GROWTH STRATEGIES ADOPTED BY BARCLAYS BANK OF KENYA LIMITED

BY

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DECLARATION

I the undersigned, declare that this is my original work and has not been presented to any other university for academic credit.

Signed………………………………… Date…………………………

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

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FLORENCE MUINDI

DEPARTMENT OF BUSINESS ADMINISTRATION

DEDICATION

This project is dedicated to my parents Mr. and Mrs. Olum who saw to it that I got the best education in my life and encouraged me to do my best. To my brothers and sisters and friends who supported me.

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LIST OF ABBREVIATION

(ATM)	Automatic Teller Machine
(BBK)	Barclays Bank of Kenya
(DTB)	Diamond Trust Bank
(EABL)	East Africa Breweries Limited
(IT)	Information Technology
(KPLC)	Kenya Power and Lighting Company
(PC)	Portable Computers
(PIMS)	Product Impact Market Studies
(R&D)	Research and Development
(SME)	Small and Medium Enterprise

ABSTRACT

The banking industry is a very competitive one with many local banks coming up with strategies to grow in order to overcome the competition brought about by the environment. Barclays Bank of Kenya is among the banks in the industry and over the past decade we have witnessed the bank grow and overcome a lot of competition to become the leading bank in the country.

The objective of the study was to identify the growth strategies adopted by Barclays Bank of Kenya. Primary data was collected using an interview guide to the directors and heads of functions at the bank who totaled to five. The interview guide sought to find out the strategies the bank used how and why they were used and also the challenges faced by the bank. Barclays Bank of Kenya annual reports was also used for Secondary data. Content analysis was then used to analyze the data.

Findings from the study saw that Barclays Bank of Kenya used a number of growth strategies. Market development strategy where the bank has been able to venture into different markets segments within the country by introducing products to cater for each segment e.g. Islamic Banking. Product development strategy has also been used by the bank, by improving on the already existing products by adding value added benefits and also by introducing new products within the market, when it comes to Partnership and alliances the bank has not been left behind Barclays Bank has partnered with KPLC and Nairobi water, Nakumatt Supermarket and Safaricom among others mainly to improve on services offered to customers. Barclays Bank has also been innovative by coming up with new IT systems to offer better services to customers in the short and long run, the bank has not used any Mergers or Acquisitions.

Market development, penetration and product development were considered the most important strategies because of the financial contribution the strategies have given to the bank, partnership and alliances and even innovation strategies were also considered important as the strategies enabled the bank increase and improve its customer base. Several challenges were encountered in the pursuit of growth some of which included high cost of advertising, challenges faced when venturing into jurisdictions i.e. legal and regulatory requirements

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CHAPTER ONE: INTRODUCTION

1.1 Background

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

1.1.1 Concept of Strategy

According to Mukule (2006) one of the concepts which have developed and is useful to management is strategy. The importance of this concept has been underscored by various leading management scholars and practitioners. The concept of strategy has been borrowed from the military and adapted for use in business. Strategy is a term that comes from the Greek strategia, meaning "generalship". In the military, strategy often refers to maneuvering troops into position before the enemy is actually engaged. In business as in the military strategy bridges the gap between policy and tactics, together strategy and Tactics Bridge the gap between ends and means. Strategy can be defined as competitive moves and business approaches that managers are employing to grow the business (Thompson et al, 2008). Strategy can also be defined as a course of action created to achieve long term goal (Plunkett et al, 2008) According to Ogollah (2006) strategies an organization pursues have a major impact on its performance relative to its peers.

The environment can be relatively stable or turbulent; each level of turbulence requires a different strategy to match (Anyango, 2005). Strategy in turn has to be matched by appropriate capability for survival, growth and development (Ansoff & McDonnell, 1990). According to Foster (2002) strategies should be decisions that shape the long term capabilities of the companies operations and their contributions to overall strategy through ongoing reconciliation of market requirements and operations resources. According to Walker (2004) an effective strategy gives a firm three benefits:- It's a source of economic gain, it provides framework for resource allocation and guides the firms' decision regarding management and organization.

Mintzberg (1987) argued that we could not afford to rely on a single definition of strategy. He proposed five definitions of strategy, i.e. strategy as a plan, a ploy, a pattern, a position and a perspective. As a plan, strategy specifies consciously intended course of action of a company. As a ploy, strategy is seen as a pattern emerging in a stream of actions, strategy is seen as a consistency in behavior. As a position, strategy is a means of locating an organization in its environment. As a perspective strategy consists of a position and of an ingrained way of perceiving the world. It gives the company and identity or personality. Corporate strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of economic and non economic contribution it intends to make to its shareholders, employees, customers and communities. The multiplicity of definitions given on strategy suggests that strategy is a multidimensional concept. No one definition can be said to capture explicitly all the dimensions of strategy, in some way these definitions compete in the sense that they can substitute each other.

1.1.2 Growth Strategy

In our economic system the profit generated from operations is the ultimate source of funds needed to prosper and grow. A firm's growth is tied inextricably to its survival and profitability. In this context the meaning of growth must be broadly defined, although the Product Impact Market Studies (PIMS) have shown that growth in market share is correlated with profitability other important forms of growth exists i.e. growth in the number of markets served, in the variety of products offered and in the technologies used to provide goods or services. Growth means change and proactive change is essential in a dynamic business environment. The nature and degree of competition in an industry hinge on five forces, the threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute products or services and jockeying among current contestants. To establish a strategic agenda for dealing with these contending currents and grow despite them a company must understand how they work in its industry and how they affect the company (Pearce, 1997).

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

According to Pearce (1997) growth strategies are comprehensive approaches guiding the major actions designed to achieve long term objectives. He states that strategic managers recognize that short run profit maximization is rarely the best approach to achieving sustained corporate growth and profitability. He states that if impoverished people are given food, they will eat it and remain impoverished however if they are given seeds and tools and shown how to grow crops they will be able to improve their condition permanently. For most strategic managers the solution is clear, distribute a small amount of profit now but sow most of it to increase the likelihood of a long term supply. Long term objectives are the results a firm seeks to achieve over a specified period of time typically five years. Long term objectives include; increased profitability, productivity, employee development, technological leadership and public responsibilities among others.

Hunger (1995) states that there are two basic growth strategies concentration and diversification. Concentration through horizontal integration is where firms expand into other geographic locations done by increasing range of products and services offered to current markets. Other strategies include coming up with new products and services in order to acquire new markets and channels and also aimed at retaining existing customers. He states that diversification is where companies diversify out of their current markets into a related industry, only companies that are leaders in their core business and have capabilities needed for success in the new industries are likely to use this strategy. In order to implement successful growth strategies it requires management to communicate the importance of growth and strengthen the creation and circulation of new ideas to the employees. According to Prevost (2002) the true cup of business success is not found in adopting the latest efficiency technique rather it consists of understanding your business and making the various parts work smoothly together.

1.1.3 Banking Industry in Kenya

The Companies Act, the Banking Act, the Central Bank of Kenya Act and various prudential guidelines issued by the Central Bank of Kenya governs the Banking Industry in Kenya. The banking sector was liberalized in 1995 and exchange controls lifted. The CBK is responsible for formulating and implementing monetary policy and fostering liquidity solvency and proper functioning of the financial system. The banks have come together under the Kenya Bankers Association which serves as a lobby for the banks interest and also addresses issues affecting its members. The Central Bank of Kenya is responsible for formulating and implementing monetary policy and fostering the liquidity solvency and proper functioning of the banking industry. The Central Bank of Kenya publishes information on Kenya's commercial banks and non banking financial institutions, interest rates and other publication (Chanya,2007).

A few large banks dominate the industry most of which are foreign owned though some are partially locally owned e.g. National Bank of Kenya, Commercial Bank of Kenya, Barclays Bank of Kenya, Standard Chartered Bank, Stanbic Bank etc. The Kenyan banking industry is the most diverse in East Africa with Kenya Commercial Bank being the largest of all indigenous bank in Kenya and East Africa as a whole, the industry is an important sector in improving economy of the country. The industry is very competitive and is evident by erratic changes being adopted by various banks and the different strategies they have employed in order to remain competitive (Mwarey, 2008). The banking sector has witnessed stiff competition forcing banks to repackage their services and products to satisfy the needs of the customers and retain market share (Chanya, 2007).

Key changes in the banking sector have led to growth and these include; more financial institutions because of the passed laws and deeper tracking of banking cost by Central Bank of Kenya so as to educate customers on banking costs. The industry has faced several issues such as changes in regulatory framework, declining interests margins due to customer pressure for non traditional services and introduction of non traditional players who now offer financial services products (Mwarey, 2008). Recent decades have seen radical transformation within the banking sectors of most industrialized countries. These transformations have also spread to non industrialized countries or the developing countries including Kenya. Most of these transformations have been necessitated by change in the environment (Porter, 1998). Over the past years the banking sector has witnessed phenomenal growth in its asset base attributed to the increase in deposits and injection of capital as well as retention of profit by industry players (Mwarey, 2008).

The Central bank has on a few occasions put certain commercial banks under statutory management and some have resulted to closure. Some smaller banks have started to merge in a bid for survival as they are faced with an increase in high operational cost due to cutthroat competition from bigger players. In the 1990s many banks closed their branches in a bid to cut cost while others merged, but the same banks are now opening branches everywhere in the country just to capture markets which they had earlier ignored. According to Mutua (2006) the banking sector is poised for significant product and market development that should result in further consolidation of the banking sector.

1.1.4 Barclays Bank of Kenya

Barclays Bank PLC is one of the world's largest global financial services provider, it has 300 years of history and expertise in banking. Barclays Africa is the leading bank in Africa with businesses in several countries across Africa and also has business in several other countries in Africa where it has collaborative arrangements with other banks.

Barclays Bank is the leading bank in Kenya having started operating in the country over 90 years. The bank was listed in the NSE in 1986 and currently has over 60000 shareholders. Financial strength coupled with extensive local and international resources have positioned BBK as a foremost provider of financial services. Barclays Kenya is currently the largest business unit in the Barclays family in terms of contribution to profit and size of operations. The bank has established an extensive network of over 119 outlets with 231 ATMs spread across the country. (www.barclays.com)

Barclays Bank is a multinational bank incorporated in the United Kingdom and has grown to be the dominant banking institution in Kenya, it has its network spanning all over Kenya. The bank has been able to tackle competitive challenges effectively for it to be and remain competitive (Mwarey, 2008). Barclays bank is one of the key players in Kenyas banking industry. The deregulation of Kenyan banking industry has increased levels of competition, this increase in competition has made demand on BBK. The bank has developed a range of products i.e. different types of saving and current accounts fit for high and low income earners. The bank also offers card and loan facilities e.g. Barclay Card, Barclay Loan and even Scheme loans (Mutugi, 2006). Barclays bank also offers customer facing and support functions. Customer facing function include retail banking, corporate banking and merchant banking while support function includes service deliver, Human Resource, risk management, finance, treasury, communication and marketing. Barclays Bank contributes to the development of the banking industry in Kenya.

1.2 Statement of the Problem

The banking industry usually faces a very turbulent and dynamic environment which keeps changing constantly therefore the industry can be easily affected negatively in terms of survival. Commercial banks in Kenya are usually faced with challenges that can affect their efforts in trying to grow. Some of the challenges include legislation and competitive issues, political and economic instability, depreciating currencies and big health issues in particular HIV and AIDS (Barclays globe, 2002). Despite the unfavorable macro economic indicators the banking sector has continued to experience significant local and regional growth amidst increased competition. It is expected that the banking sector will continue to grow especially in the retail banking segment as major consumer segments remain largely unbanked (annual report 2008). In the past few years we have seen commercial banks coming up with new products to fit a market that had not been tapped before, they have also been opening branches in almost every part of the country. The banks have been promoting their products and services through advertisements in our local media. All this is because of the competition the banks are facing both locally and globally. We are therefore increasingly seeing banks changing tactics and strategies to enable them grow profitably. Currently Kenya has a low penetration of financial services and products amongst its population which is understood to be in the region of 20%. To improve accessibility to financial services and products Central Bank of Kenya has continued to initiate financial sector reforms and promoted the licensing of micro finance institution as well as the use of technology.

Barclays has been seen to support efforts to increase universal access to financial services (annual report 2009). In 2007 Barclays Bank of Kenya came up with an expansion programme in order to reach out to key market segments and enhance sales capability which was aimed at long term growth (annual report 2007). The bank has been introducing innovative products almost every year to capture untapped market segment we have seen this through Islamic banking. The bank has also adopted new IT systems especially in its card business to improve its operations and service to its customers. The bank has taken and integrated approach to development within the sector addressing social economic and environmental factors simultaneously. During the last three years the banks profits has been growing i.e. in 2007 the profits were 7079 million, in 2008 the profits rose to 8019 million and in 2009 profits increased by 12% to 9 billion. The expansion programme also saw the expenses of the bank rising i.e. from 11095 million in 2007 to 14329 in 2008 but reduced to 13882 in 2009. this increase in expenses was mainly due to increased headcount and associate support structures. The bank has also continued to stand out as the leading banking institution in the country and region by receiving several awards, in 2008 and 2009 the bank received an award for best bank in Kenya, in 2008 it received the company of the year award for Human Resource Management practices and in 2009 the bank was awarded the Best Retail Bank. Barclays Bank of Kenya limited was once perceived to be the bank of only the elite in the society but with the changes it has made during the last four years of trying to tap in every segment of the market to increase its market share and cater for all in the society shows that the bank has changed its strategies in order to remain the leading bank in the country in terms of profitability and growth.

Studies have been done on Barclays Bank of Kenya Limited. Mutugi (2006) studied the Strategic Responses of Barclays Bank of Kenya to change in retail banking. Wairimu (2008) studied the Strategic Responses of BBK to challenge in the external environment. Mwarey (2008) studied the Strategic Responses to competition by BBK. On the other hand, Mukule (2006) surveyed the retail marketing strategies adopted by commercial banks in Kenya. Langeard (1980) was concerned with identification of the logical, minimum risk growth strategy paths for service firms and low technology product firms with a very high service component in their offering and Mascarenhas (2002) was concerned with five strategies for rapid firm growth and how to implement them. It identifies five common strategies that lead to sustainable growth, the contexts in which they occur, their sources of advantage, how to implement each strategy, and their potential pitfalls. According to my knowledge no study has been done on growth strategies adopted by Barclays Bank of Kenya ltd. The study therefore seeks to find out growth that the bank is facing and the strategies they have adopted in order to grow and become successful.

1.3 Objective of the Study

To establish the growth strategies adopted by Barclays Bank of Kenya limited.

1.4 Importance of the Study

The study seeks to benefit the following:-

Barclays Bank employees; the study will enable them to understand the challenges they are facing in the country and to know the type of strategies they have adopted to enable them face these challenges and grow.

To students the study will help them to understand the strategies that commercial banks have adopted in order to grow and also the challenges the banks are facing in the country.

The study will enable people to better understand commercial banks and why they are adopting different strategies to help them grow in the country.

CHAPTER TWO: LITERATURE REVIEW

2.1 Concept of Strategy

We all know that we are living in a very dynamic environment and in order for organizations to be successful in this environment which has brought about many challenges and opportunities, it is important for organizations to come up with ways of dealing with these opportunities and challenges. One of the most important concepts developed and has proven to be useful to management in this diverse environment is strategy. For organizations to remain successful and competitive they come up and use different strategies depending on the type of environment they operate in, because strategy helps in the daily operations of a business or industry. The essence of strategy is to build a posture that is so strong (and potentially flexible) in selective ways that the organization can achieve its goals despite the unforeseeable ways external forces may actually interact when the time comes (Mintzberg, 1996).

(Newman et al, 1989) states that a business strategy sets forth the mission of a company. It reflects the choice of the key services the organization will perform and primary basis for distinctiveness in creating and delivering such services. The mission is the overriding aim of the company, strategy serves as a guide to managers in deciding what to do and what not to do and it is the rallying theme for coordinating diverse activities. He states that strategy can be and in many companies is the major instrument that senior managers use to shape the future course of their business. Its role can be three fold, to identify the changing and tough environment, to prescribe initiatives and other actions that the company will take to win its desired position in the turbulent setting and to articulate a dominant mission that will focus around which diverse company activities can be integrated.

Different authors have defined strategy in different ways. Drucker (1954) defined strategy as the determination of the basic long term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Andrews (1971) defined strategy as the pattern of major objectives, purposes or goals and essential policies and plans for achieving these, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. According to Mintzberg (2003) strategy is a plan, some sort of consciously intended course of action or a guideline to deal with a situation, therefore, strategy has two characteristics; they are made in advance of the actions to which they apply and they are developed consciously and purposefully. In management strategy is a unified comprehensive and integrated plan designed to ensure that the basic objectives of the enterprise are achieved. According to Pearce (1991) a strategy is a company's game plan. It reflects a company's awareness of how, when and where it should compete, against whom it should compete and for what purpose it should compete. Thompson et al, (2008) states that a strategy consists of the competitive moves and business approaches that managers are employing to grow business, attract and please customers, compete successfully, conduct operations and achieve the targeted levels of organizational performance. Scholes (1999) defines strategy as the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of the market and to fulfill stakeholders' expectations. Changing circumstances and ongoing management efforts to improve strategy cause a company's strategy to evolve over time a condition that makes the task of crafting a strategy work in progress and not a one time event.

A winning strategy must fit the enterprises internal and external situation, build sustainable competitive advantage and improve company performance (Thompson et al, 2008). A strategy can be easily formulated but the hardest bit which has made many companies' fail and only a few succeed is its implementation. For a strategy to be successfully implemented it requires good management and a workforce that understands the need and importance of change in the environment and therefore strategy formulation and implementation. It is very vital for management to communicate change of strategy to all its employees and stakeholders so as to successfully implement strategy. Therefore without good strategies a company's objectives be it long term or short term may not be met therefore leading to its failure. Good strategy and implementation of strategy is very vital to a company's growth and success among its competitors.

2.2 Growth Strategy

Pearce (1997), states that the essence of strategy formulation is coping with competition. The state of competition in an industry depends on five basic forces i.e. threat of new entrants, powerful suppliers, powerful buyers, substitute products and jockeying for position. The goal of corporate strategists is to find a position in the industry where his or her company can best defend itself against these forces or can influence them in favor. Knowledge of these forces provides the ground work for a strategic agenda of action. They highlight the critical strengths and weaknesses of the company, clarify areas where strategic change may yield the greatest payoff and highlight the places where industry trends promise to hold the greatest significance as either opportunities or threats. Understanding these forces also proves to be of help in considering areas for diversification.

Designing viable strategies for a firm requires a thorough understanding of the firms industry and competition. One prevalent assumption is that growth requires merely expanding what a firm is doing currently. Another common premise is that achieving growth simply requires more investment. A third notion is that growth is only feasible in high-growth industries (Mascarenhas, 2002). Bhattacharya (1992) states that for every business enterprise there exists a maximum permissible growth rate beyond which if it desires to grow it will face severe liquidity crisis leading often to sickness. Surprisingly, only few things can be done by an enterprise management to raise its growth potential. It is essential, therefore, that an enterprise knows its growth potential and confines itself within that boundary.

Through restructuring and reengineering, large diverse companies have been advised to define and focus on their core business from which they now face the challenge of how to grow profitably. Shareholders, managers and employees are increasingly striving for sustainable, profitable growth, often without success. Sustaining growth requires a strategy for increasing revenue without sacrificing earnings or customer satisfaction. Achieving sustainable profitable corporate growth may be the toughest managerial act, (Mascarenhas, 2002). By far the most widely pursued corporate strategies are those designed to achieve growth in sales, assets and profits (Hunger, 2008). At the growth stage the task facing a company is to consolidate its position and provide the base it needs to survive the coming shake out, thus the appropriate investment strategy is the growth strategy where the goal is to maintain its relative competitive position in a rapidly expanding market and if possible to increase it i.e. to grow with the expanding market (Hill & Jones, 2006). Companies that do business in dynamic environments must grow in order to survive, therefore growth is imperative not an option (Wheelen & Hunger, 1995).

A growth strategy can be defined as a strategy aimed at winning larger market share or a tactic used by management to expand the consumer market for company's product. Growing for the sake of it is dangerous it's therefore important to develop growth strategies to ensure your business is growing in the right direction. According to Wheelen & Hunger (1995) growth is a seductive strategy for two principal reasons; a growing firm offers many opportunities for advancement, promotions and interesting jobs and growth itself is exciting and ego enhancing to CEOs. A growing corporation tends to be seen as a winner or on the move by the market place and potential investors. A growing firm can also cover up mistakes and inefficiencies more easily than can a stable one. Growth also provides a cushion incase management makes strategic errors. Companies that strive to grow their revenues and earnings at double digit so that they are growing faster than rivals and gaining market share generally have to craft a portfolio of strategic initiatives (Strickland & Gamble, 2007). The short jump: - strategic initiatives to fortify and extend the companies position in existing businesses e.g. expanding into new geographic areas where the company does not yet have a market presence. The objective being to capitalize fully on whatever growth potential exists in the companies' present business area. The medium jump: - strategic initiatives to leverage existing resources and capabilities by entering new businesses with promising growth potential. Finally the long jump: - strategic initiatives to plant seeds for ventures in businesses that do not yet exist, they entail pumping into long range R&D projects.

Achieving growth is a complex and difficult equation and only a small minority of company's succeeds in the endeavor. Companies that stagnate quickly get passed by in a rapidly changing and improving global economy. Managers employ growth strategies to improve both strategic and financial performance of a business. By strengthening and expanding the company's market position growth strategies improve both top line and bottom line results. Successful growth relies heavily on management execution; this is very challenging in many organizations because even the best strategies can fail without proper management execution.

There are different types of strategies that can be used to help organizations in growth, some of these strategies include:-

2.2.1 Concentrated growth

Concentrated growth is the strategy of the firm that directs its resources to the profitable growth of a single product, in a single market, with a single dominant technology. The main rationale for this approach, sometimes called a market penetration or concentration strategy, is that the firm thoroughly develops and exploits its expertise in a delimited competitive arena (The Executive, 1990). It involves increasing the use of present products in present markets. Organizations employ concentrated growth by building on their competencies and achieving a competitive edge by concentrating in the product market segment it knows best. This strategy is aimed at growth resulting in increased productivity and even better coverage of its actual product-market segments (Pearce, 1997). Insurance companies selling their products using sales representatives in order to attract non users and competitors' customers to buy their products and also to increase present customers rate of use.

2.2.2 Product development

Changes in business environment may create demand for new products or services at the expense of established provision (Johnson et al, 2005). Product development is the creation of new or improved products to replace existing ones(give live examples), this gives massive boost to market share. A company can develop new product for existing markets or develop new products for new markets (wheelen 2008). This strategy involves developing new products for present markets; it involves adapting new product features or modifying the existing products or services (Pearce, 1997). New products may need to be developed because the consequences of not developing new products could be unacceptable. It is possible that the performance may become so poor in relation to that of competitors or other providers that the organization becomes a target for acquisition by organizations which have core competencies in corporate turnover (Johnson et al, 2005). Product development is important for maintaining product differentiation and building market share. Refining and improving products is an important competitive tactic, but this kind of competition is very expensive and raises costs (Hill and Jones 2001). Despite the attractiveness of product development it may not always be inline with expectations and may raise uncomfortable dilemmas for organizations. Whilst new products may be vital to the future of the organization the process of creating a broad product line is expensive, risky and potentially unprofitable because most new product ideas never reach the market and of those that do there are relatively few that succeed (Johnson et al, 2005).

2.2.3 Market development

Normally organizations will be selective in their market coverage. This may lead to a situation where there are no further opportunities within the current market segments. In these circumstances organizations may develop by market development where existing products are offered in new markets. Organizations may encounter some difficulties around credibility and expectations as they attempt to encounter new markets or segments (Johnson et al, 2005). Pearce, (1997) defines market development as a strategy used by organizations to sell their products in new markets by opening additional geographic markets through regional, national and international expansion. We have seen companies growing by attracting other market segments and developing product versions to appeal to those segments. Hill and Jones (2001) states that a company pursuing this strategy wants to capitalize on the brand name it has developed in one market segment by locating new market segments in which to compete. Using market development strategy a company or business unit can capture a larger share of an existing market for current products, companies use advertising and promotion to gain the dominant market share in a product category.

2.2.4 Innovation Strategy

Companies have grown by reaping high profits through innovation i.e. coming up with new or greatly improved quality products and services which enable them to attract more customers. Gucci, for example, pursued growth by extending its prestigious brand name in luxury leather goods to other products such as watches, eyeglasses, and perfumes, and by expanding its channels of distribution, increasing the top line but eroding the bottom line and alienating its most profitable high-end image conscious consumers (Mascarenhas, 2002). Hill and Jones (2001) states that over any reasonable length of time in many industries competition can be viewed as a process driven by innovation. Companies that pioneer new products, processes or strategies can often earn enormous profits. He defines innovation as anything new on novel about the way a company operates or the produces. Innovation includes advances in the kinds of products, production processes, management systems, organizational structures and strategies developed by an organization. Although not all innovations succeed, those that do can be a major source of competitive advantage because by definition they give a company something unique that its competitors lack.

2.2.5 Alliances and Partnerships

Gamble (2007) states that companies in all types of industries and in all parts of the world have elected to form strategic alliances and partnerships to complement their own strategic initiatives and strengthen their competitiveness in domestic and international markets. Banks in Kenya have not been left out Co-op bank and Barclays bank have partnered with KPLC to enable payment of electricity bills in their banking halls. According to Jones, (2001) alliances are cooperative agreements between companies that may also be competitors. He states that companies enter into strategic alliances with actual or potential competitors in order to achieve a number of strategic objectives, it may be a way of facilitating entry into a new market, to share fixed cost and also bring together complementary skills and assets that neither company could easily develop on its own. He states that alliances can help the company set technological standards for its industries if those standards benefit the company. Johnson et al (2005) states that alliances have become increasingly popular because organizations cant always cope with increasingly complex environments from internal resources and competencies alone. He states that they may need to obtain materials, skills, innovation finance or access to markets and recognize that these may be as readily available through co operations as through ownership.

2.2.6 Mergers and Acquisitions

A merger is a transaction involving two or more corporations in which stock is exchanged but in which only on corporation survives. Mergers occur between firms of the same size and usually friendly. The resulting firm is likely to have a name derived from its composite firms. An acquisition is the purchase of a company that is completely absorbed as an operating subsidiary or division of the acquiring corporation. Acquisition occur between firms and can be either friendly or hostile (Wheelen and Hunger, 2008). Gamble (2007) states that mergers and acquisitions involves combining the operations of the companies in order to achieve operating economies, strengthen companies' competencies and competitiveness and open avenues of new markets and opportunities. A good example is how Western Union merged with Diamond Trust Bank (DTB), Stanbic with CFC, Standard bank of South Africa and Chartered bank of India (Stanchart), Coopers and Lybrand. The main aim of mergers and acquisitions is to expand a company's geographic coverage, extend the business into new product categories and also to gain quick access to new technologies or other resources and competitive capabilities (Strickland et al, 2007).

2.2.7 Outsourcing strategies

Outsourcing means vertical disintegration of an activity. A Firm shifts an activity from in house operations to market supplier because of its deteriorating capability through poor investment decision, through entry of a competitor with stronger capabilities or through appearance of a strong supplier. Other firms use outsourcing as a shift in strategy not the competence of the firm away from the activity (Walker, 2004). Wheelen and Hunger (2008) state that if a company does not have a strong capability in a particularly functional area that functional area could be a candidate for outsourcing. He states that outsourcing is purchasing from someone else a product or service that had been previously provided internally. Outsourcing is becoming an increasingly important part of strategic decision making and an important way to increase efficiency and often quality outsourcing has some disadvantages because some companies have found themselves locked into long term contracts with outside suppliers that were no longer competitive. The key to outsourcing is to purchase from outside only those activities that are not key to the company's distinctive competencies otherwise the company may give up the very capabilities that made it successful in the first place thus putting itself on the road to eventual decline. Outsourcing strategies is where certain value chain activities are done by outside vendors. It's advantageous when the activity can be performed more cheaply by outside specialist. Many companies have hired service providers to do for them their office cleaning and even transport services.

2.3 Challenges Relating To Growth

Historically financial institutions especially banks have been one of the most heavily regulated companies in the world thus the most safest and conservative businesses. Even though they were considered safe some regulations hindered bank growth, regulation took many forms i.e. maximum interest rates paid on deposits and charged on loans, limited geographic markets for full service banking and they were also constrained on the type of investments permitted and restrictions on range of activities, products, and services offered (MacDonald & Koch, 2006). Managing institutions in today's competitive marketplace represents an unprecedented challenge; virtually all companies within the same industry are in competition with each other with many of these firms reaching into ever more distant markets to confront a growing list of new competitors. Banks and non bank financial institutions today stand toe to toe in competing for many of the same customers, intense homogenized competition of this sort has placed great pressure on the profit margins of existing financial institutions and dramatically increased the risk of institutional failure (Rose, 1993).

According to Mukule (2006) environment in which financial institutions operate is constantly changing with different factors exerting influence in the organizations. For institutions to be efficient and competitive they must change with the fast changing pace of the environment. The institutions have experienced changes over the last decades which have been major forces impacting on their performance. Five fundamental forces have transformed the structure of financial markets and institutions and reflect the intense competition financial firms face today: deregulation/reregulation, financial innovation, securitization, globalization and advances in technology, these combined forces have induced firms to compete in new products and geographic markets (MacDonald & Koch, 2006). Commercial banks in today's deregulated financial system have been able to protect their market share from pirating by non bank financial firms despite the failures and other pressures they are faced with. It has been very important for these institutions to constantly scan the environment (remote environment, industry environment and operating environment) to be aware of what is happening because only then can they develop strategies to fit both the internal capability of the organization and its environment.

Meeting or exceeding growth is a challenge in this age of technological, economic and political volatility. According to Kimani (1996) IT has become an indispensable ingredient in several strategic thrusts that businesses have initiated to meet the challenges of change. Technological advancement is one challenge many institutions are facing, this is because most of these institutions are not technologically advanced especially in a country like Kenya. Technology is key to growth but many institutions lack the finances needed to set up new technology that can help in growth. What has set apart the developed and developing countries is advancement in technology, this is because developing countries do not have the expertise nor the money to set up the best technologies in their industries which can help in improving services and providing quality products to their clients. According to Porter (1998) technological change especially IT is amongst the most important forces that can alter the rules of competition.

The political and economic situation of a country poses a major challenge for institutions because one cannot effectively plan for growth in an unstable economy. A good example is the situation we currently have in Zimbabwe where the political instability has caused major increase in inflation within a short period rendering their currency useless and also serious health problems affecting the whole country which has in turn hindered growth for industries and many people left jobless. The financial recession caused by the global economic crisis affecting the economies in the developed countries like US and Europe, where we have in the US more than ten banks collapsing during this year alone and many people being left jobless, the low level of employment has thus hindered many individuals from using the banks facilities like depositing money and taking loans and even having many people unable to pay their mortgage thus challenging and hindering growth.

Another major challenge that greatly hinders growth is employees. Many firms usually fail to communicate with their employees about growth strategies and even when they communicate they don't properly train them on how to properly implement these strategies leading to a number of employees being resistant to the new policies and therefore a good growth strategy may fail due to poor implementation by employees. It’s important to greatly communicate with employees and train them if necessary so as to achieve good results. Pearce and Robinson (2003) observe that organizational leadership involves action in first guiding the organization to deal with constant change clarifying strategic intent and shaping the culture to fit with opportunities and challenges that change affords and sends.

Another major challenge relating to growth is the culture. Brown (1998) defines organization culture as the pattern of beliefs values and learned ways that have developed during the course of organizational history and which tend to be manifested in its members. The culture of organization needs to be changed when it doesn’t fit well with the requirements of the environment especially when the company is rapidly growing. Culture differs in every country one is in, whether in Africa, Europe, Asia and even America we have different people with different cultures and each culture presents its own challenge which can either favor growth of institutions or hinder. In Africa corruption and political interference is one challenge institutions have to face daily and even religious beliefs, all these are challenges which many institutions have to face and most of the time growth is hindered.

Time is one most important factor that if not managed properly can create challenges in the future; this is because, most strategies are given timeframes and if these timeframes are not managed well before achieving the objective it can cause emotional and physical drain to the employees when they are forced to work under tight timelines. Managers need to be prepared to identify, evaluate and implement growth strategies more quickly than was previously the case (www.bridgestrategy.com). No organization can grow without challenges; the organizations that can manage these challenges well are always the successful ones.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study was conducted through a case study and according to Mugenda (1999) a case study is an in depth investigation of an individual, group, institution or phenomenon. The investigation makes a detailed examination of a single subject group or phenomenon. The case study was chosen because the objective of the study requires an indepth understanding of the growth strategies adopted by a single bank i.e. Barclay bank of Kenya. The choice of the bank was based on the fact that BBK is one of the largest banks in Kenya which has been seen to have grown from an institution of the rich in the society to one that serves everyone regardless of whether one is well off or not. The bank has continued to be profitable and has grown tremendously in the past years and has still maintained to be among the best banks in Kenya.

3.2 Data Collection

The data was collected by use of an interview guide. The interview guide consisted of two parts, part one dealing with the personal information of the informant and part two dealing with the growth strategies adopted by the bank and challenges they are facing. Five informants were interviewed, Directors and Heads of Departments, because they are the people who make strategic decisions for the Company. Data was also be collected through secondary data like annual reports and bank magazines because they contain information on what developments the bank has done through the years which includes strategies they have used to help the organization.

3.3 Data Analysis and Presentation

Nature of data collected was qualitative. The guide was checked for consistency and data was analyzed through content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study. It involves observation and detailed description of objects, items or things that comprise the sample (Mugenda, 2003). The case study involved a single organization, and that the study solicits for data which is qualitative in nature, and that it does not limit the respondents on the answers

CHAPTER FOUR: DATA FINDINGS AND INTERPRETATION

4.1 Introduction

This chapter discusses the data findings, analysis and interpretation. The main objective of the research was to investigate the growth strategies at Barclays Bank where the case study research design was used. To achieve the objective of the study the research was conducted through an interview guide which was used to obtain the required information. The interview guide was divided into two section; section one sought to find information on the interviewee while the second section sought to find data on the growth strategies the bank has used and the challenges faced.

4.2 Respondents

The study targeted five interviewees the Directors and Heads of Functions most of whom have worked for the company for more than five years. The study targeted these employees since they are the ones involved in making strategic decisions and policy issues within the Company and therefore are the best people to give the required information for the study. The response rate was 100%, the interviewees consisted of heads of Product development, Information Technology, Corporate banking, Operations and Finance.

4.3 Market Penetration Strategy

Market penetration focuses on increasing market share of the firm by increasing the use of existing products in the present markets. This can be done by encouraging existing customers to buy more products frequently through advertising, giving price incentives for increased usage, persuading competitors' customers to switch to your products through advertising and promotion. The other approach to market penetration involves identifying and promoting alternative uses of the same products within the existing markets.

Barclays Bank has been advertising through the media about its products e.g. the customers are encouraged to join the business club whose products have value added benefits attached to it like having certain tills in the bank serving only business club member. The bank has given incentives like winning a house if one takes a loan which qualifies one to enter the draw of the competition and also customers are given price incentives like five thousand if they open an account with the bank through competitions in some of the radio stations. All these have encouraged many customers to switch to Barclays products as the service and value added benefits are the best as compared to other competitors.

Barclays Bank also uses market penetration strategy to expand the sales of current products in markets where their products are already being sold, marketers utilize market penetration strategies such as cutting prices, increasing advertising, or innovative distribution tactics. The company has developed very strong partnerships with its distributors to ensure that its products achieve a large market share. This has been done through offering better terms and margins than the competition in view of its lower cost structure arising from investment in efficient programs.

4.4 Market Development

Market development is a strategy involving marketing present products (sometimes with cosmetic changes) to new market segments/areas. This can be done by; increasing the channels of distribution to reach other market areas or segments, opening additional geographical markets locally, regionally or internationally and advertising in alternative media to reach other segments.

The bank in recent years has ventured into different market segments like Islamic Banking where different products have been introduced in the bank to cater for the customers in this segment, the bank is also venturing into the population of SMEs because many Kenyans are self employed people who have started small businesses to cater for their livelihood, the bank has not left out the mass market, affordable products have been developed to for this market which has been very successful as many people are able to afford to open and operate an account with the bank. Parents are also being encouraged to open accounts for their children, Corporate customers have not been left out as the bank has not only improved on the existing products but has also opened state of the art premier banking centers.

The bank also uses market development through market segmentation based on income levels and occupation; this is because customer needs vary which mainly depend on ones lifestyle. This strategy has produced the best ways for the bank to meet its customer needs and generate growth. Over the last 5 years the bank has managed to open branches all over the country especially in the city centre. In 2006 the bank had 62 branches and 98 ATMs, currently the bank boasts of having a total of 117 branches and 234 ATMs national wide. Most branches have extended banking hours from 9.00am to 4.00pm and some working even on Sundays which were positively welcomed by many customers.

Barclays at work is a strategy the bank is using to open salary accounts at agreed corporate terms through which the corporate employees can get loans through the banks which have given the bank over 15 billion. Barclays Business club members have continued to grow with 10,000 members' country wide. The bank has organized trips for club members to Dubai, Canada; Germany among others in order to connect Kenyan entrepreneurs to international business, trade exports has also been organized for its members. The bank offers incentives to its members e.g. discount borrowing, long banking hours and special suites and counters at participating branches. This strategy has been very successful as it has generated a competitive advantage i.e. looking at the likes of premier and prestige banking and business club growth.

There are several challenges that are encountered in pursuing market development strategy; this includes high costs of advertising the products mostly with the print media. There is also a limitation in the area of coverage. The bank reckons that regional expansion presents unique challenges in form of legal and regulatory which exists in different countries. There are also other country specific trade barriers like local component requirements, ownership structure and product standards. Operating in different jurisdictions also exposes the company to foreign exchange risks. Barclays Bank has dealt with these challenges through incorporation of local subsidiaries with some local ownership in the country of operations as well compliance with other legal and regulatory requirements.

Other challenges include the heavy investment outlay required to establish production, distribution and marketing capacity in a foreign country. The company has had to invest substantially in sales, promotions and advertising in order to make its products create awareness and demand for its products in these countries. Barclays Bank has also adopted a strategy of raising finance from the specific country of operation thereby overcoming the foreign exchange risks and also increasing the level of 'ownership' from the locals.

4.5 Product Development Strategy

Product development involves substantial modification of existing products or the creation of new but related products to be marketed to the existing customers through the existing channels. This is done through, developing new products features to adapt to different areas or uses; modifying the form; magnify the size, strength or value of the product, developing products of different qualities to suit various customers segments and developing new products for other uses.

Barclays bank used product development strategy by analyzing marketing needs and determining the opportunity available and also the banks strategy. The bank serves most of the market segments within the environment it operates in. It has to catch up with strategies that will enable it maintain and grow its business and customers.

The bank has come up with many new products to capture new markets e.g. offering Islamic banking products and services the bank has introduced La Riba Alwahda and Al Hadaf products, to encourage savings for children the bank has introduced the Junior Eagle account, mass market products includes Pepea current and Pepea savings account, for SMEs the bank has Local Business Bonus Savings account, Cash and Transactional account and for charitable organizations the bank has introduced the Uwezo account. The bank has also been reviewing existing products and introducing more value added benefits e.g. introduction of Mwalimu club for teachers first of its kind in Kenya when offers free mobile banking, free account access etc.

Barclays Bank also deals with many big corporate companies which usually have multiple accounts with the bank. Strategies have been developed to improve services offered to such corporate customers e.g. electronic banking which was introduced to help in growth of corporate customers, where a customer can have internet access and pay bills from their PC at home and have access to accounts from ones own PC. Another strategy the bank has used in product development is distributor finance introduced about three years ago where the bank has taken advantage of EABLs distributors where the distributors use the bank to pay EABL and they later pay the bank at an interest. This has enabled the bank increase its customer base because the distributors have opened accounts with BBK. The bank also takes the advantage of petroleum companies that buy fuel in bulk. These companies borrow money from the bank to pay and then pay off the loan from the bank within a month or so. Companies with many workers such as flower farms use Barclays to pay wages for their workers or staff meaning that most of the workers/staff in such companies have accounts with BBK which further increases customer base. Product department strategy has been very successful taking into consideration the environment the bank is operating on. The strategies have been able to improve quality of assets and strengthen balance sheets and earning through growth. Total assets of the bank have grown from 157928 million in 2007 to above 165000 million in 2008 and 2009 respectively.

The bank agreed that product development strategy has presented various challenges including; high research and development and marketing costs since the modified product appears as a new product to the already existing market hence there is need to provide enough information about the product. High production cost due to developing products of different qualities to suit various customer's segments or developing new products for other uses. The bank has dedicated sufficient resources for enhancement of brand awareness and distribution network. The company is able to address the challenges by preparing a flexible budget which helps them to cater for any extra expense in marketing, advertisement or in production. The use of the already existing channels also helps the company cut down on expenses of venturing into new markets.

4.6 Innovation Strategy

Innovation strategy involves coming up with new products or IT systems which enables customers to have wide range of products to choose from and also enables organizations to have improved and better services for the customers which enables it to maintain or improve its competitive position in the market.

The strategy has been used by developing one of a kind product that enables the bank to remain competitive e.g. mobile banking through hello money where customers can check their account balances, pay bills, transfer funds from their mobile phones. The bank has recently adopted a new IT system which can now serve customers better and improve services offered within the bank. The Strategy was used to generate growth both on short and long-term basis and also to aid in creating a great impact in the market. The strategy was successful as it enabled the bank to meet its non-interest income since it generated increase in the activities done by customers and also helped in easing tractate in banking halls.

4.7 Partnership and Alliances

Partnership and Alliances is a strategy that involves cooperative agreements and strategic alliances between companies in order to achieve a number of strategic objectives. It can be used to facilitate entry into a new market or can help the company set technological standards for the industry among other benefits.

Barclays has recently merged with organizations from different sectors of the economy e.g. KPLC and Nairobi Water Company where BBK customers and non BBK customers can now pay their water and electricity bills in any BBK branch. This has opened the retail business to offer full banking services to its customers and acquire more customers. The bank has also partnered with one of the leading supermarkets i.e. Nakumatt, by offering credit cards products to customers to use when they shop at the supermarket. It has also partnered with local security firms who pick and deliver mail to its customers among other services. The bank has recently partnered with Safaricom where account holders can now deposit and withdraw money using M-pesa.

These strategies have been successful as the bank has been able to grow its customer's base and even establish a good helper among organizations in different sectors of the economy and even the government.

4.8 Outsourcing Strategies

Outsourcing strategy involves the purchase of an activities that are not key to the organizations distinctive competencies. Its where some value chain activities are done by outside vendors.

Currently the bank has outsourced daily administration duties i.e. the Security services, cleaning services and even copier machine services as opposed to employing own people. The aim of outsourcing is to aid in cutting costs since one can control the amount paid out for the services rendered.

4.9 Cost Leadership Strategy

This generic strategy calls for being the low cost producer in an industry for a given level of quality. The firm sells its products either at average industry prices to earn a profit higher than that of rivals, or below the average industry prices to gain market share. In the event of a price war, the firm can maintain some profitability while the competition suffers losses. Even without a price war, as the industry matures and prices decline, the firms that can produce more cheaply will remain profitable for a longer period of time. The cost leadership strategy usually targets a broad market. Some of the ways that the firm acquires cost advantages are by improving process efficiencies, gaining unique access to a large source of lower cost materials, making optimal outsourcing and vertical integration decisions, or avoiding some costs altogether. If competing firms are unable to lower their costs by a similar amount, the firm may be able to sustain a competitive advantage based on cost leadership.

Barclays Bank has adopted a competitive cost structure by investing in state of the art plant technology to achieve international costs and quality benchmarks. The bank has been able to promote an entrepreneurial management culture with strong management and operational teams that focuses on creating value in the organization. In order to successfully implement the cost leadership strategy Barclays Bank also recognizes the importance of its suppliers and consider them as partners in progress. The company therefore promotes efficiency in its entire supply chain by setting standards and creating awareness for its suppliers to adopt international benchmarks. As a result of this Barclays Bank has consistently improved its margin over the years.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Research Summary

According to the findings of this study, all interviewees were unanimous that, their organization uses market penetration, market development, product development and diversification strategy. It was also clear that Barclays Bank has positioned itself as a low cost producer with a view to increasing their profit margins and also passing on some of the benefits of this strategy to their stakeholders like the distributors, staff and community through corporate social responsibility initiatives.

Depth of sales of a particular product in a given market;the deeper the penetration, the higher the volume of product sales. In order to expand the sales of current products in markets where their products are already being sold, marketers utilize market penetration strategies such as cutting prices, increasing advertising, or innovative distribution tactics. Market penetration can also be pursued though identifying and promoting alternative use of existing products in the current markets with minimal modification. It was also clear from this that this strategy may be limited if the firms production capacity is not sufficient due to low materials constraints.

There are several challenges that are encountered in pursuing market development strategy; this includes high costs of transporting the products and/or raw materials to the new markets and the costs of advertising the products in both electronic and print media. There is also a limitation in the area of coverage. The bank noted that opening additional geographical markets locally or internationally has many challenges due to the different legal and regulatory requirements in various jurisdictions. It is also clear that these challenges may be addressed through location of branches in the areas of operations and incorporation of subsidiaries companies with limited local ownership in the country of operation. Outsourcing of the distribution networks and development of close partnership is key in managing efficient and effective distribution network.

Based on the outcome of the study, it was clear that product development strategy has been successfully applied by Barclays Bank. It is also evident that for a firm to pursue this strategy it should have adequate resources for investment in research and development, creating production capacity as well as marketing of the new products to the existing and new markets. Access to the capital markets is therefore essential for firm to be able to mobilize resources for these undertakings.

5.2 Conclusion

The study concludes that just like Barclays Bank other firms may use the Ansoff growth strategies or the Porter's generic strategies. The firm can also use a combination of the Ansoff growth strategies and the Porters generic strategies. The combination of the two sets of strategies was shown as beneficial as the strategies complement each other. Application of any growth strategies presents various challenges to the firm. A firm wishing to pursue growth must therefore put in place sufficient resources to be able to counter these challenges. Market development across national borders has unique challenges due to the need for the firm to comply with laws and regulation in various countries. Apart from the different legal frameworks in different countries, there are also varied social cultural settings which must be surmounted for the firm to effectively develop a new market for its products. In order to sustain an effect market penetration to sustain there are many reasons for pursuing a diversification strategy, but most pertain to management's desire for the organization to grow. Companies must decide whether they want to diversify by going into related or unrelated businesses. They must then decide whether they want to expand by developing the new business or by buying an ongoing business.

Finally, management must decide at what stage in the production process they wish to diversify. Also Ideas for new products can be obtained from basic research using a SWOT analysis (Strengths, Weaknesses, Opportunities & Threats), Market and consumer trends, company's R&D department, competitors, focus groups, employees, salespeople, corporate spies, trade shows, or Ethnographic discovery methods (searching for user patterns and habits) may also be used to get an insight into new product lines or product features.

This was explained by the fact that the company has a ready market and hence the biggest challenge would be creating awareness of the new product. While using the existing resources to produce new goods helps reduce on expenses. Installing new production line for new products targeting new markets, proved to be very expensive hence not applicable. While acquiring a license to market new products to new markets, took along period to be implemented.

5.3 Recommendations

Successfully implementing growth strategies is not easy for any organization and effective steps have to be put in place to ensure successful implementation. Management of the company needs to have the required knowledge, expertise and skills before they can agree and embark upon an implementation programme. In addition, the management needs to learn from others as to what has worked in other firms and what has not. In essence a number of actions need to be taken in order to increase the likelihood of success. These include; setting up a steering committee, identifying the norms, values and behaviors for the organization’s people, agreeing a plan of action, implementing that plan and reviewing progress. Furthermore, the plan of action needs to be sensitive and in line with the organization’s history and future. Therefore each organization will need to identify its own unique approach, as “off the shelf” packages are not readily associated with success.

However, by far the most important element of that plan is that leaders “walk the talk”, get involved in the process and never let their enthusiasm wane. Achieving successful strategic plan takes time, energy and resources from everyone within the organization, an endeavor that is totally worthwhile given the positive impact of strategic planning.

The study also recommends that managers be on the look for any possible factor that has an implication on the operations of the business and respond appropriately. The researchers also recommend that the responsible government personalities be on the look out to control the unhealthy competition. This will assist the up coming and the existing companies from exploitation.

5.4 Suggestion for Further Studies

The study wishes to recommend further research of the critical success factors for the implementation of growth strategies. This is because the research came across various other challenges and factors affecting growth of Barclays Bank Company in the course of study. Further studies should be done on the growth strategies in other companies and industries, this will help any business realize good profits while helping it be in a position to either plough back the profits or strategize on diversification

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APPENDIX

Appendix I: Interview Guide

The study seeks to establish the growth strategies adopted by Barclays Bank of Kenya and the Challenges faced.

1. Department……………………………………………………………………………

2. How long have your worked for the bank?..

Below are some of the strategies used by organizations to achieve growth.

3. How has the bank used these strategies to achieve their growth.

a) Product development
How was it used?

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Why was it used?

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……………………………………………………………………………..........................

How successful was this strategy.

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…………………………………………………………………………………………….

b) Market development

How was it used?

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……………………………………………………………………………………………

Why was it used?

……………………………………………………………………………………………

……………………………………………………………………………………………

How successful was this strategy

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c) Innovation

How was it used?

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Why was it used?

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How successful was this strategy

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d) Partnership/alliances
How was it used?

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Why was it used?

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How successful was this strategy

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e) Mergers/acquisitions
How was it used?

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Why was it used?

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How successful was this strategy

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f) Outsourcing
How was it used?

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Why was it used?

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How successful was this strategy

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g) Other strategies

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4. Rank these strategies according to how they have greatly contributed in the bank?

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5. What challenges did the bank face when implementing these strategies? explain

a) Time Management.

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b) Culture

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c) Employees

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d) Political & Economic Situation in the country

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e) Management

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f) Regulation

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g)Information Technology.

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h) Others

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