

**COMPETITIVE STRATEGIES ADOPTED BY ADEPT SYSTEMS
LIMITED IN KENYA**

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FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF
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DECLARATION

This research project is my original work and has not been submitted for any academic award in any other University or institution

Signed.....Date.....

Jimmy Mutungi

This research project has been submitted for examination with my Approval as University Supervisor

Signed.....Date.....

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DEDICATION

Dedicated to Josephine and Johnstone for your support through the years. You are the best parents one can ever have.

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ACRONYMS AND ABBREVIATIONS

EY	Earnest and Young
FTSE	Financial Times Stock Exchange
HR	Human Resources
IHRM	Institute of Human Resource Management
IT	Information Technology
NSE	Nairobi Stock Exchange
PWC	PricewaterhouseCoopers
RBV	Resource Based View

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ABSTRACT

In any business operations, Competitive strategy is key for survival and growth. A business that is able to build and sustain its competitive advantage is a business that has mastered crafting of a strategy that is competitive based on internal as well as external dynamics. In Kenya, the management Consulting services had had an exponential growth consequently increased competition necessitating the adoption of carefully crafted strategy. This study sought to investigate the competitive strategies that Adept systems has used to gain competitive advantage in Kenya and sought to achieve two objectives. These were to determine the competitive strategies used by Adept Systems Limited and how these competitive strategies have enhanced the performance of the organization. The study used a case study research design so as to enable an in-depth look at the organization under study. An interview guide was used as the primary source of data collection and was filled during interviews with the directors and senior managers of Adept Systems and was also complimented by secondary data from newspapers, review of internal documents as well as the internet and content analysis was used to analyze the data. The key findings were that Adept Systems has adopted various competitive strategies including strategic alliances, project turnaround time, quality of service, and people development. It was established that these strategies, though not necessarily unique to Adept Systems, have given it competitive advantage as evidenced by its continued operations over the last over twenty years as it's winning of large tenders against other market players. The study recommends that Adept Systems formalizes its strategy into a formal strategic document to enhance its clarity and help create unity in direction. The organization should also create a clear vision and mission statement. The study also recommends that managers of managing consulting firms adopt strategies that are critical in enhancing competitiveness in the management consulting services industry including client satisfaction and competitive pricing.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations do not exist in vacuum. They exist as open systems that are in constant integration with the external environment is very dynamic and is continuously changing posing new challenges presented as opportunities or threats, competition being one of them. Throughout the world, organizations are facing increasing competition from other industry players due to a variety of reasons including globalization, and rapidly changing environmental conditions. In order to survive, every organization must adopt a viable strategy amidst this competition so as to be able to generate enough revenue and reasonable return on investment to the shareholders.

Among the advantages that an organization that adopts winning strategies will accrue include; growth of business and revenues, customer satisfaction, achievement of company objectives and ability to outcompete rivals. Kenya is not an exception to this and organizations locally are facing increasing competition from both local as well as international organizations operating locally. While some organizations have managed to thrive in the midst of high competition and make huge profits, other organizations such have bowed out and/or pushed out the market by competitors as evidenced by the closure of Eveready factory in Nakuru and exit of Cadbury from the Kenyan market.

There are several theories that explain the concept of competitive strategy. One such theory is the Resource Based View of competitive advantage, which proposes that a

firm's competitive advantage is gained from the resources that the organization possesses. The theory holds that to translate a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile. Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort.

The Consulting space in Kenya has witnessed increased competition both from local as well as international organizations. While writing about the entry on Mckinsey, an international management Consulting firm, in the East Africa Region, David (2014) states that "Global consultancy McKinsey & Co is set to officially open its Nairobi office later this month, with an eye on new business opportunities in Kenya and the Region. The New York-based firm already has an operation at Delta Corner Tower in Westlands, which it will use as a regional hub to pursue management advisory deals from companies, and governments across eastern Africa".

In another article titled "AON sets up Human Resource Consultancy Unit" David (2014) states that "The new Aon Hewitt Nairobi unit will act as a hub for East Africa, chasing business deals from multinationals operating across the region and beyond. Aon Hewitt in Nairobi will now be in a head-to-head battle with global recruitment and HR outsourcing firms operating in Kenya such as Manpower, PricewaterhouseCoopers (PwC), Deloitte, KPMG, Grant Thornton and Crowe Horwath". These two examples serve to show the increasing number of competitors in Kenya and the region and hence Adept Systems should adopt strategies to enable it to maintain and even grow its market

share and stay in the market whether cost leadership, differentiation, focus or positioning strategies. This study seeks to investigate the strategies that the firm has used to remain competitive in the East Africa Market.

1.1.1 Concept of Strategy

According to Baker (2007), strategy is the outcome of some form of planning, organized process for anticipating and acting in the future in order to carry out an organization's mission. The people who drive strategy in organizations are seen to be visionaries, the entrepreneurs and innovators. They are those who take risks and try new ways of doing things. Strategy refers primarily to business strategy; which specifies how a business unit will achieve and maintain competitive advantage within an industry. Strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences to meet the needs of markets and to fulfill stakeholder expectation (Gerry, Kevan, & Richard, 2007).

The formulation of competitive strategy in any industry involves first the comprehension of the fundamental determinants of competition. Competition is defined as the fight for market share between two or more firms. An understanding of competition helps the strategy makers in evaluating whether the degree of competition in an industry offers scope for good profitability. It promotes sound strategic thinking about how to develop the overall competitive strategy for the company. Development of competitive position

helps the firm to more accurately forecast both short and long term growth and its profit potentials (Gerry, Kevan, & Richard, 2007).

A company's strategy consists of the competitive moves and business approaches that manager employ to ensure continuous business growth, attract and maintain satisfied customers and eventually achieve targeted levels of organizational performance. A creative strategy will help a company gain competitive advantage and a reliable ticket to earning above average profits.

1.1.2 Competitive Strategy

Competitive advantage is defined as anything that a firm does especially well compared to rival firms. Firms should seek a sustained competitive advantage by continually adapting to changes in external trends and internal capabilities and evaluating strategies that capitalize on those factors. An increasing number of companies are gaining a competitive advantage by using the Internet for direct selling and for communication with suppliers, customers, creditors, partners, shareholders, clients, and competitors who may be dispersed globally (Nag, Hambrick & Chen, 2007). In 1980, Porter defined the two types of competitive advantage an organization can achieve relative to its rivals: lower cost or differentiation. This advantage derives from attribute(s) that allow an organization to outperform its competition, such as superior market position, skills, or resources. In Porter's view, strategic management should be concerned with building and sustaining competitive advantage (Porter, 1980).

1.1.3 Management Consulting Services in Kenya

The Management Consulting industry in Kenya has a host of players both big and large. Among the most prominent management consulting firms include PricewaterhouseCoopers (PWC), KPMG, Deloitte and Earnest and Young (EY). These are international professional services networks, offering audit, assurance, tax, consulting, advisory, actuarial, corporate finance, and legal services. They handle the vast majority of audits for publicly traded companies as well as many private companies, creating an oligopoly in auditing large companies. It is reported that the Big Four audit 99% of the companies in the FTSE 100, and 96% of the companies in the FTSE 250 Index, an index of the leading mid-cap listing companies. In Kenya the situation is no different with the big four firm being the auditors of a majority of the NSE listed firms. Deloitte Kenya for example states in its website that it is the auditor of 30 % of all the companies listed in the Nairobi Stock Exchange. (Deloitte Kenya, 2015).

While these organizations were originally audit firms, they have with time diversified their product offering to include the whole range of management consulting services. In addition to the big four management consulting firms, there are other local players in the Kenyan market who have ventured into the provision of the same services. Over the last couple of years, there has been an upsurge in the number of consulting firms. While some of them offer a variety of services, other are specialized and have niche areas including human resources services, auditing and financial services, information technology and retail services.

1.1.4 Adept Systems Limited

Adept Systems is a Kenyan Company Established in 1994 and provides a full range of management Consultancy services in the areas of Human Resource Management, business development, information systems management, and financial systems and security. Adept Systems has a team of qualified and experienced consultants with clients in East and Central African Countries and West Africa. Because of the string focus on delivering results Adept Systems is contracted by Major International Donor funding agencies and governments to carry out assignments and by international Companies for a range of management services including setting up of local Branches and agencies (Adept Systems, 2015).

Adept Systems also has partnerships with various companies. One of these is Validate Kenya which provides fraud management solutions for the insurance and banking industry as well as Ben Yaquot which was established for the sole purpose of investing in small and medium (SME) projects. Adept Systems currently has two (2) departments namely Information Technology and Human Resources departments and a total of 15 employees and two directors. (Adept Systems, 2015).

1.2 Research Problem

In light of increased players in the management consulting industry in Kenya, Competition has consequently increased and hence the need for Adept Systems to adopt a strategy that will enable it to remain competitive in the market, ensure customer satisfaction and ultimately remain profitable.

A number of studies have been done in the area of competitive strategy. For example, Ekipara (2007) did a study on competitive strategies adopted by Nation media group. He established that Nation Media Group possesses unique characteristics which are exhibited by the way the company is organized and structured. It revealed that the company has adopted number of strategies to cope with increasing competition including cost leadership strategy, concentric diversification strategy, and grant strategies of consortia and joint ventures. The researcher established that these strategies have made Nation Media Group achieve high levels of strategy and also gain sustainable competitive advantage. Nyakang'o (2007) did a study on competitive strategies adopted by Audit Firms in Nairobi showed that cost leadership, excellent customer service, training of staff and adherence to ethical standards are some of the strategies that have been used to gain competitive advantage.

Another study by Daniel (2010) on competitive strategies adopted by private security firms in Mombasa established that 97 percent of the respondents had a written strategic plan whereas 3 percent did not have a mission. He further established that the correlation between the organization's size and the competitive strategies adopted by the firm was 0.596 meaning that the firm's size influences the competitive strategies adopted. He further concluded that concluded that all security firms operating in Mombasa have adopted competitive strategies and that the choice of competitive strategies is determined mainly by the firm size and the need to either attract new customers or build customer loyalty of the already existing customers by offering them what they consider most important and valuable.

Ng'oo (2012) did a study on the positioning strategies adopted by large management Consulting firms in Kenya and found out that 100 percent of audit firms used product and price positioning strategies to gain and retain market share where they control over seventy percent of the market.

While a number of studies have been done in the area of competitive advantage, to the researchers' knowledge, no research has been carried out to examine the competitive strategies that have been used by Adept Systems to gain and retain its competitive advantage. This study will be guided by the research question: What are the competitive strategies adopted by Adept Systems in Kenya?

1.3 Research Objectives

The objectives of this study are;

- i. To determine the competitive strategies adopted by Adept Systems
- ii. To establish how the competitive strategies enhance the performance of the organization

1.4 Value of the Study

The management of Adept Systems will be able to understand better the competitive strategies that have given in competitive advantage and continue to capitalize on them to gain competitive advantage as well as the challenges faced in employing these strategies.

The study will also help the company in developing its long term strategic plans as it will identify the gaps in the implementation of the current strategy.

The study will provide knowledge on competitive strategies used by Adept Systems to gain competitive advantage. Researchers will also be able to use the findings of the study as a basis for further study in the area of competitive strategies. The study will also raise a number of issues that require further investigation and will serve as a launching pad for other studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The purpose of this section is to explore the theoretical and empirical literature touching on competitive strategies. This review was done to eliminate possible duplication of what has been done in the topic of study and also provide a better understanding of the existing knowledge in the problem area. It is based on authoritative and original Sources such as published books, journals, thesis and dissertations.

2.2 Theoretical Foundation of the Study

This section will discuss two theoretical perspectives of competitive advantage. These are resource-based view of competitive advantage and Porter's perspective of competitive advantage

2.2.1 Resource Based View of Competitive Advantage

According to the Resource Based View competitive advantage (RBV), an organizations resources can create competitive advantage. Barney (1991) argues that resources are the tangible and intangible assets that a firm controls and that it can use to conceive, develop and implement its strategies. Further, He argues that control of key resources can lead to a firm's competitive advantage, allowing it to outperform other firms that it competes with. More importantly, competitors may be in no position to challenge the organization in question due to the lack of similar resources. RBV emphasizes the firm's resources as the fundamental determinants of performance and competitive advantage and adopts two

assumptions in analyzing sources of competitive advantage. First, RBV assumes that the individual firms within the organization are heterogeneous with respect to the resources in the industry or resources that they control. It also assumes that resource heterogeneity will most likely persist over time because the resources used to implement the firm's strategy may not be perfectly mobile across firms. The theories argument is hence that if all firms in a market have the same stock of resources, any strategy available to a particular firms also available to other players in the market. Makadok (2001) outlines the distinction between capabilities and resources by defining capabilities as a special type of resource/resources embedded to a particular organization and which is non-transferable and firm-specific. Its main purpose is to improve the productivity of the other resources possessed by the firm. Resources are stocks of available factors that are owned or controlled by the organization, and capabilities are an organization's capacity to deploy resources implying that it is the bundling of the resources that builds capabilities.

Competitive advantage on the other end can be attained if the current strategy is value-creating, and not currently being implemented by present or possible future competitors. Although a competitive advantage has the ability to become sustainable over time, this is not always necessarily the case. A competing firm can enter the market with a resource that has the ability to annul the prior firm's competitive advantage resulting in reduced revenues or profits Barney (1986). Sustainability in the context of a sustainable competitive advantage is independent factor with regard to the time frame. A competitive advantage is sustainable when the efforts by competitors to render the competitive advantage redundant have stopped (Rumelt, 1984). When the copied actions have come

to an end without affecting the firm's competitive advantage, the firm's strategy can then be referred to as sustainable. This is in contrast to views of Porter (1985) that a competitive advantage is sustained only when it provides above-average returns in the long run.

The difference between the RBV of the firm and dynamic capabilities view is that the latter focuses more on surviving current market conditions rather than achievement of sustainable competitive advantage which appears to be closer to contemporary business realities. There has been an emphasis for firms to focus on the actual process of dynamic capability building rather than generate further standalone definitions of dynamic capabilities. It is of key importance to focus on different industry contexts to further advance this emerging area of research. In many industries, changing the entire resource base in response to external changes is simply unrealistic. At the same time, ignoring external change altogether is not an alternative since companies would crumble under the weight of competition. Senior managers are therefore forced to engage with the complex task of dynamic capability building in order to facilitate competitive survival in the light of depreciating value of resource bases available within the firm. Simply put, Barney holds that firms compete on the basis of their resources and capabilities; hence the RBV theory takes an inward-looking approach to analysis of competitive advantage (Rumelt, 1984).

2.2.2 Michael Porter's perspective of competitive advantage

Porter's model of competitive advantage is about taking offensive and defensive action to create defendable position in an industry in order to generate a superior return on investment. This theory holds that a firm is able to deliver the same benefits as competition but at a lower cost (cost advantage) or deliver benefits that exceed those of competing products (differential advantage). Cost advantage is achieved through economies of scale, increased efficiencies due to technological investments, mass distribution among others. Differentiation advantage is achieved through development of unique offering that is targeted at high end customers who are not sensitive to price instead value quality and uniqueness. Porter's recipes for achieving competitive advantage are highly prescriptive. He asserts that firms can achieve competitive advantage through either cost leadership or differentiation, and he advises firms to avoid being 'stuck in the middle' (Porter, 1980).

2.3 Competitive Strategies

According to Igor (1988) competitive strategy specifies the distinctive approach which the firm intent to use in order to succeed in each of the strategic business units. Competitive strategy gives an organization advantage over its rivals in attracting and maintaining customers as well as defending against competitive forces. Competitive advantage comes in many forms, with the most basic being the ability to provide buyers with product they perceive to be of superior value, a good product that is worth paying more for a basic value that presents the customer with an attractive combination of price, quality and/or features. It also includes defensive and offensive moves to counter the

actions of rivals, actions to allocate resources within the organization to improve the firms' long term competitive advantage capabilities and market position as well as tactical efforts to respond to prevailing market conditions (Thompson & Strickland, 2003).

Many planning experts believe that the general philosophy of doing business as declared by the firms mission statement must be translated into a holistic statement of the firms strategic orientation before it can be further defined in terms of a specific long term strategy. In other words a long term strategy must be based on a core idea about how the firm can compete in the market place also known as generic strategy. From a scheme developed by Michael Porter , many planners believe that any long term strategy should derive from a firms attempt to seek competitive advantage based on one of three generic strategies namely overall cost leadership, differentiation or focus strategy (John A Pearce II, 1991).

2.3.1 Cost Leadership Strategy

Cost Leadership is a strategy used by organizations to create a low cost of operation within their niche. The use of this strategy works on the premise of gaining an advantage over competitors by reducing operation costs below that of others in the same industry. Cost leadership strategy depends on some fairly unique capability to achieve and sustain their low cost position, for example, having secured suppliers of scarce raw materials, being in a dominant market position, or having a high degree of capitalization. Low cost producers usually excel at cost reductions and efficiencies. They maximize economies of

scale and stress reduction in administrative and overhead expenses. A low cost leader is able to use its cost advantage to enjoy huge profit margins or charge lower prices than competitors (John A Pearce II, 1991).

Achieving a low cost overall cost position often requires a high relative market share or other advantages such as favorable access to raw materials. It may require designing of products for ease of manufacturing, maintaining a wide line of related products to spread costs and serving all major customer groups in order to build volumes. Implementing low cost strategy may in turn require upfront heavy capital investment in state-of-the art equipment, aggressive pricing and startup losses to build market share. High market share may in turn allow economies in purchasing which lower costs even further. Once achieved, the low cost position provides margins, which can be reinvested in new equipment and modern facilities in order to maintain low cost leadership (Porter, 1980).

According to Igor (1988) the objective of a cost leadership strategy is to open up a sustainable cost advantage over other market players and then use the firm's lower cost edge as a basis for pricing lower than competitors, gaining market share at their expense, or earning a higher profit margin. According to Thompson & Strickland (2003) a cost leadership strategy has several advantages including the ability to protect a firm from the threat of new entrants hence reducing competition. Firms that use this strategy however run the risk of competitors leap frogging to newer technologies and production capabilities, hence eliminating the competitive advantage acquired from cost reduction.

2.3.2 Differentiation Strategy

Differentiation is the second generic strategy that a firm can adopt to gain competitive advantage. It can be defined as an integrated set of actions taken to produce goods or services that customers perceive as being different in ways that are important to them. While cost leaders serve a typical customer in an industry, differentiators target customers for whom value is created by the manner in which the firms' products differ from those produced and marketed by competitors. Product innovation which is "the result of bring to life a new way to solve the customers problem through a new product or service development" is critical to successful use of differentiation strategy. Firms must be able to produce differentiated products at competitive costs to reduce upward pressure on the price that customers pay. Through the differentiation strategy the firm produces non-standardized products for customers who value differentiated features more than they value low cost (Hitt, Ireland, & Hoskisson, 2011).

Differentiation strategy is more suitable for big companies as opposed to small firms. It provides great advantage to use differentiation strategy in conjunction with focus cost strategies or focus differentiation strategy. The shareholder value model is a variant of differentiation strategy and holds that the timing of the use of specialized knowledge can create a differentiation advantage as long as the knowledge remains unique to the organization. This model suggests that customers buy products or services from a firm to enable them have access to its unique knowledge. The advantage however is not long term since the purchase is a one-time event rather than a long term relationship.

Another variant of the differentiation strategy is the unlimited resources model which utilizes a large base of resources allowing an organization to outlast competitors by practicing a differentiation strategy. An organization with more resources can manage risk and sustain profits more easily than one with few resources providing short term advantage. If a firm lacks the capacity for continual innovation, it will not sustain its competitive position over time.

2.3.3 Focus Strategy

Focus Strategy focus strategy concentrates on a narrow segment and while serving that segment attempts to achieve either a cost advantage or differentiation. Focus strategy works on the premise that the needs of the chosen group can be better serviced by focusing entirely on it. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly hence giving the firm competitive advantage. Because they serve a narrow section of the market, firms pursuing a focus strategy have lower volumes and may therefore have less bargaining power with their suppliers. However, firms pursuing a differentiation-focused strategy are able to pass higher costs on to customers without losing market share since close substitute products do not exist.

Firms that succeed in a focus strategy are those that are able to tailor their product range to a relatively narrow segment of the market that they know very well. Some risks of focus strategies include changes in the tastes and preferences of the targeted group as well as product imitation especially in the case of differentiation-focused strategy. It may

also be fairly easy for a broad-market cost leader to adapt the products of a firm using focused strategy in order to compete directly (Porter, 1980).

2.4 Challenges in Applying Competitive Strategies

Porter (1980) argues that there are two major risks in pursuing generic strategies which are failure to attain or sustain the strategy and the value of the strategic advantage being eroded by industry evolution. Thompson & Strickland (2003) states that the environment in which an organization operates is important and the organization has to respond to its instability and uncertainty dynamism and heterogeneity. Organizations exist in a complex political, economic, commercial, technological, cultural and social environment.

According to Miller (1998) these environmental changes are more complex to some organizations than others and hence for survival, the organization must maintain a strategic fit with the environment in which it is operating. A low cost strategy can be difficult to implement because competitor may lower their cost, as technology improves, thus eliminating the competitive advantage.

An organization that adopts differentiation strategy also faces certain challenges including imitation by competitors and changes in customer tastes and preferences. In addition, various firms pursuing focus strategies may be able to achieve even greater differentiation in their market segments and in the process creating greater value for customers. The risks inherent in a focus strategy include imitation and changes in the target segments. It may be fairly easy for a broad-market cost leader to adapt its product

in order to compete directly. Other focusers may also be able to carve out sub-segments that they can serve even better (Porter, 1985).

Porter (1985) argues that generic strategies are not necessarily compatible with one another. If a firm attempts to achieve an advantage on all fronts, it may achieve no advantage at all. For example if a firm differentiates itself supplying very high quality products, it risks undermining quality if at the same time it seeks to become a cost leader. Even if the quality is not affected, the firm would risk projecting a confusing image to the customer. Porter further argued that to be successful over a long-term, a firm must select only one of these three generic strategies; otherwise, with more than one generic strategy the firm will be “stuck in the middle” and will not achieve a competitive advantage. He argued that firms that are able to succeed at multiple strategies often do so by creating separate business units for each strategy and by doing so different units have different policies and even different cultures hence a firm is less likely to become “stuck in the middle”.

Porter (1980) outlines the five forces that drive an industry competition to be: The buyers and suppliers through their bargaining power, the threat of new entrants, the threat of substitute products and services and competitive rivalry which porter noted as the strongest of the competitive forces. It arises from the maneuvering and jockeying for buyer patronage that goes on among rival sellers of a product or service. It is based on the understanding that the market is a competitive battlefield where it is customary and

expected that rival sellers will employ whatever resources and weapons they have in their business to improve their market positions and performance.

Peace and Robinson (2000) argues that the seriousness of the threat of entry depends on the barriers present and on the reaction from existing competitors. The managerial challenge is to craft a competitive strategy that allows the company to maintain an edge in the eyes of its customers, deliver good profits and value to shareholders. Challenges in strategy implementation can also arise from sources internal or external to the organization. The internal challenges can be referred to as behavioral challenges and include resistance to change, inadequacy of resources such as capital, equipment and facilities, human resources skills, inappropriate systems of structure, culture, leadership and policies. Strategy implementation challenges can also be external to the organization and include Macro-environmental forces such as economic forces, political-legal forces, social-cultural forces, technological forces and ecological forces. Operating environmental forces arising from pressure from stakeholders like customers, government and shareholders can impose challenges that could impair strategy implementation

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers research design, data collection methods and data analysis methods. The population and sample sections were omitted because the research design adopted was a case study. This chapter will utilise the theoretical framework and experience of the author to discuss how the study will be done, as well as analysis and presentation of the results.

3.2 Research Design

This study adopted a case study research design since the unit of analysis was one organisation. By adopting a case study, the study aimed at getting detailed information regarding the strategies used by Adept Systems to win competition.

A case study is a research methodology that combines individual and sometimes group interviews with record analysis and observation. Researchers extract information from company brochures. Company reports, sales reports, newspapers and magazine articles along with direct observation with the objective of obtaining multiple perspectives of a single organisation. Interview participants are invited to tell the story of their experience, with those chosen representing different levels of the organisation or different perspectives of the same situation or process to permit depth of perspective (Cooper & Schindler, 2014).

3.3 Data Collection

This study was carried out in Adept Systems office located in Westlands, Nairobi which is the main office serving Kenya and the rest of Eastern Africa. Both primary and secondary data were used in this study. Primary data was collected through a face to face interview by the researcher with the directors and Senior Consultants of the organization. An interview guide was used to collect the information. Secondary data was also collected for the study. The sources of this data included publications including newspapers, internet and internal documents including company profile and reports.

3.4 Data Analysis

The collected data was edited for consistency and completeness before processing responses. Since the study used a case study content analysis was used for data analysis. Content Analysis measures the semantic content or the “what” aspect of a message. Its breadth makes it a flexible and wide ranging tool that may be used as a stand-alone methodology or as a problem-specific technique. Content analysis may be used to analyse written, audio or video data from experiments observations surveys and secondary data studies. (Cooper & Schindler, 2014, pp. 384-385).

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study on competitive strategies adopted by Adept Systems Limited in Kenya as per the study objectives which were to establish the competitive strategies adopted by adept Systems and how such competitive strategies have enhanced the performance of the organization.

Data collected in this study was analyzed qualitatively using content analysis. This method of data analysis allowed data to be collected and evaluated to determine its consistency credibility, usefulness and adequacy. Patterns arguments and concepts were interpreted and inferences made on the organization of study. The study revealed that while the organization does not have a formal written strategy there are deliberate attempts to employ competitive strategies including strategic alliances, quick project turnaround time, quality of service and people development strategy.

4.2 Competitive strategies Adopted by Adept Systems

Adept systems has employed the strategies below in the market place.

4.2.1 Strategic Alliances

Adept Systems has made strategic alliances with various organisations. One of these organisations is Validate Kenya, a company offering IT Services in the East Africa Market. This partnership has helped the organisation increase the service offering to its clients to include IT Services in addition to the Management Consulting Services that are offered to clients. This alliance has hence enabled the company to be a one stop shop for its clients, and hence presenting an opportunity to cross sell different services among existing and potential clients. This according to the directors has enabled the company to be awarded contracts which it would otherwise have not been awarded if management consulting and IT Services were too be offered individually.

Another Company that Adept Systems has made a partnership with is Ben Yaguot, which invests in small and medium projects. Adept Systems has benefited from this partnership by getting additional contacts and more opportunities for new business through client referral. This has also given the firm the desired backing when developing financial proposals as the organisation is able to provide the bonds required by the clients.

Other strategic alliances that Adept Systems has made are with companies offering other value added services including personality and psychometric testing with the most prominent being SHL. Adept Systems uses SHL to administer personality and psychometric tests to candidates during projects such as recruitment. Locally Adept Systems has partnered with organisations such as the Institute of Human Resource Management which is the body responsible for registration of Human Resource

practitioners in the country. By being a corporate member of IHRM, Adept Systems has created confidence within customers that it is a professionally run organisation as all firms registered with the union must adhere to a code of conduct. This has enabled Adept Systems to provide additional value to its clients and hence helping ensure repeat business from them

4.2.2 Project Turnaround Time

According to the Senior Manager in charge of recruitment, Adept Systems has adopted strict policies of project turnaround time as a way of ensuring client satisfaction. In the Early talent identification programme, for example, works with educational institutions to identify talent in the bud. The candidates identified through this programme are then kept in a “preferred candidate list” which the recruitment consultants refer to whenever a new recruitment assignment arises. This has created a quick turnaround time in recruitment assignments since the organization has a good pool of candidates from which candidates can easily be picked.

A similar model has also been used in the experienced hires department of the organization. The organization has over time created a database of professionals in different careers making it easy to identify suitable candidates to fill positions that their clients want to be filled. These efforts have created advantage points for the organization in terms of turnaround time for assignments, and consequently helped in endearing the organization to its clients.

Emphasis on quick project turnaround time has ensured good service to clients who are able to get their work done quicker than other players in the market, Secondly, this focus has helped better the bottom line of the organization since employees do not spend too much time on one assignment and are able to work on many projects in a short period of time leading to increased revenues for the firm.

4.2.3 Quality of Work and Service

This is a key area which Adept Systems has used to gain competitive advantage. There is an elaborate process of ensuring that employees of the organisation are aware of the methodologies that must be followed in undertaking client work as well as in the preparation of client reports. All new employees are usually taken through a rigorous induction process to ensure that they are aware of these methodologies and processes. Refresher training is also done annually to ensure that staff remain conversant with them. In addition to the internal training programmes, the organisation sponsors training by external service providers both in Kenya and the region.

Adept Systems has invested heavily in training and developing staff to generate its high quality customer service which has helped retain existing customers and attract new ones through referrals. The growth in new as well as repeat business from customers shows the service satisfaction with the efficiency, reliability, quality of work by Adept Systems. Quality customer service has also added value as it has improved the customers' experience, making them feel valued and therefore more likely to give Adept Systems repeat business. This emphasis on the quality of work for the organisations clients has

helped the organisation retain its clients as well as attract new clients through referrals from existing clients.

4.2.4 People Development Strategy

Employees are a critical resource in the operations of the Organisation. Adept Systems has heavily invested in its employees to ensure that they have they have the right capacity to deliver and exceed client expectation. The organisation has put in place opportunities to get training both internally and externally which has ensured continuous professional development. The organisation has also created a sense of ownership by adopting a strategy of hiring for vacant positions from within the organisation before recruiting externally. This has helped the employees value their own professional development since it is what is used when considering employees for promotions.

The senior Manager in charge of recruitment of new employees notes that indeed the ability and interest a candidate has in developing themselves is given weight during the interviewing process. This is because employees who are constantly developing themselves are in a better position to offer better service to clients since they are aware of good work methodologies and emerging market trends hence able to help clients solve their problems and create winning strategies. This has helped create a sense of ownership within the organisation, creating a sense of belonging and Commitment.

4.3 How the Strategies Have Given Adept Systems Competitive

Advantage

The study established that while the above strategies may not be unique to Adept Systems, the firm has deployed them in a way that has ensured success of the organisation by creating a sustainable competitive advantage around these strategies.

This is evidenced by the fact that the firm has managed to stay in the market for over twenty years and have increased revenues consistently year on year. Based on the models of competitive advantage Adept systems has used its internal resources such as employee skills, and strategic partnerships to build competitive advantage.

The firm's people development strategy which provides numerous training opportunities and internal recruitment and promotion has helped create ownership in the business and hence creating competitive advantage since staff are able to give their customers impeccable levels of service. The study established that these strategies have been strategically deployed in careful consideration of the operating environment ensuring that the firm stays ahead of competition.

The firms focus on project turnaround time has also been an area of focus for the firm. Having put systems in place to ensure that client work is delivered quickly has enabled the organisation to win the hearts of clients. This is especially so for the recruitment business where by client often have the need to fill critical positions as a matter of urgency. By hence having a ready database which can yield a good number of candidates

with just a simple search has helped endear the organisation to its clients creating a competitive advantage.

4.4 Link to Theory

From the literature review on Resource Based View of Competitive Advantage, Organizational resources can create an organization's competitive advantage. Barney (2010) argues that resources are "the intangible and tangible assets in the firms control and that it can use to conceive, develop and implement its strategy. From the research study, it is evident that Adept Systems has used its resources to its advantage including skills of employees and brand name that the organization has created over time. The firm has also used differentiation as a key strategy for creating competitive advantage. This is evident in the quick turnaround time and the quality of work and service which can be said to be superior to that of competitors. The study established that through differentiation Adept Systems has managed to position itself as a superior brand in its category of medium sized management Consulting firms.

Focusing on only the internal resources or the core competencies of the firm can limit the reach for learning new competencies making the core competencies become core rigidities or stumbling blocks in the firm, when established competencies become too dominant. Tidd et al (2005). In the case of Adept Systems the intense competitive environment has kept the firm on its toes making constant review of its strategy the norm

4.5 Link to Other Studies

This study aligned its findings with other case studies on competitive strategies done in the management Consulting Service Sector. For Example a study done by Nyakang'o (2007) on audit firms, which also offer management Consulting Services, on competitive strategies showed that cost leadership, excellent customer service, training of staff and adherence to ethical standards are some of the strategies that have been used to gain competitive advantage.

Another study by Ekipara (2007) on competitive strategies adopted by Nation media group established that Nation Media Group possesses unique characteristics which are exhibited by the way the company is organized and structured. It revealed that the company has adopted number of strategies to cope with increasing competition including cost leadership strategy, concentric diversification strategy, and grant strategies of consortia and joint ventures. The researcher established that these strategies have made Nation Media Group achieve high levels of strategy and also gain sustainable competitive advantage.

The above indicate that different players both in management consulting and in other sectors may use the same strategies but achieve varying level of success on account of how the strategies are deployed. Consequently, this also implies that not all strategies can work uniformly across different organizations because each organization has its uniqueness in terms of available resources, leadership and culture which impact on the Success of the strategy.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This Chapter provides the conclusions and recommendations based on the findings of the study. I also highlights the limitations that the researcher encountered during the study and suggests areas of further study.

5.2 Summary of Findings

The first objective was to establish the competitive strategies used by Adept Systems to gain competitive Advantage. The Study established that a combination of strategies are being used in the organization to create a competitive edge. From the findings it was clear that Adept Systems has leveraged on strategic alliance both locally and in other countries. Product differentiation, quality management and People development strategies have also been used by this management Consulting Firm.

The second objective was to establish how the competitive strategies adopted have enhanced the performance of the organization. The study revealed that these strategies have been carefully crafted to the internal and external environment of Adept Systems, helping it constantly grow its clients. Indeed the organization has been able to sustain operations for over 20 years and this can be attributed to the successful application of these strategies in its operations.

5.3 Conclusion

From the results of the study, it is evident that to favorably compete in the management Consulting space strategy plays an important role. However, of greater importance is how strategy is deployed to create a superior products that resonates with the changing needs of the customers and amid intense competition. This study concludes that developing a customer centric organization, superior products, investing in staff developing and training and establishment of strategic partnerships as key strategies that have helped Adept Systems grow its business and equally giving it competitive advantage.

5.4 Recommendations of the Study

For managers and owners of management consulting firms, the need to develop strategies that would ensure that their survival in the industry is vital. The idea is to develop strategies that would suit the needs of the industry. For example client satisfaction in the professional services firms should always come first. Other very important strategies include efficient and timely service delivery to clients, reasonable pricing of products and diversification of products as well as expansion to new markets. These strategies would guarantee success in the industry.

Adept Systems specifically should enhance its efforts to formalize its strategic approach into a written strategy document and communicate the same to all staff to ensure unity of direction. The organization should also craft a vision and a mission statement.

5.5 Limitations of the Study

The researcher encountered some limitations during this study. The fact that the study sought to establish competitive strategies, the respondents were hesitant to give some information which they considered trade secrets or sensitive information because of the possibility of that information ending up and the hands of competitors.

The researcher however mitigated asking the respondents to elaborate on which information was considered confidential and was subsequently assured that that information would not be published. Secondary data was also used to overcome this limitation as well as using persuasion.

Adept Systems being a private company, interviewees were careful with the information that they were willing to share with the researcher. Getting financial data from the interviewees was also an uphill task and the interviewer had to work with estimates from secondary data. Objectivity of data given was also a question at hand but this was mitigated through verification with other respondents during the interview process.

5.6 Suggestions for Further Study

This study focused on Adept Systems, a management consulting firm in Nairobi and took the form of a case study so as to gain in depth knowledge on the subject of study. There is an opportunity to do similar studies on other management consulting firms outside Nairobi to investigate on the competitive strategies adopted in other geographical areas.

There is also an opportunity to investigate the competitive strategies adopted by large management consulting firms which also have other service lines such as auditing and tax services. It is possible that these organizations have leveraged on different service lines to promote their management Consulting services.

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APPENDICES

APPENDIX I: Letter of Introduction



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
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P.O. Box 30197
Nairobi, Kenya

DATE: 2/9/2015

TO WHOM IT MAY CONCERN

The bearer of this letter: JIMMY MUTUNGI

Registration No. 061/68027/2013

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

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

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

Thank you.


PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS



APPENDIX II: Interview Guide

COMPETITIVE STRATEGIES ADOPTED BY ADEPT SYSTEMS KENYA

This is an academic research paper in partial fulfillment of the requirements of Master of Business Administration Degree at the University of Nairobi, School of Business. The objective of the study is to determine the strategies adopted by Adept Systems to achieve competitive advantage. The responses will be treated with utmost confidence.

1. What is your title in the firm?
2. Length of service
3. Department/section
4. Does Adept Systems have the following?
 - a. Strategic plan
 - b. Vision statement
 - c. Mission statement
 - d. Departmental/section plans
5. What competitive strategy has Adept Systems deployed so as to gain competitive advantage?
6. What is Adept Systems strategy around cost leadership?
7. Does Adept Systems differentiate its products? In what ways is this achieved?
8. How does Adept Systems employ focus strategy as a way of gaining competitive Advantage?
9. Other than the above mentioned strategies of cost leadership, differentiation and focus what other strategies does the company apply to remain competitive?
10. What challenges does Adept Systems face in applying cost leadership strategies?
11. What challenges affect Adept Systems ability to differentiate its products?
12. How has adoption of the above challenges helped adept systems remain competitive in the East African Market?