STRATEGIES USED BY FAMILY BUSINESSES IN INTERNATIONALIZATION: A CASE STUDY OF CHANDARIA INDUSTRIES IN KENYA

VINCENT MIINGI KIBUGI

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DECLARATION

Student's Declaration

This research project is my original work and has not been submitted to any other university or institution of higher learning for academic award.

Signed .... Date..

Vincent Miingi Kibugi

D61/61041/2013

Supervisor's Declaration

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

Signed .... Date..

Mr. Jeremiah Kagwe
Lecturer
School of Business
University of Nairobi

DEDICATION

This project is dedicated to father John Kibugi, My mother Leah Njeri, who endowed me in early years with the lifelong thirst for knowledge and passion for work. your contribution has been invaluable and timeless; my wife Eunice Wamuyu who has given me great support all through, my brothers Samuel mwaura and Stephen Kiguru for their moral support and my friends I love you all and May God's blessings be showered upon you all.

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To all my colleagues at SGS Kenya Limited I am grateful for your support, May God bless you abundantly. Further, gratitude goes to all my professional colleagues who in one way or another offered constant encouragement and support whenever I approached them.

TABLE OF CONTENT

ABBREVIATIONS AND ACRONYMS

CIL Chandaria Industries Ltd

FBs Family Businesses

RBV Resource Based View

ABSTRACT

A family business is a commercial organization in which decision-making is influenced by multiple generations of a family related by blood or marriage who are closely identified with the firm through leadership or ownership .Research (National Base Survey 1999) has shown that family businesses account for up to 80 percent of all employment in Kenya. Family-owned businesses have been a mainstay of the Kenyan economy for generations. They play a great part in the growth of the economy. In Kenya, family businesses are renowned for their entrepreneurial and innovative spirit and are a key driver for the Kenyan economy. Family-owned companies face unique challenges in Kenya's competitive business environment. According to the company website (www.Chandaria.com), Chandaria Industries Ltd was founded by Maganlal Chandaria in Mombasa in 1947. The company manufactured paper drinking straws using a converting machine (operated by Mr. Chandaria himself), followed by the manufacture of adding machine rolls, toilet paper, teleprints and other products before the re-location to Nairobi in 1974.Family businesses are seeking to grow and go international. They play a major role in the economy and thus a lot of consideration ought to be given to promote maintain and expand them both locally and internationally. Several studies have been conducted locally and internationally in relation to family businesses. For instance, Okoroafo (1999) investigated a sample of 187 family businesses from Ohio (USA). Based on the available empirical literature above on the family businesses the researches were not able find on the internationalization of Chandaria industries limited, therefore this is the gap in knowledge. Therefore against this backdrop this study will seek to find out strategies used by Chandaria industries to go international. The objective of the study is to establish internationalization strategies used by Chandaria industries limited. The study used case study research design. The study used an interview as a data collection instrument to collect primary data. The data collected was analyzed using qualitative methods. Specifically this study used qualitative content analysis as a data analysis method. The study established that since internationalization is a risky strategy, family owners with high ownership don’t want to lose economic benefits. Therefore, family ownership will have a negative effect on the degree of internationalization. The long term commitment of FBs can help to assure potential partners and investors of the continuity of the process, and the high level of trust inside the firm can enhance the formation of outside network ties. Financial, managerial and knowledge resources should be considered important resources for any family business seeking to internationalize.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Family businesses (FBs) have traditionally operated in domestic markets, but increasingly find themselves obliged to internationalize, in order to survive in a market that is becoming more and more globally competitive. Since the internationalization of FBs may differ from internationalization of firms with different ownership structures (Bell, Crick & Young, 2004; Fernandez & Nieto, 2006; George, Wiklund& Zahra, 2005; Graves & Thomas, 2008; Johanson & Vahlne, 2009), it is important to investigate FBs as a distinct entity, and attempt to identify their specific features in the context of internationalization. Internationalization is the process by which firms both increase their awareness of the direct and indirect influence of international transactions on their future, and establish and conduct transactions with firms in other countries (Beamish 1990).

The theoretical basis of this study was the Uppsala model and the resource based view theory. The Uppsala-model (the U-model) which was developed in the 70s by among others Johanson and Wiedersheim-Paul (1975) and Johanson and Vahlne (1993) describes different steps that determine the firms' level of internationalization. According to the model a firm often initiates its internationalization process by direct exporting to a foreign country. After some time the firm starts exporting with the help of independent representatives (agents) abroad through indirect exporting. The model further states that the fourth step involves establishment of a production/manufacturing facility abroad (Johanson& Wiedersheim-Paul1975). Basic assumptions of the model are that, first; one cycle of events constitutes the input of the next. Secondly; market knowledge and market commitment affects both the commitment decisions and the way current decisions are performed—and this, in turn, changes market knowledge and commitment. Incremental growth also suggests that companies begin internationalization process in markets that have less psychic distance. Psychic distance is defined as factors such as differences in language, culture, political systems, etc., which disturb the flow of information between the firm and the market (Johanson & Wiedersheim-Paul 1975). The Uppsala-model is significant to the current study as it will assist this study to find out whether the strategies and concepts it has identified are similar to the internationalization strategies employed by the Chandaria industries.

The Resource Based View (RBV) theory has been successfully used to explain long-term differences in that cannot be attributed to industry or economic conditions. Because family firms have firm performance been described as unusually complex, dynamic, and rich in intangible resources (Habbershon and Williams 1999), RBV gives family business researchers an appropriate means by which to analyze family/non-family business performance differences. RBV asserts that firms are heterogeneous and that it is the idiosyncratic, immobile, inimitable, and sometimes intangible bundle of resources residing in the firm that gives the firm the opportunity for a competitive advantage and superior performance. RBV examines the links between a firm's internal characteristics and processes and its performance outcomes (Habbershon and Williams 1999). The resource based view theory is significant to the current study as it will assist this study to find out whether the strategies and concepts it has identified are similar to the internationalization strategies employed by the Chandaria industries.

Despite, the growing awareness of the importance of family firms has led to a noticeable increase in research and understanding of these businesses in the past several years, but a vast number of studies have focused only on the typical issues for family firms such as succession, family relations and estate planning (Denison, Lief& Ward, 1999; Kellermans, Eddleston, Barnett & Pearson, 2008). Based on the available empirical literature above on the family businesses, there exists no study which has been conducted on the internationalization strategies by Chandaria industries. Furthermore, Chandaria Group has operations in Kenya, Tanzania, the UK and India within paper/tissue and hygiene products manufacturing, banking, petroleum, packaging and real estate and therefore as an industry icon it imperative to find out how the company managed to enter the aforementioned international markets. Therefore against this backdrop this study will seek to find out strategies used by family businesses in internationalization being a case of Chandaria industries in Kenya.

1.1.1 Internationalization Strategies

The word strategy has been used implicitly in different ways even if it has traditionally been defined in only one. Explicit recognition of multiple definitions can help people to manoeuvre through this difficult field. Mitzberg (1994) defines strategy as a plan or something equivalent to direction, a guide or course of action into the future, a path to get from here to there and as a pattern that is consistency with behaviour. According to chandler (1962) strategy is the determination of the basic goals and objectives of a firm and the adoption of courses of action including the allocation of resources necessary for carrying out these goals.

Beamish, (1990) defines Internationalization as the process by which firms both increase their awareness of the direct and indirect influence of international transactions on their future, and establish and conduct transactions with firms in other countries. ZulimaFernández and Nieto (2003) define Internationalization as the process of increasing involvement of enterprises in international markets. Internationalization typically entails: Designing and developing in a way that removes barriers to localization or international deployment. This includes such things as enabling the use of Unicode, or ensuring the proper handling of legacy character encodings where appropriate, taking care over the concatenation of strings, avoiding dependence in code of user-interface string values, etc. Providing support for features that may not be used until localization occurs. Welch and Luostarinen (1988) define internationalization as the process of increasing involvement in international operations. Hereby they indicate that both inward and outward international operations ought to be taken into account when analyzing internationalization. According to the inward-outward internationalization model (Welch &Luostarinen 1988) inward flows like importing raw materials and machinery proceed exporting. The experience and knowledge acquired during importing can later on be used when starting exporting. The network approach of internationalization is most often applied on vertical relationships, between sellers and buyers.

According to Dimitratos (2004), there are five general and most common types of strategies that a firm can use in internalization with each having relatively uniform characteristics and consequences for the firm. He classified them as: exporting, licensing or franchising, joint ventures, strategic alliances and subsidiaries or acquisitions.

1.1.2 Family Business

A family business is a privately owned business where a member or several members of the family are involved in the running of the business. A family business is a commercial organization in which decision-making is influenced by multiple generations of a family related by blood or marriage who are closely identified with the firm through leadership or ownership (National Base Survey 1999).

According to Chua, Chrisman & Sharma, 1999), in a family business, two or more members within the management team are drawn from the owning family. Family businesses can have owners who are not family members. Family businesses may also be managed by individuals who are not members of the family.

Sirmon and Hitt (2003) distinguished five unique characteristics that differentiate family firms from non-family firms, namely human capital, social capital, survivability capital, patient capital and characteristic governance structures. Those five unique resources may contribute to family business activities aimed at international expansion in positive or negative way. The positive attributes of human capital consisting of acquired knowledge, skills and capabilities include high commitment of family members. Basing on strong social capital, family firms have developed shared language, norms and a high level of trust which enables building effective relationships with suppliers, customers, etc. Along with network model, often used in case of family business researches, the internationalization is related to the development of network ties with other firms belonging to a network in foreign markets what facilitate foreign market entry (Ruzzier, Hisrich and Antoncic, 2006).

The growth of family businesses can be measured by different variables such as turnover, number of employees, market share profitability and revenue base. Different types of growth strategies are available to a firm and every family business has to develop its own growth strategy according to its own characteristics and environment. According to Ansoff (1965) the main growth strategies available to a firm include; Integration (Horizontal and Vertical-forward or backward), Diversification (Related and Unrelated); New Product Development, Modernization/New Technology and Internationalization. Integration may be either vertical or horizontal. Vertical integration may be backward or forward. According to Thomas (2010), backward integration refers to the firm diversifying closer to the sources of raw materials in the stages of production allowing a firm to control the quality of the supplies being purchased. Forward integration on the other hand refers to the firm entering into the business of distributing or selling of present product and moving upwards in the production/distribution process towards the consumer. Horizontal integration occurs when a firm adds parallel new products to the existing product line or enters a parallel product market in addition to the existing product line. It may also occur when a firm combines with a competing firm.

The main purpose of diversification is to allow the firm to grow by diversifying into new businesses by developing new products for new markets (Walton, 2007). There are two basic diversification strategies related and unrelated (Hunger and Wheelen, 2009). New-product development shapes the company's future. A company can add new products through acquisition or development. The acquisition route can be either through the company buying other companies, acquiring patents from other companies, or buying a license or franchise from another company. Modernization involves upgrading of technology to increase production, improve quality and to reduce wastages and cost of production.

Many researchers have found that family firms experience different challenges are less likely to internationalize than non- family firms. This has been explained by their limited growth objective, avoidance of risk and restricted financial capital (Gallo and Pont, 1996). As far as family businesses are concerned, risk-averse nature and desire to maintain total control over the business lead to reluctance among the family firms owners to raise financial capital through loans (Graves and Thomas, 2008). There are possibilities to avoid taking a loan in case of lack of internal funds; the family firm can obtain them from other companies through establishing stable relationships.

When it comes to networking, family businesses are less likely to form networks with other businesses. It has been argued that this is due to the strong internal ties of family firms, based on trustful relationships among family members (Roessl, 2005). The internal ties between family members are very strong and they affect decisions on the firm's strategy, operations, and administrative structure.

International opportunity recognition can only occur if the right information, widespread information distribution, open-minded inquiry of information and trustful data for all employees is accessible. Social relationships among family members do not lead to increased ability to recognize new opportunities due to the lower industry-specific knowledge and experience of family members (Kontinen and Ojala, 2010).

Undertaking internationalization strategy requires in most of the cases hiring experienced managers from outside the family. According to Zahra and Sharma (2004), if family firm is reluctant towards hiring external managers and keeps the decision-making control within the family, company will experience lack of competent, open-minded and experienced managers, what can be a strong limitation for internationalization. Hall states that reason for this resistance to accept people from outside the family is the fear of non-family members changing the organizational culture of the firm (Hall, Melin and Nordqvist, 2008). The culture of family businesses is very much influenced by the family and family firms and the desire to maintain this cultural identity over time.

1.1.3 Family Businesses in Kenya

Research (National Base Survey 1999) has shown that family businesses account for up to 80 percent of all employment in Kenya. Family-owned businesses have been a mainstay of the Kenyan economy for generations. They play a great part in the growth of the economy. In Kenya, family businesses are renowned for their entrepreneurial and innovative spirit and are a key driver for the Kenyan economy. Family-owned companies face unique challenges in Kenya's competitive business environment. Managing family business comes with extra baggage. It comes with the joy and fulfillment and with risks and anxieties. In the worst-case scenario, it could destroy the very same family that the business was set up to assist, in the first place.

A number of issues deserve careful attention for successful family owned and managed business. One of the best ways to capture these is to reflect on some common mistakes that people in family businesses make and the possible solutions. The issues gravitate around ownership and rewards, communication, conflict, pay and benefits, engagement of family members and succession planning (Waweru et al, 2001). In Kenya, Family businesses generate 60% of the country’s employment and 78% of all new job creation. Statistics indicate that the number of family businesses run by 5 women has grown 37% in the past five years. The average life span of a family-owned business in Kenya is 24 years (Waweru, et al, 2001). This can be evidenced by an example of Woolworth supermarket which was opened in 1985 and in the year 1997, the mother company Woolmart Ltd closed its operations and one year later Uchumi mattresses opened a sister company under the name Tran mattresses which was registered in the year 1998. Like other places world over, only 40% of family owned businesses survive to the second generation, 12% to the third, and 3% to the fourth. A good example of a family business that has grown to the 3rd generation in Kenya is Sarit Centre. The Sarit Centre is a modern diversified shopping mall and one of the largest in East Africa. The Sarit Centre is a family business managed by third generation Kenyans who trace their roots and business success to their forefathers who came to Kenya in the early 1900s; Jadavji Ratanji Rughani in 1914, and Vidhu Ramji Shah in 1909 (Whitehead, 2012).

1.1.4 Chandaria Industries Limited

According to the company website (www.Chandaria.com), Chandaria Industries Ltd was founded by Maganlal Chandaria in Mombasa in 1947. The company manufactured paper drinking straws using a converting machine (operated by Mr. Chandaria himself), followed by the manufacture of adding machine rolls, toilet paper, teleprints and other products before the re-location to Nairobi in 1974. In 1985, the volumes of demand justified the installation of paper mill to manufacture various grades of paper and tissue. In 1987, the group purchased Kenya Paper Mills from Lonrho. Madhu paper was added to the group in 1988. Tanpack Tissues in Tanzania is a recent addition to the group. The portfolio also includes Colour Packaging (which makes specialized products for a niche market), Guardian Bank, etc.

In Kenya Chandaria Industries Ltd (CIL) located at Baba Dogo in Nairobi, Kenya. The company's core business is tissue paper manufacturing through waste paper recycling and virgin pulp blending into hygiene grades that include; toilet tissues, tissue napkins, paper towels, facial tissues and recycling of cotton fibres into absorbent cotton wool. The Chandaria Group of Industries is a family-owned business (with the three key players being Maganlal and his two sons, Dinesh and Mahesh) that relies on a strong professional team being involved in every sector of specialization (www.Chandaria.com).

A committed team of senior, middle and junior managers ensure a drive of excellence in all the departments such as global research, production, sales and marketing and finance. It is a force to be reckoned with in the printing, packaging and paper converting sector with exports to Uganda, Tanzania, Rwanda, Burundi and other countries besides local sales. The company mission Statement states that "Our goal at Chandaria Industries Ltd. is to continually improve our environmental performance, at the same time provide our clients with quality paper and tissue products from sustainable and recyclable paper (www.Chandaria.com).

The significance of Chandaria industries to the economies of where it operates includes; recycling which is a core part of the company's Corporate Heritage, resulting in minimal environmental damage as its products are made from 100% recycled waste paper. The company buys the waste paper from all over Kenya from waste paper collectors working in the waste paper collection and distribution sector thus creating employment and source of income to sellers of waste paper. In addition the company manufactures a variety of premium products, equal to international standards and at value for money prices.

Therefore Chandaria Industries products give the consumers value for money, protect the environment and also support more than 20,000 people who work in the waste paper collection and distribution sector (www.Chandaria.com).

1.2 Research Problem

Family businesses are seeking to grow and go international. They play a major role in the economy and thus a lot of consideration ought to be given to promote maintain and expand them both locally and internationally. It is the prestige of the each and every family business to increase its revenue, market share revenue, profitability and employee base by going to new markets. Unfortunately local markets are limited thus businesses seek to grow by going international. Businesses use different strategies thus it is important to find out on the strategies used by businesses to go international. This will enable one to get a deep and better understanding

Chandaria like any other family business is seeking to grow and has been able to get into various international markets such as Rwanda, Uganda, Tanzania, Rwanda, Burundi and other countries besides local sales. This has enabled Chandria industries to increase its market share revenue base and employee base. (www.Chandaria.com).

Several studies have been conducted locally and internationally in relation to family businesses. For instance, Okoroafo (1999) investigated a sample of 187 family businesses from Ohio (USA). His study revealed that the majority of family businesses do not pursue international activities and suggests that those firms that do not begin the internationalization process in the first or second generation find it hard to do so later on. Davis and Harveston (2000) add new variables, such as the founder's age and education level and the role of technology in the international entrepreneurship of the family firm. Furthermore, Fernández and Nieto (2005) conducted a study on succession of family business. They found that subsequent generations show higher export propensity and intensity than first-generation family members. The reason for this can be find in the acquired abilities and knowledge of the second and subsequent generations and the impatience of those generations to demonstrate their capabilities by looking for strategic changes, such as internationalization.

In addition, Mesa and Suárez (2006) conducted a study to find out factors that enhance internalization. Their study revealed that those partnerships with international firms enhance internationalization as well. The explanation given by Olivares-Mesa and Cabrera-Suárez (2006) is that those network ties provide the family business with information about foreign clients and markets, through which these firms may enjoy a 'learning advantage' and find it easier to go abroad than firms without international partners. Based on empirical studies researchers have not carried out studies on Chandaria industries thus creating a research gap.

The growing awareness of the importance of family firms has led to a noticeable increase in research and understanding of these businesses in the past several years, but a vast number of studies have focused only on the typical issues for family firms such as succession, family relations and estate planning (Denison, Lief& Ward, 1999; Kellermans, Eddleston, Barnett & Pearson, 2008). Based on the available empirical literature above on the family businesses the researches were not able find on the internationalization of Chandaria industries limited, therefore this is the gap in knowledge. Therefore against this backdrop this study sought to find out strategies used by Chandaria industries to go international.

1.3 Research Objective

The objective of the study was to establish internationalization strategies used by Chandaria industries limited.

1.4 Value of the Study

The findings of this study will be useful to the following.

Researchers who are interested in further research in this field will be able to investigate any research gap in the study not researched or be under researched by the researcher in the course of providing the evidence supporting the research topic and the research problems.

Family businesses will use the findings of this research to internationalize and have a better understanding of the strategies that can work and enable them to internationalize.

Chandaria industries will use the findings of this research to improve on the existing internationalization strategies and add more on board to enable the company penetrate mire international markets.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature on the different studies carried on family businesses and the strategies used to enable them internationalize. Specifically the chapter addresses the theoretical review and empirical review of family businesses.

2.2 Theoretical Foundation of the Study

This study's theoretical foundation is the Resource Based View (RBV) theory and the Upsalla Internationalization Model.

2.2.1 Resource Based View Theory

In the field of strategic management, RBV has been successfully used to explain long-term differences in that cannot be attributed to industry or economic conditions. Because family firms have firm performance been described as unusually complex, dynamic, and rich in intangible resources (Habbershon and Williams 1999), RBV gives family business researchers an appropriate means by which to analyse family/non-family business performance differences.

RBV asserts that firms are heterogeneous and that it is the idiosyncratic, immobile, inimitable, and sometimes intangible bundle of resources residing in the firm that gives the firm the opportunity for a competitive advantage and superior performance. RBV examines the links between a firm's internal characteristics and processes and its performance outcomes (Habbershon and Williams 1999). Sirmon and Hitt (2003) argue that family firms evaluate, acquire, shed, bundle, and leverage their resources in ways that differ from those of non-family firms. They believe these differences allow family firms to develop a competitive advantage. According to Dyer (2006), three types of capital (or assets) defined as "family factors" have been associated with the performance of family firms: human capital, social capital, and physical/financial capital. Certain family factors can lead to important assets and contribute to high performance, while other family factors are liabilities to firm performance and contribute to lower performance.

Based on some other cognitions Habbershon and Williams (1999) suggest the division of firm resources into four categories: physical capital resources (plant, raw materials, location, cash, access to capital, intellectual property), human capital resources (skills, knowledge, training, relationships), organisational capital resources (competencies, controls, policies, culture, information, technology), and process capital resources (knowledge, skills, disposition, and commitment to communication, leadership, and the team). According to the authors (Habbershon and Willimas 1999), the systemic influences generated by the interaction of the subsystems (family unit, business entity, and individual family members) create an idiosyncratic pool of resources and capabilities.

These resources and capabilities have deeply embedded defining characteristics that the authors refer to as the "family factor" (f factor) and connote as resources and capabilities. Any of the resources and capabilities that could be associated with a given firm might have an f factor influence, either positive or negative. The positive f factor influences are defined as "distinctive" and hold the potential to provide an advantage; the negative f factor influences are defined as "constrictive" and hold the potential to constrain competitiveness. Habbershon et al. (1999) define the "familiness" of the firm as the summation of the resources and capabilities in a given firm. This idiosyncratic familiness bundle of resources and capabilities provides a potential differentiator for firm performance and explains the nature of family influence on performance outcomes. It is “distinctive familiness” that holds the potential for providing firms with competitive advantage (advantages); the rent-generating performance for family businesses is a function of those advantages that stem from distinctive familiness of a particular firm. Wealth creation is thus tied to the systemic influences in the system as they create an idiosyncratic bundle of distinctive resources for the firm.

2.2.2 Upsalla Internationalization Model

The Uppsala-model (the U-model) was developed in the 70s by among others Johanson and Wiedersheim-Paul (1975) and Johanson and Vahlne (1977). The model contains different steps that describe the firms’ level of internationalization. According to the model a firm often initiates its internationalization process by direct exporting to a foreign country. After some time the firm starts exporting with the help of independent representatives (agents) abroad. This is also called indirect exporting. The following stage is to develop sales subsidiaries in a foreign country. The fourth and last stage in the model is the establishment of a production/manufacturing facility abroad (Johanson&Wiedersheim-Paul1975; Johanson and Vahlne 1977). A basic assumption of the model is that one cycle of events constitutes the input of the next. This indicates that the present state of internationalization is an important factor in explaining the direction of further internationalization.

The basic assumption of the Uppsala Model is that market knowledge and market commitment affects both the commitment decisions and the way current decisions are performed and this, in turn, changes market knowledge and commitment. The amount of knowledge of foreign markets and operations is influenced by the amount of commitments of resources in foreign markets, and vice versa (Johanson&Vahlne, 1977). Incremental growth also suggests that companies begin internationalization process in markets that have less psychic distance. Psychic distance is defined as factors such as differences in language, culture, political systems, etc., which disturb the flow of information between the firm and the market (Johanson & Wiedersheim-Paul, 1975).

The theory of the internationalization process is broadly accepted. Lately there has, though, been recognized a need for development of the original model as it was created in the 70s. On the first hand, when firms, for example large firms, have surplus resources, they can be expected to make larger internationalization steps. On the second hand there is the situation when market conditions are stable and homogeneous, it can happen that important market knowledge can be acquired in other ways than through experience. Thirdly, a firm may have considerable experience from markets that have similar characteristics and in a situation like this it may be possible to generalize this experience to the specific market. (Johanson & Vahlne, 1993) Kontinen & Ojala, (2010) cited that of the 5 studies examining FB internationalization from the perspective of the internationalization process indicated that the internationalization of FBs is incremental and mainly follows the Uppsala model of internationalization; by contrast, some FBs were regarded as “born-again” global firms. Concerning networks, the only fact revealed in the studies is that the networks are limited. This means that there is a significant research gap concerning FB networks in the process of internationalization, bearing in mind that in research on other kinds of firms, networks have been extensively studied (Coviello & McAuley, 1999).

2.3 Internationalization Strategies Used by Family Businesses

Interest in the internationalization of family business is undoubtedly growing. This can be seen in the increasing number of research papers published in recent years (Casillas, Acedo and Moreno, 2007). The following is a review on the internationalization strategies used by family businesses. According to Dimitratos (2004), there are five general and most common types of strategies that a firm can use in internalization with each having relatively uniform characteristics and consequences for the firm. He classified them as: exporting, licensing or franchising, joint ventures, strategic alliances and subsidiaries or acquisitions. This has been explained below:

The exporting behaviour of firms is generally divided into three stages: the pre-engagement phase (only domestic sales), the initial phase (sporadic export and learning period) and the advanced phase (extensive export through agents, networks and relations) (Leonidou&Katsikeas, 1996; Cited in Mason, 2008). In general, it is found that export activities require centralized decision-making in order to balance market demands and production capacity with the pursued marketing strategy (Claver, Rienda&Quer, 2007). Olivares-Mesa and Cabrera-Suarez (2006) found that company size; levels of technology, levels of product diversification and availability of human capital (experience, market knowledge) can enhance the success of the export process.

Licensing through use of patents and copyrights nowadays can protect new knowledge from opportunistic use by other parties. Nevertheless, patents and copyrights are often ineffective at protecting intellectual property, especially in foreign markets (Olivares-Mesa and Cabrera-Suarez, 2006). Therefore, more expensive and aggressive first-mover advantages are used for additional protection, such as acquisitions.

Joint ventures which are established over different geographical areas generally require decentralized decision-making, in order to avoid bureaucracy and to enable local managers and employees to adapt to the foreign market (Claver, Rienda&Quer, 2007). The cultural difference may influence entry modes. This is particularly the case with joint ventures where two cultures may clash in terms of power distance, uncertainty avoidance, and enforcement of contracts or time orientation (Shane, 1994). However, working with local people also saves time and costs to learning new knowledge about another market. Instead of joint-ventures, firms can also supplement their knowledge through strategic alliances (Madhok, 1997).

Wholly owned subsidiary or acquisition of foreign companies, unlike a joint venture, avoid major strategic implications like knowledge sharing, levels of collaboration, future relations with the partner, adjustments of strategic objectives and levels of control are avoided (Lam & White, 1999). Furthermore, acquisition and integration of new knowledge, technologies and marketing activities is an incremental and gradual process which can be costly and inefficient in comparison to the competitors who have already established operations (Penrose, 1980). Finally, clashes between cultures of a third party, like in a joint-venture, as largely avoided (Shane, 1994; Brouthers, Brouthers&Nakos, 2004). Therefore, an acquisition can be an attractive solution.

Empirical research by Olivares- Mesa and Cabrera-Suárez (2006) shows that partnerships with international firms enhance internationalization as well. The explanation given by Olivares-Mesa and Cabrera-Suárez (2006) is that those network ties provide the family business with information about foreign clients and markets, through which these firms may enjoy a 'learning advantage' and find it easier to go abroad than firms without international partners. Succession is another factor unique to family businesses which has empirically demonstrated relations to internationalization (Fernández and Nieto, 2005; Graves & Thomas, 2008). Fernández and Nieto (2005) found that subsequent generations show higher export propensity and intensity than first-generation family members. The reason for this can be find in the acquired abilities and knowledge of the second and subsequent generations and the impatience of those generations to demonstrate their capabilities by looking for strategic changes, such as internationalization (Fernández and Nieto, 2005). In other words, a successful succession can give a new push to the firm in terms of new strategies and resources. However, Graves and Thomas (2008) state that the commitment to internationalization always depend on the vision and qualities of the successor.

Closer home, Mugo, Minja and Njanja (2014) carried out a research on the internationalization strategies adopted by manufacturing firms in Nairobi County and found out that most of the family businesses engaged in exporting as their internationalization strategy avoiding the more risky internationalization strategies. The dominant internationalization strategies adopted by the family businesses were distribution and selling of own products and upgrading of technology to increase production, improve quality and reduce wastage. Overall the extent of adoption of growth strategies in family businesses was low at a mean score of 2.669. The findings also revealed that family businesses had varied and highly individualized reasons for adopting various growth strategies. They also experienced different challenges in the internationalization process. The challenges emerging from the study included family factors, government regulations, political environment, management, financial, market and cultural factors

Finally, the critical importance of a long-term commitment within family firms has found to have a positive influence on the internationalization process within these businesses (Graves & Thomas, 2008). If family businesses face poor short-term results from their international activities, they will not directly react with discontinuing those activities due to their longer-term view on market development and business growth (Graves & Thomas, 2008).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter highlighted the procedures that was used in conducting the study. Pertinent issues discussed in this section include the research design, sample size, sample procedure, methods of data collection data analysis and testing validity and reliability.

3.2 Research Design

The study used case study research design.Case studies designs are generalizable to theoretical propositions and not to populations or universes. In this sense, the case study does not represent a sample and in doing a case study, the goal will be to generalize theories (analytical generalization) and not to enumerate frequencies (statistical generalization) (Yin, 2003a). This study opted for this design because the case study design was deemed to be the most flexible of all research designs, allowing the researcher to retain the holistic characteristics of real-life events while investigating empirical events.

In general, a case study is an empirical inquiry which investigates a contemporary phenomenon within its real-life context whenthe boundaries between phenomenon and context are not clearly evident;and in which multiple sources of evidence are used. Case study design usually takes as their principal subject selected examples of a social entity within its normal context. At the simplest level, the case study provides descriptive accounts of one or more cases yet can also be used in an intellectually rigorous manner to achieve experimental isolation of one or more selected social factors within a real-life context.

Yin (2003a), tried to define a case study, as part of his defense of the method, as an attempt to examine: a contemporary phenomenon in its real life context, especially when; the boundaries between phenomenon and context are not clearly evident.This study therefore will seek to obtain and describe the views of the respondents with regard to the strategies employed by Chandaria industries in internalization.

3.3 Data Collection

The study used an interview guide as a data collection instrument to collect primary data. This method ensured that the data collected is precise as the researcher was able to control the data generating process by designing the types of questions or measurements as well as specifying the sample elementary units to be measured.

Interviewing is a way to collect data as well as to gain knowledge from individuals. Semi-structured interviews are non-standardized and are frequently used in qualitative analysis. The interviewer does not do the research to test a specific hypothesis (David, & Sutton, 2004). The researcher has a list of key themes, issues, and questions to be covered. In this type of interview the order of the questions can be changed depending on the direction of the interview.

This study used in-depth structured interview because this type of interview gives the researcher opportunities to probe for views and opinions of the interviewee thereby probing is a way for the interview to explore new paths which were not initially considered (Gray, 2004). Secondly this method will allows the researcher to construct key themes and sub-questions in advance thus giving the researcher a sense of order from which to draw questions from unplanned encounters (David, & Sutton, 2004). Finally, in this type of interview the interviewers are able to probe or ask more detailed questions of respondents' situations and not adhere only to the interview guide. In addition, the researcher can explain or rephrase the questions if respondents are unclear about the questions.

This study interviewed a total of 2 respondents from the Chandaria industries. One (1) respondent was drawn from the non- family members who are part of the senior management and the other (1) was a family member who was also part of the senior management. The study used the two, because they were deemed to have all the information concerning the organization internalization and were responsible for day to day operations of Chandaria Industries hence deemed to have credible insights on the internationalization strategies of their firm. The respondent from the non-family members ensured that the data was representative. The researcher carried the interviews himself. this enabled him to have an in depth understanding on the strategies used by Chandaria industries to go international.

3.4 Data Analysis

The data collected was analyzed using qualitative content analysis. Bryman (2004), states that qualitative content analysis comprises a searching-out of underlying themes in the materials being analyzed. Being a little bit more specific he defines qualitative content analysis in the following way: An approach to documents that emphasizes the role of the investigator in the construction of the meaning of and in texts. There is an emphasis on allowing categories to emerge out of data and on recognizing the significance for understanding the meaning of the context in which an item being analyzed (and the categories derived from it) appeared (Bryman, 2004). This method involved determination of the data material; analysis of the situation in which the text originated; the formal characterization of the material; determination of the direction of the analysis; theoretically informed differentiation of questions to be answered; selection of the analytical techniques (summary, explication, structuring); definition of the unit of analysis; analysis of the material (summary, explication, structuring); and interpretation.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter presents the findings of the study, interpretations and discussions according to the objectives and gives the results of the data analysis. The objective of the study was to establish internationalization strategies used by Chandaria industries limited. It is divided into three main sections which are findings, discussion and summary. The study used qualitative content analysis as a data analysis method**.** The analysis was done in the order which items appear in the questionnaire.This study interviewed a total of 2 respondents from the Chandaria industries. One (1) respondent was drawn from the non-family members who are part of the senior management and the other (1) came from the family.

4.2 Data Analysis and Findings

Respondents indicated that family members were involved in managing the business. The study findings also revealed that there were five non-family members in the top management, ten managers in the middle level management and twenty non-family managers in the supervisory level. The findings also revealed that a mix in the generations was involved in management of the family businesses. This implied that both young and old were being involved in the running of the business.

Several factors were identified by both family and non-family managers as being considered to have implications for decision-making in the family businesses. While this study was not a comparative study i.e. no non-family businesses were included in the research sample, these factors are considered to be different from those that may be operative in a non-family business. In general, interviewees considered that having a formalized board structure provided the possibility for decisions to be better informed as the board structure enforced some discipline of shared decision-making, sharing in some cases between several family members and in other cases, between family members and external non-family directors.

The firm under study had operated in international markets since the year 2000 and had operation in a number of countries including, India, Tanzania, UK and Uganda. The respondents were agreeable that local family businesses relied on strong analysis, cost control and management reports as mandatory characteristics to be able to compete in the global market. In selecting the country to commence internationalizing their business, respondents had considered market availability and countries where competition was relatively low.

The firm under study used different strategies to enter the different international markets. these are exporting and the use of subsidiaries. Chandaria has been able to grow its market by exporting the various products within and outside the east African region. this has been done by the use of distributors who are established in the different countries. the distributors are well vetted and have great capacity to handle the large markets and the large stocks required in the various markets.

Subsidiaries have also been established in the UK and India. These subsidiaries have been used to penetrate into many new markets in these specific countries. The subsidiaries have also been able to expand through exporting to the various neighboring countries on establishing well distribution channels. This markets are analyzed by the management for their performance and appraised accordingly.

Asked whether the products changed due to internationalization, most respondents commented that they changed. Among the reasons cited for the changes in the products included the diversity in the cultural backgrounds of the market participants, legal framework, competition and differences in customer preferences.

The respondents described the internationalization process as competitive. Others saw it quite challenging in terms of quality, quantity and customer preference Non-decision makers of the owning family perceived the internationalization with negativity. They were also resistant to change and felt as if the increased work was not commensurate with pay. The interviewees commented that internationalization affected the overall performance of the family business as it had led to standardization of products and improved quality of products; that the motivations behind the company venturing in to international markets was market expansion, market segmentation, cost reduction, international opportunity and to increase recognition. The findings revealed that the shortcomings or challenges encountered from the application of the internalization strategies stated above were mainly less business control and over dependency on supply from international firms.

Respondents felt that the factors that influenced the success of internationalization and organizational growth of the firm ranged from, bilateral trade agreements, trading bloc treaties, and the sourcing of raw material. Strategic planning aspects were also cited to be a factor influenced the success of internationalization and organizational growth of the firm.

Interviewees indicated that the strategies that the organization used to monitor international environment included news broad casts, updates from local and foreign regulatory bodies and also through regularly conducting SWOT analysis. They also commented that SWOT analysis, financial risk management, exchange rate monitoring and ratio analysis were some of the strategies the organization used to monitor and manage risks inherent in international markets. This was also done through constant analysis of external environment in relation to mother country and international markets.

4.3 Discussion

The study found out that family members were involved in managing the business. The ratio of family members in top management team (TMT) is generally used to measure family involvement in management (e.g. Liang et al 2014). Top management team (TMT) is a group of high position managers who have the responsibility and authority to conduct and execute corporate strategies comprehensively (Smith et al., 1994). Other studies established that family firms are usually reluctant to be interfered by external entities concerning control over the firm, especially when outside expertise come into the board and have additional advisory roles in top management team (Pukall & Calabrò 2014), although they are lagging behind the respective capabilities of non-family firms in internationalization practice (Graves & Thomas 2008).

The study findings also revealed that revealed that there were both non-family and family members in the top management. This implies that the firm had embraced non-family managers in the management of the firm. According to the literature review, authors find that the proportion of outsiders in the board of directors increases with internationalization. In brief, the role of counsel accomplished by the board would have a significant influence on the strategic orientation of the firm by improving the variety and quality of information available for the strategic processes and, consequently, the variation, selection and retention of alternative paths of development (Mustakallio and Autio, 2002). This function of counsel should thus improve the capacity of the firm to innovate and establish new strategic directions such as internationalization.

Several factors were identified by both family and non-family managers as being considered to have implications for decision-making in the family businesses. In general, interviewees considered that having a formalized board structure provided the possibility for decisions to be better informed as the board structure enforced some discipline of shared decision-making, sharing in some cases between several family members and in other cases, between family members and external non-family directors. Where boards were formalised, non-family managers, (and in one case, family managers not already members of the board) were invited to board meetings to join the discussion of issues within their area of responsibility. In this way they had a chance to influence the decision. Several interviewees commented that, in their view, it was even more important in the family business, where the family members were also members of the executive team, that the family managers be encouraged to discuss things openly in a board forum rather than keep things to themselves which occurs more often in the owner controlled family business.

The respondents also named the internalization strategies which were used by their organization to enter into international market. Among the internalization strategies used the respondents indicated that they used the following in the respective countries; Uganda (Exporting, Tanzania Malawi Rwanda and Burundi and subsidiaries (India and UK).The study findings are in line with literature review Dimitratos (2004),cited five general and most common types of strategies that a firm can use in internalization with each having relatively uniform characteristics and consequences for the firm. He classified them as: exporting, licensing or franchising, joint ventures, strategic alliances and subsidiaries or acquisitions.

From literature review export activities require centralized decision-making in order to balance market demands and production capacity with the pursued marketing strategy (Claver, Rienda & Quer, 2007). Olivares-Mesa and Cabrera-Suarez (2006) found that company size; levels of technology, levels of product diversification and availability of human capital (experience, market knowledge) can enhance the success of the export process. It is therefore evident that the two strategies used by Chandaria can successfully lead to internationalization.

The respondents were agreeable that local family businesses relied on strong analysis, cost control and management reports as mandatory characteristics to be able to compete in the global market. Strong management, goal setting, analysis and market research were considered by respondents to be the strategic considerations needed for family businesses before going global. The international business (IB) literature suggests that firms need to be well equipped with resources to successfully compete in international markets (Dunning, 2000; Eriksson et al., 1997; Peng, 2001). Venturing into international markets seems to pose specific resource challenges to family firms (Tsang, 2002). While factors such as commitment, long-term orientation and unique capabilities may enhance the internationalization of family firms (Gallo &Sveen, 1991; Zahra, 2003), the lack of resources may hinder family firms from seizing global opportunities and dealing with the complexity inherent with international expansion.

In selecting the country to commence internationalizing their business, respondents had considered market availability and countries where competition was relatively low. Venturing into international markets requires a significant amount of risk taking by family owners and managers (Zahra, 2005). Internationalization can thus be constrained by the family's tendency to avoid risk taking (Fernández& Nieto, 2006), the conservatism and resistance to change among family leaders (Gallo &Sveen, 1991; Ward, 1987) (Ward, 1987; Gallo &Sveen, 1991) and the lack of formal control and planning systems (Graves & Thomas, 2006).

Non-decision makers of the owning family perceived the internationalization with negativity. They were also resistant to change and felt as if the increased work was not commensurate with pay. Businesses was run by managers hence hands off approach. There is also fear of losing control in the context of internationalization. Regarding the power dimension, it is important to take into account that, since this dimension measures the overall influence of the family within the firm, the negative value of its coefficient confirms the view of Gomez-Mejia, Makri, and Larraza-Quintanta (2010) that family firms are less internationalized than their non-family counterparts. This may be due to their concern with preserving the family control to ensure the continuity of the firm (Arosa, Iturralde, and Maseda 2010; Wang 2006) and therefore their tendency to avoid the risks associated with foreign expansion (McConaughy, Matthews, and Fialko 2001).The findings revealed that the shortcomings or challenges encountered from the application of the internalization strategies stated above were mainly less business control and over dependency on supply from international firms. This agrees with existing literature on the factors affecting the internationalization of family owned businesses which included, long term plans, the possibility to take quick decisions, and the fear of losing control following internationalization. Furthermore, family owned businesses have been seen as having limited financial resources. Studies are needed, first of all, on the resources used by family owned businesses to compensate for their lack of financial resources during internationalization for instance studies utilizing the resource based view (Barney, 1991).

Finally respondents felt that the factors that influenced the success of internationalization and organizational growth of the firm ranged from, bilateral trade agreements, trading bloc treaties, and the sourcing of raw material. Strategic planning aspects were also cited to be a factor influenced the success of internationalization and organizational growth of the firm, thus supporting findings by (Gallo, 2004). The firm size (Cabrera-Suarez & Olivares-Mesa, 2005; Fernandez & Nieto, 2005: 85), organizational culture represented by the personal characteristics of the founder (Gallo, Tapies&Cappuyns, 2004: 313), his/her age and formal education (Davis &Harveston, 2000), their managerial attitude (Gallo & Garcia-Pont, 1996), their commitment to export or propensity to international involvement (Fernandez & Nieto, 2005) and the involvement of the family (“familiness”) (Zahra, 2003).

4.4 Chapter Summary

The study established that since internationalization is a risky strategy, family owners with high ownership don’t want to lose economic benefits. Therefore, family ownership will have a negative effect on the degree of internationalization.

The study found out that family members were involved in managing the business since .The argument given behind these and backed up by literature (Liang et al 2014) is that the ratio of family members in top management team (TMT) is generally used to measure family involvement in management. Since outside managers could weaken family authority and dilute family influence in the operation; increase information asymmetry; cause conflicts in business culture and decision.

Several factors were identified by both family and non-family managers as being considered to have implications for decision-making in the family businesses. While this study was not a comparative study i.e. no non-family businesses were included in the research sample, these factors are considered to be different from those that may be operative in a non-family business. In general, interviewees considered that having a formalized board structure provided the possibility for decisions to be better informed as the board structure enforced some discipline of shared decision-making, sharing in some cases between several family members and in other cases, between family members and external non-family directors.

From the findings, the strategies that the organization used to monitor international environment included news broad casts, updates from local and foreign regulatory bodies and also through regularly conducting SWOT analysis. The also commented that SWOT analysis, financial risk management, exchange rate monitoring and ratio analysis were some of the strategies the organization used to monitor and manage risks inherent in international markets. This was also done through constant analysis of external environment in relation to mother country and international markets.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The literature review (Kontinen & Ojala, 2010) reveals that the majority of studies examining the internationalization of family firms employ a family vs. non-family comparison based almost exclusively on family ownership and management. This could be a simplistic and therefore problematic characterization (Astrachan, Klein, and Smyrnios 2002) for approaching the study of export behavior in family SMEs. According to Rutherford, Kuratko, and Holt (2008), the familiness approach allows researchers to study family involvement as discrete factors, which, in turn, facilitates the examination of how the three dimensions of familiness – power, experience, and culture – should influence the firm export behavior.

5.2 Summary

Most of the respondents indicated that family members were involved in managing the business. The ratio of family members in top management team (TMT) is generally used to measure family involvement in management (e.g. Liang et al 2014). The study findings revealed that there were five non-family members in the top management, ten managers in the middle level management and twenty non-family managers in the supervisory level. This implies that the firm had embraced non-family managers in the management of the firm. Findings also revealed that a mix in the generations was involved in management of the family businesses.

In selecting the country to commence internationalizing their business, respondents had considered market availability and countries where competition was relatively low. Venturing into international markets requires a significant amount of risk taking by family owners and managers (Zahra, 2005).

Among the reasons cited for the changes in the products included the diversity in the cultural backgrounds of the market participants, legal framework, competition and differences in customer preferences. The respondents described the internalization process as competitive. Others saw it quite challenging in terms of quality, quantity, customer preference

The interviewees commented that internationalization affected the overall performance of the family businesses as it had led to standardization of products and improved quality of products; that the motivations behind the company venturing in to international markets was market expansion, market segmentation, cost reduction, international opportunity and to increase recognition.

The findings revealed that the shortcomings or challenges encountered from the application of the internalization strategies stated above were mainly less business control and over dependency on supply from international firms. This agrees with existing literature on the factors affecting the internationalization of family owned businesses which included, long term plans, the possibility to take quick decisions, and the fear of losing control following internationalization. Furthermore, family owned businesses have been seen as having limited financial resources. Studies are needed, first of all, on the resources used by family owned businesses to compensate for their lack of financial resources during internationalization for instance studies utilizing the resource based view (Barney, 1991).

They felt that the factors that influenced the success of internationalization and organizational growth of the firm ranged from, bilateral trade agreements, trading bloc treaties, and the sourcing of raw material. Strategic planning aspects were also cited to be a factor influenced the success of internationalization and organizational growth of the firm, thus supporting findings by (Gallo, 2004).

5.3 Conclusions

The long term commitment of FBs can help to assure potential partners and investors of the continuity of the process, and the high level of trust inside the firm can enhance the formation of outside network ties. In internationalization, the ability of Family owned businesses to make quick decisions can be especially important, since internationalization is a very dynamic process in which the ability to react quickly to new international opportunities can be critical. Furthermore, FB managers ought to minimize the effect of features that will tend to impede their internationalization, such as a domestic perspective, unstructured management processes, and limited networks. FB managers could overcome these disadvantages by increasing their knowledge of internationalization strategies and of different cultures Other measures would include training the next generation, hiring outsiders within the management, regularly monitoring the international environment, and actively attending international occasions (such as trade exhibitions where there is the chance to network with potential foreign partners.

5.3 Recommendations for Policy and Practice

Financial, managerial and knowledge resources should be considered important resources for any family business seeking to internationalize. Further, an open governance structure with external ownership, external board representation, external CEO and a large top management team should be adopted as this positively affects internationalization. Further, external ownership should particularly be encouraged to overcome political resistance to expand the scope of the business.

Policy makers such as the government should encourage family business existence by encouraging the firms to go international. This can be done by tax reductions and global marketing for family businesses.

5.4 Recommendations for Further Research

The researcher suggests a longitudinal study that considers the time evolution in the family businesses. It would allow a better explanation of the role that the family firm dimensions play when considering internationalizing. Further, the study recommends a comparison of different kinds of family firms.

5.5 Limitations of the Study

This been a cross-sectional study it dwelt with information collected on a specific period in time. The study is limited to time and does not consider the time evolution of the family business.

Being a case study the study is specific to Chandaria only thus leaving out many family businesses which can be researched on over a long period of time thus giving a greater scope of the family businesses in general.

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APPENDICES

Appendix I: Introduction Letter from University of Nairobi

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

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

P.O. Box 30197
Nairobi, Kenya

DATE 05/10/2015

TO WHOM IT MAY CONCERN

The bearer of this letter VINCENT MUNGAI KABUGI

Registration No D61/61041/2015

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
06 OCT 2015
P.O. Box 30197 – 00100, NAIROBI

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

Appendix II: Interview Guide

1. Are the family members involved in managing the business?

____

2. How many family members are involved in managing the business?

____

_

3. How many non-family members are involved in managing the business and at what level?

____

____

____

4. What generation controls the business?

____

5. Is there centrality in the decision making among the family members?

____

____

____

6. Has your organization expanded to international markets?

____

7. If yes to the question above, which year did your organization enter the international market?

____

8. To date, name the number of countries in which your company operate?

____

____

____

9. Among the following the available internationalization strategies which one (s) did your organization use to enter international market.

____

____

10. According to you, what are the mandatory characteristics of local family businesses to be able to compete in the global market?

Exporting	[ ]
Licensing	[ ]
Franchising	[ ]
Joint ventures	[ ]
Strategic alliances	[ ]
Subsidiaries	[ ]
Acquisitions	[ ]

11. What are the strategic considerations needed for family businesses before going global?

____

____

____

12. How did you select the country to commence internationalizing your business?

____

____

____

13. Did your products change due to internationalization?

____

____

____

14. How do you describe your internationalization experience?

____

____

____

15. How was the perception of internationalization by the non decision makers of the owning family? (Any objection?, reasons for objection and steps put to quell the objection?)

____

____

____

16. How does internationalization affect the control of the family over the business?

____
____
____

17. How does internationalization affect the overall performance of your family business?

____
____
____

18. What were the motivations behind your company venturing in to international markets?

____
____
____

19. What advantages have your organization accrued so far as a result application of the strategy (ies) mentioned above?

____
____
____

20. What are the shortcomings/ challenges encountered from the application of the strategy (ies) stated above?

____
____
____

21. Who is responsible for the decision relating to your organization’s expansion to international markets?

____
____
____

22. To what extent does your organization involve non-family members in decisions regarding internalization?

____
____
____

23. Name the factors that influenced the success of internationalization and organizational growth of your firm?

____
____
____

24. Please explain how regular does your organization monitor international environment in order to integrate global developments with your domestic decisions?

____
____
____

25. Please indicate the methods and strategies that your organization uses to monitor international environment?

____
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26. What strategies do your organization's uses to monitor and manage risks inherent in international markets?

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27. Would you like to add any other information in relation to the internalization strategies of your organization?

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