INFLUENCE OF ADOPTION OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE BY TECHNOLOGY STARTUP COMPANIES IN KENYA

BY

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DECLARATION

I John Muiruri Mbuthia hereby declare that this MBA research project is my original work and has not been presented to any other college, university or any other institution for any academic award such as certificate, diploma or degree.

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This MBA research project submitted by John Muiruri Mbuthia was developed by my guidance and has been finalized with my approval.

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ABSTRACT

Strategic management is a major contributor to the success of any organization. It is not limited to larger companies or organization in specific sectors but to all. Due to the advances in technology and the opportunities being created, a whole new sector is being created, that of technology companies. These companies provide services by use of new means and forms of communications. Many of the founders and managers in such organizations may not have knowledge of strategic management or business related academic background. The purpose of this study was to establish the level of adoption of strategic management practices by technology startup companies in Kenya and its influence on their performance. The study was anchored on four theories namely, resource based view of the firm, the contingency theory, profit maximization and competition based theory and survival based theory. The research design employed in this study was survey method. The target population was technology startup companies that are based in Nairobi and have operations in Kenya. The sample consisted of 32 technology startup companies. The researcher used a questionnaire as the primary data collection instrument. The study relied on primary data that was obtained from questionnaires that were distributed to the companies. The data was analyzed using descriptive statistics. Frequency distribution table were used to summarize the data that was received from the respondents. From the findings, the study did establish that majority of the companies did not have employees with a business related academic background and also are not managed by employees who have experience in managing an organization. It was noted that adoption of strategic management is more in line with product strategies compared to other areas like human resource, marketing. Those who were interviewed also indicated that their strategic decisions are affected by both internal and external factors. The study found out also that the organizations believe that the adoption of strategic management has had an influence on the performance of their organizations. The study concludes that majority of the organizations have adopted strategic management practices in their operations. However this has not happened fully for most of them across the whole organization. Most of the focus of the organizations has been in product strategy and operations. The study has also concluded that adoption of strategic management practices has an influence on the performance of the organization. The study recommends that technology startup companies should focus on creating strategies that would help them gain a competitive advantage and also help in improving their performance. While coming up with these strategies, they should focus on both external and internal factors within the organizations. They should also focus on strategies that are critical to their operations as a whole. This study will help those forming policies to understand the importance of strategic management on technology startups. It will help them formulate policies that will facilitate the adoption of strategic management by such companies. The study confirms the various theories on strategic management and its influence on performance. It adds to the existing body of knowledge of strategic management. This study will help those intending to or running technology startup companies to understand the importance of strategic management and how it can influence their performance.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategy is concerned with the long-term direction of an organization (Johnson, Scholes, & Whittington, 2002). Along with this direction of the organization is management to ensure that the laid out strategies are fulfilled. Management is the function that coordinates the efforts of the employees in order to accomplish the strategies that have been set out using available resources effectively and efficiently (Quinn, 2010). To achieve success, an organization would come up with strategies that would help them counter the changes and forces that are in play within the environment that they operate. Technology startups are basically new companies trying to succeed with no history. This means they are required to act based on environmental conditions and a lot of uncertainty (Ries, 2011).

Theories have been developed over time and evolved and they try to explain how strategic management can be implemented within an organization to achieve the intended goals. According to Barney (1995) the resource based view theory of the firm suggests that an organization’s competitive advantage is dependent on the resources and capabilities it has. Profit Maximizing and competition-based theory is of the opinion that the main goal of a business is to maximize its profits and maintain a competitive advantage (Porter, 1980). This theory assumes that any strategy that an organization embarks on should lead to more profits. The contingency theory suggests that there is no single best way to manage a business (Khairuddin, 2005). Organizations should base their strategies on the existing market conditions. When the conditions change the organization should adapt to them.

A startup is an organization designed to search for a product/market fit and a business model (Blank, 2010). Technology startups or any new organization exists in a lot of uncertainty. Apart from coming up with an excellent idea or a good business plan, they would still require the right management skills and strategies in order to succeed and grow. They would require the right organizational structure; right strategies to be implemented and management of the available resources in order to grow the business. An organization should be able to understand the environment, both internal and external with which they operate and plan how they will achieve their set goals within the environmental conditions.

1.1.1 Concept of Strategic Management

Strategy is key to the success of any organization. Porter (1980) defines a competitive strategy as a combination of goals that the firm is trying to achieve and the policies that it is seeking to get there. The goals form the objective and mission of the organization. They should be in line with what the organization hopes to achieve. The success of any strategy is limited to various factors. Johnson et al. (2002) suggest that the strength and weakness combined with the values within the organization will determine the internal limits of any strategy that is undertaken. The external environment also determines how successful any strategy will be. The opportunities that exist outside the organization and the threats form the external factors that determine how successful any strategy will be.

Management is involved in making things happen. Management is involved in coordinating the efforts of employees to ensure that the strategies that have been set out are achieved. The main functions of management include planning, organizing, leading and controlling (Quinn, 2010). These functions are geared towards ensuring that the organization is focused on the goals that have been specified in their strategy. Management team is involved in coming up with the strategies for the organization. After developing the strategies, the management will lay out plans that will lead to achievement of the strategies. The management would also be required to decide how the available resources will be used and if and how extra resources would be required for the success of the strategies. Constant supervision and motivation within the organization would be required from time to time in order to keep the progress in check. Control would need to be exercised to ensure that the goals are met and if they are not, ensure that corrective measures are being taken so that the goals are met.

1.1.2 Technology Startups in Kenya

Technology startups in Kenya are mostly involved in the provision of services to customers. Few of the companies are involved in selling of tangible goods. These services are mostly focused on the sale of off the shelf software products and also the development of custom software solutions. Other services include consultancy services and provision of online services that solve one or more problems or help organizations better their operations. These startups are faced with a very uncertain environment that is new and with very many opportunities. The uncertainty is brought about because of lack of historical data. Being a new and growing industry, there isn't a lot of information that is available. To be able to succeed, proper management practices and strategies will need to be set in place.

1.1.3 Business Startups

Any business that is starting survives on the capital that has been injected by the investors. They have to grow to be able to generate enough revenues over time to be able to cover for costs of running the business. This growth is not guaranteed and will be dependent on the actions of the managers of the business. Any business startup is also faced with this predicament. They should be able to justify their existence and operations and survive and grow to become successful. They should be able to sustain themselves and offer returns to the owners.

For any business to grow, it must be able to outshine its competitors in the market. This requires the implementation of strategies that will ensure this growth. Porter (1980) suggests that a business can implement three strategies that will help them gain a competitive advantage over their competitors. These include low cost, differentiation and focus. Implementation of these strategies will give the organization a competitive edge over their competitors. The success of these strategies will depend on the management practices being implemented by the organization. Good management practices will ensure that the organization is able to respond to market forces and adapt its strategies. A combination of good strategies and management practices will have an effect on the performance of the business.

1.1.4 Business Performance

A number of methods can be used to measure the performance of any business. Performance of any business is measured based on the current state of the business compared to a past state (Kellen, 2003). Traditional business performance indicators are based on accounting. This means a business performs well if it generates enough revenue, minimizes its costs and rakes in more profits. The new way of measuring performance is the balanced scorecard that focuses on measuring the firm's strategy. Any organization should measure the things that relate to their strategy (Kaplan & Norton, 2001). The balanced scorecard is widely used by many organizations in fortune 100.

Technology startup companies are mostly involved in the provision of services to customers. The production of goods only happens when dealing with tangible goods. Performance of these companies will vary and will be varied depending on the services being offered or the mode of operations. For some technology companies, revenues coming in cannot be used to measure the performance of the company. In this case then, the performance will be based on the usage of the services being offered. In cases where the company deals with the selling of a service, then the performance will be based on the amount of revenue that the service generates.

Technology startup companies offering services can have a market value of even millions of dollars without ever having generated even a dollar of revenue (Ries, 2011). This is mainly due to the fact that the value of the company is measured by how popular the service being provided is and its potential to generate revenue at some point. This therefore deviates from the norm of trying to figure out if an organization or company is successful.

Performance is a very key factor to the success of any organization. Technology startups are evaluated on the basis of their performance. This performance is key to access to funding and credit by the startup companies (Ries, 2011). The organizations are usually evaluated on the basis of current position and the prospects for the future. The prospects include the ability to grow and be able to generate returns for the investors. Before any investor pumps any money into a startup business, they will have to evaluate the performance of the startup. This will also be evaluated against any strategies that have been put in place for the future.

Blank (2010) argues that the success of technology startup be measured by five metrics. These include financial, user, acquisition, sales, and marketing. Financials deal with the amount of money the business is able to generate and its growth over time. User metrics for any technology startup is key. This defines the number of users or customers for the business. The number of active customers and the trend of customer growth can be used to evaluate the performance of the business. User or customer acquisition metric focuses on the cost of acquiring new customers by the business. The sales metrics measures how well the business is able to build sales channels that will efficiently build revenues. Markets metrics is used to measure how well the business identifies its markets and is able to grow its markets.

Any organization needs to ensure that they have proper performance measurement metrics in place to ensure they are able to access the success of the organization. To be able to make the most out of the resources available to achieve this success, proper management practices will need to be implemented. This will depend on the organization. The managers should ensure that they have the right management structure that will guarantee growth of the startup. Management should ensure resources are well allocated and proper planning is done. The right staff should be employed and given the correct tasks within the organization. Coordination and control of activities should also be done to improve efficiency and reduce the costs of running the business.

1.2 Research Problem

Strategic management is a key factor for the success of any business in achieving their intended goals. It is concerned with many complexities that arise from ambiguous and non-routine situations within and without any organization (Johnson et al., 2002). Startup companies need to find ways to manage their operations and to survive in the environment within which they operate. ICT is currently one of the fastest growing sectors in Kenya (Peake, 2013). It has created a lot of opportunities for new companies to come up that are involved in creating solutions to existing problems and providing of services. With these opportunities also come along challenges of implementing the right strategies with such organization. Most of those who are involved in starting companies that provide technology solutions are mostly individuals with no business management background in terms of education. As such, they will use their knowledge to run the companies rather than normal strategic management practices. This has an effect on the adoption of strategic management principles in the daily operations of the companies.

Kenya has experienced huge growth in the technology sub sector. Waema and Ndung'u (2012) found out that there are huge investments being made in the ICT sector in Kenya. Most of the investment goes into infrastructure that has lead to more access to services and information. Internet penetration and use of mobile phones and computers both in businesses and for personal use has increased as a result. This growth has created opportunities for new companies that offer services that take advantage of the opportunities provided (Peake, 2013). These companies are found mostly within Nairobi with no countywide presence. One major challenge faced by the ICT sector is building capacity for these companies. This creates a need to study if strategic management can be used to help them overcome such challenges.

Studies have been done to establish the influence of adoption of strategic management. Wangeci (2009) undertook a study on adoption of innovative strategies by insurance firms in Kenya. She found out that companies that have a strong technology enabled innovative strategy would most likely have a competitive advantage over their competitors. She focused on innovative strategies that take advantage of technology. Okello and Kanyora (2015) suggests that construction firms should adopt strategic plans to help them achieve organization goals. Okello et al. (2015) found out that competitive strategies are crucial in influencing the success of construction firms. This was after conducting a research on the influence of strategic management on performance of construction firms. The research indicates that strategic management is crucial for the success of any firm in achieving their goals.

The purpose of this research is to find out the adoption of strategic management practices by technology startup companies in Kenya and its influence on the performance. This research hopes to answer the research question, have technology startup companies in Kenya adopted strategic management practices? It also hopes to answer the question what is the influence of strategic management adoption on the performance of technology startups in Kenya.

1.3 Research Objectives

The objectives of the study are as follows:

i. To identify the extent of adoption of strategic management practices by technology startups in Kenya.

ii. To identify the influence of strategic management on performance of technology startups in Kenya.

1.4 Value of the Study

The research aims to reveal how technology companies are adopting strategic management practices and the impact on their performance as a result. This will be analyzed against the currently existing theories on strategic management. The study will show the importance of strategic management theories to the success of the organizations. The research aims to show if the existing theories of strategic management can indeed affect how technology startups in Kenya operate. It aims to provide ground with which researchers can conduct further studies on technology companies and also companies in other sectors.

The research aims to reveal the importance of strategic management practices and its impact to the performance of an organization. This aims to help those in the sector and those who are starting new technology companies to understand how important it is for them to adopt strategic management in their operations. It aims to show how strategic management can be used to achieve the set out goals for any organization. The research hopes to provide recommendations on how technology startup in Kenya can adopt strategic management principles and also provide room for them to explore other options to managing their operations. It aims to also provide an insight to investors in such companies to understand the importance of strategic management and help them implement them in the technology companies that they invest in.

The research will provide more information to those in positions formulating policy to find new ways to empower those starting new companies to take into consideration strategic management practices. This research will help students and entrepreneurs with technology background as well as teachers to understand the importance of management as a pillar to the success of their business. The research aims to provide an insight to the government so that they can implement policies and programs that will help technology companies in Kenya to be able to access information that help them better manage their companies. It aims to also assist those in learning institution to understand the importance of strategic management adoption by technology companies. This would help them formulate policies that will help students who are looking to start technology companies to get also an understanding of the importance of strategic management in operating their new companies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides theoretical and empirical studies that have been done in the field of strategic management. It also presented studies that have been done in the field of technology startups.

2.2 Theoretical Foundation

A number of theories have been developed over time that deals with strategic management. These theories have been dealt with in this chapter. This chapter also looks at those theories that focus on management alone. The study had been guided by the resource based view theory of the firm, the contingency theory and the profit maximizing and competition based theory and Survival based theory of strategic management.

2.2.1 Resource Based View Theory

A strategic resource can be defined as an asset that is valuable, rare and difficult to imitate (Barney, 1991). This theory derives from the principle that the source of a firm’s competitive advantage lies in the internal resources rather than the position of the organization in the external environment. The competitive advantage of the organization depends on the strategic resources and capabilities they posses (Barney, 1995). Firms obtain competitive advantage that is sustainable by exploiting their internal strengths through responding to environmental opportunities while at the same time neutralizing external threats and avoiding internal weaknesses (Barney, 1991). The theory suggests two assumptions in analyzing sources of competitive advantage. The first assumption assumes firms are heterogeneous with respect to the strategic resources that they posses. The second assumption assumes that the resources may not ne perfectly mobile across firms (Barney, 1991).

Barney (1991) suggests that for a resource to hold the potential of creating a sustained competitive advantage it must have four attributes. The resource must be valuable. This means that it should be able to exploit the opportunities that exist and neutralize all the external threats. The resource must be rare in the firm's current and potential competition. The resource must also be imperfectly imitable and there cannot be strategically equivalent substitutes for the resource that are valuable but neither rare nor imperfectly imitable. For the resources that are rare and valuable to have a sustained competitive advantage, those firms that do not posses them should not be able to obtain them. Resources can be imperfectly imitable because of one of these conditions. First the ability to obtain the resource is dependent upon unique historical conditions. Secondly the link between the firm's sustained competitive advantage and the resources possessed by the firm is causally ambiguous. Thirdly the resource generating the firm's competitive advantage is socially complex (Dierickx & Cool, 1980).

2.2.2 Contingency Theory

This theory came from the organization theory (Khairuddin, 2005). The theory assumes that there is always one best way of doing something. Organizations seek effectiveness by matching characteristics of the organization with contingencies that reflect their situations. Contingencies include organization size, level of technology, strategy or the environment with which the organization structure operates. The success of the organization is based on the suitability of the contingency. A change in the contingency would make the structure of the to be organization unfit and lead to lower performance. Structure adjustment is needed to have the necessary fit that would lead to greater performance.

The theory is concerned with the relationship between the organizational structure and the operating conditions of the organization. These conditions are the contingency factors. The strategy, organization size and environment are the main contingency factors however; other research suggests that more other factors exist that are also contingent to the organization. Dywer, Richard and Chadwick (2003) argue that gender diversity can have an impact on the organization's outcome and is a contingent factor. Dywer et al. (2003) suggest that if the management were gender diverse, they would have positive effect on growth oriented firms that value flexibility, innovation and interaction with the environment. Remuneration policy of directors is influenced by the strategic choice of the organization.

2.2.3 Profit Maximizing and Competition-based Theory

This theory is based on the assumption that the main objective of any business is to maximize its long-term profits and development of a sustainable competitive advantage over its competitive rivals within the external environment (Marshall, 1897). This theory views the positioning of the organization in the external environment as a critical factor in achieving this success. To be able to achieve this, an organization must become competitive in the market and be above its competitors. Ansoff (1989) suggest that a firm seeks its objectives through the conversion of goods and services and obtaining a profit by selling them to customers. This therefore means that survival of the firm depends on profits that are generated and used for future profits and replacement of resources. If this is not done then the organization will run down. Focus has also been shifted from just maximizing the profits for the organization but also doing so according to the law and ethical grounds. This is indicated that managers have a direct responsibility to conduct business according to the desires of the owners that is to make as much money as possible but it should be within the law and ethical grounds.

2.2.4 Survival Based Theory

Herbert Spencer developed this theory, which suggests that the organization needs to constantly and continuously adapt to its competitive environment in order to survive (Abdullah, 2010). The environment is continuously changing. To be able to survive, the organization must be able to adapt to the changes. This will make the organization competitive within the environment. The theory follows the principle of nature that only the best and fittest in the environment will survive. The organization that is able to successfully adapt to its environment and become the most efficient and economic in the production and operation will survive. This can only be achieved by deploying strategies that would be focused on having efficient operations and being able to respond rapidly to the changes in the competitive environment (Khairuddin, 2005). Mc Donald is an example of a company that managed to survive. It's success was attributed to it ability to adapt to high level of efficiency in the modern place of life and efficient workplace (Abdullah, 2010).

This theory is also applied to companies looking to turn around after a period of poor performance (Abdullah, 2010). Such companies are faced with a lot of problems that can stem from financial difficulties, products that are failing or losing key human resources. To turn around such companies will involve laying-off workers, selling off assets that are underperforming and repositioning products. This will help in strengthening their position. It will also be key in operating the organization more efficiently and better adapt to the environment. This is in the hope that it would improve their profitability and achieve the ultimate goal of surviving.

2.3 Strategic Management Practices

Strategy is a complex concept for any organization. It involves different activities and processes. Mintzberg (1994) suggests that a strategy can be viewed as a plan, ploy, position, pattern and perspective. He referred to this as the 5P's of strategy. Each of this is important in understanding what strategy is. A strategy is series of steps an organization intends to follow in order to achieve success. In 1996, apple was on he verge of collapse. They appointed a new Chief Executive Officer. He aimed at reversing the fortunes of the company by implementing a strategy that would leverage on the use of the Internet. Over the years, the company has innovated and made use of the Internet. This has seen the fortunes of the company change to the point where it was the most valuable company in the world and the most valuable technology company in the world.

Google is a technology company that has grown from a small startup in a garage to a big corporation and a market leader. It is a force to reckon with in technology industry. Google has employed three strategies that have seen it grow from just a search company to focusing on many other products (Ajay, Gagan, & Amit, 2012). The company uses three strategies namely start-ups, acquisitions and alliances. The company emphasizes that employees should spend 20% of their time working on new and pet projects. This is a rule all over the company. This enables Google to diversify and innovate more. It has helped Google come up with new products that have seen it grow. An example is their product Gmail that was a project by an employee and it is now a widely used email platform. Google also focuses on acquiring other small companies that would help then venture into new products and grow their market portfolio. Other strategies used by Google on a business level include differentiation of complimentary services. Google's core business is search that enables them to sell adverts, which is the main revenue source for the company. These complementary services serve as a key to the companies advertising business. Their use broadens the chances of showing advertisements. The company uses a functional management structure.

Lean manufacturing is a process that involves eliminating waste. The management of technology startup is sometimes considered to be a hard task. This is because it mainly crowded with a lot of uncertainty. Ries (2011) proposes a new paradigm of managing any startup. He came up with the lean startup methodology that borrows from the lean manufacturing paradigms. This is a scientific approach to coming up and managing startups with the aim of getting products to the customers as fast as possible. Ries (2011) proposes a number of management actions would help any organization achieve this. One of the actions is eliminating uncertainty by testing the vision continuously. This involves having a methodology about developing a product. The second action involves working smarter not harder. The lean startup has a premise that a startup is an experiment that attempts to answer a question if a product should be built and can a sustainable business be built around the product or service. The experiment is not theoretical rather it is the first product that will be built. If the experiment is successful, it allows the manager to further the experiment and iteration by adding more employees to further the experiment and built the product. This ensures that when it is ready to be distributed, it will have established customers and will have solved real problems.

The third action is developing a minimum viable product. The lean startup focuses on a build-measure-learn feedback loop. This involves figuring out the problem that needs to be solved. A minimum viable product is developed to begin the learning process as quickly as possible. Once the minimum viable product is established, the startup can work on tuning it. This must also involve measuring and learning. It must also include actionable metrics that would demonstrate cause and effect. Validated Learning is a minimum process of demonstrating progress when faced with extreme uncertainty. This involves focusing on figuring out the right thing to build. The thing which customers want and would pay for. This will reduce the time that can be taken to build product betas.

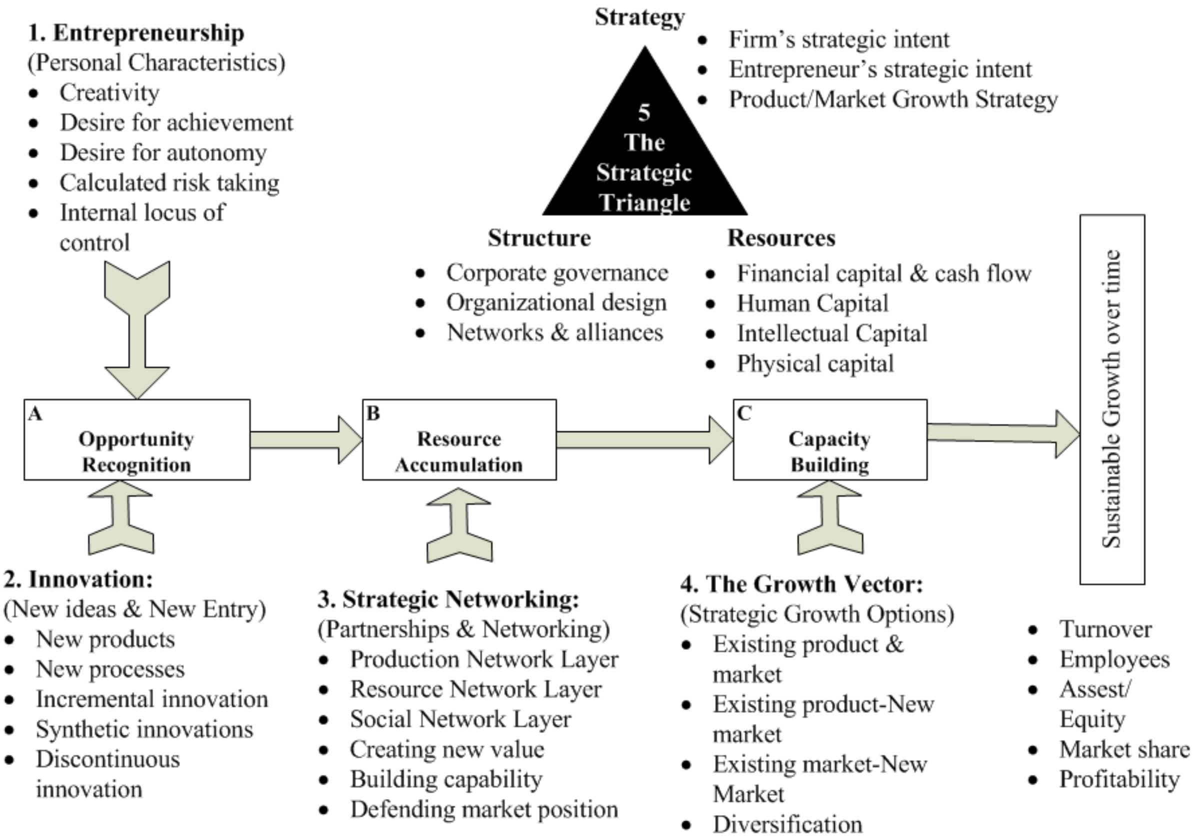
Wangeci (2009) recommends the adoption of innovative strategies by companies in Kenya in order to stay competitive within the industry. This is after she undertook a research on innovative strategies that have been adopted by insurance companies in Kenya. Wangeci (2009) found out that companies that have a strong technology enabled innovative strategy would most likely have a competitive advantage over their competitors. Okello et al. (2015) recommended that construction firms should adopt strategic plans to help them achieve organizational goals. This after performing a research on the influence of strategic management on performance of construction firms in Kenya. Okello et al. (2015) found out that competitive strategies played a key role in influencing the success of the firms. They also found out that there was a strong relationship between goal setting and performance of constructions firms. Ofunya (2013) found significant relationship between strategies adopted by Postbank Kenya and the organization's performance. By implementing cost reduction, providing excellent customer service, controlling quality of products and services, they have managed to see significant growth in performance. The study recommends further research in other sectors on the same. The same can be applied to study the performance of technology startup companies with respect to adoption of strategic management practices.

It is evident that some research has been done that focuses on adoption of strategic management by organizations and companies. Similar studies have also been undertaken on the management of startup companies. However none of the research has focused on technology companies in Kenya. Also none of the research has focused on strategy adoption by technology companies in Kenya. The aim of this research is to focus on Kenya and how technology startups have adopted strategic management practices. From these, it would be possible to determine the best practices that can be undertaken by technology startups in Kenya in order to achieve success and greater performance.

2.4 Entrepreneurial Ventures Framework of Strategic Management

This is a framework proposed for strategic management of small and new ventures. The framework takes the assumption that the main goal of an organization is sustainable growth over time (Mazzarol, 2004). Quantifiable indicators such as turnover, number of employees, size of assets, market share and profitability can measure this growth. The main core of the framework is the entrepreneurial process of opportunity recognition, resource accumulation and capacity building. It has five components; entrepreneurship, innovation, strategic networking, growth and strategic triangle which contains strategy, structure and resources. The framework provides a theoretical model for the understanding of strategic management of small entrepreneurial ventures.

Figure 2.1: Entrepreneurial Ventures Framework



Source: Mazzarol (2004). Adapted from *Strategic Management of Small Firms: A Proposed Framework for Entrepreneurial Ventures.* Paper presented at the 17th Annual SEANNZ Conference - Entrepreneurship as the Way of the Future, Brisbane, Queensland.

2.5 McKinsey 7s Model

Waterman, Peters, and Phillips (1980) developed the McKinsey 7s model. The goal of the model is to show how 7 elements of the company can be aligned to achieve success. The 7 elements include: Structure, Strategy, Systems, Skills, Staff, Style and Shared values. The 7 factors are important in various situations and are very valuable when coming up with strategies for an organization. The models are categorized into two, Hard S and Soft S. The Hard S consists of Strategy, Structure and Systems while the Soft S consist of Style, Staff, Skills and Shared values. The model is key to checking if the elements are aligned when developing a strategy.

Strategy defines the plans and actions that the organization intends to undertake in order to deal with changes in the environment. This helps the organization maintain and build a competitive advantage over their competitors. Strategy dictates the long-term direction of an organization. It can also be seen as creating opportunities by building on an organization's resources and competencies (Johnson et al., 2002). Structure deals with the way the organization is set up and who reports to whom. Chandler was of the suggestion that the structure adopted by an organization is determined by the strategy. The organizational structure adopted should help the organization achieve their goals. The structure defines the line of authority, relationship between activities and reporting and the mechanisms for organization of activities. Systems are the activities that the employees engage in in order to get work done. Proper systems will help better support the strategy and structure that has been set in place.

Shared values are the core values for the organization. This also represents the organization culture. Culture develops over time within an organization. Style represents the form of leadership within the organization. Staff represents the employees of the organization and their capabilities. To be able to achieve success and the strategies that have been set out, organizations are required to have the right staff. It is crucial to also be able to maintain the staff. Staffs are considered to be a key resource in any organization. They can be used to achieve a competitive advantage over their competitors (Barney, 1995). Skills represent the actual skills and competencies of the employees within the organization.

Table 2.1: Summary of Knowledge Gaps

Study	Study focus/main objectives	Methodology	Findings	Knowledge gaps	Focus of current study
Okello, et. al. (2013)	Influence of strategic management practices on performance of construction firms in Kenya.	Case Study	Goal setting, developing strategic plans and frequent performance analysis should be implemented to achieve good performance.	The study focused on construction companies specifically Concrete works limited.	The current study focused on technology companies in Kenya.
Ofunya, F. A. (2013)	Effects of strategic management on financial institutions in Kenya: a case of Kenya Post Office Savings Bank, Kenya	Case study	The study found a significant relationship between the strategies adopted by Kenya Post Office Savings Bank and the organization's performance.	The study focused primarily on Kenya Post Office savings bank and left out other institutions and those in other sectors.	The current study focused on technology startup companies.
Ajay, et. al (2012)	Strategic analysis of search engine giant: A case study of google Inc	Case Study	The study found various strategies being applied by google at various levels. It also found strengths, weaknesses, opportunities and threats that are in play within the environment.	The case study focuses on a single company google. It does not factor any other technology companies.	The current study focused on many technology companies that operate within Kenya.

Ries, (2011)	The lean startup	Survey	Startups can apply lean manufacturing paradigms in development and management of products to sustain growth and achieve performance.	The study focused on the operations of businesses but ignores strategic management practices being applied.	The current study focused on adoption of strategic management practices and its influence on performance.
Wangeci, S.K. (2009)	Innovation strategies adopted by insurance companies in Kenya	Survey	Insurance companies with strong technology-enabled innovation strategies are likely to have a competitive advantage and strong shareholder value.	The study focused on Insurance companies only and did not focus on technology companies.	The current study will focus on technology startup companies

Source: Researcher 2015

2.6 Chapter Summary

This chapter has presented various theories that formed the basis of the study. The study was based on three theories namely the resource based view theory, the contingency theory and the profit maximizing and competition based theory of strategic management. The chapter looked at the concept of strategic management and how it relates to the study. This chapter also presented the table summarizing the knowledge gaps that the project hoped to fill. The chapter touched on the new concept of managing startups that borrows from lean manufacturing called lean startup paradigm. The chapter discussed the conceptual framework that the study was based on. This is the strategic management of entrepreneurial ventures framework. The chapter also looked at the 7s model that was used as the basis model for the study.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology used in the study. This chapter describes the research design, data collection and analysis methods used in the study.

3.2 Research Design

Research design is the blueprint for the collection, measurement and analysis of data (Cooper & Schindler, 2014). The research adopted a cross-sectional survey design. Survey is any procedure involving systematic collection of data from a population or sample using some form or through direct solicitation for example face-to-face interviews, telephone interviews or mail questionnaires (McClosky, 1969). The research used descriptive studies.

Survey aims at documenting existing conditions in a population. Kish (1988) suggests six primary purposes of a survey. Surveys aims at calculation of diverse statistics, characterization of diverse statistics, collection of multiple variables, multi-subject surveys, continuation of survey operations and master frames. All these are focused towards describing the population as accurately as possible.

This research design is applicable to this study since the researcher aims at using a sample to define the situation as it with technology startups and their adoption or use of strategic management. The research collected primary data using administered questionnaire. This study therefore fits the description of a survey.

3.3 Population of the Study

The target population of the research covered technology startup companies within Kenya. These are companies that have been incorporated in Kenya. There are companies operating in Kenya but they are incorporated abroad. Such are not the main target of the study. A startup is an organization designed to search for a product/market fit and a business model (Blank, 2010). This implies that a start up is not just any new business. This therefore means that the study will focus on companies that are trying new products and markets.

The accessible population consisted of technology startup companies within Nairobi. The study was carried out within Nairobi. The target population was technology startup companies that operate within Nairobi. Startup companies are companies that have been in operation for at most six years. These are companies that focus on technology products and services and have operations in Kenya. There is a limitation on the exact number or technology startup within Nairobi as there is no documented number.

3.4 Sample Design

A sample of startup companies was selected from the accessible population. A sample is a portion of the target population (Cooper & Schindler, 2014). The sample frame consisted of technology startup companies from within Nairobi. This is due to limitations of time and resources for collecting data. The sampling method used is nonprobability sampling. The sampling intended to choose startup companies that have been in operation for a period not less 2 years and not more than 7 years. Startup companies from incubation centers were being selected to be able to achieve a good sample.

To achieve desired precision, the sample covered at least 50% of the sample frame. Due to limitation on availability of list of registered technology startup companies, the sample was selected from recognized institutions that keep track of such organization. Such institutions included incubation hubs within Nairobi that work with most technology startup companies. The researcher worked with the assumption that they will provide a good sample of the reality on the ground.

3.5 Data Collection

The researcher used a questionnaire as the main instrument to collect qualitative data. The questionnaires were administered using face-to-face interviews, email, phone or using online data collection tools. The questionnaires included close-ended questions to provide more structured responses and open-ended questions to provide in depth information especially for third objective of the research. The respondents were founders of the technology companies or managers with decision-making role within the companies.

3.6 Data Analysis

The collected data was first been analyzed and cleaned for completeness and consistency. The researcher used descriptive statistics to summarize the data. The researcher first sought to find out how technology startups are adopting strategic management practices in order to achieve greater performance in their operations. The researcher also sought to find out the performance of the technology startups in relation to the adoption of strategic management practices. Comparisons were made to the theories discussed in literature review in order to come up with credible conclusions.

The methods used to analyze the data included use graphical presentations such as graphs, pie charts and plots. The researcher also used measures of central tendency such as mean, median and mode. Standard deviation would also be used to measure variability. This analysis will help to find out the characteristics of the data to determine the adoption of strategic management practices and performance of technology startups.

3.7 Chapter Summary

This chapter has discussed the research design that has been used to conduct the study. This presented the blueprint for collection, measurement and analysis of the data. The chapter also looked at the population that was used for conducting the study. It also looked at the geographical area that was covered by the study. The chapter also discussed the method used to select the sample that was used to conduct the study. The chapter looked at the method used for data collection and why the specific method was chosen. The chapter finally looked at the data analysis method that was used to analyze the data.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

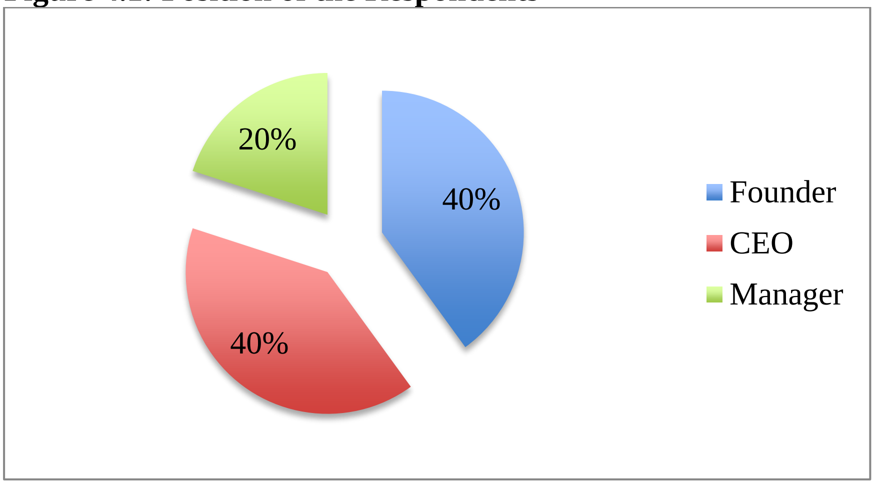
This chapter presents data analysis and findings of data collected through the questionnaire. The data respondents were founders and managers from 32 technology startup companies that were sampled. The main objective of this chapter is to explain the data that has been collected. The study aims to identify the level of adoption of strategies by technology startups and its influence on their performance.

4.2 Demographic Information

This section will look into the demographic information of the organization and the respondents. The general information captured the position held by the respondent, the size of the organization and information about the management of the organization.

The respondents were asked to indicate their position within the organization. The results are shown in figure 4.1.

Figure 4.1: Position of the Respondents



Source: Field data 2015

According to figure 4.1, most of the respondents were founders and CEOs of the companies that were interviewed. They each represented 40% of the respondents. 20% of the respondents were managers in the organizations. Founders and CEOs have a complete view of the whole organization as they are at the top of the management. Managers are also involved in the decision making for the organizations.

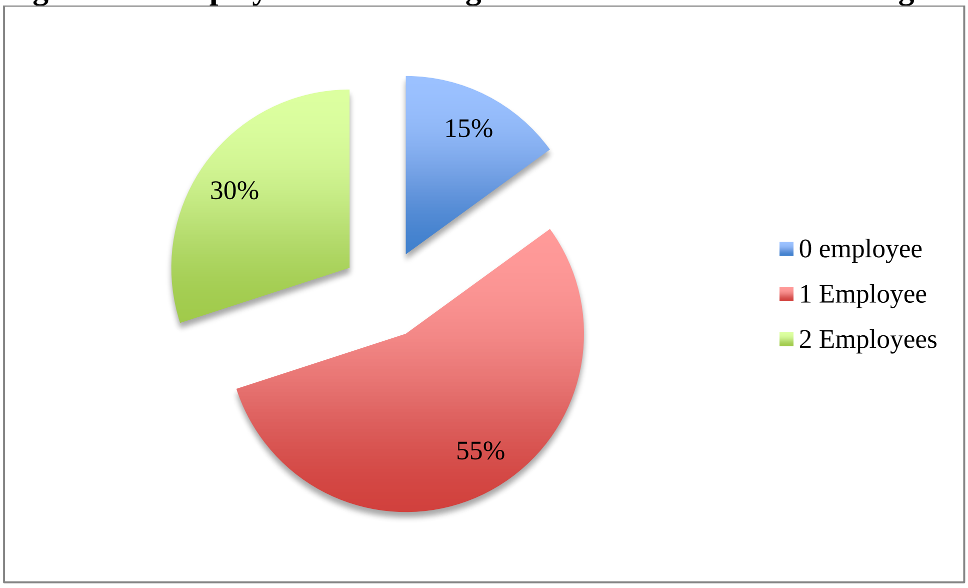
Table 4.1: Number of Employees

Employees	**Percentage**
1 -10	90
11-20	10
Total	**100**

Source: Field data 2015

Table 4.1 shows the total number of employees in the organizations that were sampled. Majority of the organizations that were sampled have between 1– 10 employees. Such organizations represent 90% of the total organizations. 10% of the organizations have between 11 – 20 employees. Most of the organizations are small in size in terms of number of employees.

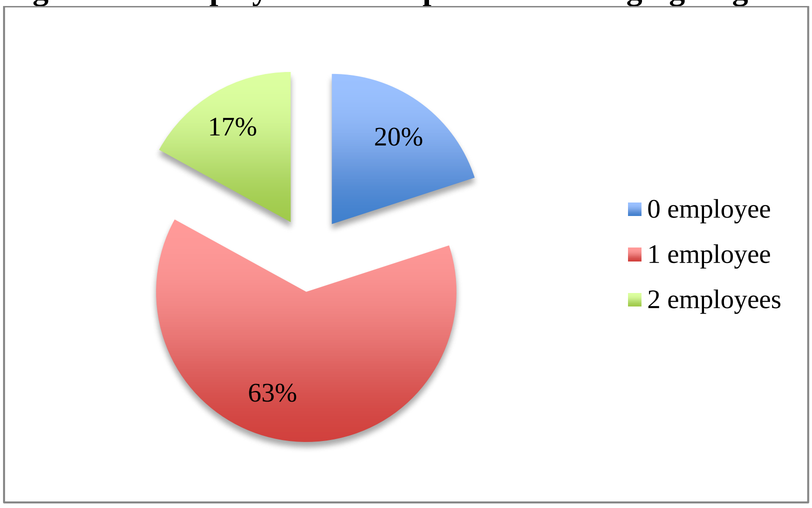
Figure 4.2: Employees with Management Related Academic Background



Source: Field data 2015

Figure 4.2 shows the percentage of employees who have academic background that is related to management. Majority of the organizations have at least 1 employee with a business related academic background. This stands at 55%. 30% of the organizations that were sampled have 2 employees with a business related academic background. 15% of the organizations have no employee in a management position that has a business related academic background.

Figure 4.3: Employees with Experience Managing Organizations



Source: Field data 2015

Figure 4.3 shows the number of employees who have experience managing organizations. Majority of the organizations sampled have 1 employee with experience of managing an organization. This represents 63% of the total organizations. The respondents who have no employee with experience of managing an organization represent 20% while 17% of the respondents have 2 employees with experience of managing an organization.

Table 4.2: Duration of Operation of the Organization

Duration	Frequency	Percentage
1 – 2 Years	12	37.5
3 – 4 Years	16	50
5 – 6 Years	4	12.5
Total	**32**	**100**

Source: Field data 2015

As indicated in table 4.2, majority of the organizations representing 50% of the sample have been in operation for a period of 3 - 4 years while 12.5% have been in operation for a period of between 5 – 6 years. The other organizations representing 37.5% have been in operation for a period of 1-2 years.

4.3 Adoption of Strategic Management

This section sought to establish the adoption of strategic management practices by technology startup companies. It looks into the various strategies that organizations sampled have adopted. The study sought to establish whether any strategies have ever been adopted by the technology startups at any point in their existence. This sections looks into strategy adoption in various parts of the business.

Table 4.3: Adoption of Strategic Management

Strategies	No extent		Little extent		Moderate extent		Great extent		Very great extent	
	F	%	F	%	F	%	F	%	F	%
Product Strategy	-	-	3	9.4	7	21.9	22	68.8	-	-
Market Strategy	4	12.5	28	87.5	-		-	-	-	-
Customer service	-	-	10	31.2	6	18.8	6	18.8	10	31.2
Operations	-	-	6	18.8	16	50	7	21.9	3	9.4
Human resource	2	6.25	12	37.5	13	40.6	5	15.6	-	-

Source: Field data 2015

From table 4.3, most of the technology startup companies have adopted product strategy to a very great extent at 68.8% while 21.9% have adopted product strategy to a moderate extent and 9.4% have adopted product strategy to little extent. However, market strategy has been adopted with little with 87.5% of the organizations while 12.5% have adopted market strategy to no extent. Strategic management has been applied in customer service with little intent by a small number of the organizations interviewed representing 31.2% while those that have applied with moderate extent and great extent representing 18.8% each and with very great extent representing 31.2%. Half of the organizations have applied strategic management in operations. However 18.8% apply strategic management in their operations to a little extent. Those that apply strategic management in their operations to a great extent and very great extent represent 21.9% and 9.4% respectively. Less than half of the organizations interviewed have applied strategic management in human resource with no extent or little extent, 6.25% and 37.5% respectively. 40.6% have applied strategic management with moderate extent in human resource while 15.6% have applied strategic management in human resource to a great extent.

Table 4.4: Factors Affecting Strategy

	Strongly disagree		Disagree		Neither agree or Disagree		Agree		Strongly agree	
	F	%	F	%	F	%	F	%	F	%
External factors affect the organizations strategic decision making	-	-	3	9.3	8	25	10	31.3	11	34.4
Internal factors affect the organizations strategic decision making	-	-	3	9.4	3	9.4	9	28.1	17	53.1
Strategic management affects the organization's performance	-	-	-	-	10	31.3	3	9.4	19	59.4
Our organization adopts new strategies to achieve competitive advantage	-	-	-	-	10	31.3	10	31.3	12	37.5

Source: Field data 2015

As indicated in table 4.4, only 34.4% strongly agree that external factors affects the organization's strategic decision making while 31.3% agree that external factors affect the organization's strategic decision making. Some of the organizations representing 25% neither agree nor disagree that external factors affect the organization's strategic decision making. Most of the organizations also strongly agree that internal factors affect the organization's strategic decision making with 53.1%. 28.1% of the organizations agree that internal factors affects organization strategic decision-making. 9.4% of the organizations neither agree nor disagree that internal factors affects the organization strategic decision making while the same also disagree that internal factors affect the strategic decision making of the organization. The study concluded that majority of the organizations strongly agree that strategic management affects the organization's performance with 59.4%. On the other hand, 9.4% of the organizations agree that strategic management affects the performance of the organization while 31.3% neither agree nor disagree that strategic management affects the performance of the organization. The organizations also strongly agree that they adopt new strategies to achieve competitive advantage; this represents 37.5% of the organizations interviewed. 31.3% of the organizations agree while the same neither agree nor disagree that they adopt new strategies to achieve competitive advantage.

Table 4.5: Strategic Management Components

	Strongly disagree		**Disagree**		**Neither agree or Disagree**		**Agree**		**Strongly agree**	
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
The organization has a clearly defined mission statement	3	9.4	10	31.3	3	9.4	3	9.4	13	40.6
The organization has a clearly defined vision	4	12.5	10	31.3	3	9.4	3	9.4	12	37.5
The organization has clearly defined core values	3	9.4	10	31.3	3	9.4	7	21.9	9	28.1
The organization has clearly defined goals	-	-	-	-	16	50	6	18.7	10	31.3
The organization has a clearly defined strategic plan	3	9.4	7	21.9	10	31.3	6	18.8	6	18.8
The organization has a clearly defined management and organization structure	3	9.4	7	21.9	10	31.3	9	28.1	3	9.4

Source: Field data 2015

As depicted in table 4.5, majority of the organizations strongly agree to have a clearly defined mission statement with 40.6%. A few organizations representing 9.4% agree to have a clearly defined mission statement while the same neither agree nor disagree and strongly disagree. A number of organizations representing 31.1% disagree to having a clearly defined mission statement. Majority of the organizations strongly agree to have a vision statement with 37.5% while 9.4% agree and 9.4% neither agree nor disagree. 31.3% of the organizations disagree to having a clearly defined vision statement while 12.5% of the organizations strongly disagree. Majority of the organizations strongly agree and agree to having clearly defined core values with 28.1% and 29.1% respectively. 9.4% of the organizations neither agree nor disagree to having clearly defined core values while 31.3 disagree and 9.4% strongly disagree. Half of the organizations interviewed neither agree to disagree to having a clearly defined goals. However, 18.7% of the organizations agree to having clearly defined goals while 31.3% strongly agree. Majority of the organizations do not have a clearly defined strategic plan or organizational structure, 28.1% of the organizations agree while 9.4% strongly agree. Those organizations that neither agree nor disagree to having a clearly defined strategic plan or organization structure represent 31.3% and 21.9% disagree and 9.4% strongly disagree.

4.4 Performance of the Organizations

The study sought to establish the performance of the organization with respect to adoption of strategic management practices. The respondents were asked questions on measuring performance, performance of the organization before adoption of strategic management, progress of implementation of strategic plan and if they can recommend adoption of strategic management to other organizations.

Table 4.6: Performance of the Organization Results

	Strongly disagree		Disagree		Neither agree or Disagree		Agree		Strongly agree	
	F	%	F	%	F	%	F	%	F	%
The organization has a clearly way of measuring performance	4	12.5	-	-	-	-	28	88.5	-	-
The performance of the organization was not good before the implementation of a strategic plan	3	9.4	3	9.4	10	31.3	11	34.4	5	15.6
The strategic plan implementation is going on course	3	9.4	6	18.8	7	21.9	14	43.8	2	6.3
The strategic plan gives the organization a competitive advantage over our competitors	2	6.3	5	15.6	6	18.8	13	40.6	6	18.8
The performance of the organization has improved since implementation of a strategic plan	1	3.1	8	25	12	37.5	6	18.8	3	9.4
I would recommend adoption of strategic management practices to other technology startups.	-	-	3	9.4	-	-	7	21.9	22	68.8

Source: Field data 2015

As shown in table 4.6, majority of the organizations interviewed agree that they have clear ways of measuring performance with 88.5%. Only 12.5% of the organizations strongly disagree to having a clear way of measuring performance. Half of the organizations interviewed agree and strongly agree that the performance of the organization was not good before the adoption and implementation of strategic management with 34.4% and 15.6% respectively. 9.4% of the organizations strongly disagree and disagree that the performance of the organization not good before the implementation of a strategic plan. However 31.1% of the organizations neither agree nor disagree. A large number of the organizations, 43.8% agree that the implementation of the strategic plan is going on course while only 6.3% of the organizations strongly agree. Those organizations that neither agree nor disagree that the implementation of the strategic plan is going on course represent 21.9% while

18.6% disagree and 9.4% strongly disagree. 40.6% of the organizations interviewed agree that the strategic plan gives them a competitive edge over their competitors. However, only 18.8% of the organizations strongly agree and neither agrees nor disagrees. Those that disagree represent 15.6% while only 6.3% of the organizations strongly disagree. Majority of the organizations representing 37.5% neither agree nor disagree that the performance of the organization has improved since the implementation of a strategic plan. However 18.8% agree and 9.4% strongly agree that the performance of the organization has improved since the implementation of a strategic plan. A quarter of the organizations disagree that the performance of the organization has improved since the implementation of a strategic plan while 3.1% strongly disagree. Majority of the organizations, 68.8% strongly agree that they would recommend the adoption of strategic management to other organizations. Only 9.4% disagree while 21.9% agree.

4.5 Discussion of the Results

The study established that most of the respondents were founders and CEOs of the organizations. This is critical as they are in a position to provide credible information about their organizations. The study established that most of the organizations that were interviewed have a small number of employees with most having 1 – 10 employees. As most of the organizations provide technology services, they are able to survive with such a small workforce even though they might be big in size in terms of capital or investment in the business (Ries, 2011). The study also established that most of the organizations do have at least one employee with management academic background. This supports the assumption made earlier that most of the founders of the organizations do not have a business academic background. It was also established that in most of the organizations at least one employee had experience managing a company. The number of employees with experience managing an organization may relate to the fact that many of the organizations have very few employees. The study focused on technology startup companies. As the name suggests, they are companies that have not been in operations for a long period of time. The study established that most of the organizations have been in operation for between 1- 4 years.

The study found out that most of the organizations have adopted different strategies in their operations. Mitzberg (1994) suggests that termed a strategy as a plan, ploy, position pattern and perspective. The strategies adopted included product strategy, human resource and operations. To be able to survive, any organization should adopt strategies that will help them stay ahead of their competitors. This means that the organization must be able to generate profits that would steer them ahead (Ansoff, 1989). The study also established that external and internal factors affect the strategic decisions the organizations make. The entrepreneurial framework of strategic management suggests that opportunities and resources will lead to sustainable growth (Mazzarol, 2004). The opportunities form the external factors that can influence the direction and strategic decisions of the organizations. The resources are internal factors within the organization. For proper strategies to be developed that would help the organization grow its business, they must reflect both the internal and external environment conditions.

The study also established that most of the organizations adopt new strategies to achieve competitive advantage. According to the survival-based theory, any organization needs to constantly adapt to its competitive environment (Abdullah, 2010). The organizations use strategies to achieve competitive advantage over their competitors. The three main strategies that can be used to achieve this are differentiation, focus and cost leadership (Porter, 1980). Okello et al. (2015) also suggest that strategies can be used to achieve competitive advantage by organizations.

Ajay et al. (2012) found that google employs three strategies namely start-ups, acquisitions and alliances that have seen it grow from just a search company to focusing on other products and areas. An organization can develop and adopt strategies that would enable it grow.

A strategic plan is made up of various components. A strategic plan should have a vision, mission, core values and well-defined goals. The study has established that most of the organizations have these components. However a significant number of the organizations also do not have these components. The study also established that most of the organizations have a clearly defined management and organization structure. A structure is very important to any organizations. It is one of the components of the McKinsey 7s model (Waterman et al., 1980). Proper organizational structure ensures there is a recognized flow of command and authority. This is critical to decision making and accountability of any organization.

Performance of any organization is key to the achievement of the set goals and realization of the vision and mission of the organizations. Each organization should have a way of measuring its performance in order to gauge their growth. The study established that most of the organizations do have a way of measuring performance. The study also established that those organizations that have a strategic plan have experienced improved performance. For most of the organizations, the study noted that a strategic plan gives them a competitive edge over their competitors. Wangeci (2009) recommends that organizations should adopt strategies in order to remain competitive within their markets. Such strategies will need to be documented in a strategic plan for the organization and can cover short tem and long-term periods.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents summary and conclusions from the findings in chapter four. This chapter also makes recommendations for further study.

5.2 Summary of the Findings

The study established that most of the organizations are small in terms of number of employees working within the organization. Of the number of employees the study did also establish that there is at least one employee with a management academic background. It also established that there is at least one employee in most of the organizations who has experience in managing an organization. Most of the organizations sampled have been in operation for a period of 1-4 years.

The study has established that majority of technology startup companies have adopted strategic management in one-way or another in their operations. This includes adoption in product, customer service and operations. Internal and external factors are a major influence in strategic decision making for the organizations according to the findings. The study has also established that majority or the organizations adopt new strategies in order to achieve a competitive advantage over their competitors. The study also found out that majority of the organizations agrees that strategic management affects their performance as 68.8% agree with the statement. Only 31.3% of the organizations neither agree nor disagree that they adopt strategic management to achieve competitive advantage.

Of all the organizations interviewed, half of them agree to have a mission statement clearly defined. 46.9% of the organizations have a clearly defined vision. 50% of the organizations have clearly defined core values. It is however noted that the organizations do not have clearly defined organizational structures. Only 37.5% of the organizations agree to have a clearly defined organizational structure.

Majority of the organizations have a clear way of measuring their performance as indicated by 88.5%. Half of the organizations agree that their performance was not good before the adoption and implementation of strategic management. 59.4% of the organizations agree that the strategic plan gives them a competitive advantage over their competitors. Majority of the organizations agree that they would recommend the adoption of strategic management to other organizations.

5.3 Conclusion of the Study

The following conclusions were made based on findings of the study:

The study concludes that technology startups have adopted strategic management in their operations. However adoption has only happened in various parts of most organizations and not fully. It seems to only focus on products and operations. Strategies do not focus on the markets that they operate in. Internal and external factors play an important role in strategic management decisions for the organizations.

The study also concluded that strategic management adoption has an influence in the performance of technology startup companies. It has been established that there has been a positive change on the performance of technology startups after the adoption of strategic management. It has also been established that performance for most of the technology startups was not good before the adoption of strategic management. As a result, the organizations would recommend adoption of strategic management to other technology startups. It can be concluded that adoption of strategic management has a positive influence on the performance of technology startups.

5.4 Recommendation of the Study

The study established that adoption of strategic management is key to the success of technology startups and improved performance. It is therefore recommended that such organizations should conduct appropriate research and implement strategies that would have a positive effect on their operations. Strategies should be aligned to the mission, vision and core values of the organizations. It is also important appropriate analysis of the environment is done in order to ensure that both the internal and external factors are considered.

Strategies should also cover the organization as a whole. They should apply to every aspect of the organization and its operations. As noted, most of the organizations do not have a market strategy. This is a critical part for any organization that intends to interact with its external environment. Strategies should also include the employees, as they are an integral part of the success of the strategy.

5.5 Limitations of the Study

The research involved collection of data from many companies some of which are located far away from one another. This made collection of data a bit hard for the interviewer. Some of the respondents were not very cooperative and refused to fill in the questionnaires.

5.6 Implication of the Study on Policy, Theory and Practice

This study will help those forming policies to understand the need and importance of strategic management on technology startups. As the number of technology startups continue to grow at a very high rate, it is important that proper policies be formulated that will influence their growth positively. This research provides a basis and proof that proper policies need to be formulated to ensure there is an understanding of strategic management and its influence.

The study confirms the theories on the importance of strategic management practices in managing organizations. It also adds to the existing body of knowledge on the importance of strategic management practices and how they can help influence the performance of organizations.

The study will also help existing technology companies and new ones to learn the importance of integrating strategic management practices within their operations. As it has been seen from the study, companies that have adopted strategic management practices have experienced improved performance. It is also a recommendation that companies should adopt strategic management practices.

5.7 Suggestions for Further Research

The study only covered technology startups with operations within Nairobi. However, the population can be expanded to cover the whole of Nairobi. This would have more results that might prevent even more findings. Further, the study can be expanded to cover how technology startups companies are managed while applying lean startup methodology and practices.

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APPENDICES

Appendix I: Letter of Introduction

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 28-08-15

TO WHOM IT MAY CONCERN

The bearer of this letter JOHN MUIRURI MBUTHIA

Registration No. D61/60390/2013

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.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
28 AUG 2015
MBA OFFICE
P.O. Box 30197 - 00100, NAIROBI

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

Appendix II: Research Sample

1. Shimba Technologies Limited
2. Jumia Kenya
3. M-Farm Kenya
4. OLX Kenya
5. Kilimo Online
6. Eatout Kenya
7. Aura Tech Limited
8. Chura Limited
9. MChanga
10. Kopo kopo
11. CladLite
12. Keja hunt
13. Soko text
14. Swap kitabu
15. Duma
16. Gig wapi
17. Usomi
18. Card Planet
19. Eneza Education
20. Ghafla
21. Sematime
22. Wezatele
23. Ma3route
24. Zege technologies
25. Uhasibu
26. Uko Technologies Limited
27. Shop Soko
28. Ukall
29. Uber Duka
30. Angani
31. Upsilon Technologies Limited
32. IntelliSoft Consulting

Appendix III: Questionnaire

SECTION A: DEMOGRAPHIC INFORMATION

Complete this section by filling in the spaces

1. What position do you hold within the organization?

   ………………………………………………………………………………

2. How many employees does the organization have?

   1 – 10 Employees [ ]   11 – 20 Employees   [ ]

   21 – 30 Employees   [ ]   Above 31 Employees   [ ]

3. How many of the senior management have a business related academic background? ……………………

4. How many of the senior management have experience in managing an organization…………………………….

5. How many years has the organization been in operation?

   1 – 2 Years [ ]   3 – 4 Years [ ]   5 – 6 Years [ ]

   7 years and above [ ]

SECTION B : ADOPTION OF STRATEGIC MANAGEMENT

1. To what extent has the organization adopted strategic management in the following areas to achieve success

   1- No extent 2- little extent 3- Moderate extent 4 - to a great extent 5 To a very great extent

	1	2	3	4	5
Product strategy					
Market strategy					
Customer service					
Operations					
Human resource					

2. To what extent do you agree with the following statements

   (1= Strongly disagree, 2- Disagree, 3- Neither agree or Disagree, 4- Agree, 5- Strongly Agree)

	1	2	3	4	5
External factors affect the organization's strategic decision making					
Internal factors affect the organizations strategic decision making					
Strategic management affects the organization's performance					
Our organization adopts new strategies to achieve competitive advantage					

3. To what extent to do agree with the following statements

(1= Strongly disagree, 2- Disagree, 3- Neither agree or Disagree, 4- Agree, 5- Strongly Agree)

	1	2	3	4	5
The organization has a clearly defined mission statement					
The organization has a clearly defined vision					
The organization has clearly defined core values					
The organization has clearly defined goals					
The organization has a clearly defined strategic plan					
The organization has a clearly defined management and organizational structure					

SECTION C : PERFORMANCE OF THE ORGANIZATION

1. To what extent do you agree with the following statements about performance (1= Strongly disagree, 2- Disagree, 3- Neither agree or Disagree, 4- Agree, 5- Strongly Agree)

	1	2	3	4	5
The organization has a clear way of measuring performance					
The performance of the organization was not good before implementation of a strategic plan					
The strategic plan implementation is going on course					
The strategic plan gives the organization a competitive advantage over our competitors					
The performance of the organization has improved since implementation of a strategic plan					
I would recommend the adoption of strategic management practices to other technology startups.					

Thank you very much for your time.