its own land and manage seed production so that they ensure that the seeds they produce are of high quality as there would be no cross pollination among seeds of same family but different variety. The findings of the study was that the company does not have sufficient seed storage facilities for raw seeds and finished products, it is recommended that the company should construct or lease storage facilities near the farms in different regions to ensure that the distributors have sufficient constant supply of the seeds to avoid shortage due to high demand and for farmers to deliver raw seed for collection.

The company should train staff regularly to impact new knowledge to be able to effectively respond to environmental challenges. The company management should review its strategic plan from time to time and align the company to the emerging business challenges. A department should be formed in the company to deal with issues of corporate communication and handle customer care issues: the department would organize field days, direct customer and departmental issues to the concerned department. The management structure of the company should be implemented as per the recommendation of the consultant; an evaluation and monitoring team formed with the mandate of ensuring the strategic plan succeed. The government should relinquish its majority shareholding in the company for the company to operate as private, this would enable the company operate using market dynamics and reduce bureaucracy. The company should lease more storage facilities near the farms in different regions to ensure

that the distributors have sufficient constant supply of seeds to avoid shortages and for farmers to deliver raw seed for collection.

### **5.5 Recommendations for Further Research**

The study confined itself to strategic responses of Simlaw Seeds Company to environmental challenges. Other research should be done for seed production and distribution companies operating in Kenya and the results compared to establish whether there is consistency in the environmental challenges faced by seed companies in Kenya. Research can be done on the effect of Genetically Modified Organism (GMO) on the seed industry in Kenya.

### **5.6 Limitations of the Study**

The study was not without limitations as the research was based on a case study of Simlaw Seeds Company. Some of the respondents gave responses hesitantly, feeling they were exposing the company to external parties mainly competitors. The respondents of the study was only limited to the top management of the company excluding vital information available with the lower management of the company. There was no earlier study done of the seed industry, so as to compare some of the findings, trends with the results of the study.

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## **APPENDIX 1: INTERVIEW GUIDE**

The interview guide will seek to achieve the following objectives;

1. Determine the environmental challenges facing Simlaw Seeds Company.
2. Establish the strategic responses adapted by Simlaw Seeds Company to environmental challenges.

### **Interview Questions**

The following sections provide sample questions to be used in evaluating environmental challenges and strategic responses at Simlaw Seeds Company.

#### **Background Information on the interviewees**

- For how long have you worked in this organization?
- What current position do you hold in the organization?
- For how long have you been holding the current position?
- Would you change your current duties if given a chance?

#### **Environmental challenges**

1. Is the wave of globalization and market liberalization a threat to the company?
2. Does the subdivision of land pose a challenge to the production of certified seeds by the company?
3. Does the company have sufficient raw seed and finished product storage facilities?
4. Does climate change and unpredictable weather pattern pose a challenge to the company?
5. Do pests and diseases pose a challenge to the company?
6. How does the merger of multinationals pose a challenge to the company?
7. Does the passing of the genetically modified organism (GMO) bill pose a challenge to the company?

8. Has the Company adopted appropriate technology in production of seeds?
9. Does the company face the challenges posed by leadership, ineffective coordination, ineffective communication channels and poor sharing of responsibilities?
10. Do changes by seed regulatory bodies and government policies affect the company seed business?

### **Strategic responses**

1. Has the company responded to the wave of globalization and market liberation?
2. How as the company responded to the challenge of land subdivision in the production of certified seeds?
3. Has the company responded to raw seeds and finished product storage challenges?
4. How has the company responded to climate change and the unpredictable weather pattern'?
5. How has the company responded to challenges posed by pests and diseases?
6. How has the company responded to challenges of mergers of multinational companies?
7. Has the company responded to the passing of the Genetically Modified Organism (GMO) bill?
8. How has the company responded to appropriate technology in the production of seed?
9. Has the company responded to the challenges of leadership, poor coordination and ineffective sharing of responsibilities?
10. How has the company responded to changes in government policies and seed regulatory bodies requirements?