

**STRATEGIES ADOPTED BY BIDCO OIL REFINERIES LIMITED IN THEIR
OPERATIONS WITHIN EAST AFRICA**

By

FRANCIS VENANT MUNYURWA

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

2015

DECLARATION

This research project is my original work and has not been submitted for examination to any other university.

Signed.....

Date.....

Francis VenantMunyurwa

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

Sign.....

Date.....

Eliud O. Mududa

Lecturer

School of Business

University of Nairobi

DEDICATION

This is dedicated to my family and all great individuals who contributed to make it a success.

ACKNOWLEDGEMENTS

I would like to record my sincere appreciation of my supervisor Mr. E.O. Mududa for steering and assisting me during this study.

And, finally, a wonderful thanks to my wife and my children for creating space for me to study and for all your love and support.

ABSTRACT

The strategy implementation in manufacturing firms is assumed as a multi dynamic activity within strategic management process, which is possible to be responsible for any changes within the general culture, structure, resource mobilization and management system of the whole organization. Strategies should be decisions that shape the long term capabilities of the company's operations and their contributions to overall strategy through ongoing reconciliation of market requirements and operations resources. An effective strategy gives a firm three benefits: It's a source of economic gain, it provides framework for resource allocation and guides the firms' decision regarding management and organization. To ensure survival and success firms need to be able to manage threats and exploit opportunities. This requires the formulation of strategies that constantly match capabilities to environmental requirements. The study reviewed the strategies adopted by Bidco oil refineries limited in their operations within East Africa. The study employed a case study research design. Qualitative data collected was analyzed using content analysis technique. Primary data was collected using an interview guide which was administered to operations Managers (middle and lower managers) and business development managers at the company. The study established that a business strategy is adopted when the organization wants to create high levels of business in one or more of its areas of operations or business units. Bidco oil refineries limited has several tactics that influence their performance. The aim is to help the company succeed with the goal of long term survival and the ability to produce useful output throughout the manufacturing works. It indicated that Bidco Oil Refineries Limited face a large number of problems of about equal importance, but only a few solutions during the period of strategy implementation. In order to identify and to solve many of the problems, the company challenges the problem solving capabilities of those in charge. In many cases, the managers restructure and redevelop the creative process which is used to approach in order to produce new ideas and perspectives. Strategic plan has shed light on the company's unique strengths and relevant weaknesses, which has enabled it to pinpoint new opportunities and the causes of current or projected problems. Since they (managers) have been committed to the strategic plan implementation, it has provided an invaluable blueprint for growth and revitalization that things are done in a more businesslike, more profitable or more satisfying way. The rapid growth of competition in the company is often quoted as a reason for wanting to understand more about the creative process which has enabled the company to thrive through the whole of East Africa. The research concludes that Bidco oil refineries limited must now analyze their future growth strategies to cope with today's market conditions which are at a high rise. The study recommends that Bidco Oil Refinery Limited should ensure that their strategic policies are well developed and appropriate implementation steps are taken to help steer and guide its operations. The company should adopt and comply with existing sustainability best practices used by world class manufacturing firms which are not limited to the reduction, reuse and recycling strategy.

ABBREVIATIONS AND ACRONYMS

SME's: Small and Medium-Sized Enterprises

GDP: Gross Domestic Product

CEO: Chief Executive Officer

NSE: National Stock Exchange

NGO's: Non-governmental Organizations

IET: International Entrepreneurship Theory

TQM: Total Quality Management

IT: Information Technology

TABLE OF CONTENTS

DECLARATION.....	ii
ACKNOWLEDGEMENTS	iv
ABSTRACT.....	v
ABBREVIATIONS AND ACRONMYS	vi
CHAPTER ONE: INTRODUCTION	1
1.1 Background.....	1
1.1.1 Concept of Strategy.....	2
1.1.2 Business Strategies.....	3
1.1.3 Appropriate strategies for SMEs.....	4
1.1.4 Manufacturing Sector in Kenya	5
1.1.5 Food Processing Industry in Kenya	6
1.1.6 Bidco Oil Refineries Limited.....	7
1.2 Research Problem.....	7
1.3 Research Objectives.....	9
1.4 Value of the Study.....	9
CHAPTER TWO: LITERATURE REVIEW.....	10
2.1 Introduction.....	10
2.2 Theoretical Foundation.....	10
2.2.1 Network Theory	10
2.2.2 International Entrepreneurship Theory (IET)	11
2.3 Business Strategy.....	12
2.4 Strategies Adopted in Manufacturing Operations.....	13
2.4.1 Manufacturing Strategy.....	13

2.4.2 Capabilities Strategy.....	14
2.4.3 Quality Strategy	14
2.4.4 Cost Strategy.....	15
CHAPTER THREE: RESEARCH METHODOLOGY.....	16
3.1 Introduction	16
3.2 Research Design.....	16
3.3 Data collection.....	16
3.4 Data Analysis	16
CHAPTER FOUR: DATA ANALYSIS RESULTS AND DISCUSSION.....	17
4.1 Introduction.....	17
4.2 Influence of various strategies adopted by Bidco oil refineries limited in their operations within east Africa.	18
4.2.1 Influence of business strategy Bidco oil refineries limited.....	18
4.2.2 Influence of increasing cultural awareness and declining cultural barrier	18
4.3 Roles of various strategies adopted by Bidco oil refineries limited in their operations within east Africa.....	19
4.3.1 Role that creativity plays in improving operations of Bidco Oil Refineries Limited.....	19
4.3.2 Role of lean manufacturing in improving operations of Bidco Oil Refineries Limited.....	20
4.3.3 The role of strategic planning in boosting operations of Bidco Oil Refineries Limited.....	20
4.3.4 The role of entrepreneurial strategy.....	21
4.3.5 Role of networking of people-style of operations management in boosting operations of Bidco Oil Refineries Limited.....	21
4.4 Corporate entrepreneurship practices in Bidco Oil Refineries Limited	21
4.5 Effects of various factors of the strategies adopted by Bidco oil refineries limited in their operations within East Africa	22
4.5.1 Effect of deployment of resources Bidco Oil Refineries Limited in their operations within East Africa.....	22

4.5.2 Effect of manufacturing strategies adopted by Bidco Oil Refineries Limited.....	23
4.5.3 Effects of capabilities strategies adopted by Bidco Oil Refineries Limited	23
4.5.4 Effects of Total Quality Management (TQM) in Bidco Oil Refineries Limited	23
4.5.5 Effects of advancements in technology at Bidco Oil Refineries Limited	24
4.6 The company's competitors and structural and infrastructural decision patterns practiced in their operations within East Africa	24
4.7 Quality and cost strategies adopted by the company	25
4.8 Measures that could be implemented to counter the challenges facing strategies adopted by Bidco Oil Refineries Limited in their operations within East Africa	26
4.9 Future of Bidco oil refineries limited	27
4.10 Discussion of the findings.....	27
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	29
5.1 Introduction.....	29
5.2 Summary of the Findings	30
5.3 Conclusion	31
5.4 Recommendations.....	32
5.5 Implication on Policy and Practice.....	33
5.6 Limitations of the Study	33
5.7 Suggestion for Further Research	34
REFERENCES.....	35
REFERENCES.....	35
APPENDIX: INTERVIEW SCHEDULE	40

CHAPTER ONE: INTRODUCTION

1.1 Background

The world is now rapidly changing and according to Anyango (2005), all organizations lend themselves to the external environment which is highly dynamic and continually presents opportunities and challenges. Organizations being environment dependent have to constantly adopt activities and internal configurations to reflect the new external realities and failure to do this may put future success of an organization in jeopardy (Aosa, 1998). Today's customers are becoming more knowledgeable, their tastes, preferences and quality expectations continue to change and this puts pressure on organizations which seek to meet these changing customer's needs (Mukule, 2006). In a country like Kenya which has limited resources, market share and new competitive challenges, implementation of strategies in organizations is important. In order for firms to survive the growing competitiveness brought by the environment the strategies they adopt should meet the demands in the market.

Network theorists see firm's internationalization as a natural development from network relationships with foreign individuals and firms, especially manufacturing firms (Johansson & Mattson, 2008). Networking is seen as a source of market information and knowledge, which are often acquire in longer terms when there are no relationships with the host country. Networking strategy implementation has therefore been increasingly the focus, particularly because the process from strategy formulation to strategy implementation is not effective and therefore not adequate in today's business background (Heracleous, 2000).

According to international entrepreneurship theory, the key to internationalization nowadays is the entrepreneur. Entrepreneur is the one that possesses the skills and enough information to measure the opportunities in the market with ability to create and make stable relationships with other firms, suppliers, customers, government and media. Entrepreneur can be the one that has experiential and objective knowledge.

Strategy implementation has therefore been increasingly the focus of numerous studies, particularly because the process from strategy formulation to strategy implementation is not effective and therefore not adequate in today's business background (Heracleous, 2000). Currently, the strategy implementation in manufacturing firms is assumed as a multi dynamic activity within strategic management process, which is possible to be responsible for any changes within the general culture, structure, resource mobilization and management system of the whole organization. Furthermore, the strategy implementation in business management is investigated (Grundy, 1998; Hauc and Kova, 2000). Implementation has been described as “total of the activities and choices required for a strategic plan the process by which strategies and policies are put into action” (Wheelen and Hunger, 2009).

Bidco Oil Refineries in Kenya has positioned itself as a powerhouse and source of consumable fats and oils in Kenya and the East African region as manifested in its continuous release of innovative products as engrained in the principles of Kaizen, presenting a serious competitive force within its industry resulting in some rival firms either abandoning the manufacture and distribution of some of their products that directly rival those of Bidco.

1.1.1 Concept of Strategy

According to Mukule (2006) one of the concepts which have developed and is useful to management is strategy. The importance of this concept has been underscored by various leading management scholars and practitioners. The concept of strategy has been borrowed from the military and adapted for use in business. Strategy is a term that comes from the Greek *strategia*, meaning “generalship”. In the military, strategy often refers to maneuvering troops into position before the enemy is actually engaged. In business as in the military strategy bridges the gap between policy and tactics, together strategy and Tactics Bridge the gap between ends and means. Strategy can be defined as competitive moves and business approaches that managers are employing to grow the business (Thompson et al, 2008).

Strategy can also be defined as a course of action created to achieve long term goal (Plunkett et al, 2008) According to Ogollah (2006) strategies an organization pursues have a major impact on its performance relative to its peers. The environment can be relatively stable or turbulent; each level of turbulence requires a different strategy to match (Anyango, 2005). Strategy in turn has to be matched by appropriate capability for survival, growth and development (Ansoff& McDonnell, 1990). According to Foster (2002) strategies should be decisions that shape the long term capabilities of the company's operations and their contributions to overall strategy through ongoing reconciliation of market requirements and operations resources. According to Walker (2004) an effective strategy gives a firm three benefits: It's a source of economic gain, it provides framework for resource allocation and guides the firms" decision regarding management and organization.

1.1.2 Business Strategies

To ensure survival and success firms need to be able to manage threats and exploit opportunities. This requires the formulation of strategies that constantly match capabilities to environmental requirements. A business strategy can be defined as a tactic used by management to expand the consumer market for company's product. In order to search for expansion opportunities in the environment organizations use business strategies. Business strategy is adopted when the organization wants to create high levels of business in one or more of its areas of operations or business units. Growth can be achieved internally by investing and externally by acquiring additional units (Plunkett, 2008).

According to Pearce (1997) business strategies are comprehensive approaches guiding the major actions designed to achieve long term objectives. He states that strategic managers recognize that short run profit maximization is rarely the best approach to achieving sustained corporate growth and profitability. He states that if impoverished people are given food, they will eat it and remain impoverished however if they are given seeds and tools and shown how to grow crops they will be able to improve their condition permanently. For most strategic managers the solution is clear, distribute a small amount of profit now but sow most of it to increase the likelihood of a long term supply. Long

term objectives are the results a firm seeks to achieve over a specified period of time typically five years. Long term objectives include; increased profitability, productivity, employee development, technological leadership and public responsibilities among others.

In order to implement successful business strategies it requires management to communicate the importance of growth and strengthen the creation and circulation of new ideas to the employees. According to Prevost (2002) the true cup of business success is not found in adopting the latest efficiency technique rather it consists of understanding your business and making the various parts work smoothly together.

1.1.3 Appropriate strategies for SMEs

In order to succeed with the goal of long term survival and the ability to produce useful output manufacturing companies continuously make decisions regarding *e.g.* the deployment of resources. Irrespective of whether the decisions are conscious or not, they determine how the company is operated. By actively taking charge over the decisions the competitive position of a company can be shaped over time. In this, manufacturing strategy plays an integral part. Manufacturing strategy as a concept was first recognized by Skinner (1969), referring to a manufacturing strategy as to exploit certain properties of the manufacturing function to achieve competitive advantages. Hayes and Wheelwright (1984) describe manufacturing strategy as a consistent pattern of decision making in the manufacturing function linked to the business strategy. Swamidass and Newell (1987) describe manufacturing strategy as a tool for effective use of manufacturing strengths as a competitive weapon for achievement of business and corporate goals.

The overall and overarching goal of any company is long time survival and the ability to produce useful outputs. In manufacturing companies the outputs are usually products offered to customers resulting in profits divided by its owners. Within the subject of Production Economics is one leg concerned with how manufacturing companies deploy there, potentially scarce, resources into the process of transforming inputs to useful outputs. In this, manufacturing strategy offers a structured approach to decision making in facilitating an economic production. Lately, manufacturing strategy has been

augmented to also incorporate service operations and is hence often labelled operations strategy. Operations management is defined as “the planning, scheduling, and control of activities that transform inputs to finished goods and services” (Cox and Blackstone, 2002) which clearly corresponds to the administrative role of production economics. Operations management is subordinated manufacturing strategy, *i.e.* strategy precedes management. While manufacturing strategy is concerned with providing long term guidelines, operations management is more concerned with the tactical actions taken to plan, schedule and control the value adding activities.

1.1.4 Manufacturing Sector in Kenya

Manufacturing is the art of transformation of raw materials into either intermediate goods or final products through a mechanized process. Kenya’s manufacturing sector is among the key productive sectors identified for economic growth and development because of its immense potential for wealth, employment creation and poverty alleviation. Kenya is mainly agro-based and characterized by relatively low value addition, employment, and capacity utilization and export volumes partly due to weak linkages to other sectors. The intermediate and capital goods industries are also relatively underdeveloped, implying that Kenya’s manufacturing sector is highly import dependent. The manufacturing firms face challenges, among them limited market access, poor reputation, poor relationships with the government and the public, corruption and high cost of labor. They are also affected by high cost of capital required to set up a manufacturing firm. The Kenyan Manufacturing sector contributes to 10% of the Gross Domestic Product (GDP), 13% of formal employment and 12.5% of exports. As at March 2008 there were approximately 2,300 manufacturing firms registered under the sector with a majority of 80% being owned by Kenyans. Most manufacturing firms are family-owned and operated. In addition, the bulk of Kenya’s manufactured goods (95 per cent) are basic products such as food, beverages, building materials, plastic house ware and basic chemicals. Only 5 per cent of manufactured items, such as pharmaceuticals, are in skillintensive activities.

During the last decades, the business environment in which manufacturing companies compete has undergone tremendous change. Today, manufacturing companies face challenges from changing customer patterns and globalization. Markets are changing

rapidly and customers are expanding their requirements such as short product life cycles and short time-to-market as well as customization. Globalization has resulted in an almost limitless flow of information and communication and to be competitive it is no longer sufficient to be the leading manufacturer in a country. To be able to maintain manufacturing industry in Kenya, manufacturing companies must be competitive on a global market and efficiently provide what customers demand. A majority of all manufacturing companies are small or medium-sized; they are the backbone of any national economy and thus key drivers of economic growth. This calls for special attention to the conditions for small and medium-sized enterprises (SMEs). Despite their prevalence, SMEs are more vulnerable to external influences than larger companies, as they lack market power, compete on domestic markets and are often subcontractors to larger companies (Gunasekaran *et al.*, 2011). A major challenge for manufacturing SMEs is to remain competitive in the long term in this highly competitive environment. Therefore, it is essential that SMEs take advantage of their capabilities and meet market requirements (Hudson Smith and Smith, 2007).

1.1.5 Food Processing Industry in Kenya

The Kenyan food-processing sector, which includes food, beverages and tobacco, remains the largest component of the manufacturing industry. In terms of structure, economic contributions, and performance within the manufacturing sector, this sector is the most important and largest comprising of over 1,232 food processing firms, encompassing everything from small family organizations to large multinational companies. Out of 525 manufacturing firms registered by Kenya Association of Manufacturers 21.7 percent are foods processing firms (KAM, 2012). Fruit and vegetable processing is being driven by the private sector, with the public sector helping facilitate the export process. Kenya produces frozen products (French beans, snow peas, juice concentrates); canned products like baby corn, pineapple slices and dehydrated products such as onions, cabbages and carrots. Famous names such as Del Monte are active in this area.

According to Kenya National Bureau of Statistic (2012) the sector grew by 2.1 percent and contributes to the country's gross domestic product by 28.7 percent by 2012. The

sector also faces challenges including: high production cost resulting from high; energy, raw material, labor and transport costs, slow development and implementation of policies and use of obsolete technologies and skills, competition from sectoral association and environmental degradation (GOK, 2012).

1.1.6 BidcoOil Refineries Limited

BidcoOil Refineries Limited is a multinational consumer goods company headquartered in Thika, Kenya with subsidiaries and distributorships across 16 countries in East Africa, Central Africa, and Southern Africa. Its products include Edible Oils, fats, margarine, laundry bars and detergents, personal care products, and animal feeds. BidcoAfrica owns over 40 brands and is the largest producer, marketer, and retailer of consumer goods in the region (Ware, 2013).

Established in 1991 primarily as a manufacturing organization, with marketing as a support function, Bidco has over the years grown in leaps and bounds and established a strong presence both locally and within East and Central Africa. Bidco remains focused on rising to the challenges of meeting and exceeding customers' needs. Bidco's aim is not only to ensure customer satisfaction, but their loyalty as well (Gitonga, 2003). As a truly customer focused organization, our belief is The Customer is King. The company plans to achieve this by offering its customer's reliable services and quality brands at the most affordable prices. Bidco produces high quality, popular products with a vision of becoming the market leader throughout Africa by 2030. The company believes that the greatest asset to any business is the customers. They are therefore committed to winning the customers loyalty to Bidco products forever.

1.2 Research Problem

Increasing globalization has resulted in intense and aggressive competition, increased customer demand and shorter product life cycles (Shields, 1997). A proper link between strategy and SMEs in manufacturing operations is the key to developing sustainable competitive advantage (Porter, 1996). One way in which organizations can respond to increasing customer demands of quality, flexibility and dependability of supply is by responding to the current changes in advanced information and manufacturing

technology. For example, Martin-Pena and Diaz-Garrido (2008) found that in a competitive environment, manufacturers are focused on quality and delivery.

Small and medium enterprises (SMEs) in manufacturing sector are the biggest manufacturing contributor to the Kenya economy. They represent the largest proportion of the manufacturing sector in Kenya. Globalization has changed the business environment of manufacturing industry in Kenya with an increase in competition and advanced manufacturing technology. According to Kassim *et al.* (2003) globalization brings in new technology and makes a developing country open to greater competition. These changes have forced SMEs, not only to compete among themselves, but also to compete with the larger manufacturing firms. Therefore, in order to sustain and remain competitive, SMEs in manufacturing need to ensure that they adopt business strategies to cope with the forces of globalization. As the firm strives to achieve a better fit with its environment, and to be more successful, sustaining and improving current performance will become critical.

Locally, studies on competitive strategies have been conducted. Odhiambo, (2008) did a survey of competitive strategies at the Standard Chartered Bank (Kenya) Limited. Gitonga, (2003) carried out a research on strategic processes and the perceived role of the CEO in the NGOs sector. Mwangi (2007) conducted an investigation on factors influencing financial competitive strategies in Kenya's securities market which was a study of firms listed at the NSE, while Kihumba, (2008) investigated the determinants of financial competitive strategies and its effects on NGOs performance in Kenya. No studies on the strategies adopted by bybidco oil refineries limited in their operations within east Africa have been done. This is despite the increased rate of competitive strategies being adopted each and every day to ensure sustained competitiveness in the current drastic and changing manufacturing sector. It is in this light that the researcher aims to answer the following research question: - what strategies have been adopted by Bidco Oil Refineries Limited in their operations within East Africa?

1.3 Research Objectives

- i. To determine the strategies adopted by Bidco Oil Refineries Limited in their operations within East Africa.
- ii. To determine the influence of the strategies on the operations of the company

1.4 Value of the Study

The study is invaluable to several stakeholders in the manufacturing sector, the policy makers as well as the scholars. The management of manufacturing sector in Kenya will find the results of this study intriguing as a source of information on what strategies are applied in the market and what they need to do in order to be competitive in the market. The immediate beneficiary of this research will be the Bidco Oil Refineries Limited where the researcher will be getting information from and therefore any recommendation made by the researcher will be directly addressing issues that affect Bidco Oil Refineries Limited.

The policy makers will obtain knowledge of the industry dynamics and the responses that are appropriate and specific for Bidco Oil Refineries Limited; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector.

The study will provide information to potential and current scholars on strategic management. This will expand their knowledge on competitive strategies and also identify areas of further study. Moreover, the researcher and other academicians will be in apposition to comprehend the concept of Competitive strategies more so in the context of the manufacturing sector for competitive advantage.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the theoretical and literature review of the study. The chapter reviews the literature on the strategies adopted by manufacturing companies in their operations.

2.2 Theoretical Foundation

This section discussed the theories that are attributed by other researchers, authors and scholars and are critical in guiding the study. This study was guided by the following theories; network theory and international entrepreneurship theory.

2.2.1 Network Theory

According to Emerson (1981) a network is a set of two or more connected business relationships, in which each exchange relation is between business firms that are conceptualized as collective actors. Network theorists see firm's internationalization as a natural development from network relationships with foreign individuals and firms (Johansson & Mattson, 2008). Networking is seen as a source of market information and knowledge, which are often acquire in longer terms when there are no relationships with the host country. Therefore, networks are a bridging mechanism that allow for rapid internationalization (Mitgwe, 2006). The emphasis of the network approach is in bringing the involved parties closer by using the information that the firm acquires by establishing close relationships with customers, suppliers, the industry, distributors, regulatory and public agencies as well as other market actors. Relationships are based on mutual trust, knowledge and commitment towards each other.

Firms establish and develop position in the market in relation to other actors in a foreign network (Johanson&Mattsson, 2008). Firms, while going abroad are engaged in a domestic network with the main goal to develop business relationship in a foreign country. Firm's position in the local network determines its process of internationalization since that position determines their ability to mobilize their resources within the network. All firms in the market are related in a way to other actors, whether

they are local or international. As actions take place on the firms interacting in the network, their activities should be coordinated in order to get a better profit from those relations. In such a way a firm can have better understanding with a supplier, or with other companies. Coordination in the market comes from the interaction of the firms involved in the network, where price is only one of the many factors influencing decision (Lindblom, 2009).

2.2.2 International Entrepreneurship Theory (IET)

According to Zahra and George (2002), the term international entrepreneurship first appeared in a short article by Morrow in 1988. Morrow (1988) suggested that advancements in technology, declining cultural barriers and increasing cultural awareness has opened once-remote foreign markets to all kinds of companies; small firms, new ventures as well as established companies. Soon after that McDougall and Oviatt's (2005) empirical study comparing domestic and international new ventures paved the way for academic study in international entrepreneurship.

International entrepreneurship deals with cross-border entrepreneurial behavior focuses on how actors discover, enact, analyze and exploit opportunities in the creation of new goods or services. Mitgwe (2006), introduced their definition of international entrepreneurship as a combination of innovative, proactive and risk seeking behavior that crosses national borders and is intended to create value in organizations. This definition has been one of the most widely accepted. Afterwards, they embraced a deeper concept of entrepreneurship, defining it as the discovery, enactment, evaluation, and exploitation of opportunities across national borders to create future goods and services (McDougall & Oviatt, 2005). Discovery refers to finding innovative opportunities. Enactment means to proactively put opportunities into use acquiring a competitive advantage. Evaluation is required to interpret the actions taken developing experience and knowledge.

International Entrepreneurship has been receiving a lot of interest from researchers and academics. According to IET, the key to internationalization nowadays is the entrepreneur. Entrepreneur is the one that possesses the skills and enough information to measure the opportunities in the market with ability to create and make stable relationships with other firms, suppliers, customers, government and media. Entrepreneur

can be the one that has experiential and objective knowledge. Since he is a risk seeker, entrepreneur is also able to commit the resources in an efficient way to achieve competitive advantage (McDougall & Oviatt, 2005). In the international entrepreneurship theory, the entrepreneur needs to be opportunity seeking and internationally experienced in order to exploit the opportunities he might see in the market and be able to commit to it through entrepreneurial activities that would be translated as entrepreneurial services.

2.3 Business Strategy

There are a number of approaches that can encourage the creativity that leads to profitable innovations within an enterprise (Herbert & Brazeal, 1999). They include inundating “creativity inclined” people with exhortations to “think outside the box”, to think “sideways” about problems and to “network” with others with different perspectives and creating unobstructed implementation channels. Others are offering rewards and recognitions to successful innovators; exhorting supervisors and gate-keepers to be receptive to new ideas, to wink at and ignore time taken from assigned projects and applied to unauthorized ideas and by-passes to bureaucratic procedures created for new ideas.

Kuratko and Hodgets (1992) contend that when attempting to create an entrepreneurial strategy, organizations should be aware that a corporation that promotes personal growth will attract the best people. Best people seek ownership and the best companies will provide it with bonus plans, stock incentive plans and profit sharing. An authoritarian management is being replaced by a networking and people-style of management, characterized by horizontal coordination and support. Corporate entrepreneurship within the corporation allows employees the satisfaction of developing their ideas without the risk of leaving the company. Further, the two authors argue that corporations must understand and develop innovation, both radical and incremental as a key element in their strategy.

Many studies have shown that business failure is largely due to an organization’s failure to plan. Norman and Thomas (2003) argue that by lacking a clearly defined strategy, a business has no sustainable base for creating and maintaining a competitive edge in the marketplace. According to Norman and Thomas (2003), businesses tend to have more

chance to succeed when there is strategic planning in the organization. They continue to reason that without a clearly defined strategy, a business has no sustainable basis for creating and maintaining a competitive edge in the market place. In other words, strategic planning can lead to increase in performance whereas performance can lead to business success. However, such statements require the support of empirical research.

2.4 Strategies Adopted in Manufacturing Operations

When a firm sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage over its rivals (Smith, 2006). The goal of many business strategies is to achieve a sustainable competitive advantage.

2.4.1 Manufacturing Strategy

In order to succeed with the goal of long term survival and the ability to produce useful output manufacturing companies continuously make decisions regarding *e.g.* the deployment of resources. Irrespective of whether the decisions are conscious or not, they determine how the company is operated. By actively taking charge over the decisions the competitive position of a company can be shaped over time. In this, manufacturing strategy plays an integral part. Manufacturing strategy as a concept was first recognized by Skinner (1969), referring to a manufacturing strategy as to exploit certain properties of the manufacturing function to achieve competitive advantages. Hayes and Wheelwright (1984) describe manufacturing strategy as a consistent pattern of decision making in the manufacturing function linked to the business strategy. Swamidass and Newell (1987) describe manufacturing strategy as a tool for effective use of manufacturing strengths as a competitive weapon for achievement of business and corporate goals. A more comprehensive definition of manufacturing strategy is provided by Plattset *al.* (1998): “a pattern of decisions, both structural and infrastructural, which determine the capability of a manufacturing system and specify how it will operate, in order to meet a set of manufacturing objectives which are consistent with the overall business objectives.” (Plattset *al.*, 1998, p.517) The definition acknowledges two key properties of manufacturing strategy content; decisions that determine the capabilities of the manufacturing system, and the existence of specific manufacturing objectives. Leong *et*

al. (1990) summarizes these into what has become the predominant model of manufacturing strategy content.

2.4.2 Capabilities Strategy

Manufacturing capabilities are characterized by the set of practices in use. The capabilities are formed by the objectives for the manufacturing system paired with the history of decisions in manufacturing related issues (Größler and Grübner, 2006). Also, dependent on the set of capabilities inherent in the system at hand different performance levels can be achieved, *i.e.* capabilities are the basis for operational performance. Hayes and Pisano (1996) suggest that a company needs to differentiate itself from its competitors on the basis of something valuable to the customer. The way to do this is to harness the benefits of various improvement programs or bundles of practices, like Lean manufacturing or TQM, “in the service of a broader manufacturing strategy that emphasizes the selection and growth of unique operating capabilities” (Hayes and Pisano, 1996). Corbett and Claridge (2002) denote capabilities as the ability of a firm to apply resources to do something and further states that capabilities form the primary basis for competition between firms.

Capabilities are identified as high-level routines or bundles of routines (winter, 2003; Zollo and winter, 2002). Compared to resources, routines and capabilities built on routines are embedded in the dynamic interaction of multiple knowledge sources and are more firm-specific and less transferable. For instance, a firm may have machines, input material, financial resources, and operators*etc.* available to manufacture their products. However, to facilitate efficient manufacture and to achieve superior performance effective routines need to be developed to make all resources work in harmony and to enable the dynamic information and knowledge exchange among individuals. Again, this clearly implies that manufacturing practices constitute a very important part in the development of manufacturing capabilities.

2.4.3 Quality Strategy

Quality is a multifaceted term. According to Garvin (1987) quality can be viewed from up to eight different perspectives; performance, features, reliability, conformance,

durability, serviceability, aesthetics and perceived quality. Within manufacturing operations the conformance dimension is most influential since it refers to the process' ability to produce products to their predefined specification reliably and consistently (Ward *et al.* 1996; Slack and Lewis, 2002). High levels of conformance quality must be attained before trying to improve any other of the performance dimensions (Nakane, 1986; Ferdows and De Meyer, 1990). The logic being that scrap and rework is the outcome from poor conformance quality which in turn requires more buffers and the like. Higher total levels of inventory increases production lead times and thus negatively influence delivery performance. Internal measures of quality performance include percentage of products that pass final inspection, scrap rate among others. Customer satisfaction is often regarded as the prime measure of external quality performance (*e.g.* Anderson and Sullivan, 1993)

2.4.4 Cost Strategy

Cost is an absolute term and measures the amount of resources used to produce the product. Slack and Lewis (2002) stress that all producers, even those whose primary source of competitiveness is different from product selling price, will be interested in keeping their costs low. Every dollar removed from the operation's overall cost is a dollar added to the bottom line profits. Therefore cost performance is the most important of the different operational performance dimensions (Slack and Lewis, 2002), although cost often is ranked least important in empirical studies (Boyer and Lewis, 2002). Important to note is that a reduction in the actual cost of manufacturing does not necessarily translate to an equally large decrease in the products selling price, *i.e.* there are managerial degrees of freedom in the distribution of cost reductions.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter details the methodology employed in the study. It discusses the research design, data collection and analysis and why they are the most preferred for the study.

3.2 Research Design

This research was conducted through a case study. A case study is preferred because it enables the researcher to have an in-depth understanding of the single instance, Bidco Oil Refineries Limited. According to Cooper and Schindler, (2006) case studies place more emphasis on a full contextual analysis of fewer events or condition, and their inter relations. According to Kothari (2000) research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. This research will be conducted through a case study.

The study used secondary data. Secondary data refers to already published data that had been collected for other use other than the current one. Secondary data is mainly collected from periodicals, publications, economic reviews, annual company accounts and commercial sources (Kothari, 2000).

3.3 Data collection

Primary data was collected using an interview guide which was administered to operations Managers (middle and lower managers) and business development managers at Bidco Oil Refineries Limited as the respondents. An interview guide was used as it enables oral administration of questions in a face-to-face encounter therefore allowing collection of in depth data. This involved in-depth discussion through individual meetings with the senior operations managers. With unstructured questions, a respondent's response give an insight to his feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back (Copper and Schindler, 2006).

3.4 Data Analysis

The qualitative data collected was analyzed using content analysis technique. According to Mugenda and Mugenda (2003) the main purpose of content analysis is to study the

existing information in order to determine factors that explain a specific phenomenon. According to Kothari (2000), content analysis uses a set of categorization for making valid and replicable inferences from data to their context.

The responses from different respondents was compared and summarized according to the objectives of the study. Content analysis is the best method of analyzing the open-ended questions because of its flexibility and allows for objective, systematic and quantitative description of the content of communication (Cooper and Schindler, 2006).

CHAPTER FOUR:DATA ANALYSIS RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis and discussions. The study objective was to establish the strategies adopted by Bidco oil refineries limited in their operations within east Africa. Primary data was collected using an interview guide which was administered to

Operations Managers (middle and lower managers) and business development managers at Bidco Oil Refineries Limited as the respondents. The data was thereafter analyzed based on the objectives of the study and the findings are as presented as per the different classes underlined below.

4.2 Influence of various strategies adopted by Bidco oil refineries limited in their operations within east Africa.

Questions were put to the respondents who are mainly the middle level managers at Bidco, with the objective of understanding the main factors that influences strategic choices adopted by Bidco oil refineries limited.

4.2.1 Influence of business strategy Bidco oil refineries limited

A business strategy can be defined as a tactic used by management to expand the consumer market for company's product. Business strategy is adopted when the organization wants to create high levels of business in one or more of its areas of operations or business units. The respondents answered to this question by stating that Bidco oil refineries limited has several tactics that influence their performance. The aim is to help the company succeed with the goal of long term survival and the ability to produce useful output throughout the manufacturing works. The company continuously makes decisions regarding, for example, the deployment of resources and operations management. The respondents stated that irrespective of whether the decisions are conscious or not, they determine how the company is operated. Operations management is more concerned with the tactical actions taken to plan, schedule and control the value adding activities.

4.2.2 Influence of increasing cultural awareness and declining cultural barrier

Cultural awareness is the ability to be open to changing attitudes about global cultures and ways of living. It is allowing a company to take a step out of the confines of the business culture (but still being aware of that) and acknowledge, accept and appreciate the differences of other cultures. The interviewees were asked about the influence of increasing cultural awareness in Bidco oil refineries limited. They stated that cultural awareness is so important because it has a huge impact on communications and

negotiations, especially within the company. Cultural awareness is hugely important in the increasingly international and global communities. The company is increasingly working within a global market and with multicultural teams.

They further explained that when it is addressed properly it can actively build great cross cultural business relations however when ignored or not thought of as anything important the lack of cultural awareness can lead to breakdowns in communication and business relationships. On the question of declining cultural barrier differences, the interviewees explained that their company realised that cultural differences can lead to both benefits and problems. They stated that they are willing and able to use cultural differences to create new and alternative solutions to the company operations. An open mind to diversity can create valuable new skills, attitudes and behaviors within the company.

4.3 Roles of various strategies adopted by Bidco oil refineries limited in their operations within east Africa

The study sort to understand the roles of various strategies adopted by Bidco oil refineries Limited in their operations across East Africa. Through their responses, the respondents discussed in details various strategies adopted and their impacts.

4.3.1 Role that creativity plays in improving operations of Bidco Oil Refineries Limited

Creativity is an important human resource which exists in all companies. Companies have to try to make use of this resource by devising settings which permit creative talents to thrive. Creativity is very much concerned with how companies imagine things. The majority of organisations are fully aware of just how vital creativity is to their prosperity. The respondents answered to this question by stating that Bidco Oil Refineries Limited faces a large number of problems of about equal importance, but only a few solutions. Thus the chance of finding a solution to a particular problem is small. In order to identify and to solve many of the problems the company challenges the problem solving capabilities of those in charge. In many cases, the managers restructure and redevelop the creative process which is used to approach in order to produce new ideas and perspectives. Creativity turns up in the company's situation where there is a chance

that things are done in a more businesslike, more profitable or more satisfying way. The rapid growth of competition in the company is often quoted as a reason for wanting to understand more about the creative process which has enabled the company to thrive through the whole of East Africa.

4.3.2 Role of lean manufacturing in improving operations of Bidco Oil Refineries Limited

Lean manufacturing is a management philosophy focusing on reduction of many different types of waste in order to improve overall customer value. The role of lean manufacturing in Bidco Oil Refineries Limited is production flow, planning, organization and performance measures. It is focused on defining products, equipment and workflows that can be produced in small lot production runs being “pulled” by downstream customer demands. It is oriented to getting the product to the customer in the shortest period of time and at the lowest cost with superior quality and customer satisfaction.

The production flow is oriented to getting the product to the customer in the shortest period of time and at the lowest cost with superior quality and customer satisfaction. The interviewees also stated that performance measures must be developed in a hierarchy that is cascaded upward and downward within the company. The measures should be understandable, simple to administer and enable management and team members to easily make decisions and take action when appropriate.

4.3.3 The role of strategic planning in boosting operations of Bidco Oil Refineries Limited

Strategic planning is a method a company and its individual work-units define their goals and objectives. The interviewees responded to the question on whether strategic planning play a role in boosting operations in the company. They explained that what the strategic plan has done is to shed light on the company’s unique strengths and relevant weaknesses, which has enabled it to pinpoint new opportunities and the causes of current or projected problems. Since they (managers) have been committed to the strategic plan implementation, it has provided an invaluable blueprint for growth and revitalization that

has enabled the company to take stock of where it has been, determine where it wanted to go and chart a course to get there. The company operations have been growing rapidly because of successful strategic planning.

4.3.4 The role of entrepreneurial strategy

Mounting evidence suggests that the entrepreneurial activities of companies play a key role in determining the success of a company. The interviewees stated that Bidco Oil Refineries Limited face considerable pressure to quickly and effectively respond to local market needs. The entrepreneurial strategy help them in achieving global efficiency. The entrepreneurial strategy has also helped the company seize the opportunity created by ongoing changes in the global market place by pursuing innovative ventures and engaging in radical innovation that help promote their business operations.

4.3.5 Role of networking of people-style of operations management in boosting operations of Bidco Oil Refineries Limited

Operations management is the responsibility of managers engaged to produce goods or services. The respondents stated that it is concerned with creating, operating and controlling a trans-formational process that takes inputs from a variety of resources and produces out-puts of goods and services, to satisfy customer demand. Networking and people-style of operations management has a considerable influence on the quality, cost and availability of an organization's goods or services. These, in turn, have a direct bearing on the company's achievement of its other main objectives specifically where it increases its profitability and market share, provides a reasonable return for investors and contributes to the wellbeing of the company.

4.4 Corporate entrepreneurship practices in Bidco Oil Refineries Limited

Corporate entrepreneurship is an organizational process that contributes to a firm's survival and performance and therefore, necessary for firms of all sizes to prosper and flourish in competitive environments. The interviewees were asked if their company practiced corporate entrepreneurship, they stated that the company practices it because it has various benefits in the operations of the business. There has been growing interest in

the use of corporate entrepreneurship as a means for corporations to enhance the innovative abilities of their employees and increase corporate success.

The reasons cited for encouraging corporate entrepreneurship in the company included developing cost effective solutions to meet the challenges of global competition, taking advantage of the in-house genius, to innovate, to improve flexibility, competitiveness, and reactivity, to avoid losing business to startups, and to exploit new market opportunities. They also stated that the company corporate entrepreneurship has been of great importance. It has helped the company in the organizational survival, growth, profitability and renewal and therefore, making the company more creative, innovative. Entrepreneurial has become a minimum requirement in Bidco Oil Refineries Limited so as to simply stay in the competitive game.

4.5 Effects of various factors of the strategies adopted by Bidco oil refineries limited in their operations within East Africa

Some questions were intended to collect respondents' views about the results of various strategies adopted by Bidco oil refineries limited in their operations within East Africa and their responses revealed following outcomes.

4.5.1 Effect of deployment of resources Bidco Oil Refineries Limited in their operations within East Africa

Although resources are instrumental to a competitive advantage, management must effectively deploy an organization's resources for an advantage to be realized. The interviewees stated that the deployment of resources substantially accelerate development of Bidco Oil Refineries Limited under certain conditions. The company can detect effects of the different amounts of demonstration and deployment investment in pilot, demonstration, and pioneer scale bio refineries. The size of the effect of this type of deployment of resources in simulation results depends heavily on other conditions, such as incentives, baseline scheduled bio refinery investments, and techno-economics. The deployment investment effects that were detected in the company include accelerated industrial learning, bio refinery construction, and biofuel production in the targeted pathways.

4.5.2 Effect of manufacturing strategies adopted by Bidco Oil Refineries Limited

On the question about manufacturing strategies, the interviewees stated that there is always an increasing bio refinery construction and biofuels production when additional deployment investment is combined with a production incentive. While simulation results cannot precisely predict real-world events, these results suggest that deployment of resources can accelerate the company's development if conditions are sufficiently favorable. Bidco Oil Refineries Limited has deployed Enterprise Resource Planning (ERP) systems as their manufacturing strategies. Benefits they have gained are better financial control, production planning, plant maintenance, sales and distribution, quality, increased visibility in the supply chain, material payroll management and business intelligence foresight.

4.5.3 Effects of capabilities strategies adopted by Bidco Oil Refineries Limited

Capabilities are identified as high-level routines or bundles of routines. Compared to resources, routines and capabilities built on routines are embedded in the dynamic interaction of multiple knowledge sources and are more firm-specific and less transferable. In this question, the interviewees stated that Bidco Oil Refineries Limited have machines, input material, financial resources, and operators which are available to manufacture their products. They also stated that in order to facilitate efficient manufacture and to achieve superior performance, they were planning to develop effective routines to make all resources work in harmony and to enable the dynamic information and knowledge exchange among individuals.

4.5.4 Effects of Total Quality Management (TQM) in Bidco Oil Refineries Limited

On the question about TQM, the interviewees stated that it is a management philosophy that is intended to empower every member of the company. TQM is intended to promote continuous, sustained, and long term improvement in quality and productivity and to eliminate employees' fear of change in the company. Its basic principle is that the cost of prevention is less than the cost of correction. They explained that it is capable of delivering real competitive advantage. The TQM approach integrates the fundamental techniques and principles of quality function deployment, statistical control, and existing

management tools in a structured manner. Through TQM practices, the company is able to focus on continuous process improvement within the company to provide superior customer value and meet customer needs.

4.5.5 Effects of advancements in technology at Bidco Oil Refineries Limited

The researcher sought to determine how advancements in technology affect Bidco Oil Refineries Limited in their operations. The respondents indicated that technology influences the performance of Bidco Oil Refineries Limited to a high extent. The managers in Bidco Oil Refineries Limited are totally dependent on technology to achieve their organization's goals and objectives. Technology enables the company to compete. According to the respondents, the company has a vital role to play in developing business strategy and framing the business technology strategy defining the technology direction for the organisation in future years to achieve competitive advantage.

The company acquired a developing strategy to fuse IT strategy and business strategy in the development stage, making technology a fundamental building block of business strategy. Developing IT strategy in conjunction with the business, IT has a greater opportunity to influence the business agenda through technology innovation. However, the interviewees approved that there are some challenges they face in the technological advancement. They listed poor and labor intensive technologies, low skilled and inexperienced personnel and lack of enough capital to acquire technologies, which are some of the technological advancements affecting the operations of Bidco Oil Refineries Limited companies within East Africa.

4.6 The company's competitors and structural and infrastructural decision patterns practiced in their operations within East Africa

The interviewees were asked if they knew the competitors of Bidco Oil Refineries Limited. They responded that Bidco Oil Refineries Ltd is set to maintain its strong leading position in oils and fats with a value share of 46%. However, it has several competitors. Kapa Oil Refineries Limited is one of the competitors which is expected to follow in second position with a 24% value share. Unilever Kenya is another competitor which is expected to be in third position with a 15% value share. They gave examples by

stating that Unilever's Blue Band spreadable oils and fats brand is set to be the leading oils and fats brand overall in East Africa. Bidco's Elianto corn oil brand is the second biggest brand overall with a projected value share of 9%. Kapa Oil's Rina vegetable and seed oil brand and Prestige margarine brand are set to account for 8% and 7% of total oils and fats retail value sales respectively in 2015. They said if the company relaxes in a moment, it might be overtaken by one of these companies.

Infrastructure is resilient, coordinated and it contributes to a sustainable and inclusive lift in economic performance and living standards. The interviewees stated that Bidco Oil Refineries Limited practice structural decisions which include decisions on capacity, facility, the investment in technology and vertical integration. Infrastructural decision category addresses more tactical issues which affect the people and systems that make manufacturing work. The infrastructural decisions may include decisions on workforce, quality, production planning and organization.

Structural and infrastructural decisions are the two sides of the same manufacturing process. So they must be related to each other. The respondents suggested that the distinction between structure and infrastructure was analogous to the distinction in the company operations. The fixed, long-term and often unrecoverable investments of the company in durable or facilities are analogous to the company's operations. They stated the two key properties of manufacturing strategy content which are decisions that determine the capabilities of the manufacturing system and the existence of specific manufacturing objectives.

4.7 Quality and cost strategies adopted by the company

The qualities adopted by Bidco Oil Refineries Ltd are the expansion into new businesses, restructuring, improving performance, cost sharing, pooling of resources and developing products, technologies and resources. This enables the company to strategically respond to the operations of the business. This is in line with who stated that internationally diversified firms have greater opportunities to leverage strategic resources while simultaneously diversifying market risks, thus raising their performance. This implies that adopting diversification strategies in response to the company's operations enhance

productivity and improve in delivery of the services thereby improving the company's competitiveness.

There are several cost strategies that Bidco oil refineries limited have adopted. The interviewees listed and explained a number of them. These are; contract renegotiation, which is among the most appealing cost management strategies, because savings drop right to a company's bottom line and it is not focused on headcount reduction at a time when employees are understandably nervous about job security. The second one is reviewing and shared service incentives. The company has chosen to organize functions present in more than one business unit, for example customer service call centers, procurement, document production, and information technology, into shared services. They stated that the transfer pricing and chargeback is a very effective tool which helps the company to reduce its usage of products and services that are out of favor and to take maximum advantage of scale economies.

The third cost strategy stated was reassessing and updating project portfolio. They explained that over time, the company's project portfolio comes with idle paraphernalia collecting dust, unlikely ever to be used as intended, if at all. Indiscriminate cancellation of the company's projects has never been the answer. That has been a recipe for underperformance when the economy turns, as it undoubtedly will. The goal, even in a recession as difficult as the one they always experience, is to achieve attainable benefits at a substantially lower cost. The key to this is a dispassionate process that plots up-to-date assessments of each project's benefits against costs, risks, and barriers to implementation and eliminate those that fail to clear the necessary hurdles in the company.

4.8 Measures that could be implemented to counter the challenges facing strategies adopted by Bidco Oil Refineries Limited in their operations within East Africa

The company should learn to solve challenges as they arise. This will help curb the problems from piling in the company. Doing this will effectively empower Bidco's staff to resolve operating issues by themselves. This is important as other similar systems often require outsourced support which is costly and time-consuming. Bidco should also

continuously utilize internet in their business in all their East African branches. This will give the company the opportunity to tap into new markets and venture outside of Kenya's borders. Internet will enable the company to share information and automate processes between the company, suppliers and customers. By leveraging Internet technologies, the company will effectively eliminate geographic and time barriers to streamline the business processes and reduce costs while, at the same time, create new ways of growing the business and delivering value and services to customers.

4.9 Future of Bidco oil refineries limited

Bidco currently has a large market share in Kenya and has an aim of having 51% market share in Sub-Saharan Africa. The company is progressing rapidly. The interviewees stated that its aim is to become one of the leading oil refineries in Africa by the year 2030. The company will make it since it has a guarantee of rapid deployment with measurable benefits resulting in sustainable long-term relationships with its customers.

4.10 Discussion of the findings

The study identified the influence of business strategy in Bidco Oil Refineries Limited. It stated that the aim of business strategy is to help the company succeed with the goal of long term survival and the ability to produce useful output throughout the manufacturing works. The company continuously makes decisions regarding, for example, the deployment of resources and operations management. The study stated that irrespective of whether the decisions are conscious or not, the business strategies determine how the company is operated. The study findings are in line with (Plunkett, 2008) who states that business strategy is adopted when the organization wants to create high levels of business in one or more of its areas of operations or business units. He also states that growth can be achieved internally by investing and externally by acquiring additional units.

The study found out the role of lean manufacturing in Bidco Oil Refineries Limited. The findings showed that lean manufacturing is focused on defining products, equipment and workflows that can be produced in small lot production runs being "pulled" by downstream customer demands. It is oriented to getting the product to the customer in the shortest period of time and at the lowest cost with superior quality and customer

satisfaction. The production flow is oriented to getting the product to the customer in the shortest period of time and at the lowest cost with superior quality and customer satisfaction. The findings are in line with (Melton, 2005) who states that lean manufacturing is on driving rapid, continual improvement in cost, quality, service, and delivery, significant environmental benefits typically "ride the coattails" or occur incidentally as a result of these production-focused efforts. Lean manufacturing techniques often create a culture of continuous improvement, employee empowerment, and waste minimization.

The study established the entrepreneurial activities of Bidco Oil Refineries Limited. The study showed that Bidco Oil Refineries Limited face considerable pressure to quickly and effectively respond to local market needs. The entrepreneurial activities help the company in achieving global efficiency. The entrepreneurial activities helps the company seize the opportunity created by ongoing changes in the global market place by pursuing innovative ventures and engaging in radical innovation that help promote their business operations. This is consistent with Johnson (2002) findings that states that to ensure survival and success firms need to be able to manage threats and exploit entrepreneurial activities.

The study also found out that corporate entrepreneurship is highly practiced in Bidco Oil Refineries Limited. It stated reasons that encourage corporate entrepreneurship in the company. This included developing cost effective solutions to meet the challenges of global competition, taking advantage of the in-house genius, to innovate, to improve flexibility, competitiveness, and reactivity, to avoid losing business to startups, and to exploit new market opportunities. The study findings are in line with Burgelman (2006) who stated that the company corporate entrepreneurship has helped several companies in the organizational survival, growth, profitability and renewal and therefore, making them more creative, innovative.

The study also found the manufacturing strategies of Bidco Oil Refineries Limited. It indicated that there is always an increasing bio refinery construction and biofuels production when additional deployment investment is combined with a production incentive. While simulation results cannot precisely predict real-world events, these

results suggest that deployment of resources can accelerate the company's development if conditions are sufficiently favorable. These findings are in line with Swamidass & Newell (1987) who describe manufacturing strategy as a tool for effective use of manufacturing strengths as a competitive weapon for achievement of business and corporate goals.

The study also established the qualities adopted by Bidco Oil Refineries Ltd. These are the expansion into new businesses, restructuring, improving performance, cost sharing, pooling of resources and developing products, technologies and resources. This enables the company to strategically respond to the operations of the business. It is also consistent with Harris (2007) findings who stated that internationally diversified firms have greater opportunities to leverage strategic resources while simultaneously diversifying market risks, thus raising their performance. This implies that adopting diversification strategies in response to the company's operations enhance productivity and improve in delivery of the services thereby improving the company's competitiveness.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary, conclusions and recommendations of the study. This study focused on establishing the strategies adopted by Bidco oil refineries limited in their operations within East Africa.

5.2 Summary of the Findings

From the findings, the aim of business strategy is to help the company succeed with the goal of long term survival and the ability to produce useful output throughout the manufacturing works. The company continuously makes decisions regarding the deployment of resources and operations management. The findings stated that irrespective of whether the decisions are conscious or not, the business strategies determine how the company is operated.

From the findings, it has been realized that creativity is very much concerned with how companies imagine things. The majority of organisations are fully aware of just how vital creativity is to their prosperity. Bidco Oil Refineries Limited faces a large number of equally important problems, with only a few solutions available. Thus, the chance of finding a solution to a particular problem is small. In order to identify and to solve many of the problems the company challenges the problem solving capabilities of those in charge. In many cases, the managers restructure and redevelop the creative process which is used to approach in order to produce new ideas and perspectives. Creativity turns up in the company's situation where there is a chance that things are done in a more businesslike, more profitable or more satisfying way.

From the findings, corporate entrepreneurship is practiced in Bidco Oil Refineries Limited. The interviewees listed various reasons for encouraging corporate entrepreneurship in the company which included developing cost effective solutions to meet the challenges of global competition, taking advantage of the in-house genius, to innovate, to improve flexibility, competitiveness, and reactivity, to avoid losing business to startups, and to exploit new market opportunities. They also stated that the company corporate entrepreneurship has been of great importance. It has helped the company in the organizational survival, growth, profitability and renewal and therefore, making the company more creative, innovative. Entrepreneurial has become a minimum requirement in Bidco Oil Refineries Limited so as to simply stay in the competitive game.

From the findings, the effects of deployment of resources substantially accelerate development of Bidco Oil Refineries Limited under certain conditions. The company can

detect effects of the different amounts of demonstration and deployment investment in pilot, demonstration, and pioneer scale bio refineries. The size of the effect of this type of deployment of resources in simulation results depends heavily on other conditions, such as incentives, baseline scheduled bio refinery investments, and techno-economics. The deployment investment effects that were detected in the company were accelerated industrial learning, bio refinery construction, and biofuel production in the targeted pathways.

From the findings, we can detect the quality strategies in Bidco Oil Refineries Limited. The interviewees listed that the expansion into new businesses, restructuring, improving performance, cost sharing, pooling of resources and developing products, technologies and resources are some of the quality strategies applied by Bidco Oil Refineries Limited. This enables the company to strategically respond to the operations of the business. Internationally diversified firms have greater opportunities to leverage strategic resources while simultaneously diversifying market risks, thus raising their performance. This implies that adopting diversification strategies in response to the company's operations enhance productivity and improve in delivery of the services thereby improving the company's competitiveness.

The study found out that despite the challenges faced by Bidco Refineries Limited, there are measures that help them curb them. The study states that the company should learn to solve challenges as they arise.

5.3 Conclusion

This study focused on the strategies adopted by Bidco oil refineries limited in their operations within East Africa. The findings have helped in drawing a conclusion of the study. The strategies adopted by Bidco oil refineries limited must now analyze their future growth strategies to cope with today's market conditions which are at a high rise. Technology and its effects have been discussed in the study. The initiation of measures that would help to counter the challenges has been discussed. The company should adopt and practice some of these relevant measures for its future success.

5.4 Recommendations

This study sought to establish the strategies adopted by Bidco oil refineries limited in their operations within East Africa. Based on foregoing critical analysis of research findings, a number of influences, effects and roles were ascertained as discussed in the section above. As a result, this study recommends that in order to improve undertakings of the company's operations,

Bidco Oil Refinery Limited should ensure that their strategic policies are well developed and appropriate implementation steps are taken to help steer and guide its operations. The policies should be well defined and top management should show commitment and support the implementation of strategic operations in the company.

Bidco oil refinery limited companies in East Africa should put in place measures aimed at consistent checking strategic operations in the company. For instance, potential risks of inputs to all stakeholders like employees, customers, and the physical environment should be critically evaluated. There should be improvement on the coordination and channeling of resources for successful implementation of strategic operations.

Bidco oil refinery limited companies in East Africa should adopt and comply with existing sustainability best practices used by world class manufacturing firms. This involves and is not limited to the reduction, re-use and recycling strategy. They should also fully align environmental management systems and strategies to the overall corporate strategy in order to improve their operationalization and remove any potential bottlenecks to facilitate flawless implementation.

Further, the company's should improve the level of integration both within and outside supply chain partners and all employees should be empowered on the strategies adopted. This can be made possible through the development of feasible structured communication systems and channels to facilitate free flow of the company's operations strategies by managing best practices related to the strategies implemented.

5.5 Implication on Policy and Practice

Some of the findings in this study call for a review in some of the policies and practices that are undertaken in the strategies adopted by Bidco oil refineries limited. The strengthening and continuous improvement of the Bidco oil refineries limited relations, as a factor of competitiveness should be an incentive for the energy policymakers to not only keep the interests of the Bidco oil refineries limited strategies in mind but to actively represent and support it as well. Policy formulation and implementation needs to be reviewed to support the strategies implemented in the company in their operations within East Africa.

Bidco oil refineries limited should practice strategies that will enable it to remain a leading company not only in East Africa but also to lead the whole of Africa. Some of these practices should be the implementation of advanced technology. The company should strive to eradicate labour intensive technology that lowers productivity. The low skilled and inexperienced personnel should be engaged in learning institutions to sharpen their skills. The company should set aside enough capital for the company workers to acquire technological advancements.

5.6 Limitations of the Study

The limitation of this study was the limit of time and scale of the research. I experienced some challenges that could have limited the achievement of the study objectives. One of the limitations was lack of cooperation from the managers in terms of availing the information in time. Some managers considered information sought to be somehow sensitive in nature for the performance and survival of the company and could have held up some important details. The operations managers were busy in their offices and so it was difficult to get an ample time to interview them. Some of the conversations would be interrupted by phone calls to an extent of leaving them hanging after some managers received important calls from the company's various departments. Sometimes, I would be forced to wait until some of them finish their meetings so as to take them through the interview. That's why it took so long to wind up the study in time.

5.7 Suggestion for Further Research

The study was undertaken on the strategies adopted by Bidco oil refineries limited in their operations within East Africa. The researcher suggests that a similar study be conducted but looking on other forms of strategies adapted by other oil companies such as Kapa oil refineries limited for comparison of results. This would help in addressing the various strategies adopted in other areas and enhancing effective business within East Africa regions and also facilitate economic growth of the companies and countries involved at large.

REFERENCES

REFERENCES

- Ansoff, H.I. and McDonnell, E. J. (1990). *Implanting Strategic Management*, 2nd Edition, Prentice Hall, Cambridge UK
- Anyango, B (2005). *Competitive Strategies Adopted by Universities in Kenya*. (Unpublished MBA research project UON).
- Aosa, E. (1998). *The leadership challenge facing kenyan organization*. The accountant
- Bennett, R.J. and Robson, P.J.A. (2003). Changing use of external business advice and government support by SMEs in the 1990s, *Regional Studies*, 37, 795-811
- Burgelman, R. A. (2006). Corporate entrepreneurship and strategic management: Insights from a process study. *Management science*, 29(12), 1349-1364.
- Cooper, D.R and Schindler, P.S. (2006), *Business Research Methods* (8th edn) McGraw-Hill: New York.
- Emerson, R., (1981). *Social Exchange Theory*. New York: Basic Books
- Foster, S. T. (2002). "On Functional Difference & Quality Understanding" *Benchmarking: An International Journal* Vol 9 Issue 1.
- Fuglistaller, U., Frey, U., & Halter, F. (2003). *Strategic Management for SMEs-A Practical Guide*; St. Gallen HSG SMEs: KMU HSG.
- Gordon Walker (2004), *Modern Competitive Strategy*, New York, Mc Grawhill Companies inc.

- Griggs, H.E. (2002). Strategic Planning System Characteristics and Organisational Effectiveness In Australian Small-Scale Firms. *Irish Journal of Management*, 23(1):23-51.
- Größler, A. and Grübner, A. (2006). An empirical model of the relationships between manufacturing capabilities, *International Journal of Operations and Production Management* 26(5), 458-485
- Hayes, R.H. and Pisano, G.P., (1994). Beyond world-class: the new manufacturing strategy. *Harvard Business Review* Jan/Feb, 77–86.
- Johanson, J., & Mattsson, L.G., (2008). —Internationalization in industrial systems: A network approach”, In: Hood, N., Vahlne, J-E., (eds), *Strategies in global competition. Croom Helm, London*, pp. 194-213.
- Johnsen, A. (2005). Determinants of non-mandatory performance measurement in Norwegian local government: A comparison of political, economic and sociological explanations. *Conference, University of Bern, Switzerland*, 31 August–3 September, 2005
- Johnsen, A. (2005). Determinants of non-mandatory performance measurement in Norwegian local government: A comparison of political, economic and sociological explanations. *Conference, University of Bern, Switzerland*, 31 August–3 September, 2005
- Johnson, G., and Scholes K. (2002). *Exploring Corporate Strategy; Texts and Cases*, Prentice Hall, New Delhi, 6th edition
- Kenya Association of Manufacturers. (2012). *Manufacturing in Kenya: Food Processing Sector*, 2012. Kenya Association of Manufacturers
- Kenya National Bureau of Statistics. (2012). *Economic Survey*, Kenya National Bureau of Statistics

- Kidd, J. B. (2001). Discovering inter-cultural perceptual differences in MNEs, *Journal of Managerial Psychology*, 16
- Kothari, C. R. (2000), *Research Methodology: Methods and Techniques*. New Delhi: Wiley.
- Koufteros, X.A., Vondersembse, M.A. and Doll, W.J., (2002). Examining the competitive capabilities of manufacturing firms, *Structural Equations Modeling* 9(2), 256–282
- Kraus, S., Reiche, S. and Reschke, H. (2008). The Role of Strategic Planning in SMEs: Literature Review and Implications. *Conference proceedings of the Annual Meeting of the British Academy of Management, Oxford, UK, September 13-15*
- Leong, G.K., Snyder, D.L. and Ward, P.T., (1990). Research in the process of manufacturing strategy, *Omega* 18(2), 109–122
- Lindblom, C.E. (2009). —The science of muddling through, *Public Administration Review*, Vol. 19, No. 19, pp.79–88.
- M.J., 1998. Testing manufacturing strategy formulation processes, *International Journal of Production Economics* 56–57, 517–523.
- McDougall, P.P. & Oviatt, B.M. (2005). Defining international entrepreneurship and modeling the speed of internationalization, *Entrepreneurship Theory & Practice*, 537-553
- Meers, K.A. & Robertson, C. (2007). Strategic Planning Practices in Profitable Small Firms in the United States; *The Business Review*, 7(1):302-307.
- Melton, T. (2005). The benefits of lean manufacturing: what lean thinking has to offer the process industries. *Chemical Engineering Research and Design*, 83(6), 662-673.
- Mintzberg H (1987). “*The Strategy Concept I: Five P’s For Strategy*”. California Management Review 30 (1)
- Mintzberg, H. & Quinn, J. B. (1991). *The Strategy Process, Concepts, Contexts & Cases*. 2nd Edition, Prentice Hall.

- Mitgwe, B. (2006). Theoretical Milestones in International Business: The Journey to International Entrepreneurship Theory, *Journal of International Entrepreneurship*. 4, 5-25.
- Mugenda, O. M. and Mugenda, A. G. (2003). *Research Methods: Quantitative and Qualitative Approaches*. Nairobi: Acts.
- Mukule, M (2006). *Retail Marketing Strategies Adopted by Commercial Banks in Kenya*. (Unpublished MBA research project UON).
- Norman, M. S., & Thomas, W. Z. (2003). *Effective Small Business Management: An Entrepreneurial Approach*. New Jersey.
- Harris, L. C. (2007). Leadership style, organizational culture and performance: empirical evidence from UK companies. *International Journal of Human Resource Management*, 11(4), 766-788.
- O'Regan, N. & Ghobadian, A. (2004). Leadership and Strategy: Making it Happen. *Journal of General Management*, 29(3):76-92.
- Pearce II, Richard B. Robinson Jr (1991). *Strategic Management Formulation, Implementation & Control*, 4th Edition.
- Platts, K.W., Mills, J.F., Bourne, M.C., Neely, A.D., Richards, A.H. and Gregory,
- Plunkett, B. Raymond, F. Attner & Gemmy S. Allen (2008). *Management: Meeting and Exceeding customer Expectation*, 9th Edition, South Western Cengage Learning.
- Scott, W. R. (1987), „The adolescence of Institutional Theory“, *Administrative Science Quarterly*, Vol. 32, No. 4, pp. 493-511
- Skinner, W., (1969). Manufacturing – the missing link in corporate strategy, *Harvard Business Review* May/Jun, 136-145.
- Swamidass, P.M. and Newell, W.T., 1987. Manufacturing strategy, environmental uncertainty and performance: a path analytic model, *Management Science* 33(4), 509–524.

- Swink, M. and Hegarty, W.H., 1998. Core manufacturing capabilities and their links to product differentiation, *International Journal of Operations and Production Management* 18(4), 374-396
- Thompson, A.A. (Jr), Strickland, A. J. II & Gamble, E. J. (2007). *Crafting & Executing Strategy. Text & Readings*. 15th Edition
- Ware, G. (2013). The rise of Africa's B-Brands, by the Africa Report; Centre for African Studies". <http://africa.harvard.edu>. Harvard University. Retrieved 13 February 2015
- Wernerfelt, B., 1984. A resource-based view of the firm, *Strategic Management Journal* 5(2), 171-180.
- Winter, S.G., 2003. Understanding dynamic capabilities, *Strategic Management Journal* 24(10), 991–995.
- World Bank (2012), *Deepening Regional Integration in the East African Community (EAC)*, Special Focus: Edition.
- Zahra, S.A. & George, G. (2002). International Entrepreneurship: The current status of the field and future research agenda, In: *Hitt, M.A., Ireland, R.D., Camp, and S.M., & Sexton, D.L., Eds, Strategic entrepreneurship: Creating a new mindset*, pp. 255-288, Oxford, UK: Blackwell Publishers.

APPENDIX: INTERVIEW SCHEDULE

1. What is the influence of business strategy to Bidco Oil Refineries Limited in their operations within East Africa? Explain?
2. What are the effects of advancements in technology at Bidco Oil Refineries Limited in their operations within East Africa? Explain?
3. Does declining cultural barrier improve operations of Bidco Oil Refineries Limited within East Africa? Explain?
4. What influence does increasing cultural awareness have on operations of Bidco Oil Refineries Limited within East Africa? Explain?
5. What role does creativity play in improving operations of Bidco Oil Refineries Limited within East Africa? Explain?
6. Does entrepreneurial strategy promote operations of Bidco Oil Refineries Limited within East Africa? Explain?
7. What is the role of networking and people-style of management in operations of Bidco Oil Refineries Limited within East Africa? Explain?
8. Is corporate entrepreneurship practiced in Bidco Oil Refineries Limited to boost their operations within East Africa? Explain?
9. Does strategic planning play a role in boosting operations of Bidco Oil Refineries Limited within East Africa? Explain?
10. What are the Manufacturing Strategies adopted by Bidco Oil Refineries Limited in their operations within East Africa? Explain?
11. What effect can deployment of resources have on Bidco Oil Refineries Limited in their operations within East Africa? Explain?
12. What is the structural and infrastructural decision patterns practiced in Bidco Oil Refineries Limited in their operations within East Africa? Explain?

13. What are the capabilities strategies adopted by Bidco Oil Refineries Limited in their operations within East Africa? Explain?
14. Who are the competitors of Bidco Oil Refineries Limited in their operations within East Africa? Explain?
15. What is the role of lean manufacturing in Bidco Oil Refineries Limited in their operations within East Africa? Explain?
16. Does Total Quality Management (TQM) have effects in Bidco Oil Refineries Limited in their operations within East Africa? Explain?
17. What are the quality strategies adopted by Bidco Oil Refineries Limited in their operations within East Africa? Explain?
18. What are the cost strategies adopted by Bidco Oil Refineries Limited in their operations within East Africa? Explain?
19. Suggest the possible measures that could be implemented to counter the challenges facing strategies adopted by Bidco Oil Refineries Limited in their operations within East Africa?
20. What do you think about the future for Bidco Oil Refineries Limited?