

**IMPLEMENTATION OF THE HUB AND SPOKE MODEL TO
ACHIEVE SUSTAINABLE COMPETITIVE ADVANTAGE BY
HEALTHCARE GLOBAL CANCER CARE KENYA**

NAME: JOSEPH SON ASATI

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Declaration

I do declare that this project is my original work which has not been submitted anywhere for the award of any degree, except where reference has been made to in the text

Signature

Date.....

Name: **ASATI, JOSEPH SON**

Reg. No. **D61/88357/2016**

Declaration by Supervisors

The research project has been submitted with my approval as the university supervisor

Signature.....

Date.....

DR. OWINO JOSEPH

School of Business

University of Nairobi

Dedication

I dedicate this project to my loving and caring parents, Mr. & Mrs. Nelson Asati Kiriama for their support, encouragement and prayers throughout this journey not forgetting my children who have always given me reason to achieve new milestones in life. To my lovely wife, thanks a million times for walking with me. Your love, your care and words of encouragement have immensely supported me through this course. I have no better way to pay you back but I promise to love you till the end of time.

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LIST OF ABBREVIATIONS AND ACRONYMS

CEO:	Chief Executive Officer
CFO:	Chief Finance Officer
HCG:	HealthCare Global
HCGCCK:	HealthCare Global Cancer Care Kenya
HSM:	Hub and Spoke Model
ICT:	Information Communication and Technology
IMRT:	Intensity Modulated Radiotherapy
IPU:	Integrated Patient Unit
KES:	Kenya Shillings
NHIF:	National Hospital Insurance Fund
PET:	Position Emission Tomography
RBV:	Resource Based View
UHC:	Universal Health Coverage
WHO:	World Health Organization

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ABSTRACT

For organizations to achieve sustainable competitive advantage, they must position themselves strategically against those they compete with. This normally entails coming up with specific strategies and implementing them in order to have an edge over competitors. Organizations formulate strategies to define how they will be superior. Strategy implementation on the other hand involves the use of managerial and organizational tools to channel resources with the aim of accomplishing strategic results. With increase in patient care in Kenya, hospitals have to ensure they are able to meet the needs of the patients at a minimal cost while guaranteeing quality and access to care. This has changed the dynamics in service provision with hospitals like HCGCCK resorting to the hub and spoke model to provide patient centered care that is quality and affordable. This study was guided by two objectives that is; to find out how HCGCCK is implementing the hub and spoke model to achieve sustainable competitive advantage with the second objective being to find out the challenges of implementing the hub and spoke model. In-depth interviews were used to collect data from top managers at HCGCCK. Content data analysis was employed to analyze data collected where analysis and interpretation of main contents and concepts was guided by the research objectives. From the findings of the study it was apparent that the implementation of the hub and spoke model has helped HCGCCK achieve competitive advantage. It is prudent therefore to point out that a firm's strategies help it to achieve competitive advantage. The study revealed that the resource based view, the open systems theory and Mckinsey's 7S framework of strategy implementation has a lot to do in formulation and implementation of strategy by hospitals as we move towards patient centered care. Due to time constrain, the study had a limitation in that it had to focus on one hospital but despite this, the validity of the results from the study was upheld. The study recommends that further research be conducted to find out the extent to which the challenge of delay in getting statutory approvals affects implementation of strategies in healthcare.

CHAPTER ONE

INTRODUCTION

1.1 Background

Strategy implementation is key for a firm to realize profitability and sustainable competitive advantage. Other key components of strategy are; formulation, monitoring and evaluation. Formulation of strategy entails coming up with organizational objectives, doing an evaluation of organization's environment, coming up with quantitative targets that focus at context with divisional plans, doing performance analysis and finally selection of a strategy. The motivation of formulating a strategy is choosing how an organization will be different (Porter, 1996). Strategy implementation involves the use of managerial and organizational tools to channel resources with the aim of accomplishing strategic results (Lawrence et al 1984). Implementation therefore is the use of resources by management be it human or financial resources to ensure that a strategy as formulated is realized.

Implementation of strategy is the hardest parts of strategic management hence the need to study the key aspects of a working strategy implementation. Cater and Pucko (2010), noted that implementation of strategy was a key to the emergence of strategic planning in the late 20th century. To implement a strategy is viewed as putting a link between strategy formulation and control. Thus implementation plays a crucial role in as far as the success of a strategy is concerned by ensuring that a strategy as formulated can be rolled into actions to be able to realize its intended purpose.

Firms formulate and implement strategies in order to remain competitive so as not to be edged out of the market. As such firms will focus on developing strategies for sustainable competitive advantage. In Kenya, healthcare industry has over the years grown. This growth has led to healthcare providers recognizing that they have to better the way they offer services to remain competitive. Change in population demographics and increase in the number of people afflicted by chronic diseases as well have increased awareness on treatment options has led to increased competition among healthcare providers. From quality of service to treatment outcomes to high end technology, the dynamics in healthcare have been apparent and so is each provider's game plan to get competitive advantage.

Healthcare Global Cancer Care Kenya was established as the first comprehensive cancer centre in East and Central Africa to provide oncology services. The Centre is currently implementing the hub and spoke model to achieve competitive advantage in oncology care. In the healthcare hub and spoke model, a care facility is centrally located as the hub to serve a network of feeders what is popularly termed as feeder the spokes. The hub offers specialty services which are not available in spokes while the spokes will refer complex cases to the hub. The aim is to solve problem of specialty which was associated with distance and discontinuity, both medical and physical between the specialist's intervention, recovery and follow up of care involved (London cancer, 2013). Healthcare providers must realize they need to become experts in delivery of service specialist episodic cared as well as provision of community level health and social care across a wide range of geographies (Porter & Lee, 2013). Healthcare Global perfectly understands the need of community level health thus the reason for coming up with hub and spoke

model in Kenya similar to what they have done in India. This study was anchored on the Resource Based Value theory, Open systems theory and Mckinsey's 7S model of strategy implementation.

1.1.1 Strategy implementation and Competitive Advantage

Porter (1985) defines strategy implementation as a fundamental management process of putting formulated strategies into practice. Strategy is a game plan an organization has that will give it a competitive advantage in relation to its competitors. It is normally accompanied by process changes, system changes, and at times change in structure of an organization (Hrebiniak & Joyce, 1984; Stonich, 1982). Pearson and Robinson (2007) defined strategic management as a set of decisions plus actions that result in formulating plans designed to achieve an organization's objectives.

Strategy implementation is a cascade of actions taken with an intention of ensuring that the goals and objectives of a strategic plan are achieved. This phase of strategy is popularly referred to as action stage. Every strategy requires implementation for it to create value for its organization, (Heide et al., 2002). Although formulation of a consistent strategy is a difficult task for any organization, making the strategy to work is affecting the process that sees strategic plans turned into organizational actions (Okumus & Roper, 1998). Strategy implementation is key in realization of the goals and objectives of a laid down strategy. There is need therefore to clearly define how the resources will be used and at what time. Each and every variable in implementation process needs evaluation.

Strategy implementation can be viewed from a structural perspective (focusing on organizational structure and control mechanisms) (Skivington & Draft, 1991; noble,1996) or Interpersonal process (focusing on leadership and implementation style, communication and interpersonal processes, strategic consensus, suppliers, distributors and diffusion perspectives), (Lee et al 2008).Some researchers have argued that strategy implementation is the hardest part of strategic management (Bourgeois & Browdwin, 1984; Covin et al., 1994)

Sustainable competitive advantage according to Barney (1991) is the continuity of gains and exercising of unique value creation strategies asynchronously with potential competitors that are not able to ape such benefits. It is a long term endeavor by a firm. Creating higher value than industry rivals is what organizations need to do in order to achieve a sustainable competitive advantage. The value created needs to be reflected in an organization's earnings that should always be higher than the cost incurred to create the value. Competences and competitive capabilities are main assets in implementing a strategy, they are equally valuable avenues of attaining competitive edge over competitors in scenarios where it is much easier for rival to imitate strategies that are smart (Thompson, Gamble & Strickland, 2006)

Studies have shown that 66% strategies formulated by corporates are never implemented (Johnson, 2004), while 63% of financial objective set by companies' strategies (Kaplan & Norton, 2005) and strategies normally fail due to poor execution (Slater, 2010). Factors affecting strategy implementation can be grouped into as leadership related factors, information availability and accuracy, uncertainty of organization structures, organization culture, human resource and technology (Rajosekar, 2014). Hrebiniak (2006) argues that

while strategy formulation is difficult, to make a strategy work and execute it is even more difficult. Thus the phase after strategic formulation is critical if the strategy is to work.

1.1.2 Health care in Kenya

The strategic developments that have been witnessed in the Kenyan health sector are anchored in the Kenya Vision 2030 which is a long term national development and planning strategy that was developed by the Kenyan government. The main focus is on economic, political, and social pillar goals. According to the Ministry of Health (2012), standing out as the primary objective of the Kenya Vision 2030 is creation of country that is a globally competitive with raised standards of living by 2030. The vision provides the Kenyan government with a roadmap to attain this goal and eventually improve the living standards of Kenyans, reduce the poverty index and provide best quality and health care systems that are affordable (Agnes W. et al., 2015). The national and county governments are supported by the private sector in its quest to implementation of the vision 2030 strategies where it intends to become provider of specialized health in the region.

The government of Kenya has initiated a number of reforms in the health sector with the most recent being the NHIF cover for Secondary school students. UHC is one of the big four agenda that the current government wants to achieve by 2022. In 2013 the government scrapped user fees at primary healthcare facilities while at the same time it introduced free maternal health services in public health facilities. Other initiatives are; zero tolerance campaign targeting expectant mothers and children as well as breast cancer (Oketch & Lelegwe, 2016).

The first Strategic plan in Health Sector Strategic Plan was developed in 1999 and since then a number of strategies have been developed. For example; the Kenya National e-Health Strategy 2011-2017 that was meant to accelerate ongoing reforms in the health sector. The e-Health Strategy envisioned efficient, accessible, as well as consumer friendly healthcare services enabled by ICT.

With increased access to healthcare, the public hospitals have been left struggling with limited resources, frequent machine breakdowns and lack of medical personnel forcing patients to seek treatment in private hospitals or faith based hospitals. It is therefore clear that if we get to agree on an overarching goal of value for health systems- to improved outcomes that mater to the patients relative to the cost that it takes to achieve those outcomes, then we can begin to make progress (Porter & Lee, 2013).

The success of the private hospitals across the world and in Kenya can be attributed to the strategies they employ. According to Porter (2013), at the core of value transformation is to change the way clinicians are organized to deliver care where the first principle is to structure organizations or businesses around the customer and their health needs. In Healthcare, this definitely requires change from stand-alone organization by specialty and service to being organized around the patient's health needs. The resulting structure is termed as an integrated patient unit (IPU). The IPU comprises of a dedicated health care team that comprises of clinical as well as nonclinical members who provide total care cycle to for patient's condition. HealthCare Global Cancer Care Kenya operates on the same principle offering only oncology services to cancer patients.

1.1.3 The Hub and Spoke model of Healthcare Global Cancer Care Kenya

Healthcare Global Cancer Care Kenya (HCGCCK) is a subsidiary of Healthcare Enterprises Limited, a leading cancer hospital in Asia. HCGCCK came to be after HCG bought majority shares in Cancer Care Kenya, the first private comprehensive cancer centre in East and Central Africa that was established in 2010. After the acquisition, HCGCCK went out to roll the hub and spoke model similar to what HCG has set up in India. The hospital specializes in cancer treatment and has its hub in Nairobi with spokes in Consolata Mathari Nyeri as well as Oasis Specialty hospital in Kisii. The spokes refer patients to the hub for specialized treatment. The hub is the centre of excellence offering high radiotherapy services. The spokes offer chemotherapy and outpatient services and patients can be followed up after receiving radiotherapy services. This model is an integrated care delivery system with a well-defined scope of services.

HCGCCK receives quality assurance for treatment plans from HCG India, making it the only hospital in the region that employs external partners to ensure that patients receive quality treatment. It boasts as one of the only two hospitals in Kenya to offer Intensity Modulated Radiotherapy and the only one to actively treat patients using this technique. Through Multidisciplinary team approach and virtual tumor board, patient care is provided by a team of specialists within the hospital or within the hospital and virtually from India.

The HSM is one of the emerging models in healthcare delivery that is providing a roadmap for the future of healthcare. Though the HSM was initially pioneered by the

transport industry, the model has found its place in healthcare with success stories resonating across the globe. In healthcare for the HSM, we have highly specialized hospitals located strategically (hub) serving a network of lower technology facilities. For example, the hub hospitals located in urban areas is equipped with the most advanced technologies and highly specialized medical as well as diagnostic skills whereas the spoke hospitals and clinics found in the outlying towns are equipped with lower end technologies and are run by non-specialist physicians assisted by nurses and other support staff. At the spokes, providers treat patients who have straight forward needs. Those with complex needs are referred to the hub or use telemedicine to consult with hub specialists on treatment (Devarakondas, 2016). The HSM thus is an innovative way that emphasizes maximum utilization of scarce resources in remote areas.

1.2 Research Problem

In healthcare the main focus for health care providers and all other stakeholder should be to improve value for patients, where value is defined based on net health results achieved and is what matters to patients compared to cost of delivering the results (Porter & Lee, 2013). In Kenya healthcare is provided by either the government or private hospitals. Private hospitals have stepped-in big time to provide specialized treatment that the government cannot adequately provide. It is having working strategies that has made private hospitals successful. Overcoming the challenges of implementing the HSM will not only boost service delivery but ensure that patients in remote areas have access to specialized care that is specific to their condition.

According to Vashantha (2011), HCG adopted the HSM with the purpose of providing comprehensive treatment by ensuring that patients access full range of services ranging from supportive care, rehabilitation, treatment, diagnosis, screening as well as prevention. The hub has state-of-the art facilities which are gradually phased out to the spokes. Spokes utilize the services found at the hub, consequently reducing travel for patients.

Implementation of HSM by some health care providers in India is great example of an acceptable health care model that while it exceeds the expectations of patients, it is cost friendly and has obtained both operational as well as health steered results (Devarakonda, 2016). Cost effective health care is in line with UHC where all people are to be guaranteed access to health services they need without risk of financial ruin (WHO, 2013).

According to Michael Porter and Thomas Lee (2013), one of the strategies that will fix healthcare is integrated care delivery systems where a large increasing segment of healthcare is given by those delivering it in multiple locations. They go ahead to note that to achieve real focused integration, institutions must deal with a number of choices ranging from getting to define the breadth of services, focus on limited locations, selecting the correct location for each service segment and integration of care for patients in all localities.

A number of studies have been carried out on strategy implementation and its challenges. Kilonzi and Ndungu (2014) looked at the challenges of implementing Kenya Vision 2030 strategy in Laikipia County. Mwenza and Misati (2014) looked at the challenges of implementing first medium term plans of Vision 2030. Bolo and Nkirote (2012) studied

the hurdles faced in execution of Kenya Vision 2030. None of these strategies focused on the challenges of implementing the hub and spoke model in the health sector and in particular HCGCCK. HCGCCK has adopted the HSM model to deliver oncology services in Kenya but the model has not been as successful as that of HCG. Currently there is no documented reason as to why the journey to success for the model is far from being realized. The research will address the concern; what are the challenges of implementing the hub and spoke model at Healthcare Global Cancer Care Kenya?

1.3 Research objective

The research was guided by two objectives;

- i) To establish how HCGCCK is implementing the hub and spoke model to achieve sustainable competitive advantage.
- ii) To identify the challenges that HCGCCK is facing in implementing the hub and spoke model

1.4 Value of the Study

The value of the study was to find out how HCGCCK is implementing the hub and spoke model to achieve sustainable competitive advantage. It is my hope that these findings will be of great value to those making policies at the national and regional front. They will benefit from the findings especially on the legal and legislative challenges of implementing the HSM where high end technology is involved. Where there are no policies in place, the policy makers should find a way to ensure legislation does not derail implementation of a strategy that intends to alleviate human suffering.

For the Practitioners and other stakeholders in the health sector, these findings will go a long way in informing them the challenges of the hub and spoke model particularly where high end technology like setting up of cyclotron to produce radioactive materials for molecular imaging and general use of radiation in treatment is concerned. The study though focusing on oncology will serve to inform practitioners in other fields of health on the likely challenges they are bound to face if they focus on providing high end treatment services that are disease specific. For HCGCCK the study will help the hospital management to realign its strategy in order to realize its objectives.

This study however limited to HCGCCK, other health care institutions and researchers can find it useful as a guide in conducting future research in health sector as we move to ensure that health care is patient need centered. The research is therefore meant to contribute to the academic body of knowledge of strategic management and as a stepping stone to further research on patient need centered healthcare.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter critically reviews data available in the body of knowledge related to strategy implementation, theoretical perspectives, challenges related to strategy implementation and knowledge gap in strategy implementation. In addition, HSM is discussed in detail.

2.2. Theoretical Perspectives of the study

Implementation of strategy is guided by a number of theories; some of these theories are the Resource Based View (RBV) Theory, Open Systems Theory and Mckinsey's 7S Model of strategy implementation.

2.2.1 The Resource Based View Theory

The Resource Based Theory is anchored on the premise that a firm's success and or competitive advantage is determined by the resources it has. Invaluable resources are not imitable and non-sustainable, Barney (1991), make it easy for business to come up with and sustain competitive advantage to make use of these resources and competitive advantage for outstanding performance, (Collins & Montgomery,1995, Wernerfelt, 1984). The RBV theory takes an inside and outside look of firm's specific perspective as to why organizations become successful or not in the market place (Dicksen, 1996).

Resources can be classified into tangible resources and capabilities, (Barney, 1991) or intangible resources and capabilities, (Hall, 1992). Tangible resources include financial

capabilities, physical location, technological capabilities or can be related to the organization (Barney, 1991). According to Hall (1991) some of the Intangible resources and capabilities are; management and organizational culture, reputation (perceived product quality, successful branding, the reputation an organization) as well as innovation.

Resource are key to the success of an organization and according to Barney (1991); Amit and Choemaker (1993), Valuable resources are assets. For the RBV theory, owning and controlling strategic assets is key if organizations are to earn unrivalled profits and competitive edge over others. It is therefore apparent that resources that are unique to an organization definitely give it competitive advantage. It is these resources that if well utilized will enable an organization realize its strategic goal(s) and objective(s)

According to Pankaj (2010), RBV analyzes and interprets resources within an organization and emphasizes resource capabilities in formulation of strategy to yield sustainable competitive advantage. He states that resources may be looked at as inputs that are enabling tools for firms to carry out their activities. In addition to this, he observes that resources internal to an organization as well as capabilities determine strategic decisions made by firms while competing in their external business environment. RBV is about use of a firm's resources to come up with a competing edge in the market place.

2.2.2 The Open Systems Theory

This theory postulates that organizations are strongly influenced by their environment in which they operate made up of other organizations that put pressure on the outlook of

economic, political, or social forces. The environment yields valuable resources that sustain the organization and lead to change in the organization as well as survival (Pfeffer & Salancik, 2003). The open systems theory was informed by earlier theories like the human relations perspective theory of Elton Mayo and the administrative theory of Henri Fayol that looked at organizations as self-contained entities (Scott, 2002). Environmental influences affecting open systems can be specific or general with the specific environmental influencers referring to government agencies, suppliers, distributors as well as competitors that a business enterprise interacts with. The general environment comprises of four influences that originate from the geographic location where an organization operates (Pfeffer & Salancik, 2003).

2.2.3 Mckinsey's 7S Framework of Strategy Implementation

This framework is based on forces 7 key forces in an organization that should be aligned interdependent of each other for successful strategy implementation. These 7 key forces are; strategy employed by the organization, structure of the organization, systems in the organization, style, staff, skill sets and shared values. According Kaplan (2005), Mckinsey's 7S framework of strategy implementation shows how the 7 forces affect a firm's ability to implement formulated strategies. Thus managers need to take into account these seven factors when implementing strategy as they facilitate organizational goal and progress. Attention should be given to all factors as they are interdependent with each having its role in the implementation process.

Structure refers to the way business divisions and units are organized, system refers to processes and procedures of an organization, style to the way an organization is managed

by top managers, staff to all the human resource and capabilities an organization needs, skills are dominant attributes or abilities of staff and shared values refers to norms and foundations of an organization (Waterman et al., 1980)

For effective strategy implementation, organizations should be able to manage various processes within them in order to ensure they achieve their objectives. This calls for gearing all organization activities and resources towards enhanced performance. The 7S framework helps organizations to direct resources to achieve competitive advantage.

2.3 Challenges of Strategy Implementation

Organizations encounter a number of challenges while implementing strategies. These challenges can be internal or external to the organization. Challenges internal to the organization include; availability of resources, organizational culture and leadership style. Challenges posed by the external environment include competition, political stability and regulatory issues. Mashhadi, Mohajeri, and Nayeri (2008) found such barriers to include organization culture, information and communication technology, organization structure, motivation as well as reward systems, availability of adequate resources, ineffective communication, decision-making processes, capabilities and skills of the implementers. The challenges of implementing strategy are even more when a company goes global as it will require greater flexibility and coordination skills, (Chankravarthy & White, 2001).

2.3.1 Resources as a challenge in strategy implementation

An organization's competitive advantage relies on the resource at its disposal. Resources can be classified into tangible resources and capabilities, (Barney, 1991) or intangible resources and capabilities (Hall, 1992). Tangible resources include financial capabilities, physical location, and technological capabilities or can be organizational (Barney, 1991). According to Hall (1991) some Intangible resources and capabilities are; management and organizational culture, innovation and lastly reputation (perceived product quality or successful branding)

Resources therefore play a central role in strategy implementation and this implies inadequate resources are a recipe to failure of strategic plans. According to Bolo and Nkirote (2012), inadequate resources were cited as one of the challenges of execution of Kenya's Vision 2030 strategy. A study conducted by Musyoka (2011) to find out challenges affecting strategy at Jomo Kenyatta Foundation, found out that unaligned systems and processes, and poor human resource management leading to high staff turnover to be some of the challenges of implementation of strategy. Inadequate human resource and budgetary allocation account for 65% and 61 % respectively of failure of the process of implementing strategy.

2.4.2 Organization structure as a challenge in strategy implementation

Structure is the way business divisions are organized in an organization. Organization structure should be in such a way that it promotes unity of purpose, eases communication and coordination among various departments. Organizations that tend to outperform are those where employees can easily access management through open and supportive

climates (Rapart, Velliquette & Garretson, 2002). Blosi (2007), emphasizes on the value of structure as a way of getting people to work for common purpose thus acting as a drive when pursuing organizational goals. Tunner (1987) sees structure as primary reason why organizations keep struggling with cultural change as these structures often keep people in old styled formation which are not aligned to new business ideologies.

2.4.3 Legal and regulatory issues as a challenge in strategy implementation

For many companies, regulatory policies are increasingly shaping their structure and the way they operate setting in motion major changes in economic value. In a number of industries regulation is the major uncertainty that affects capital expenditure decision making, risk management and corporate image (Scot, Denis & Luis, 2005). Regulation is a reflection of an elaborate formal contract entered into between business and society. Normally regulations are formed over ongoing negotiation process that aims to reconcile objectives that often conflict between governments and stakeholders.

During the formulation of the 2011-2017 Kenya e-health strategy, various legal instruments were called into play notably; The Kenya Communications Act 1998; the Kenya Communications Regulations 2001, National ICT policy 2005 and the Kenya Communications Amendment Act (KCAA 2009). Various healthcare employees are governed by their regulatory bodies like the Kenya Medical Practitioners and Dentists Board, the Radiation Protection Board, the Nursing Council of Kenya among others. It is therefore imperative to say that regulations can a stumbling block in strategy implementation.

CHAPTER TREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter captures the method of data collection. It covers research design, research instruments, data collection procedure and how data analysis was done.

3.2 Research Design

The research design used here was a case study, focusing on the health care hub and spoke model of HCGCCK Cancer Centre in Nairobi county. A case can be something relatively concrete such as organization, a group of people or something more hypothetical such as event, a management decision or change programme (Gomm et al., 2000; Yin, 2009). A case study provides the opportunity to use many different sources of evidence which allows the investigator to address a broader range of historical, attitudinal and behavioral issues (Yin, 2003).

This study focused on HCGCCK a specialty cancer hospital that is out to change oncology care in Kenya by leveraging on technology and human resource to reduce the contribution of cancer patients towards medical tourism through provision of quality and affordable treatment. As we move towards patient centered healthcare, there is need to ensure that those who are pioneers in such kind of service provision succeed to motivate others to join the race.

3.3 Data Collection

In this study, interviews were conducted on 6 managers of HCGCCK to gain an insight into the challenges they face in implementing the HSM. The top leadership comprised of the directors, CEO, CFO, and the technical head as well as the lead doctor in oncology. The tool that was used in collecting primary data was an interview guide. Interviews give participants the opportunity to get involved as well as discuss their views on a given subject matter. Interview is an exchange of views between two or more people on a topic beneficial to the parties involved (Kvale, 1996).

According to Gray (2004) interviews are used to collect data when there is need to get highly personalized data or there is need for probing and where a good return rate is important. As such interviews help in collecting much data from and interviewee as possible through probing.

3.4 Data analysis

Content analysis was employed in analysis of the Qualitative data collected. Content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of the messages and using the same approach to relate to trends (Nachiamis & Nachiamis, 1996). It is the use of reproducible and valid methods for making specific inferences from text to other states or properties of its source. Hsieh & Shannon (2005), define content analysis as a subjective interpretation of the content of text data thorough the systematic classification process of coding and identifying themes or patterns. According to Patton (2002), content analysis is a qualitative data reduction and sense-making effort that takes a volume of qualitative

material and attempts to identify core consistencies and meaning. Themes emerged based on either word repetitions, Key words in context or through comparing and contrasting statements. Data analysis involved analyzing major concepts, contents and themes that were found to be relevant to the research objectives then interpreted to arrive at conclusions and make recommendations.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter covers data analysis, results and discussion all based on research objective as well as methodology. The objectives of the research were to establish how HCGCCK is implementing the hub and spoke model to achieve sustainable competitive advantage and to identify the challenges that HCGCCK is facing in implementing the hub and spoke model. The study design was a case study and data was collected by interviewing 6 managers. The qualitative data collected was analyzed using content analysis guided by the study objectives.

Resources determine if an organization will have sustainable competitive advantage or not. According to Pankaj (2010), resources within an organization and resource capabilities are key in formulation of strategy to yield sustainable competitive advantage. He states that resources may be looked at as inputs that are enabling tools for firms to carry out their activities. In addition to this, he observes that in resources internal to an organization as well as capabilities determine strategic decisions made by firms while competing in their external business environment. Sustainable competitive advantage is about use of a firm's resources to come up with a competing edge in the market place that can be sustained. Apart from resources, the industry environment plays a role for supplying inputs and receiving outputs. The environment yields valuable resources that sustain the organization and lead to change in the organization as well as survival (Pfeffer & Salancik, 2003).

For effective utilization of resources, there are seven key forces within an organization that must be well coordinated. These 7 key forces are; strategy employed by the organization, structure of the organization, systems in the organization, style, staff, skills sets and shared values. According Kaplan (2005), Mckinsey's 7S framework of strategy implementation shows how the 7 forces affects a firm's ability to implement formulated strategies. Thus managers need to take into account these seven factors when implementing strategy as they facilitate organizational goal and progress. Attention should be given to all factors as they are interdependent with each having its role in the implementation process.

The data collected suggests that rising cancer cases, education, diagnosis, manpower, technology and funding are some of the forces that affect cancer care in Kenya. Cancer cases have been on the rise and according to the 2018 cancer statistics, the annual cancer incidence stood at about 48,000 which is quite alarming. The most unfortunate thing is there are a few players in cancer treatment with limited manpower. Cancer centres are mainly located in Nairobi leaving patients with no option but to travel from far and wide to Nairobi to receive treatment. The main aim of HCGCCK is to provide quality service to the masses through its hub and spoke model. The hospital has its hub in Nairobi and spokes in Nyeri and Kisii with plans in place to open more spokes across the country. The hospital has upgraded its existing technology to Intensity Modulated Radiotherapy as well as brought in new technology (Flextron Brachytherapy machine) in its quest to remain the leader in oncology care. To ensure that there is enough human resource capital, the hospital has sent doctors and other staff for further training and hired expatriates (oncologists) from India to fill the existing gap of professionals in Kenya. The

hospital is ranked as the number one cancer specialist hospital as it is the leading specialty hospital where consultant oncologists will prefer to have their high profile patients treated. The ministry of health has currently identified it as the hospital to give a second opinion for cancer patient that are to travel overseas.

This chapter as such looks at how HCGCCK is implementing the hub and spoke mode to achieve sustainable competitive advantage and challenges encountered in comparison to some of the existing empirical studies. 6 interviews were conducted and the researcher was able to observe the hospitals operations for the last one year and had seen how the hospital management has worked to ensure implementation of the hub and spoke model to achieve sustainable competitive advantage

4.2 Implementation of the Hub and Spoke Model and Sustainable

Competitive advantage

Organizations achieve sustainable competitive advantage because they have some advantage that is unique to them unlike their competitors. The study looked into how HCGCCK is implementing the hub and spoke model to achieve sustainable competitive advantage.

Healthcare Global Cancer Care Kenya's strategic intent is to become the leading cancer hospital in East and Central Africa. The hospital intends to achieve this by fully implementing the hub and spoke model just like what HCG India has done. The model has been successfully implemented by HCG, which has seen it grow to become the leading cancer hospital in India. The hospital intends to fully implement the hub and spoke model by equipping the Nairobi hub to become a center of excellence and

partnering with existing healthcare provider in Kenya and in East and central Africa to set up a number of spokes thereby availing cancer treatment closer to those who need it. In implementing the hub and spoke model the hospital has adopted a number of strategies to enable it render services to those who need it without having to travel overseas. These strategies include; being focused in oncology treatment, Technology and innovations, strategic partnership, investing in human resource and patient support.

4.2.1 Focus on Oncology

Healthcare Global Cancer Care Kenya is a specialist hospital that focuses on cancer treatment only. Thus the hospital has focused its resources to differentiate itself as top cancer hospital dedicated to offering treatment through innovation and latest technology. All resources are geared towards this purpose and therefore all that happens at the hospital is about offering patients quality treatment and experience that is associated with world class hospitals.

Differentiation is one of the three generic strategies that a firm can adopt to gain competitive advantage (Porter, 1980). Differentiation as suggested by Porter entails differentiating an organization from its competitors in a manner that is sustainable in times to come. From this study it is evident that HCGCCK has chosen to focus on oncology and is one of its main competitive advantages. The hospital is identified as the best oncology focused hospital delivering quality treatment to patients. HCGCCK as a brand is known for quality and best treatment outcomes just as it is spelt in the hospital's vision "adding life to years". The hospital is keen in delivering treatment to cancer patients and true to this they have remained focused only on cancer treatment since inception in 2010 treating of 6,500 cancer patients. Currently treatment is carried out by a

multidisciplinary team of specialists who are specialists in different fields that assist oncologists deliver the best treatment for various cancers. The hospital is proud to have the highest number of oncologists providing treatment to patients. The hospital is keen at ensuring that no patient travels overseas because there is no requisite cancer treatment option for their condition. This hospital intends to achieve this through conversion of the hub into a center of excellence with the best resources to be able to treat all cancers.

4.2.2 Technology and innovations

With the ever increasing completion, technology and innovation provide a platform that firms can use to stay ahead of their competitors. Firms therefore strive to use technology and carry out innovations to come up with new and unique products while at the same time improving processes to enhance efficiency. According to Martín-de Castro et al. (2013), developing successful technological innovations is essential for creating and sustaining an organization's competitive advantage. Similarly, organizations can gain competitive advantage by effectively managing for today while innovating for tomorrow (Tushman & Nadler, 1986). A firm that does not flow with changes in technology or does not carry out innovation will definitely be left behind by its competitors. For example, the hospital has upgraded the current radiotherapy machines' software to offer higher radiotherapy technique known as intensity modulated radiotherapy (IMRT) a form of radiotherapy that is able to deliver radiation to tumor cells while minimizing radiation to critical organs around the tumor cells.

The hospital has heavily invested on innovation to guarantee patients quality. The hospital gets real time quality checks on treatment plans for IMRT to ensure that all IMRT plans meet international standards. This is possible since the hospital as invested in

software and reliable internet services that allow real time transmission of plans to central physics in HCG Bangalore for quality checks. It is only after quality checks that treatment is administered to patients. The hospital in 2018 acquired a digital Flextron brachytherapy machine for internal beam radiation that uses iridium 192. This is a 10 channel brachytherapy machine that is one of its kind in Kenya. The source used on the machine is very small guaranteeing minimal side effects hence patients are able to continue with their normal routines while on treatment. For complex cases when using brachytherapy, quality assurance is also sought from central physics in HCG Bangalore. This has helped build confidence among Kenyans to take treatment at HCGCCK rather than travel overseas for treatment.

4.2.3 Strategic Partnership

Strategic partnership popularly referred to as strategic alliances in where firms come together to and share resources to attain competitive advantage. Ireland et al (2002), states that management of such alliances and value creation is important for competitive advantage to be created. The firms that form the alliance have to manage their partnership in a manner that will help them utilize the resources and capabilities of each other in a way that enables them to stay ahead of their competitors. These firms utilize their current resources and capabilities as they work to develop new and additional resources to achieve competitive advantage in the future (Kuratko et al, 2001).

From the study Healthcare Global Cancer Care Kenya has partnered with two existing hospitals; Consolata Hospital Mathari in Nyeri and Oasis Specialists Hospital in Kisii. These are fully fledged hospitals that have been providing treatment to the locals. The hospitals utilize oncology services offered by HCGCCK while the rather utilizes inpatient

and outpatient services provided by these hospitals. This way the patients receive treatment without having to travel to Nairobi where almost all cancer hospitals are located. The two hospitals serve as spokes that offer outpatient and chemotherapy services for cancer patients while those patients who require radiotherapy services travel to HCGCCK (the hub) for the services.

4.2.4 Investing in Human Resource

Human resource is a critical asset that an organization can use to achieve competitive advantage. It is an organization's knowledge, experience, skill set and commitment of employees to a firm. According to Porter (1985), human resource is the creator of competitive advantage in an organization. Simply put, whichever strategy an organization wishes to use to get competitive advantage, people will implement and evaluate the strategies. The entire process depends on human resource as such people and HRM are becoming critical sources of sustainable competitive advantage for the organizations (Bae & Lawler 2000).

The study revealed that HCGCCK has greatly invested in human resource. It has sponsored members of its staff to undergo training in oncology and radiotherapy. It has also hired two expatriates as oncologists to ensure the hospital has the required manpower at all times. Whenever the hospital launches new technology like when it installed the Flextron brachytherapy machine, a team of oncologists, radiotherapists, medical physicists and dosimetrist had to be trained on how to use the machine to deliver treatment.

4.2.5 Patient Support

Cancer as a disease is not only financially draining but can also be emotionally and psychologically draining for the patient and their families. Thus Patient and Family Engagement in Hospital to ensure they are supported financially, emotionally and psychologically on need basis is paramount as one walks through the treatment process. This helps patients and their families to walk light in a journey that could otherwise have been a heavy burden to bear. When people get sick, not all cope well with the challenges that their sickness presents, a significant proportion find themselves psychologically, emotionally and financially challenged (Royal College of Physicians and Royal College of Psychiatrists, 2003). Addressing these needs makes it easy for the patients to go through treatment and build patient confidence on level of service which a hospital can utilize for competitive advantage.

Healthcare Global Cancer Care Kenya houses a cancer support foundation, The Faranja Cancer Support Foundation that offers Psychological, emotional and financial support to cancer patient without them necessarily undergoing treatment at HCGCCK. At Faraja patients access various complementary therapies like Reiki, Massages, Yoga and patient support group services like nutrition among others. The foundation also financially supports needy patients who cannot afford treatment by paying for them. At times they refer patients to other foundations like the Safaricom foundation where the patient gets financial support as well. HCGCCK has Medical social work department that is tasked with psychosocial support of patients. In place also is a discount waiver policy where needy patients can receive up to full waiver on treatment. These initiatives by HCGCCK

help patients and their families to cope with emotional distress and most of them actually become brand ambassadors.

4.3 Challenges HCGCCK is facing in implementing the Hub and Spoke Model

The process of strategy implementation is a challenging one. The study revealed a number of challenges HCGCCK has faced in implementing. These are; challenge in getting strategic partners, manpower, government legislations and approvals and lack of information.

For the HCGCCK to operate spokes it needs partners who are willing to buy into the model and agree for a strategic partnership. The partners have to agree to provide quality and affordable care to cancer patients in line with HCGCCK protocols. Most of the partners the hospital has approached are taking too long to take a call on the proposed partnership. This is because of bureaucratic processes in decision making and lack of knowledge on how this particular model works since it is new in healthcare space in Kenya.

Cancer treatment requires specialized manpower; oncologists, nurses, radiotherapists, medical physicists and dosimetrists. Currently, the country has limited number of these professions; forcing the hospital to higher expatriates or relies on the service of visiting consultant oncologists. The cost of these specialists is quite high a factor that puts pressure on limited resources that the hospital is using to provide quality and affordable services to patients

The hospital also has a challenge with government legislations and regulations. For example, the National Hospital Insurance fund is not comprehensive and only covers a portion of treatment cost forcing patients to copay. For the expatriates working at the hospital be issued with a work permit, the hospital pays KES 400,000 for each expatriate to the Kenyan government and still it takes some time to get the permit issued. Recently the Kenya Medical Practitioners and Dentist Board reviewed the fee for renewal of practicing expatriates from KES 20,000 to KES 40,000. The hospital is also facing delay in approval of its molecular imaging project where the government does not have legislations for cyclotron that will be used in production of radioactive material that is required for positron emission tomography scan (PET scan). A PET scan helps to map out the location of tumors in the body. Currently patients travel overseas for PET scan.

Derailing cancer support to those who need it is lack of information to those who need it. This resonates around all stake holders. People are not aware of the need for early detection and treatment, screening services available and treatment options available in Kenya. This is evident as most people seek treatment when cancer is at advanced stages whereas others travel overseas to receive treatment that is available in Kenya. Detected early cancer can be cured. Policy makers also lack information on the full spectrum of cancer treatment hence the reason for delays on approvals and legislation that is witnessed in this study. There are currently challenges witnessed in communication between the hub and the spokes on clinic day, drug supplies and follow up of patients.

4.4 Discussion

In this section the research findings relative to theory and empirical studies are discussed. It is therefore imperative to note that this section has two sections; a comparison with existing theory and with empirical studies.

4.4.1 Comparison with Theory

According to Pankaj (2010), RBV analyzes and interprets resources within an organization and emphasizes resource capabilities in formulation of strategy to yield sustainable competitive advantage. He states that resources may be looked at as inputs that are enabling tools for firms to carry out their activities. In addition to this, he observes that in resources internal to an organization as well as capabilities determine strategic decisions made by firms while competing in their external business environment. This is consistent with the findings of this study. Organizations use their resource capabilities to achieve sustainable competitive advantage and from the findings of this study, HCGCCK is focusing its resources in its area of expertise. The hospital has the human resource and technology which it is using for its competitive advantage in delivering cancer treatment

According Kaplan (2005), Mckinsey's 7S framework of strategy implementation, 7 forces affect a firm's ability to implement formulated strategies. These forces are strategy, structure, systems, style, staff, skills and shared values. Thus for effective strategy implementation, organizations should be able to manage various processes within them in order to achieve their objective, in this case sustainable competitive advantage. From the findings of this study, HCGCCK is managing the 7 forces well as the hub and spoke model requires coordination and management of resources pretty well.

The open systems theory postulates that organizations are strongly influenced by their environment in which they operate which is made up of other organizations that put pressure on the outlook of economic, political, or social forces. The environment yields valuable resources that sustain the organization and lead to change in the organization as well as survival (Pfeffer & Salancik, 2003). The findings of this are in agreement with this theory as HCGCCGK is relying on strategic partners to set up spokes, thus utilization of resources within the external environment. The hospital in its implementation of the hub and spoke model is facing challenges from existing legislation gaps where its PET scan project has not kicked off because there is no legislative framework on requirements for licensing to operate.

4.4.2 Comparison with other empirical studies

The study identified a number of challenges facing the implementation of the hub and spoke model by HCGCCK. Finding the right partner is key to the success of a strategic partnership and the converse it a recipe for failure. Finding the right partner is finding a partner with the attributes desired by an organization (Das and Teng, 2003). Thus an organization has to find a partner with the fit it aspires. This does not come easy as evident from this study where HCGCCK is finding it hard to get strategic partner who have the desired fit. This is derailing the opening up of new spokes across Kenya. So far HCGCCK has been able to partner with two hospitals only.

The findings from this study indicate that human resource is a challenge in implementing the hub and spoke model, this is in line with a study conducted by Chemwei, Leboo and Koech (2014) that showed that inadequate human resource was a contributing factor for failure of strategy implementation. On the same breadth of challenges affecting

implementation of the hub and spoke model, lack of sharing information is a hindrance to strategy implementation which is in agreement with a study by Schermerhorn (1989) that showed that effective communication is key to success of strategy implementation.

Contrary to the fact that the government of Kenya is advocating for universal healthcare, findings from this study paint a different picture where the delay in getting NHIF accreditation to offer chemotherapy services, has seen patients wait for the services for several months. Lack of legislation has also seen delay in setting up a PET scan as the government tries to figure out how to set up a legislative framework for nuclear plant to produce fluorodeoxyglucose a radioactive material used in imaging tests to identify lymphomas and other forms of cancer.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The purpose of this study was to establish how HCGCCK is implementing the hub and spoke model to achieve sustainable competitive advantage. This chapter gives a summary of the findings, conclusions, limitations and suggestions for further reading.

5.2 Summary

5.2.1 How HCCCK is implementing the and spoke model

From the after study, HCGCCK has adopted a number of strategies in implementation of the hub and spoke model to enhance sustainable competitive advantage. These include strategic partnership, technological innovation, focus oncology, investing in Human resource and patient. The findings from this study show that the various strategies HCGCCK is using have worked to its advantage in implementing the hub and spoke model. This has helped HCGCCK stand out as a leader in cancer treatment.

Key to note from this study is that HCGCCK has chosen to focus on providing oncology services. This has enabled the hospital to provide patient centered approach which has given the hospital an edge over competition. Having the focus on oncology, the hospital is able to focus all its resources in ensuring that they have the best technology and human resource something that has made HCGCCK stand out among its competitors.

5.2.2 Challenges faced by HCGCCK while implementing the Hub and Spoke Model

A number of challenges are affecting the implementation of the hub and spoke model by HCGCCK. This includes challenge in getting strategic partners, challenge in getting human resource, lack of legislation framework or delayed legislation as well as lack of information among stakeholders. This has slowed down the scaling up of services by the hospital to ensure that cancer patients can get affordable and quality service closer to patients who need them.

With the ever increasing change in technology in medical care, challenges will be there in use of the technology as this is likely to keep finding the government without the requisite legislation for regulation of the use of such technology. This is likely to see patients not benefit from new innovations in healthcare. Delayed accreditation by NHIF for hospitals to offer new treatment services has been a delaying provision of care to patients who badly need it.

5.3 Conclusion

The findings from this study have revealed that delayed process of coming up with legislations or slow process of getting the necessary regulatory approvals affect strategy implementation. Lack of skilled manpower and lack of communication are some factors affecting strategy implementation not only in healthcare but in other industries as well. Getting strategic partners has also been identified as a challenge in this study. The empirical findings from this study do indicate that indeed the strategies undertaken by HCGCCK have given the hospital a competitive edge. The study has indicated that the

hospital has used a different approach from other competitors that is the hub and spoke model, and this has put it ahead of its competitors. The hub and spoke model is one of the models of healthcare that are proving to be very helpful in controlling and managing resources. The results reveal the resourcefulness of the McKinsey's 7S model in ensuring that an organization achieves sustainable competitive advantage. The coordination of the 7 forces identified in the McKinsey model ensures optimal utilization of resources to achieve competitive advantage. This is evident from the way HCGCCK has coordinated resources between the hub and spokes to achieve competitive advantage.

5.4 Recommendations

Hospitals are able to create superior strategies through proper utilization and coordination of resources. Resources refer to the financial, technological and human resources among others which if unique to an organization will give it a competitive advantage. On the other hand, there is need to coordinate these resources to achieve competitive advantage. One of the ways is organizing care around the patient needs.

The study found out that HCGCCK had adopted various strategies to implement the hub and spoke model to gain competitive advantage in healthcare industry. There is however little information on adoption and implementation of the hub and spoke model in healthcare industry in Kenya. It is therefore proposed that hospitals and practitioners and researchers should research to find out their capability and unique resources and capitalize on them for competitive advantage

This study revealed that implementing a strategy is a challenging affair compared to formulation. A recommendation is therefore made to involve both internal and external

stakeholders at all stages right from formulation to implementation to evaluation. This will ensure that favorable policies are put in place to ensure that a strategy is implemented without much difficulty as the objectives of strategy will be clear to all. More research is required to find out the extent to which delay to get the necessary statutory approvals from various bodies affects strategy implementation in healthcare and also the effect of lack of the requisite policies on strategy implementation.

5.5. Limitations of the study

The study focused on implementation of the hub and spoke model by HCGCCK to achieve sustainable competitive advantage. A study of this magnitude should have involved a number of hospitals. Because of resource constraints this was however not possible and the research had to focus on one hospital. Similarly, the researcher was not able to involve the strategic partners in this study. All these notwithstanding, the validity of the findings from the study remained uncompromised.

5.6 Suggestions for further research

Further research is recommended is on long term strategies hospitals can use to remain competitive while scaling up to ensuring patients receive quality and affordable treatment without having to travel long distances. This is because with the ever increasing burden of disease, there is need for patient centered healthcare.

Further research is recommended to find out the extent to which legislation frameworks affect implementation of strategies in healthcare industry. This is because delays in getting the prerequisite approvals as well as lack of legislative frameworks were found to be some of the challenges affecting implementation of mega projects at HCGCCK. From

the study it is apparent that strategy implementation is more challenging than strategy formulation.

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APPENDICES

APPENDIX I: INTERVIEW GUIDE

- 1) What is your position in Healthcare Global Cancer Care Kenya?
- 2) How long have you worked in healthcare industry?
- 3) How long have you worked at HCGCCK?
- 4) Kindly give an overview of oncology in health care in terms of competition and general business environment.
- 5) How is HCGCCK implementing the hub and spoke model? Probe each answer
- 6) What are the forces that you think affect healthcare industry and how?
- 7) How would you rank HCGCCK rank among cancer hospitals?
- 8) What are the opportunities that the hospital seeks to exploit in the future to sustain competitive advantage and how?
- 9) What component of the hub and spoke model has been most successful and gives the HCGCCK a competitive advantage and why?
- 10) What are the challenges that HCGCCK is facing in implementing the hub and spoke model and why?
- 11) How does HCGCCK evaluate its strategies?