STRATEGY IMPLEMENTATION AS A COMPETITIVE TOOL IN ENHANCING PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN NAIROBI CENTRAL BUSINESS DISTRICT

BY

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

OCTOBER 2015

DECLARATION

I declare that this project is my original work and has not been presented for any degree award in any other University.

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

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DEDICATION

I dedicate this work to my close family members who have encouraged and supported me throughout my life, and especially through all my academic pursuits. To my parents, thank you for all the struggles you went through to ensure I got the best basic education. To my children Dennis, Mike and Serah, thank you for enduring those many evenings without mummy as I pursued my postgraduate studies. May God bless you all in a mighty way.

ACKNOWLEDGEMENT

First, I give all glory unto the Almighty God who enabled me to successfully pursue this course till the end.

My sincere appreciation goes to my family members for tirelessly supporting, inspiring and encouraging me to overcome challenges and achieve my goals. I would also like to acknowledge support I received from my employer and colleagues especially for accommodating a flexible schedule that allowed me to consult widely when working on my research project. I wish to acknowledge all my lecturers at the school of business, much thanks and appreciation to my supervisor, Mr. Victor Monayo for his support and guidance, and encouraging me to soldier on even when I was about to give up. Special thanks also go to all respondents who took part out of their busy schedules to respond to the questionnaires and enabled the successful completion of this research project.

ABSTRACT

An increasingly important emerging focus is in the design of organizations towards flexibility, improved efficiency and positive response to environmental pressures. For effective strategy implementation processes management of SME's need to be adaptive and responsive this implies a radical shift away from traditional structures and decision making patterns to a more direct, innovative approach when it comes to strategy implementation; the firms internal structures need be redesigned to make it meet customer needs, and these will enable the firm to be competitive to test their competitive strategy. The purpose of the study was to establish strategy implementation as a competitive tool in enhancing performance of small and medium enterprises in Nairobi County. The study focused on small and medium enterprises in the Nairobi Central Business District; a sample number was selected to represent the entire population. The selected firms were researched through use of questionnaires which were designed to capture the relevant information required by the researcher. The target respondents included owner managers, directors, and partners of various SME's in the Central Business District. The researcher utilized descriptive cross sectional survey and these were the findings; it was established that many parties within an organization; top management, middle level management and lower management participate in strategy implementation. The findings indicated that organizational leadership played a key role in strategy implementation processes; followed by other variables like communication networks, adoption of intermediate technology, conducive work culture and climate. The findings also noted of some constraints towards strategy implementation, the contributory factors were identified as poor management practices, low morale & employee motivation, failure to respond to environmental demands. The study also highlighted contributors to the firm's performance, these featured good leadership practices, adequate organizational resources; dedicated workforce, conducive environment among others. The study made some conclusive remarks notably the following, that successful strategy implementation practices requires sound knowledge of the industry and business environment. It noted that it was everybody's responsibility to ensure organizations success through understanding own roles and duties relative to strategy implementation practices; it made a quick observation on the need to motivate employees and give incentives to all involved, participatory management being mandatory. The study made for recommendations, notably, adoption of modern strategic management values, classification of SME's in relative measurable variables to enable similar SME's analysed separately as there is great diversity in their background, infrastructure, finances, and other parameters. The study also noted need to undertake longitudinal studies in future. Finally these was need to research further on other SME's in other counties to analyse their strategy related constraints and low best to manage the enterprises.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The current business environment where firms operate as highly dynamic and even transforming itself and all activities therein, the exertion of pressure, influences and constraints is common. Firms should constantly scan the environment to identify opportunities and threats affecting their businesses. The same conditions act as a threat to the firm's strategy formulation, implementation and success; hence business firms small, medium, large, complex should always match the environmental demands with their respective strategy and resources. Policies procedures, mission and vision always get affected by these dynamic changes in the environment. The industry key success criteria lies in the fulfillment of basic perquisites for survival and success within an industry, these can be summed up to constitute the sustainable competitive advantage factor. Strategy is the general direction that a firm intends to move in over the long run (Johnson & Scholes 1999). For an organization to survive it must be leveraged on strategy for sustainability.

Globalization of businesses signifies open competition among the forms for customers in the intended product market. A firm will compete effectively on the basis of the quality, cost and performance of their product / service offering. Globalization signifies a free trade in products and services offering a diverse customer base across wide emerging global markets. This exerts continuously increasing pressure on firms competing for customers to better their product quality, lower costs and improve on the quality of their products / services. This will enable them meet ever changing customer needs and expectations.

Firms therefore have to continuously pursue more efficient production, keep up with technological advancements in their area, ensure continuous product innovation through an environment that promotes creativity and flexibility (Rastogi 2008).

The study is supported by the following theories: Porter’s diamond Model, the resources based view.

Small and medium enterprises in Kenya operate in a highly field and even changing environment touching on all aspects of the PEST (Political, Economic, Social, and Technology) factor framework. They require effective strategy implementation structures and processes to completely perform.

1.1.1 Concept of strategy

Johnson and schools (1993) defines strategy as the general direction and scope that a firm intends to take in the long run which is aimed at helping the organization to achieve a competitive advantage through the use of its available resources within a challenging environment to meet markets needs and meet expectations of key stakeholders. Aosa (1992) indicates that the concept of strategy is all about finding the right alignment of external conditions external to the firm to its internal conditions to achieve a strategic objective. He argues that such an alignment is only possible through the development of an organization’s core strengths in relation to its external environment. Thompson & Strickland (1998) define strategy as a game plan that an organization uses to position itself in its chosen market in order to successfully achieve an edge over its competitors, satisfy its customers and still achieve its other stakeholder performance objectives. It included choice among alternatives; this reflects the organization must be aware of the competition in order to position itself.

A firm level of competitiveness can only be built on the strength of both technological; capabilities and synergy between item that the firm can develop core competencies and uniquely proficient service or value chain activities. They in turn provide a viable focus for the firm's competitive strategy. There is need for continual enhancement, coordination and integration in order to generate and sustain the thrust and direction of a firm's competitive advantage (Rastogi 2008). In terms of their dynamic nature and dimension, they however also enable the firm to periodically redefine its strategy, delivery system, rules and tactics of competition. They enable the enterprise to understand in appropriate depth the key cost drivers and value generating activities of its business towards creating, adding and delivering greater value to its customers. The capabilities are basically oriented towards designing and improving the way an enterprise conducts business. Their effectiveness is not confined to the use of key support systems and services provided by them. It rather lies in their consistency, compatibility and depth of integration.

The strength or effectiveness of the basic capabilities amplifies a company's depth of customization, i.e. its ability to provide "total customer satisfaction" which is an ultimate source and a basic component of a company's competitive success (Rastogi 2008). Mintzberg (1998) suggests five uses of the strategy definition as plan, ploy, pattern, position and perspective. Strategy as a plan is deliberate and is developed in advance of action. As a ploy it's a response to a competitor action; strategy as a pattern is a stream of actions with consistency. As a position, strategy is the company’s location in its external environment which allows it to compete effectively with other companies; and strategy as a perspective is a view or concept shared by others in the organization. Therefore any organization needs a strategy without a strategy and existing business can drift away from its customers and become uncompetitive within its operating environment and eventually becomes existent. A strategy provides a unified or sense of direction to which are members of the organization can relate a clearly defined strategy and effectively implemented strategy leads an organization to fruitful success towards goal attainment.

1.1.2 Competitive advantage

Competitiveness according to Khemani (1997) should be equated with productivity. It relates to measures that firms, industries, regions and government adapts to foster maintain and increase productivity. On a substantial basis, Krugman (1990) argues that if competitiveness has any meaning is simply means productivity. Competitiveness is vital if the firm is to take advantage of opportunities presented by the country’s economy. It’s also necessary to safeguard against threats posed by environmental challenges. This study is based on the concept of competitiveness of the firm that incorporates other relevant application of theories to analysis individual firms as independent limits of economic activity with emphasis on formulation of the local competitiveness advantage, the evolution of competitiveness has enlisted three items, the market share, costs and productivity.

1.1.3 Determinants of competitiveness

Drivers or factors of competitiveness values from one firm to another; summary can be grouped under two main areas, macro-economic and micro – economic competitiveness is caused by a range of policies and public good investments that set the context for an entire economy. Social infrastructure (education, healthcare and public safety) and political institutions define the broader context in which productive economic activity takes place (Hall & Jones 1999). Micro economic factors are those that have a direct influence on the company productivity and labour force mobilization and includes factor endowments and demand conditions. Thompson (1961) identifies five main determinants of competitiveness: Access to markets, location relative to raw materials, transportation costs, availability and cost of energy resources & labour costs. Porter (1990) developed a different model (Diamond model) that explained the different determinants that either promote or inhibit competitiveness.

Rastogi (2008) explains in better details the elements incorporated in competitiveness situations, the talks of simultaneous requirements of "tight and loose" structural properties can only be met by the shared values, norms, beliefs, and expectations of organization members. Shared values and vision provide a stable context within which open communication, personal responsibility for outcome and commonality of focus. On problem solving can occur.

Internal stability in a flexible and dynamic enterprise comes from its strong and carefully nurtured organization culture. The flexibility of an organization may be equated with its effectiveness. It represents the organizations capability to continuous transform its strategy, structure, systems and processed to respond to or cope with environmental pressure, demands and changes in an adaptive manner. Finally a firm's competitiveness strategy consists of the business approached and initiatives to withstand competitiveness pressure to strengthen its market position. It identifies management's position for competing successfully and providing superior value to its customers. This enables it from the competition (Thompson & Strickland 2003). Competitive strategy as a part and parcel of the business strategy that deals with management plan for competing successfully, how to build sustainable competitive advantage, how to outside the competition, how to defend yourself from aggressive competition and pressure or how to strengthen the market position (Thompson & Strick 1998). Strategy is all about com\petition, a good strategy is not a guarantee to success but its implementation process determines the firm's success.

1.1.4 Organizational performance

The concepts of organizational performance is based on the idea that and organization is capable of achieving its targets, goals and purpose (Borney 2002). According to Richard et al (2008) organizational performance encompasses three specific areas or firm outcome, the financial performance (profit, return on assets return on investment; market performance (sales, marker share) and shareholder return, economic value added etc. SME's performance heavily relies on entrepreneurial employees commitment to work together to fulfill their obligations activities or objectives in a progressive and coordinated fashion. According to Roper (1998) the entrepreneur is the key people who well chart the destiny of our business to success.

1.1.5 Strategy implementation

The idea of strategy revolves around deliberate attempts by an organization to obtain sustainable long term advantage in the delivery of expectation of stakeholders. Strategic management as a process entails the successful stages under which a strategic plan delivers results. Successful strategic formulation doesn't guarantee success in strategy implementation. Implementation is an equally important task which must be completed in regard with organizational agenda. Miller (2002) indicates that 10% of formulated strategies are successfully implemented while 90% of well formulated strategies are successfully implemented strategies fail at implementation stage. Alexander (1985) indicates that the major reason why strategies fail is due to lack of practical and relevant models to guide managerial effort to implementation stage. Without adequate models, managers try to implement strategy without good understanding of multiple factors that must be addressed often to increase the chances of strategy implementation. According to Alexander (1985) the most common problems of strategy implementation include underestimating the time needed for implementing, and major problems surfacing that had not been anticipated. In addition , uncontrollable factors in the external environment had an adverse impact, poor employee skills, poor leadership, inadequate training at both functional and lower levels and lack of proper management information systems to monitor the implementation process.

1.1.6 Small and medium enterprises in Kenya

The term SME's covers a wide range of meanings depending on the country where its being refereed (Mac Adam & Armstrong (2001). There's no universal definition and stand point of an SME, generally it can indicate that a number of criterion is used like assets, value, sales amount, capital invested, as well as turnover. The small and medium sized enterprises are both in formal and informal sectors of the economy with a work force of 1-50. Omiti and Kumuyu (2000) deformed small enterprises as one with an employee's numbering between 5 and 50. The enterprises will be owner managed, a partnership or family owned business. The kind of businesses range from customer service to industrial in nature. The issue of classification becomes critical because of difficult perceptions attached to certain issues like turnover and asset base. It becomes difficult because some business will be in manufacturing / retailing / professional services and construction.

The Kenya SME's is a combination of self-employed and vibrant firms comprising of an array of activities that have more concentration in the towns and even in rural area. Majority of these small enterprises are sole proprietorship, majority female owned and mostly informal, they have less start by capital grow very slowly and have a host of challenges when soliciting for credit, others operate from home, and less permanent structure (Kumuyu & Omiti 2002). The small and medium enterprises attract both skilled and non-skilled persons including retired persons. Most of the people regard it as the final option after formal employment. Ongile and McComick (1996) indicate that the Kenyan small scale sector requires uplifting in terms of skills / capital and management practices.

1.1.7 Nairobi Central Business District Association

The Nairobi Central Business District Association (NCBDA) is a registered body under the Kenyan societies act (Cap 108). The association was created in 1997 to take care of the opportunities and problems in the diverse CBD (Central Business District). The area covered under the CBD includes Uhuru Highway, Haile Sellasie Avenue, Moi Avenue, and University Way, buildings like parliament, City Hall, City Square, among the major hand mocks. NCBDA ultimate vision and mission is to make the city of Nairobi the clean city, secure and a home of investment and investment forums. Through various partnerships the city has seen remarkable changes and among the visible projects undertaken include community policing. NCBDA objectives were to eliminate and work on customers' constraints and obstacles which hindered the small and medium sized firms to grow, management of city space, infrastructure development, informal trader accommodation in CBD and to access key economic factors which can be focused to generate growth in the private sectors within which these SME's operate.

1.2 Research Problem

Successful firms across the globe's business spectrum have to continuously commercialize of innovative ideas to meet specific and ever changing business and customer needs. For these they to create and use tools, techniques and processes, systems and devices to be more proactively dynamic, creative and productive. It requires them to continuously improve on product function, cost effective strategies, new processes and product technologies, flexibility to customers' needs and application of competitive moves are a key to success in today's increasingly competitive business world. To obtain sustainable competitive advantage (s) firms may form alliances and networks which cut across the industry or business sectors to build one another's competitiveness. Failure to strategize may leave the firm in a weak competitive position in the industry. Emerging service technological and infrastructural offerings have enabled firms to participate and compete in a wider range of target market segments (Rastogi 2008).

Mintzberg (2002) defines strategy as plan, ploy, pattern, position and perspective. It is a deliberate move to outmatch the competition through competitive responses, relocation of business to more conducive site(s); Johnson & Scholes (2002) Views strategy as the "Lenses" a design, a way forward plan that comes before the events it governs. It is a long term direction of an organization. Strategy operates at various levels with an organization. It can be at corporate, individual unit and operational levels. Functional strategies are short term, usually not more than one year, with a goal to direct decisions and actions of a firm's functional areas (Coolter 2008). These areas include marketing, finance and human resource. There is need to maintain a competitive strategy for each of these functional areas in order to support business and corporate strategy. SME's need to develop these competitive strategies if they have to exist and survive in a competitive environment (O'Regan & Ghobadian 2005) .

SME's in Nairobi County have had to operate in a very delicate economic environment, with loss of value of shillings against dollar; prices are always high hence affecting sales and profitability as well as sustainability of the firm. The common practice of assuming that strategy issues are meant to apply to large firms have contributed to underperformance of a number of SMEs. There is need for these organizations to appreciate the essence and importance of strategic management practices (Pushpakuman& Watanabe 2010). There is growing need for SME's to understand the importance of strategy formulation and implementation as this will turn around their performance. According to Porter (1985) a firm's competitive advantage can be achieved only if the business implements a value creating strategy that is not similar to the competition or potential competitors. This can lead to sustained competitive advantage and be part of the strategic assets which Barney (2000) regard as those that are literally controlled and permit the organization to formulate and implement strategies that increase the firms horizons through efficiency and effectiveness. The small and medium enterprises in Kenya are very visible as they have contributed to the employment generation activities and provide essential services and goods to the public (Central Bank of Kenya Economic Review)

Local and international studies have been undertaken on SME's in Kenya. Quihong &Tiorini (2009) did a study on strategic management in East Asia SME's; Wasunga (2008) did a study on challenges influencing small and modern enterprises in Kenya; Rugut (2012) did a research on marketing strategies adopted by small and medium sized enterprises in the Nairobi Central Business District; Nyariki (2013) did a survey on assessment of strategic management practices by small and medium sized enterprises in Kenya. Opiyo (2013) undertook a research management of ownership change on business continuity and development "a survey of SME's within Nairobi County. From the above studies none of the researchers have researched on strategy implementation of SME's in the economy. The study therefore seeks to answer the research question. What is the impact of strategy implementation as a tool to enhance competitive advantage in the performance of SME's?

1.3 Research objectives

The objective of this study is as follows:-

1) Determine the influence of strategy implementation as a tool of competitive advantage in an SME's performance.

1.4 Value of the study

To the government, regulatory bodies and other executive organs, the study will enhance the development of policies and business guidelines for SME's in the country.

The study will also benefit the industry payers to understand how to plan and implement their strategic plans to ensure organizational success.

To the academicians the study will also be of valuable input to research programmes and curriculum development. This will enhance organizations' ability to articulate clear policies since the management is already trained on specific issues affecting their performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter introduces the theoretical framework underlying the study, covering the porters diamond model, the RBV view (Resource Based View); the Mckinsey 7s Model; Porters theory of competitive advantage. Other topics covered include:-

Strategic application by SME firms, basic capabilities needed for competitiveness in business, instituting policies and procedures that facilitate strategy execution, reward management and incentives to strategy execution, measuring market opportunities forecasting and market knowledge for SMEs, strategy execution through focused targeting of attractive market segments for SMEs, strategy implementation, pre-requisites for effective strategy implementation.

2.2 Theoretical foundations

2.2.1 Porters diamond model

Porter (1990) undertook a study across ten nations with the intent come up with an analytical framework which tried to explain why a particular nation succeeds or performs better than others. the study developed a model that explains the different determinants that interact when applied to any industry to enable it identify the relevant variables that impact on industry competition. Porter concludes that a dynamic and challenging environment is a factor that allows success to a particular industry and also motivates and pushes firms to upgrade and expand their competitiveness over time. However, porter fails to clearly indicate the conditions under which advantages with supply of basic factors of production interact with environment to make them competitive and attain competitive advantage of status. That model is called the “Diamond” and consists of four determinant factors: demand conditions, related and supporting industries and firm strategy, structure and rivalry, other elements that influence the diamond are government and chance. Porter’s (1990) Diamond model of comprehensive approach that incorporates concepts from traditional theory; new trade theory; the resource based view, Schumpeter (1934) role innovation introduced by him.

The diamond model can be use of those assets. Every firm develops competencies from their resource base and when well developed, these become the source of the firm’s competitive advantage (Pearce & Robinson 2007). It is evident then that resources do in a major way influence the impact of the strategic process. Good plans on their own are not a route to success. They must be implemented property for a firm to succeed. Rumelt (1991) indicates that intra-industry differences in profits are greater than inter - industry differences in profits, strongly suggesting the critical nature of firm – specific factors and of relative un importance are the environmental advantages and conditions under which the firm operates.

2.2.1 Resource Based View Theory

The resource based view was developed by Birge Wernerfelt in 1984. It examines the specific factors comprising strategic advantage by examining its distinct combination of assets, skills, capabilities and intangibles as an organization. Firms will differ fundamentally because each firm has its own unique set of resources, both tangible and intangible as well as organizational capabilities.

Finally the RBV considers the firm as a bundle of resources, tangible resources, intangible resources and organizational capabilities. Competitive advantages that are sustainable overtime generally accrue out of bundle combinations of organizational resources and capabilities. For the firm to achieve sustainability, four criteria of resources should be satisfied: rareness, valuable, difficulty in imitation and difficulty in substitution. Such an evaluation requires a sound knowledge of the competitive context in which the firm exists (David (1997)

2.2.3 Mckinsey 7s Model

Mckinsey and company developed the Mckinsey 7s model in the early 1980's. The framework has seven valuables namely structure, strategy, systems, skills, styles, staff and super ordinate goals (shared values). Staff refers to the human capital in the organization whereas skills refer to capabilities; systems refer to routine process and procedures followed within the organization; strategy defines the laid down steps of action and plans to be used to allocate resources with certain identified objectives over time; Structure indicates the skeleton of the organization or the organization chart and style refers to the typical behavioral patterns of key people in the organization.

2.3 Strategy Application by SME's Firms

Strategies have significant effects on organizations, hence it is vital to consider/ weigh options (positive or negative), and expected outcomes before adoption. Business strategies are diverse from geographic expansion diversification, acquisition, product development, market penetration, liquidation and joint ventures. An SME should consider four factors to determine the limits of what the firm can accomplish. These are strengths, weaknesses, opportunities and threats (SWOT). A firm can obtain environmental information on the above four factors through an environmental scanning process.

To succeed in strategy fit out, the firm must decide how to compete in respective markets by first identifying their competitors. A firm can adopt a cost leadership, differentiation and focus strategy. Differentiation strategy enables the firm to compete uniquely through unique attributes in the product or service. The value added uniqueness allows the firm to charge a premium price or select a unique outlet. Ansoff (1988) suggests there is a differentiation strategy if based on achieving of different and superior products and services delivery. This is possible through the design of special firm specific brand images, technological feature improvements, better customer service delivery or higher quality products.

Focus strategy concentrates on niche markets, narrow competitive scope or market segments where the firm wants to achieve differentiation and cost advantage. Focus enables the firm to serve special needs and wants of buyers in their respective segments. Porter (1980) indicates that some businesses get “stuck in the middle”, because they fail in their own ways to concentrate on their strengths. He concluded that to succeed at multiple strategies businesses do create separate strategies for each market segment. Differentiation strategy has various dimensions; it can compete through differentiation goals and objectives, synergy, scope and in resource deployment

2.4. Basic Capabilities Needed For Competitiveness in the Industry

A major objective of any firm is to establish sustainable competitive advantage. Creating competitiveness requires firms to build internal strengths or capabilities, be able to cope with external challenges as well as capitalize on opportunities. The firm requires to continuously excel on productivity, efficiency, creativity, innovation, flexibility and adaptability. Competitiveness depends on continuous improvement and innovation. To sustain a competitive advantage, resources need be widened and enhanced in a proactive manner. Caution must be taken on the market conditions (Rastogi 2008).

Basic capabilities required are organizational capabilities which relate to the firm’s capacity to reconfigure its structure, systems, and business processes effectively. The firm must have resources to position itself and have adaptability to change. Technological capabilities are also required to succeed. Technology management includes the a deliberate effort to incrementally innovate or improve on existing technologies, development of new and emerging technologies, creation of by hybrid technology, acquisition and absorption of technologies that cannot be internally generated (Rastogi 2008).

Finally, there is need to maintain total quality management, total control among other controls. Total quality management must be quality focused, customer centred, integrated management. These gains are achieved through continuous product design, reduction in operating costs, reduction in operating losses, avoidance of wastage, empowerment of employees to detect and correct errors.

2.4.1 Flexible Organizations and Creative Human Resources.

The human element and organizational structures need be flexible to accommodate change in the business environment, support systems and information flow. Flexible organization structure and creative human resource are vital for managing tension between stability and change. Competitive pressures demand unceasing innovations and products. Rigidity and infirmities of organization structure, processes and system would render strategy implementation and technological improvement weak and ineffective

2.4.2 Corporate Culture and Leadership; Keys to Good Strategy Execution.

Rastogi (2008) notes that a sound, strong, carefully nurtured organizational culture is a prerequisite to effective strategy formulation. Culture provides boundaries for interpretations and expectations that help employees know what to count on, how to make sense of changes and how to interpret their changing organization. Values, norms and expectations provide context within which open communication, personal responsibility for outcome and shared focus on problem solving can occur. Management of values and management consistent with values are crucial to competitiveness of a firm. A strong organizational culture enables such firms to combine a wisely structured organic form (to foster innovation) with tightly structured mechanistic form (to facilitate implementation and control) effectively. Culture serves to integrate its strategy, policies, structure, operations and performance. A confused dissonant, divisive and parochial value system on the other hand is reflected in the form of internal disharmony, low productivity, poor ethics, weak morale, and dismal performance. Pearce and Robmison (2010) indicate that a business becomes successful because they possess some relative advantage to their competitors. Thompson and stickland (1993) explain that managers should tailor strategy to fix specifics of their own company environment and culture.

2.5 Instituting Policies and Procedures That Facilitate Strategy Execution

Thompson and Strickland (2005) observe that Work practices and operational procedure changes have to be effected to achieve strategic change. Organizational policies and laid down operating procedures if well formulated will aid strategy execution. Good prescription of policies and procedures facilitate strategy execution and merits the following: it provides top to bottom guidance regarding how activities should be undertaken; it assists on consistency, it promotes work climate and facilitates good strategy execution.

2.6 Reward Management and incentives To Strategy Execution

A well-crafted reward structure is one of management's most effective tool that can be used to mobilizing organizational support and commitment to successful strategy execution. Selling new strategic direction to all stake holders is a tall order for management and remains one of the biggest strategy executing challenge. It is critical for management to employ motivational techniques that build whole hearted commitment to operating excellence and winning attitudes of employees to ensure effective strategy implementation (Thompson Strickland 2005). Guidelines for designing incentive compensation systems are as follows: the performances pay off should be major, the in venture plan should be all inclusive without discrimination, make performance review and period of compensation short, and make use of non-monetary rewards.

2.7 Measuring market opportunities, forecasting and market knowledge for SME's

SMEs ability to compete and remain competitive must measure their respective market opportunities, undertake forecasts and obtain sound market knowledge. This will enable the firm to position itself competitively (Lareche etal 2002). Market knowledge is critical in understanding market conditions of what customers need and their expectations; lack of market knowledge leads to misguided decisions, products that are not in demand most likely fail, entry into new markets despite unfavorable market or industry conditions may also make success unlikely; products may be marketed to wrong target markets; attractive products may be overlooked, prices may be unaccredited, poor marketing communication management, all these result from ill-informed decisions. SME ability to utilize market information may lead to success if proper attention is given to issues like internal records management, updating of data bases, establishment of competitive intelligence systems, client contact, sales force automation system, and established programs of marketing research. (Mc Graham M.A (1999).

2.8 Strategy execution through focused targeting of attractive market segments for SME's.

Innovative and effective market segmentation is often key to marketing breakthrough. Marketers and business strategists argue that proper segmentation makes marketing sense. Firms should segment their markets for ease of focused and productive marketing practices and meaningful productivity. Effective segmentation should take into account the behavioral and other segmentation variables like age/sex household lifecycle/ income / occupation/ education events and manage them towards the goal of customer need satisfaction (Boyton et al 1993). Effective targeting is a five stage approach. It starts with the criteria to measure market attractiveness, relative weight of each factor, assessment of current position and future position of those on the ground, projection toward the future, and finally evaluate implementation of the process (Lareche etal 2006).

2.9 Strategy Implementation

Research has demonstrated the importance of matching the environment and the organization to achieve organizational effectiveness (Gupta and Gounder). Hunger & Wheelam (2010) indicate that the strategic management process consists of four steps: it begins with environmental scanning, formulation of strategy, implementation and strategy, evaluation and control. The firms undertake environmental scanning so that it makes it easier for them to monitor, evaluate and disseminate information from internal and external environment to key persons in the organizations. According to Thompson et al (2008) a winning strategy must fit the enterprise's external and internal situation, building sustainable competitive advantage and improving the company's performance. Nickols (2000) argues that strategy implementation can be sound implementation or flawed implementation. When strategy is sound and the implementation sound, the organization has a pretty good chance of success at overcoming the environmental and competitive influences. He concluded that execution of a wrong strategy is one of the key problems leading to unsuccessful strategy implementation.

Whielan and Hunger (2010) explains that strategy implementation is the process by which strategies are put into action through the development of programs budgets and procedures. It requires a firm to establish objectives, diverse policies, motivate employees and allocate resources so that formulations can be enhanced. Aosa (2000) argues that there should be a link between strategy development and execution (planning and action). The line managers who are responsible for implementing strategies should be involved in the developing the strategies. Downes (2001) indicates that the kind of implementation challenges most companies face fall into two categories: problems internal to the company and problems generated by outside forces in its industry. These internal and external issues are affected by the extent and flexibility that firms have in launching strategic initiatives successfully. De-Lisi (2001) analyses the six strategy "killers" of implementation, pinpointed by Bear and Einstat (2000). He found that at least four of these factors hinder or destroy strategy implementation; these can be listed as follows, poor coordination across functional departments, ineffective management practices, nuclear strategies and conflicting priorities; ineffective senior management; lack of knowledge of strategy and strategy process; lack of commitment to the plan; failure to communicate the plan, failure to reward execution. Other causes of poor implementation include organizational members being driven by short term results, IT systems and other systems like human resources are not harmonized, the plan being too abstract; failure to relate to own duties.

2.10 Pre-requisites for effective strategy implementation

Successful strategy implementation is largely influenced on a large extent by how a firm is organized. The structure enables the organization identify its activities and the mode of coordination to achieve the firms strategic objective(s). (Furman and Mcliahan 2002). Good structure provides managers with means of effectively utilizing resources & skills and capabilities of employees with minimum costs and at the same time enhance firm's capacity to achieve superior efficiency, quality, innovation & customer response (Pearce & Robinson). Participative management is the key to effective management practices. The subordinates get involved in the decision making process. Bearetal (200) indicates that successful strategic management depends on effective leadership.

Organizational communication is also a critical factor in strategy implementation. If information is not effectively facilitated, flaws will crop up and make the process ineffective. (Alexander 1985). Failure to provide adequate information towards top management also leads to ineffective decision being undertaken (Al Ghandi 1998). Organizational culture is also an important element in strategy implementation. (Aaltonen and Ikavalko2002) indicates that one of the main challenges to strategy implementation appears to be cultural and behavioral aspects including poor integration of activities and diminished feelings of ownership and commitment.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlines the overall methodology used in the research. This includes the research design, target population, complying techniques, sample frame, data collection methods and data analysis.

3.2 research design

The study adapted a descriptive cross section research design. According to cooper and schindler (2003) a descriptive study is concerned with finding out the who, how of a phenomenon. Descriptive design was viewed as the best research design to generalize the findings of the larger population. Descriptive design method provide quantitative data from a cross section of the chosen population. According to Mugenda and Mugenda (2003) it is important to pinpoint out reasons of design choice.

3.3 Population

Mugenda and Mugenda (2003) describe a population as a complete set of individual cases, objects with some common observable characteristics. A target population is the population from which the researcher wants to generate the results of the study. The populations were a small medium sized enterprises operating in Nairobi Central Business District. According to the Nairobi city county licensing data 2014 there are 726 SME'S operating in the CBD.

3.4. Size and Sampling

Mugenda &Mugenda (2003) indicate that at least 10% of the population as sample size. Therefore the sample size was 73 SME's.

3.5 Data Collection

The study utilized primary data which was collected through questionnaires. The questionnaire was structured to accommodate the various research questions as per need to achieve the research objectives. This will be done through drop and pick methods. The respondents will be owner manager of the businesses, employed managers and business partners.

3.6 Data Analysis;

Data collected was quantitative and qualitative in nature. Quantitative data was analyzed through the techniques of measures of central tendency averages. To facilitate conceptualization of the research outcomes and findings the data will be presented in tables, bar graphs, pie charts and through percentages and per portions. Qualitative data was summarized and categorized according to themes used to explain the qualitative findings such as data interpretation and analysis.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1. Introduction

This chapter examines the findings of the study, undertakes an analysis, presentations and discussions. The objective of the study was to determine the influence of strategy implementation as a tool of competitive advantage in the SME's performance in Nairobi Central Business District. Research data was collected through questionnaires which were utilized to analyze quantitative data. The result of the same was presented in form of frequencies, percentages and modes, tables for effective communication of results.

4.2. Demographic information

4.2.1. Response rate

The study sought to determine the response rate, the targeted sample of population were 73 MSE's in the Central Business District of Nairobi. These comprised the 10% of the total population. The sample size was adopted from the formula of Mugenda & Mugenda (2003), sample size of 10% of the sample, the response rate was 89% which was quite impressive in terms of information gathered as presented in Table 4.1. Such high response rate if usually attributed to much preparedness of the interviewer and the respondents. It also signifies a high level of cooperation between the researcher and the respondent.

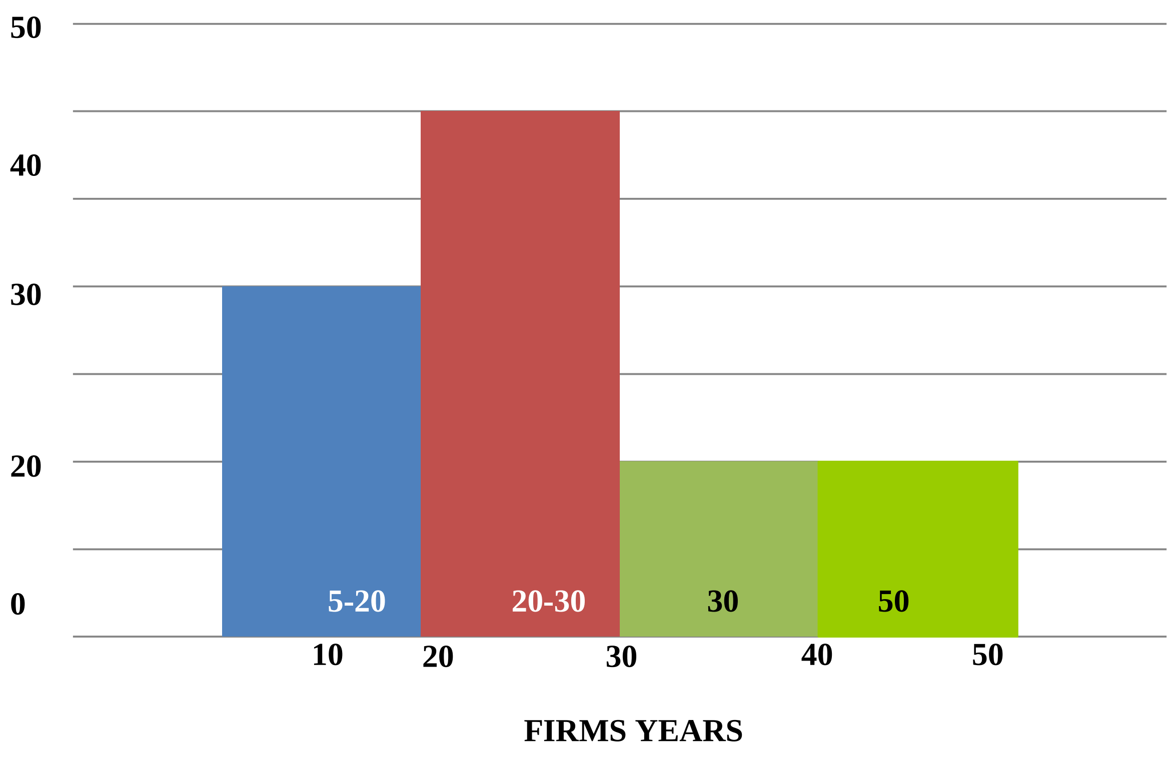
Table 4.1. Response rate

Response category	**Frequency**	**Percentage**
Responded	65	89%
Non response	08	11%
Total	**73**	**100%**

4.2.2 Years of operation in business

The respondent sought to know the number of years the SME's has been in operation. These questions enabled the researcher to understand the kinds of experience the firm has undergone in terms of its operations. The information will also enable the researcher to positively articulate strategy related issues, constraints with new business units or established firms as shown in Figure 4.1. The results indicate that 30% of the firms have been in operation for more than five years. Another 50% of the business have operated over twenty years, the balance of 20% firms have been in operation for over thirty five years and above.

Figure 4.1. Years of operation in business

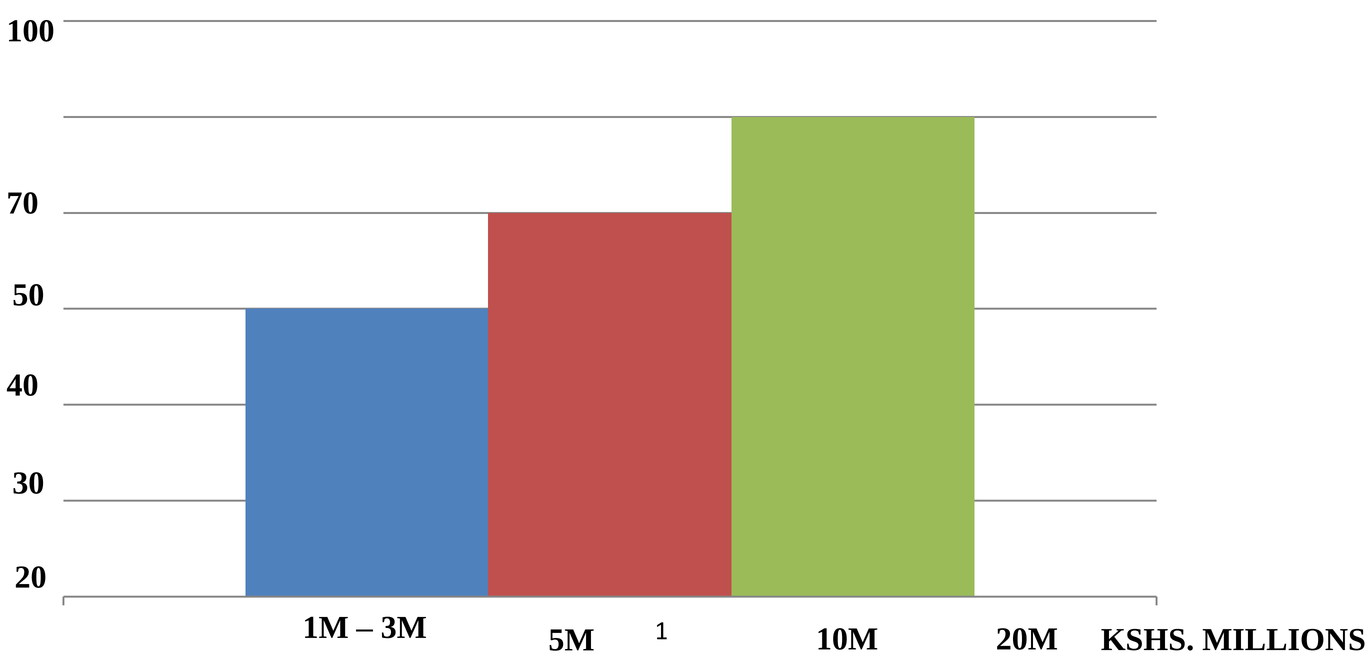


Source: Researcher (2015)

4.2.3. Level of investment

The study sought to know the level of investment of various firms in the central business district. It was revealed from statistics that most of the SME's have an investment level of between one million shillings and three million shillings, this comprised of 50% of the total firms. Another 20% have investment level of between three million Kenyan shillings and five million shillings. The rest of 30% have investments of over five million to ten million. This study clearly indicates that most of these SME's are financially stable and have operated for a long period of time. It also indicates that they are well managed to have withstood the competitive pressures of the city and influx of foreign goods.

Figure 4.2 Level of investment



Source: Researcher 2015

4.2.4. Forms of business organization

The researcher sought to know the popular forms of business organization undertaken by the same SME's in the sector. The analysis indicates that over 35% of the total businesses are sole proprietorship. This form of business ownership seems popular with most of the SME's because of the capital investment involved, simplicity of its operations and easiness of formulation and formalization.

The study also indicated that 35% of the rest of the businesses fall under partnership form of business organizations; this is quite a popular mode of organizing business enterprises. The taxation rates are also low compared to company type of structure. The rest 30% of the SME's are company type of businesses, this is where the investment levels are high in terms of finances and regulatory issues. The company form of organization enjoys long life.

Table 4.2. Forms of business organization

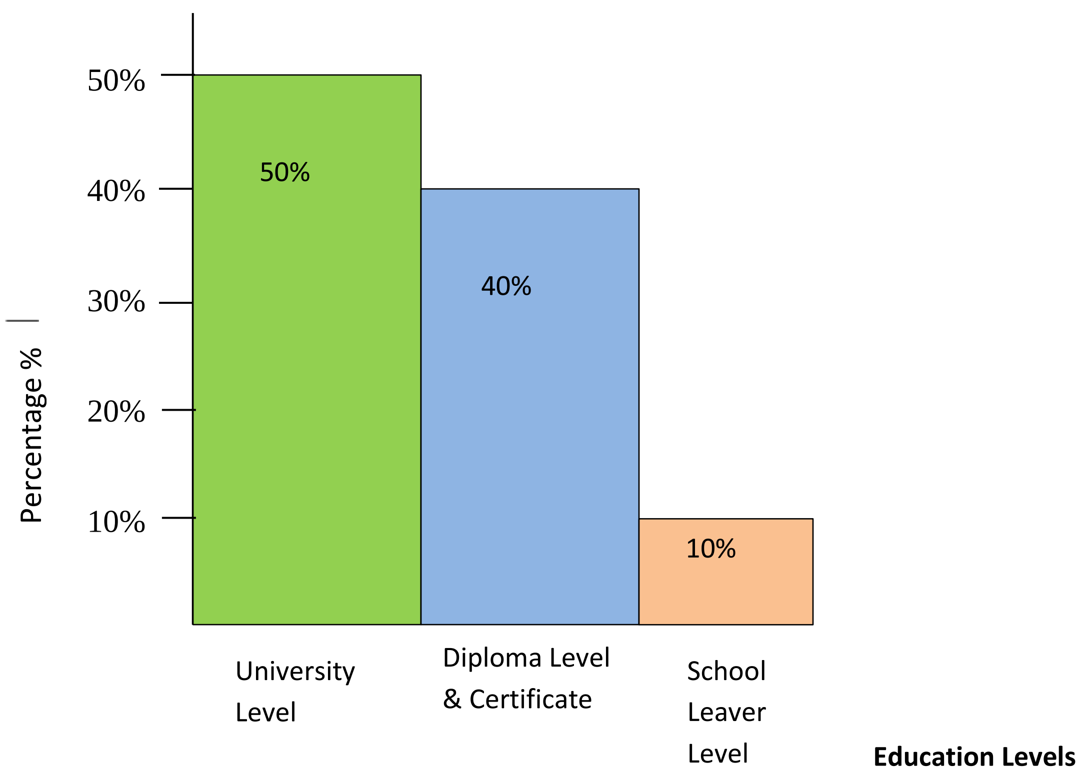
Forms of business organization	**Frequency**	**Percentage**
Sole proprietorship	26	35%
Partnership	26	35%
Company	21	30%
Total	**73**	**100%**

Source: Researcher (2015)

4.2 5. Education Qualifications

The study sought to know the level of education of those managing the institutions in view of analyzing the level and understanding of management. The outcome of the investigation were as follows; most of the owner managers; supervisors of business; management; had graduate, diploma level of education and others have post graduate qualification and an analysis of statistics indicated that over 50% had degree level of education; 40% had diplomas and certificate level of education 10% of the respondents had secondary level of education, that's they have completed form four.

Fig 4.3. Education Qualifications of respondents



Source Researcher (2015)

The research concluded that the respondents were well inform educated to reasonable levels hence understood the importance of strategy implementation in organizations.

4.3. Strategy implementation and competitiveness

Table 4.3. Strategy implementation and competitiveness

Category	Mean	Std deviation
Effective leadership	3.84	.625
Communication process	4.02	.720
Organizational culture	3.53	.480
Failure to adopt TCT strategies	3.99	.789
Failure to match strategy to the organization	3.99	.789
Resistance to change	3.65	.621
Macro-economic factors	3.75	.631
Inadequate resources	3.95	.788

Source: Researcher (2015)

From the above analysis the respondents indicated similar weightage to at least all variables affecting strategy implementation in the organization. Communication process in organization indicated a mean score of 4.02 and a standard deviation of .720 followed by failure to adapt modern I.C.T. practices and failure to match strategy to the organization getting a similar mean score of 3.99 and a standard deviation of .789. This clearly indicates that most firms appreciated the relevancy of communication in organizations and especially in strategy implementation processes. Other variables affecting strategy implementation were also rated at very close ranged. Effective leadership had a mean of 3.84 and a standard deviation of .625 followed by resistance to change which had a mean of 3.65 and a std deviation of .631 respectively. Adequacy of resources also scored favorably at a mean grade of 3.95 and a standard deviation of .788.

This implies that resources play a greater role in strategy implementation phase. Resources can be financial and non-financial as well. This enables the organization to be self-reliant and adopt the latest technological applications.

4.4 Factors contributing to firm's competitiveness

The respondents were required to indicate in terms of rating the factors which contribute to the competitiveness of the firm in the industry. The responses were rated using a likert scale of 1 – 4 as per the key indicated 1=strongly disagree, 2=disagree, 3=agree, 4=strongly agree. Mean weighted averages and standard deviation were utilized to analyze the data from the findings those statements with a higher rating like 3.0 were assumed to have a strong influence in competitiveness; determination and those whose rating was less than, 3 were assumed to be of less. Influence as per the analysis. The higher the standard deviation, the higher the level of dispersion among respondents. The summary of these responses are indicated on the below table 4.5.

Table 4.4 Factors contributing to competitiveness N= (33)

Statement / Factor	Mean	S.D
Unique ressources (Financial & non financial)	3.75	0.485
Technical Innovations &Compétence	3.41	0.123
Quality Manpower training & Development	3.11	0.522
Organizational Capability & Competency	3.83	0.123
Managerial Leadership	3.27	1.431
Motivation / Compensation Programmes	2.86	0.456
Others	2.45	0.431

Source : Researcher (2015)

Analyzing the contents of the table 4.5 it clearly indicates that the respondents stressed the importance of organizational capability and competency as a strategic factor contributing to competitiveness with a mean of 3.83 and a standard deviation of 0.123; followed by the organizational resources both financial with a mean of 3.75 and a std deviation of 0.485; The respondents weighted the factors of technology and man power skills closely at means of 3.11 and 3.41 respectively whose std deviations were equally & close in rating.

The responses which were rated low were other factors (M=2.45, SD=0.431) Motivation and compensation programs (M=2.86; SD=0.456). This analysis clearly indicated the factors which have profound effect on competitiveness of the firms in the industry.

4.5 Challenges affecting strategy Implementation

The researcher sought to understand the various strategies which affected strategy Implementation of their respective firm's; The responses were quite consistent because all these firms are operating under the same competitiveness pressures and regulatory framework; it also indicated that various firms are affected due to their structural formations; companies tend to have slightly longer processes of bureaucratic processes compared to the partnership form of business organization. The decision making at the sole proprietorship level is quite simple and has no great formalizations as it could be for a Limited Company structure.

The study also found same similarities when it came to similar factors affecting strategy implementation at all levels indicated.

Other factors affecting implementation were noted as weak organizational leadership; poor communications& strategy, organizational culture and climate among others.

Table 4.5 Challenges of strategy Implementation. (N=32)

Factors	Mean	Std Deviation
Weak Organizational Leadership	4.07	0.253
Inadequate Communication & Information Systems	3.78	0.679
Poor Planning and Strategy Formulation practices	3.94	0.751
Lack of Technological Innovations	3.82	0.506
Organizational Cultures & Climate	3.90	0.855
Form of Business Organization	3.1	0.651

Source Researcher (2015)

The results of the table can be explained as follows; the respondents; clearly indicated that organizational leadership which in charge of leadership vision development and general management practices had the greatest impact when it come to the factors affecting implementation of strategies in the firms.

This had a mean grade of 4.07 and a std deviation of 0.253. The second factor which had the greatest influence and constant to strategy for implementation was planning practices with a mean of 3.91 and std deviation of 0.751; the third in line is the influence of organizational culture and practices with a mean score of 3.90 and std deviation of 0.855. The results clearly indicate that the strategy implementation process is heavily affected by the leadership, planning and organizational cultures and climate.

4.6 Measures of improve SME's Performance

The study sought to investigate the factors which can be undertaken to improve organizational performance of firms in the industry. Various approaches have been advocated as remedial measures and different firms indicated different weighted points to these factors. The table below clearly indicates the results obtained.

Table 4.6 Measures to Improve SME's Performance (N=32)

Factors	**M.**	**S.D**
Change Management Practices	3.81	0.825
Adaptation of I.C.T & related Approaches	3.36	0.587
Effective leadership	3.41	0.576
Effective Planning & Strategy Development	3.40	0.574
Strong Organizational Culture	3.21	0.573
Motivation / Compensation Programs	3.23	0.721

Source researcher (2015)

The results of analysis of factors firms can adapt to improve the organizational performance were ranked in the likert scale and indicated various differentials in terms of the impact. The researcher noted that change management practices (M=3.81; SD=0.825) had the greatest impact on the firm's factor which can be isolated for action if the SME's have to improve their performance. It indicates that if change is practiced in all aspects and spheres of management a firm will perform. Second was effective leadership (M=3.41; SD=0.516) followed by planning practices (M=3.40; SD=0.574). This clearly indicates that if the firm's need to improve their performance they have to improve their planning practices as well as leadership styles. Other variables were quite closely ranked as per the table finds having an average mean of (3.21 &SD 0.57) respectively

4.7 Discussion

This section discusses the findings of strategy implementation as a competitive tool enhancing the performance of small and medium sized enterprises in Nairobi Central Business District relative to the theory and other related studies.

4.7.1 Link to Theory

The theory of Mckinsey 7s model simply indicates that a firm has seven (7) levers which enables it perform and remain competitive in the industry. These levers are identified as follows: skills, styles, staff, shared value, systems; structure strategy; the various SMEs need to have all the seven variables in right perspectives for them to enable them perform competitively. Firms need effective modern information technology to enable it improve the service delivery and offer good quality goods as well link up different organizations operations together. This concurs with Hill and Jones (2001) indication that I.C.T is very critical in organizational operations as firms need to access the impact on their current and future position: The Mckinsey 7(s) model is also key in relation to findings that failure of strategy implementation is a result of ineffective management, unclear policies, poor coordination and lack of strategy knowledge; this concurs with De Lisi (2001) who examined six strategy killers and identified the aforementioned factors as key reasons.

The resource based view is also of great relevancy to the study undertaken, in the perspective that firms need resources to perform and differentiate their services or products from the competition. The resources need be rare, unique and inimitable, Barney (2011).

The study also has much relevancy and application according to the porter's diamond model (1990). The model consists of four determinants factor conditions; demand conditions; related and supporting and firm strategy, structure and rivalry; other factors influencing diamond model are government regulation. Every firm develops competence and becomes competitive (Pearce & Robinson 2007). The study has great evidence that those firms with specific competencies seem to do better in business than those who do not have any kind of skills or competence as well as resources.

4.7.2 Link to other studies

According to Herbiniak (2005) analyzed various factors that can lead to ineffective implementation of any strategy similar to those findings already discussed. Herbiniak's research survey of 400 managers focused on the identification of various challenges to successful strategy implementations. He cited the following as key challenges: lack of managerial understanding, failure to give lecturers to enable implementation objectives, insufficient resources, inability to link up different organizations arms or functions, poor structure and design.

Cyertand March (1963) argues that strategic leadership is the ability to anticipate and
envision the future, maintain flexibility, think strategically and work with others to initiate the vital changes that can create competitive advantage for the organization in the future. This is quite in line with the findings of the study whereby leadership was identified as a key factor in strategy implementation. Hunger and Wheelan (2010) point out that the strategic management process consists of four stages: environmental scanning, strategy formulation, implementation and strategy evaluation and control. Environmental scanning is the monitoring evaluation and Dissemination of Information from the internal and external environment to key people with the firm. Thompson, Strickland and Gamble (2008) noted that a winning strategy must fit the enterprises external and internal situation, build sustainable competitive advantage and improve

the company's overall performance. They further noted that a good strategy plus a good execution results to good management. The above works and prominent contributors to strategy knowledge are in agreement with the research findings. Most of SME's have similar challenges when it comes to strategy formulation and implementation. The findings are positive to works of many contributors as outlined in earlier pages, Strickland and gamble, Herbriniak among others. The study relates quite well with all the known principles and practices of strategy implementation.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter represents the summary of findings and conclusions. The main objective of the study was achieved through understanding and identifying strategy implementation as a critical factor for competitiveness and performance of firms as per the study of the small and medium sized enterprises of Nairobi Central business District.

5.2 Summary of the findings

The major findings of the study can be summarized down in various themes relating to the factors of strategy implementation of small and medium sized enterprises, in an effort to understand its role in enhancing competitiveness of the firm. The study was undertaken in the Nairobi Central Business District.

The study found that effectiveness of leadership practices was the major factor in a firm's strategy implementation process. This is as a result of the central role management play in decision making in most organizations. The SME's strategy implementation differs in regard to process and protocol; due to variance in mode and form of organization. The sole proprietorship process of strategy implementation lies with the owner of the business whereas in a company, the management gets involved and sometimes must seek direction from the board of directors. In the case of partnership form of structure, partners have to agree on issues before decisions are arrived at.

The study also noted the effectiveness of strategy implementation lied with the matching of strategy to the institutions. Whereby it was found that success of strategy implementation lied with those firms which match their resources, the environmental forces and strategic goals. It further was observed that any mismatch of strategy and the environment fitness will be a failure process.

The findings of the study also indicated that macro-environmental forces affected strategy implementation process. The political, economical and technological as well as socio-cultural factors affect the strategy implementation process. The SME's have to comply with county government regulations, central government directives as far as operations are concerned. Economically, the SME's experience the effects of inflation and deflation alike. Technologically most firms have experienced the effects arising out of changes in technology especially in electronic products, mobile phones and related accessories. The technological innovations have made the product lifecycle short, hence affecting the profitability of the firms. This calls for strategy improvement, up statement and implementation. The study findings also indicated management of change as a great factor in strategy implementation. Change needs to be effected in structure & resources. Change is one factor which has a profound effect if not managed early and well. The study also noted that various parameters were vital for a firm's performance. Within an industry, in order to perform the firms in the industry require resources, effective leadership, manage resistance to change, scan the environmental trends and match the strategy to organizational activities to gain compliance and competitiveness.

The study also highlighted the factors which have contributed to competitiveness of most of the firms in industry. The following factors were noted to positively contribute to competitiveness: effective leadership, good communication processes, organizational culture, modern information systems, management of change process in organizations, adequate resources and scanning of the business environment. With the analysis of all these factors, the firm can devise better strategies and implement them effectively leading to organizational success and prosperity.

5.3 Conclusion

It was concluded that the firm's success lies in effective strategy implementation; most of the SME's portrayed similar characteristics especially when it comes to the factors affecting or influencing strategy implementation processes. It was noted that strategy implementation was the prime function of top management but requires cooperation of all parties involved for support. The study concluded that the SME's need to manage key factors which exhibit great influence on strategy implementation like leadership practices; organizational culture, organizational resources and change management. The findings of the research indicated that most businesses were affected by environmental forces, political, economical & socio cultural forces as they individually or combine to affect the operations of the firm. The study also noted the contribution of employees & incentives programs towards effective strategy implementation. Motivation of human resources is critical towards any firm's productivity and competitiveness.

5.4 Recommendations

The management of various SME's to adopt modern management practices in co-opting the power of technology in improving their operations. The study also recommends that future studies of SME's should narrow down to specific SME's in one field since differences in size, ownership, investment affects strategy implementation differently. The study also recommends that SME's be classified according to similar characteristics and operational view point to enable case of segmentation practices so that strategy issues are easily monitored and variance is minimized.

5.5 Limitations of the Study.

The researcher acknowledges certain limitations of the study. The first limitation is the non uniform kind of business operators in the industry. The firms undertake various activities in unrelated areas of operations, investment and expertise, hence conclusively issuing specific strategy implementation guidelines becomes difficult. The variance in background is also a challenge when trying to rate or gauge the performance of different SME's. Finally the researcher had a limitation of time and resources to exhaustively examine in greater details the various individual, strategy implementation processes of most of these or firms.

5.6 Further Research

Longitudinal studies addressing long term relationship between strategy formulation and performance of the firms would be desirable in the future years. Future research might also be necessary to link performance to effective strategy factors. It would also require to undertake a specialized survey targeting similar SME's in the industry since similarity in operations, structural and investment levels might reveal closer and exact phenomenon(s) other than when dealing with the industry at large. The study could also be undertaken in various county headquarters and regions to understand how strategy implementation contributes to the firm's success.

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APPENDIX 1: QUESTIONNAIRE

Strategy implementation as a competitive tool in enhancing performance of SME's in Nairobi CBD.

SECTION A: DEMOGRAPHIC PROFILE

1. Name of the respondent (optional) ____
2. Academic qualifications ____
3. Years of business operation (s)____
4. Form of business organization ____
5. Level of capital investment :-
   a. Less than half a million (Kshs. 500,000/-)
   b. Between half a million to one million. (Kshs. 500,000 – Kshs. 1,000,000)
   c. One million to three million. (Kshs. 1M – Kshs.3M)
   d. Over three million (Kshs. 3M – and above)

SECTION B: STRATEGY IMPLEMENTATION AND COMPETITVENESS

6. To what extent do the following affect the strategy implementation practices in your organization?

1-Stronlgy Disagree, 2- Disagree, 3- Agree, 4, strongly agree

	1	**2**	**3**	**4**
Effective leadership practices				
Communication process				
Organizational culture				
Failure to adopt modern information technologies				
Failure to match strategy to the institutions of the organization				
Resistance to change				
Macro – environmental forces				
Inadequate resources				

Others: specify ____

____

7. To what extent do the following factors contribute to competitiveness of the organization through effective strategy implementation?

1-Strongly disagree, 2- Disagree, 3- Agree, 4- Strongly agree

	1	**2**	**3**	**4**
Unique resources (financial and non-financial)				
Technological innovations and competence				
Quality manpower training and development				
Organizational capability and competency				
Managerial leadership				
Motivation / compensation programs				

Others: specify ____

____

SECTION C: CHALLENGES OF STRATEGY IMPLEMENTATION

8. Examine the extent to which the following factors acts as constraints to strategy implementation.

	1	2	3	4
Weak organizational leadership information systems				
Inadequate communication and information systems				
Planning and strategy formulation practices				
Lack of technological innovations				
Organizational culture and climate				

SECTION D: MEASURES TO IMPROVE SME'S PERFORMANCE

9. To what extent does the following measures lead to improves organizational performances?

	1	2	3	4
Change management practices				
Adaptation of ICT and related approaches				
Effective leadership feed				
Strong organizational culture				
Effective planning and strategy development				
Motivation / compensation and competitive reward strategies				