THE CHALLENGES OF STRATEGIC PLAN IMPLEMENTATION AT THE BANK OF AFRICA KENYA LIMITED

BY
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Declaration

This is my original work and has not been presented for award of any degree in any university.

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

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Dedication

This project is dedicated to my parents, Mr & Mrs Njiinu Gachanja, Gachanja & Wairimu, Shiro, Kuria together with my precious nephew Jeremy. Many thanks for the investment you made in me, both financial and moral, the discipline has gotten me this far. You have all constantly been a source of wisdom, encouragement and reinforcement. Your support and prayers have been my greatest source of strength. I cannot repay all you have done, however, accept my sincere gratitude. I therefore dedicate this project to you all.

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Abstract

Every bank is seeking to survive, grow and become profitable. However, this does not come easy owing to competition, internal and external factors. A business must seek to be unique and to have competitive advantage in order to grow and become profitable. From this comes the need to know who you are, where you want to go and how you will get there. This gives rise to the need to come up with a strategic plan which will act as a guide. A strategic plan comes from strategic planning and needs to be implemented for it to be effective. Success of a strategic plan depends on how well it is implemented; thus how people perceive it and what they do to ensure it is a success. Many companies have strategic plans that lie on the shelves without implementation; hence the distinction between companies that are just in business and companies that are making good returns. A company that implements its strategic plan is more likely to achieve its objectives as opposed to one that does not implement the strategic plan. The objective of this study was to determine the challenges of strategic plan implementation at Bank of Africa Kenya Limited. The research used primary data collection methods by interviewing senior management of the bank. The research revealed that indeed there are a number of challenges in strategic plan implementation. The research identifies and discusses the main challenges of strategic plan implementation. The research also gives recommendations of how to successfully implement a strategic plan and notes that communication, recognition of people together with their involvement plays a major role in successful implementation of the strategic plan. The research concludes by noting that people are very important in strategic plan implementation and they need to be involved and updated regularly on any developments for them to take ownership of the strategic plan and to make it work.

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Abbreviations and acronyms

EXCO – Executive Committee

INTOSAI – International Organization of Supreme Audit Institutions

SMEs – Small and Medium Enterprises

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Strategic planning can be referred to as a process of developing a vision, mission and objectives. Strategic planning undertakes to establish in advance how the vision, mission and objectives will be accomplished (Lussier, 2009). Strategic planning yields a strategic plan which becomes the master plan of the organization thereby prescribing roles to the different units of the organization. The units become agents that implement the strategic plan and the various strategies (Johnson & Scholes, 1999). In order to successfully lead an institution, a strategic plan is essential as it orchestrates, coordinates and controls all the inter-departmental activities with the aim of achieving the set objectives. Strategic targets are crucial as they translate into the organizations survival, value and growth (Bateman & Zeithaml, 1990).

Strategic planning is an exercise where managers evaluate and choose strategies that will lead to success owing to the fact that they possess some advantage relative to their competitors (Pearce & Robinson, 1997). Strategy implementation is concerned with the translation of strategy into action. It involves resource planning, actively managing the organization structure and design and proactively managing the strategic change (Johnson & Scholes, 1993).

Bank of Africa Kenya Limited has been in Kenya since the year 2004 when it took over the former Credit Agricole Indosuez. The bank has since then managed to grow in terms of size and profitability. The bank has managed to grow to its geographical presence to 25 branches and also grow in profitability. The bank continues to grow its presence in Kenya opening at least 5 branches every year.

1.1.1 Strategic planning process

A strategy is comprised of competitive moves and best approaches to business that management has identified to help achieve the three business goals of growth, profitability and survival. These approaches include ways in which to "attract and please customers, compete successfully, conduct operations and achieve the targeted levels of performance,'' (Thompson et al, 2007).

The options that a company makes are rarely easy decisions and some of them may turn out to be wrong but that is not an excuse for not deciding on a concrete cause of action (Thompson et al, 2007). (Barney, 2007) posits that if business is a complicated game, then strategy is the theory of how to excel at the game that helps to achieve high performance levels in the industry. All industries are comprised of a number of players who are competing for the same clients; hence they all need to increase their market share through innovation and staying competitive. Hence strategic planning helps to create a strategic fit of the organization within the environment and helps it discover and focus on its core competencies.

Strategic planning thus seeks to narrow down and zero in on a strategy that based on the internal and external analysis will best lead the organization to the desired level or position; be it in book size, market share or profitability. The organization's strategy can hence be termed as a match between the internal capabilities and the external relationships. It communicates how the organization will respond to the market forces and other industry players within the environment in which it operates (Lynch, 2009).

Githinji (2010) in his study dubbed Strategic planning practices at the Kenya National Audit Office finds that the office has been able to bring forward statutory deadlines. A report peer review report by INTOSAI indicated a great improvement in audit documentation and quality of work. He concludes that strategic planning has led to improved performance at the Audit Office.

1.1.2 Challenges of strategy implementation

A distinction needs to be drawn between operational planning and strategic planning which is a systematic process for steering the future of an enterprise while operational planning involves day to day activities. One major difference is that a strategic plan has long-term goals and plans of how to achieve them systematically. It also breaks the long-term goal into short term goals and objectives that are easily measured over a short duration of time. It therefore helps management to anticipate and reduce adverse results while taking advantage of opportunities in the environment (Taylor & Sparkes, 1977).

While strategy formulation entails a lot of input of vision, analysis and entrepreneurial judgment, strategic plan implementation mainly depends on the skills of working through others and executing the functions of management thus creating a strong fit between strategy and how the organization does things (Thompson & Strickland, 1989).

Strategic plan implementation posses a tough time consuming challenge to management and most practitioners note that it is easier to develop a strategic plan than to make it happen. One of the most grueling tasks is to create an alignment between the organizations internal operations and the strategy. Strategic plan implementation calls for strong strategy supportive matchups between all the organization's functions. This ensures the internal activities are not at cross roads with the strategy hence matching the activities with the strategic plan (Thompson & Stickland, 1989).

Successful implementation greatly depends on a good internal organization coupled with a battalion of competent staff. It is then imperative to design an organization around the key success factors and critical tasks inherent in the organization's strategy (Thompson & Stickland, 1989). An organization that adopts an organizational structure, management controls and employee compensation that are consistent with and reinforce its strategies is more likely to succeed at implementing its strategic plan (Johnson & Scholes, 1993).

1.1.3 Banking sector in Kenya

Currently there are there are 45 licensed commercial banks and 1 mortgage finance company. Out of the 46 institutions, 33 are locally owned and 13 are foreign owned. The locally owned financial institutions comprise 3 banks with significant shareholding by the Government and State Corporations, 27 commercial banks and 1 mortgage finance institution.

The banking sector has grown in leaps and bounds in the recent past owing to diversification, innovative delivery channels and the credit reference bureau. For the quarter ended September 2011, the sector recorded enhanced performance with the size of assets standing at Ksh. 2.0 trillion, loans and advances worth Ksh. 1.2 trillion, while the deposit base was Ksh. 1.5 trillion and profit before tax of Ksh. 63.5 billion as at 30th September 2011.

Over the same period, the number of bank customer deposits stood at 13.65 million with a branch network of 1,114 (Developments in the Banking Sector September 2011 Quarter, Central Bank). Competition has been very stiff among the commercial banks and this has led to a rapid expansion program by most of the local banks. Many banks have employed the expansion and diversification strategies in order to increase their geographical presence with a bid to increase their market share and ultimately their profitability.

The credit reference bureau has been enacted in the recent past. The credit bureaus assist in making credit accessible to more people, and enabling lenders and businesses reduce risk and fraud. Sharing of information between financial institutions in respect of customer credit behavior, therefore, has a positive economic impact. They collect, manage and disseminate customer information to lenders within a provided regulatory framework – in Kenya, the Banking (Credit Reference Bureau) Regulations, 2008 which was operationalized effective 2nd February 2009.

The Central Bank has also licensed institutions to practice agency banking in which banks will have agents in all around the country. This will help banks save set up costs in locations where they want to grow but the business does not warrant opening of a fully fledged commercial bank branch owing to the high costs of set up vis-à-vis a small market. There are currently six microfinance institutions which are licensed by the Central Bank to take deposits

1.1.4 Bank of Africa Kenya Limited

Bank of Africa Kenya Limited is an all public bank providing banking services to corporate, SME and retail clientele. The bank commenced operations in Kenya in July 2004, after acquiring the Kenyan branch of Credit Agricole Indosuez. The bank has 24 branches in Kenya of which 8 in Nairobi (Uhuru Highway, Monrovia Street, Ruaraka, Nairobi, Westlands, Ngong Road, Embakasi and River Road), 1 in Kisumu ,1 in Nakuru ,1 in Eldoret ,1 in Bungoma,1 in Kericho , 1 in Rongai, 1 in Meru, 1 in Kisii, 1 in Thika and 2 in Mombasa(Mombasa,Changamwe).

Bank of Africa Kenya Limited is a subsidiary of the Bank of Africa Group Ltd. The Bank of Africa group began its operations in 1982 in Bamako Mali, and has over the years expanded initially in West Africa and recently in East Africa. The Group has its head office in Benin and Mali. It is well established in 10 other countries in Africa namely: Benin, Burkina Faso, Burundi, Ivory Coast, Madagascar, Mali, Niger, Senegal, Tanzania and Uganda. The total turnover in 2008 was Euro 235 million.

The Group has over 500,000 banking clients and 2000 staff. Bank of Africa Kenya recently declared profits of Kes 432,725,000 for the year ended December 2011. The bank has come from being a largely corporate bank from the year 2004 when Credit Agricole Indosuez was taken over by the Bank of Africa group to a retail bank and is now capitalizing on SMEs.

The bank has a three year strategic plan. The strategic plan is broken into yearly plans that are further subdivided into the various functional units in the bank for ease of implementation and accountability. The strategic plan is done locally but is presented to the board at the Bank of Africa Group level for approval. The group calls upon the local bank to undertake some initiatives that are in the overall group strategy; hence the strategic plan marries both the local and group plans. This yields a strategic plan that takes cognizance of the stakeholders interests in the context specific markets.

The strategic plan is reviewed yearly based on the previous year's performance and the market conditions. The various MDs in the various countries present the performance of their banks vis-à-vis the strategic plan to the Bank of Africa Group board annually. Locally, the executive committee (EXCO) meets every fortnight where every head of department tables a report on the implementation and the results. In this forum, the industry analysis and any new developments are also discussed to ensure that the strategic plan is in the right context and the bank is on the right track; successfully implementing the strategic plan. The board meets locally every quarter to review performance of the bank vis-à-vis the strategic plan. It is here that they also review the strategic plan and amend it appropriately guided by the market and industry conditions.

A staff forum is also held annually with all the staff where the managing director shares the strategic plan for the year by breaking it down to the key result areas. For branches which are outside of Nairobi, they send representatives to attend the forum who later on shares the strategic plan with their various teams in the various branches. This aims at communicating the various strategies and ensuring that every member of staff takes ownership.

1.2 Research problem

The banking sector has been very dynamic in the recent past and competition has become very stiff. This has forced commercial banks to re-think their approaches to business and many have resulted to strategic planning in order to remain competitive while maximizing returns at low costs. The main challenge, however, has been implementing the strategic plans that have been formulated. Kenya Commercial Bank has in the recent past outsourced the help of McKinsey and Company to help in restructuring.

Bank of Africa Kenya Limited started out in Kenya in the year 2004 when the Bank of Africa Group took over Credit Agricole Indosuez; the takeover was however not hostile. The group had a vision for the bank in Kenya and it was to become the hub of East Africa. Bank of Africa Kenya acquired subsidiaries in both Uganda and Tanzania and also immensely increased the Kenyan branch network in order to make it more accessible and reach customers where they are. The bank having been a corporate bank had to change the strategy as it needed to be more competitive by growing the retail and small medium enterprise (SME) base. All this required a shift in the strategies necessitating a change in the strategic plan. The success was and still is dependent on the implementation of the strategic.

A few studies have been done in Kenya on challenges of strategy implementation but no study has been conducted on Bank of Africa Kenya Limited. Some of the studies that have been carried out include: Challenges of strategy implementation in the Ministry of State for Provincial Administration (Achoki, 2010), Strategy Implementation challenges by Kenya Shell Ltd (Kinyua, 2010), and Challenges of Strategy Implementation of First Community Bank Kenya (Essajee, 2011), Challenges of strategy implementation at Ecobank Kenya Limited (Wetangula, 2010). King'ori (2010) in her study dubbed challenges of strategy implementation among the local pharmaceutical importers and distributor firms in Kenya identifies a myriad of challenges in strategy implementation. Sabina (2010) in her study dubbed challenges of strategy implementation at Equity Bank also notes a number of challenges the bank faces in strategy implementation.

Opiyo (2010) in a study dubbed challenges of strategy implementation at I & M Bank Limited identifies a number of challenges of the implementation process noting it is not as easy as planned and ends up taking longer than anticipated. This study will therefore aim to answer the question: What are the strategic plan implementation challenges at Bank of Africa Kenya Limited?

1.3 Research objective

To determine the challenges of strategic plan 2010-2012 implementation at the Bank of Africa Kenya Limited

1.4 Value of the study

The findings of this study will help Bank of Africa to clearly understand the challenges of implementing their strategic plan. Management will be able to see the key areas in which to focus while implementing the strategic plan so as to achieve optimum performance. The study will also demonstrate to the employees that they are important to successfully implement a strategic plan. It will demonstrate to them the key areas to watch out for that may stifle the strategic plan implementation make it a failure.

To the academicians and researchers, the study will add to the existing body of knowledge in the strategic management discipline and also form a basis for further research in strategic plan implementation. Policy makers will be able to borrow from the research and the findings on issues related to strategic plan implementation, its challenges and on the pitfalls to avoid. The study will also demonstrate areas that may require further research in the plight of effective strategic plan implementation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter will undertake to look at the theoretical analysis of strategic planning and strategic plan implementation. It will also examine the challenges of strategic plan implementation, strategic plan implementation and components of effective strategic plan implementation.

2.2 Concept of strategic planning

Reed and Buckley (1988) put it that new strategies are selected because they offer new opportunities and potential benefits but their implementation, which involves change, implies risk; hence implementation strategies should seek to maximize benefits and minimize risk. The heart and soul of any strategy are the actions in the market place that senior management is taking with a view of improving the financial performance, strengthen the competitive position and to gain competitive advantage.

Organizations come up with new strategies time and again in order to stay relevant in the market and to be able to survive amidst competition, grow and become more profitable. An organization's vision, objectives, and strategy constitute a strategic plan. A strategic plan is thus used to build competitive advantage and to help an organization to differentiate itself and its products from those of the competitors (Thompson et al, 2008).

Strategic plans have an external orientation and they cover a major portion of the organization. Strategic goals are set in the strategic plan as targets that relate to long-term survival, value and growth of the organization that also reflect effectiveness and efficiency. An organizations strategy becomes a pattern of actions and resource allocation geared towards achieving the organization's objectives. To foster a successful strategic plan, the strategies need to match the skills and resources of the organization to the opportunities in the environment (Bateman & Zeithaml, 1993).

Strategic plan implementation requires strategic control. Strategic control refers to management's attempts to keep track of a strategy as it is being implemented, detect problems, or changes in the underlying premises and make necessary adjustments. Management literally asks themselves two guiding questions: whether they are moving in the right direction and how the firm is performing. Implementation control is designed to help assess if the overall strategy should be changed in light of results associated with the incremental actions that implement the overall strategy (Pearce & Robinson, 2011).

The overriding concerns in executing a strategic plan and leading a company are survival, growth and prosperity. Short term objectives and action plans guide implementation by converting long term objectives into short term actions and targets. Two major ingredients that enable successful strategic plan execution are leadership and the consistency of a strong organizational culture which reinforces the norms and behaviors that create a fit between the strategic plan and the mission (Pearce & Robinson, 2011).

Strategic plan implementation involves translating strategic thought into organization action; thus a move from planning their work to working their plan. Short term objectives aid implementation in three ways. Firstly, short term objectives help to operationalize long term objectives thereby breaking the long term objectives into short term attainable objectives. The short term objectives are measurable and easy form a road map into the long term objectives.

Secondly, discussions and agreement on short term objectives help to raise issues and potential conflicts within an organization that usually require coordination to avoid otherwise dysfunctional consequences. Thirdly, short term objectives aid implementation by identifying measurable outcomes of action plans and functional activities which can be used o make feedback, correction and evaluation more relevant and acceptable (Pearce & Robinson, 2011)..

Short term objectives are usually accompanied by action plans which help in: identifying action plans and functional tactics and the time frames thereby giving specificity, giving a clear time frame for completion of tasks – when the effort will begin and when the results will be accomplished and thirdly action plans foster accountability by detailing who is responsible for each and every task which makes sure all action plans are acted upon (Pearce & Robinson, 2011).

2.3 Challenges of strategic plan implementation

Strategic plan implementation refers to the sum total of the activities and choices that are required for the execution of a strategic plan. It is the process by which objectives, strategies, and policies are put into action through the development of budgets, programs and procedures. In order to begin the implementation process, stakeholders must consider three questions: who are the people who will carry out the strategic plan, what must be done to align the company's operation in the intended direction and how everyone is going to work together to do what is needed of them (Wheelen & Hunger, 2005). Speculand (2011) puts it that strategy is about making the right choices and implementation is about the right actions.

Owen (1982) contends that in practice there are four problem areas associated with successful implementation. Firstly, there must be a clear fit between the strategy and the structure and they must be supportive of each other. This is one of the huddles that face organizations in their quest to implement strategic plans. In organizations where there is a misfit, the people must be willing to change jobs or to relocate in order to accommodate the new structure. It is not feasible to change the structure every time there is a change in the corporate strategy; instead, acceptable modifications to the existing structure are preferred to more significant changes.

Secondly, ineffective information and communication systems used for reporting back and in evaluation of changes that are taking place offer incorrect information. This results in the leader not being fully aware of the developments or having the wrong information and may indeed lead to a flawed decision making process. This results in poor monitoring and also in ineffective control mechanisms of the implementation process (Owen, 1982).

Thirdly, a strategic plan implementation involves change which in turn involves risk and uncertainty. As much as the managers may agree to make changes in their implementation meetings, they may be reluctant to implement the changes owing to uncertainty. The leader in such a process must offer motivation to the managers as well as reassure them that their jobs are safe and that their jobs will just be restructured a bit (Owen, 1982).

Fourthly, management systems such as compensation schemes, management development and communication systems which were developed for operation in the structural framework may have been developed to meet needs of past strategies. They may not support the changes that are going to take place and hence may also need to be modified. However, it may prove difficult to change them all at once and would call for continual improvement vis-à-vis the current strategic plan being implemented and the results (Owen, 1982).

Failure to predict time and problems that implementation will involve for a new venture to take off is invariably underestimated and is unfortunately not seen in the early months of business. An underestimate of resources is also a big challenge in implementation and hence enough resources should be allocated to the implementation process to cope with emergencies. A change in the ideals that resulted to a change in the strategic plan can also be a big challenge to implementation; hence proper forecasting and flexibility to deal with the change pressures should be built into the strategic plan and change process (Alexander, 1985).

Myrna (2012) puts it that most organizations fail to successfully implement their strategic plans due to four reasons namely mismanaging people who do not implement as asked, undermining personal motivation and ownership, losing momentum in the face of daily operational needs, and failing to accept how the real world works. He concludes that people should not be mismanaged; the leader should dig deeper to the root cause of non-implementation and begin to sell the strategy to the people as he helps them understand the need for change.

Myrna goes further to say that implementation begins with engagement of hearts and souls in a well organized manner where the leader seeks to develop consensus on where they are, where they want to be and how they will get there. In essence, the leader buys in the entire team by consensus building. Failure to identify and recognize achievements also acts as negative. Leaders need to accept how the real world works and overcome the shortcomings like drafts which delay implementation and should be replaced with versions, and also eliminate words like action dates with suspense dates to ensure the team is proactive (Myrna, 2012).

Allio (2005) notes that among the lead causes of failure in implementation is lack of rewards and lack of clear cut lines of responsibility and accountability which leads to inaction due to lack of accountability. Dandira (2011) notes that the biggest challenge in strategic plan implementation is that the workers who are supposed to implement the strategic plans lack vital information about the strategic plan itself and concludes there is a missing link between formulation and implementation stages. He goes on to say that implementers need to be well trained and equipped to implement the strategy; and further argues that if workers are not well informed they may have no reason to make the implementation a success or fight the competition.

Wessel (1993) notes that most barriers to strategy implementation fall into either one of these categories: many conflicting priorities, dysfunctional top teams, a top down management style, poor communication, inter-functional conflicts and inadequate management development. Whereas these can be addressed, there are increased possibilities of successful strategy implementation.

Getz et al (2009) cites migration management as the missing link in many organizations; thus inability to convert strategy into coherent and lasting action. By creating and using properly the clear statements of the desired future identity and by having sequential interrelated paths of action programs that are oriented towards learning and adaptation, organizations have been able to overcome challenges associated with traditional approaches to strategy implementation.

Getz et al (2009) attributes implementation challenges to lack of a formal process to manage five key challenges associated with implementation. They put it that there is need to synchronize long-term objectives with short-term objectives which are required for action planning. They go on to say that it is crucial for management to distinguish between strategic fit and what needs to be done next so that the right actions are undertaken.

King'ori (2010) studied the challenges of strategy implementation among the local pharmaceutical importers and distributor firms in Kenya and concluded that the critical workforce in implementation was not involved in the planning process and vise versa. The study further noted that communication of the strategies was not well done hence resulted in resistance to change impeding implementation. Lack of proper training of the workforce, lack of administrative support and lack of clear guidelines also contributed to a flawed implementation process. Many of the common cited causes of implementation failure are either myths or excuses that have gained credibility from being repeated (Sterling, 2003).

2.4 Translating Strategy into effective implementation

In order to counter the problems associated with strategic plan implementation, the following should be practiced. Firstly, in the strategic plan implementation, there should be a clear allocation of responsibilities. Necessary actions should be identified, planned and responsibilities allocated. This will assist people to be accountable and will avoid a blame game. Secondly, the number of changes and strategies being pursued should be limited at any one time to ensure that the resources cope with the changes. Thirdly, milestones and progress points should be established as well as measures of performance, monitoring and control mechanisms (Owen, 1982).

Strategic plan implementation will ultimately affect a few people. There should be involvement and support of such people who will be affected by the changes. The implications of the change should be communicated widely and awareness created widely. Commitment should be sought from such people in order to ensure the implementation process is not hampered with resistance. To accomplish this, there should be incentives and reward systems to underpin management commitment to successful implementation (Owen, 1982).

Motivation in strategic action is very critical. Motivation not information is the key to successful strategic performance. A motivated work force that is tasked to implement strategy is more likely to succeed than a workforce which is disgruntled. Their level of enthusiasm is high and they will only vouch for success of the project hence they will go out of their way to achieve the stated objectives (Emerald, 2005).

There must be consistency in strategy formulation and strategy implementation in order for an organization to be effective. Alexander (1985) argues that how an organization does things and manages strategy and change is far more important than the actual strategy and proposed change. The leadership style of the leader affects the desirability of the strategic alternatives he provides for the organization. The organizational structure, delegation mechanisms, freedom and incentive and reward systems are ultimately affect the effectiveness of the implementation.

Timing of when to act or make changes must be right. Employees anticipate changes in the organization especially in the senior management level, and inaction of for example three months, causes uncertainty and fear. This results in hostility when change finally does happen. The downfall of this is that strengths are destroyed before they are appreciated. Mithcell (1988) concludes that it is more important to be decisive than to be right, and then learn and adapt incrementally.

Allio (2005) gives a few practical guidelines for implementing strategy that will assist in effective and successful implementation. The guidelines include keeping it simple, establishing a common language, dividing roles and responsibilities, using straightforward qualitative and quantitative metrics, balancing short term targets with long term targets, being precise and use of action verbs, use of a common format to enhance uniformity and communication, meeting regularly in structured time limited meetings and anchoring implementation activities in the organization's financial infrastructure and be ready to consistently manage the implementation process. Implementation lies at the core of the strategy and deserves as much attention as the strategy formulation process (Allio, 2005).

Effective strategy execution heavily relies on personnel, competitive capabilities and an effective internal organization. Firstly, staffing is critical and a strong management team with the requisite knowledge, experience and intellectual capital must be recruited to carry out the exercise. Secondly, an organization must seek to build core competencies in the critical value chain activities that will help yield maximum satisfaction and ultimately brand loyalty.

These must be updated and re-engineered as times demand since the business environment and customer needs keep varying over time. Thirdly, the organization structure must match the strategy; thus, management must reorganize business activities and processes and decide on whether to decentralize decision down the reporting chain. The decision making process must support the strategy to ensure there is a strategic fit (Thompson et al, 2008).

Critical success factors for strategic implementation include clearly defined goals, sufficient resource allocation, top management support, project plans and schedules, a competent project manager and team members, adequate communication, feedback mechanisms and responsiveness to clients (Schultz et all, 1987). Their research indicates that the above are not only necessary but critical for there to be successful implementation. Dandira (2011) reiterates that management needs to place emphasis on communication, display their commitment to the plan, treat employees like internal customers and display important components of the strategic plan. Further to this, management must implement performance contracts in line with the strategic plan.

Myrna (2012) proposes a progress accelerator to maintain momentum. He proposes that the team needs to agree on priority issues, divide the responsibilities to foster accountability, take action and finally assess the outcome vis-à-vis the strategic plan. The progress accelerator reinforces the fact that there should be clear cut responsibilities for each team member for which they will be held accountable. Myrna goes further to say that you need to recognize and celebrate accomplishments and successes with the team and tie the accomplishments back to the plan. Failure to celebrate small successes and accomplishments sets people aback and makes them think that the plan is not working while indeed it may be working (Myrna, 2012).

Of utmost importance is the ability to understand and maintain a distinction between strategic ends and tactical means to get there, balancing constancy of purpose with the reality of business cycles and coping with the fact that strategy implementation is both deterministic and emergent. This will help the leaders engage in the right actions at the right time knowing that the process is very dynamic and the plan may need to be altered as the business cycles and the market demands (Getz et al, 2009).

To ensure a chosen strategy is effective, efficient and efficacious, management needs to take cognizance of related strategic and operational issues, challenges and opportunities that may arise. Management also needs to ensure that the organization is indeed flexible enough and can adapt to changes to enable it survive and succeed. Not only is the process important but also the people who drive the process are equally important to the success of the implementation process (Kumar et al, 2006).

In his research, Okumus (2001) puts it that studies in the strategic management field indicate that there is lack of knowledge in strategy implementation necessitating more research into this critical area of strategic management concluding that there is significant need for detailed and comprehensive conceptual models related to strategy implementation. It is notable that people will learn and perform better when they are actively involved in making the targets they have to meet as opposed to just being told what to do.

As much as a strategic plan and the strategies contained therein may be effective, leaders need to prepare their organizations for unanticipated market changes. Firstly, this can be done by taking time to identify the market conditions that have the greatest impact on your strategy. This will assist the organization come up with ways of countering such unforeseen occurrences. This will also lead organizations to invest in research so that when changes occur, the research teams are able to anticipate changes and advice management accordingly (Sterling, 2003).

Secondly, organizations need to recognize what they do not know. Strategies fail often fail because the market conditions they were intended to exploit change before the strategy can take hold. This will help organizations to come up with contingencies such in the event that some of the unknowns occur, they will be able to deal with them. This will call for scenario planning with and for the various unknowns to ensure they are not caught off-guard (Sterling, 2003).

Thirdly, organizations need to be prepared to change their strategies or their implementation tactics as the external environment changes or as the organization is impacted by unknowns. Strategies and strategic plans are not cast in stone and should not be treated like they cannot change. Organizations need to monitor the environment vis-à-vis their strategies and strategic plans and alter them as need be so that they can both be in tandem. While an anticipated change may upset a strategy, the failure to recognize and react is what significantly erodes performance, not the change itself (Sterling, 2003).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter looks at the analytical framework of the research design, data collection and data analysis. It encapsulates the research design that will be employed, how data will be collected and how the data will be analyzed in order to generate a report and provide findings.

3.2 Research design

The study will be modeled on a case study design that will aim at establishing the challenges of strategic plan implementation at the Bank of Africa Kenya Limited. A case study method is popular for qualitative analysis and involves a careful and complete observation of a social unit, person or institution. It is an intensive investigation of the particular unit under consideration (Kothari, 2004).

A case study is appropriate for a detailed analysis of a single unit of study hence suitable to carry out the study at Bank of Africa Kenya Limited. It gives an in-depth understanding of behavior patterns and facilitates an intensive study of the concerned unit. This will help to bring out the challenges of strategic plan implementation at Bank of Africa Kenya Limited in a clear perspective.

3.3 Data collection

This study is a qualitative study and primary data collection methods will be used to collect data. An interview guide will be prepared to assist in collecting data. The interviews will be administered to all the EXCO members: the managing director, head of strategy management and business analysis, head of finance, head of compliance, head of operations, regional corporate manager, head of credit, head of audit and 2 branch managers who are the people involved in the strategic plan formulation and are tasked with implementation.

Qualitative research encourages a person to reveal information in detail hence the interviewees will give more information this way as opposed to another data collection method. These interviews will endeavor to identify challenges of strategic plan implementation at the bank and also identify ways and mechanisms through which strategic plans can be successfully implemented. The researcher will interview the top and mid-level management team at the Bank.

3.4 Data analysis

Data from the study will be analyzed using content analysis since this is qualitative study. Content analysis will be used because of its help in making inferences by systematically and objectively identifying specific messages and then relating them with their occurrence trends. Content analysis also helps to relate trends by carefully identifying characteristics of messages thereby helping to determine factors leading to a certain phenomenon (Mugenda & Mugenda, 2003).

The results from the interviews will be merged, populated and synthesized in order to generate the findings for the study which will be analyzed further. The qualitative research will assist the researcher to know how and why things happen as they do by encouraging the respondent to reveal things in detail since they will have an opportunity to do so in the interview which will structured but no limited (Cooper & Schindler, 2011).

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter documents the findings of this study whose data was collected through personal interviews with the aid of an interview guide. The researcher interviewed senior management of the bank who are tasked with strategy formulation, implementation and review. Among the persons interviewed were the managing director, heads of compliance, operations, audit, business development, finance, credit and a senior manager in operations.

4.2 Strategic plan implementation

The research revealed that most of the senior management has been at the bank for at least two years. They all confirmed that they were familiar with the bank's strategic plan and their various roles in implementation. The study had the objective of interrogating the strategic plan implementation process with a focus of establishing the challenges of the strategic plan implementation at the bank.

The research established that all heads of departments, with the assistance of senior managers, were tasked with implementing the strategic plan in their respective departments. Their primary task is to create unity of purpose and to ensure that all members share in the common vision. The respondents all had faith in the review process which happens regularly in a bid to check on the progress of implementation vis-à-vis the challenges.

The bank has in place short term objectives which are tied to the long term objectives of the strategic plan. The EXCO has meetings every fortnight where the heads of departments report on the progress of their respective departments and how far they are with implementing the chosen strategies. It is here that the short term objectives are reviewed vis-à-vis the strategic plan and the external environment.

The respondents were all confident that the structure does indeed match the strategy of the bank. To ensure that there is a strategic fit, any new developments are checked in line with the structure and any necessary changes are made. The structure keeps varying based on the strategies the bank is pursuing to ensure that there is always a strategic fit between the two. Together with this, the senior management also feels that the shareholders have continued to support the bank's strategic plan by providing guidance and additional support as and when the need arises.

The respondents reported that the strategic implementation process was challenging and not without huddles. To overcome the huddles, they all try to stay clear on the vision which rejuvenates common ideology. However, in cases where the challenges are overwhelming, they do call on the board to assist where they can. Regular meetings, where progress is tracked, assist in tracking the achievements and forestalling failure or financial losses.

4.2.1 Organizational structure vis-à-vis the strategy

It is critical for the organizational structure to match the strategy if success is to be realized. The study attempted to find out if the bank's structure matched the strategy. The respondents were convinced the structure matched the strategy even though it keeps evolving depending on the strategies being pursued, the challenges and the external environment.

A case in point is where the bank wants to grow its retail and SME base and has restructured to accommodate this by increasing the number of retail staff and in branch expansion. The bank has increased the branch network and continues to expand yearly. This has led to increased staffing in the branches so as to achieve the target of growing the retail client base.

4.2.2 Impact of leadership and management on implementation

Leadership and management is key because the leader carries the vision and is tasked with communicating the same to the team, implementing the plan and ensuring compliance in order to achieve the stated objectives. The managing director reiterated that he has a good management team who offer the necessary leadership and guidance.

This is achieved by competitive recruitment and head hunting for the key staff that are departmental heads and thus are charged with strategy formulation and implementation in their respective units. The leadership and management also undergoes continuous training on the jobs and on leadership aspects so that they are able to provide sound leadership.

4.2.3 Impact of culture on strategic plan implementation

The respondents indicated that culture is extremely important in the bank as it dictates how people perceive and act on things. This has been seen especially when there was a takeover of the bank from Credit Agricole Indosuez by the Bank of Africa group to form the now Bank of Africa Kenya Limited. The culture was good and the takeover was a success because people adapted easily and we able to forge forward.

The respondents underscored the importance of a good organizational culture. They reckoned that a good culture is necessary for success since it unites people and creates an atmosphere that is result oriented. It also helps people accept and adapt to changes that may occur in the business since people know and understand change is healthy and aimed at fostering success.

4.2.4 Resources and capacity in strategic plan implementation

The study revealed the knowledge and acceptance of the fact that resource and capacity is not only necessary but critical in strategic plan implementation. The respondents all appeared to appreciate that you must seek to have the right personnel in the right positions for the right jobs.

They also must have the capacity to deliver on their jobs by achieving the stated objectives; capacity in terms of experience and leadership capability. The financial resources must also be adequate in order to grow the business as per the strategic plan since the business of the bank is to lend by giving loans to the general public.

4.2.5 Impact of shareholders on strategic plan implementation

Shareholders have been supportive in terms of provision of capital and boosting the capital base when need arises. The shareholders through the board have been constantly checking on the progress of the bank thereby offering necessary input and guidance where called upon through quarterly meetings in Kenya and periodic reports submitted to the head office.

The shareholders are people with experience in the financial services sectors who have been greatly involved in offering leadership to other institutions. The respondents felt that they have been of great assistance in reviewing the strategic objectives of the bank as well as coming up with ways to achieve the stated objectives.

4.2.6 Feedback and communication

Feedback is critical in order to check the progress and chart new directions in the implementation process. The respondents felt that feedback is adequate through EXCO meetings held fortnightly, board meetings held quarterly and constant reporting to head office on the progress. Some respondents felt it would be necessary to seek for feedback from the entire workforce.

This has however been dealt with by branches having sponsors who sit in EXCO and are tasked to visit the branches quarterly. The visit is meant to share the bank's strategy with them and create a buy-in. The respondents also felt that communication should be more frequent and also come from the managing director without using a proxy as it would have more impact. This was it will be received very positively.

4.3 Challenges of strategic plan implementation

The respondents reported a number of challenges, as outlined hereunder, that they encounter during the strategic plan implementation. They underscored the fact that if these challenges could be dealt with, then the implementation process would indeed be smoother and ultimately yield more success.

However, they also acknowledged that they do not expect a scenario when there will be no challenges but they need to be able to anticipate the challenges and build defense mechanisms. They all appreciated the external environment and the fact that they cannot control what happens but must try to forecast changes so that they are able to survive, grow and remain profitable.

4.3.1 Communication

All the respondents felt that communication was the greatest challenge in the strategic plan implementation. Majority of the people interviewed felt that communication was not adequate. The people felt that sometimes decisions are not were not well and clearly communicated. Moreover, communication is not at all times done to all the stakeholders in the implementation process.

The managers owing to their implementation task and direct involvement are familiar with the strategic plan and their roles. However, as you come down especially to the operational units, most of the staff is not familiar with the strategic plan since they are not quite involved hence the people may all be seeking to achieve different objectives. They all need to be included in the communication regarding strategy, implementation and also review.

4.3.2 Level of involvement

The strategic planning and implementation processes involve the senior management. However, some managers felt that this needs to be cascaded downwards to also involve the operational staff. This could be done by collecting their comments on the strategic objectives and trying to incorporate them in the strategic plan. They suggested this could be achieved by having an ideas databank.

This will assist in making the process to be appreciated by everyone thereby creating ownership of the strategic plan objectives by the staff. They also thought this would be an easy way to buy in all the stakeholders. They felt that this could create a sense of accountability and ownership in the staff resulting to increased efforts to making the strategic plan work.

4.3.3 Unity of purpose/buying in all staff

In an implementation process, it is crucial that all the staff buy into the proposed strategic plan for them to have faith in it. About 60 percent of the managers felt that currently majority of the staff are not involved and hence lack of a common vision or unity of purpose in the bank. They proposed that strategic plan needs to be cascaded downwards and take a bottom up.

With this approach, all the functional units will be required to come up with their strategic plans to meet their objectives which will be married to form action plans to achieve the mother strategic plan. This way, everyone will be involved, everyone will own the strategic plan thereby implementing it full throttle. This will create a sense of ownership and create a call to action for everyone since they will own the plan.

4.3.4 Interest rates

The respondents stated that some challenges come from the external environment; for example the interest rates. The respondents were very vocal about the interest rates which are a major determinant of the level of success. In the recent past, the interest rates for borrowing have shot up making the cost of credit un-affordable and also driving up costs of products and ultimately reducing the buying power. Some borrowers have also been unable to service their loans leading to auction of their securities.

This has made people become very apprehensive about borrowing due to the erratic behavior of the interest rates. This has resulted to reduced interest income which forms the major source of revenue for banks since the bank's main source of income is lending. This has made it difficult to project and expand as rapidly as anticipated in the strategic plan hence stifling the strategic plan implementation.

4.3.5 Competition and competitor activities

Competition as a driver of business is quite a challenge especially in the financial sector which has a lot of players in it. Kenya currently has about 44 commercial banks hence each bank has to try and offer not only unique but excellent service in order to grow its business and also build competitive advantage. This has been quite a challenge since all banks are in competition and they all have varying financial muscle to do business.

The competitor activities hence pose a big challenge when the banks have to exert and show their financial muscle through product development and advertising in a bid to grow their market share. This is because some banks can invest heavily in research and development coupled with branding. Competition has thus been a challenge since all the players are trying to out-do each other while still trying to offer the best and unique services. This has increased a big deal since customers are now more aware of services offered by the other players and continue to demand the best.

4.3.6 Resources

Resources, both human resources and monetary, pose a big challenges in strategic plan implementation. All departments work with budgets which are supposed to be adhered to by all the units. The challenge comes in situations that call for more resources or huge investments but the budget does not allow. Hence the bank is unable to grab some opportunities since employee performance will have a performance indicator of adherence to budgets.

In such instances, the bank is unable to undertake some activities e.g. advertising. Bigger players with bigger financial muscle take advantage of this since they are able to engage in more activities than the small players especially in business development and lending. There are also human resources challenges in recruitment and when people resign in terms of time lost during replacement and recruiting the candidates with the right skills for the right jobs.

4.3.7 Integrating head office strategy with the local strategy

The bank is a subsidiary of the Bank of Africa group which has presence in Africa and France. The group has a strategic plan which dictates the strategic plans of the subsidiaries since the objective is to implement the group strategic plan. The group comes up with objectives for all the subsidiaries and leaves them to come up with plans of how they will achieve them. Hence all the subsidiaries have to come up with strategic plans that ultimately fit into the group's strategic plan.

This helps to create unity of purpose in all the subsidiaries. However, it is a challenge when you have to strike a balance between the two and to implement new initiatives that were not in the initial strategic plan but are directed by the group. Marrying the local context with the group strategies is quite a challenge owing to the uniqueness of the various markets yet group level may not appreciate the uniqueness of the various markets. Some respondents quoted other banks that have tried to ignore the local context and introduced products that were not suitable for the market which returned losses.

4.3.8 Resistance to Change

Change is inevitable in the business world today. For example, technology has revolutionalized the way business is done and institutions have to re-engineer their processes in order to be competitive. However, change is not always embraced thereby creating some collusion of ideals if the stakeholders do not buy into the ideals brought about by the change.

Changes in the shareholders have brought with them new business models which have not easily gained acceptance. Changes in management also have brought changes since the leaders have their own ideals and way of working. People who have challenged directives from new management have been reprimanded. Technology has also rendered some jobs irrelevant and some people redundant making people paranoid of trying new things due to the uncertainty that comes with the change. Hence any change does indeed pose a challenge owing to the uncertainty and fear of the unknown.

4.3.9 People management

People come from diverse backgrounds and are all unique in many ways since they have different beliefs and ideals. This is why some things appeal to some people while others do not. People also are also motivated by different things and an effective leader needs to identify these so that he can appeal to the people successfully.

People management fronts a challenge in strategic plan implementation because as a leader one must appeal and sell the plan to everybody as they seek acceptance of the plan. Some respondents put it that people are sensitive and have to be handled with care as they are the ones who implement the plan. If people are handled well and their needs are addressed, they will be easy to influence leading to ease in communication and acceptance of the leader's ideals.

4.3.10 Guidelines from the Central Bank

Commercial banks in Kenya are regulated by the Central Bank of Kenya which is the body mandated by the constitution. The regulator is able to enact regulations and monitor compliance through its bank supervision wing. The regulator has sometimes in the past issued guidelines that have stifled implementation of strategic plans since the leaders anticipate changes in the market place.

For example, increased rates, introduction of the cheque truncation system for which banks had to heavily invest in new systems. In the recent past, we have seen the Central Bank mop up liquidity from the market to reduce inflation and also control the exchange rates which also lead to expensive inter-bank borrowing rates. This has been a source of challenges since it becomes hard to plan in such an economic environment where you don't know the measures that will be put tomorrow.

4.4 Suggestions from the respondents

On my interview to the senior management of the bank, I posed a question to them on what they thought could be done differently in order to forester a successful strategic plan implementation. Majority of them said there remains quite a lot to be done especially since you cannot implement the strategy alone. They underscored this by saying all the people are necessary for this to be a success and a leader must be able to communicate, sell and persuade everyone to buy into the strategic plan. In other words, they said the leader must be able to influence the people.

The respondents reiterated the fact that communication on the strategic direction and the objectives needs to be done adequately and in a timely manner. Most of them agreed that communication was inadequate and sometimes fails to reach everyone as should be the case. They went on to attach a lot of significance to communication in the strategic plan implementation noting that it should be free and also be bottom up not only top bottom.

One other proposal was that the strategic planning process should be devolved to the distinct units; thus, the units should be left alone to come up with plans of how they are going to meet the objectives pertaining to them as outlined in the mother strategic plan. They will get to come up with feasible ways of implementing the plans which will then be checked and approved by management. This way, they will get to take ownership of the plan, become accountable and work hard in order to deliver on what they promised.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary and conclusion as exhibited from the research findings. It also gives suggestions for further research together with recommendations and impact on policy, theory and practice. The findings of the study are presented in order of the key aspects in regard to the objective of the study which was to establish challenges of strategic plan implementation at the Bank of Africa Kenya ltd.

5.2 Summary and discussions

In summary, this study has found that Bank of Africa does indeed encounter challenges in strategic plan implementation. The study noted that the bank has embraced strategic planning and it is guided by a strategic plan that spans 3 years. The strategic planning exercise is an exercise done by the bank's senior management who sit in the EXCO together with a few managers.

The Bank has in place mechanisms and controls that help to check the strategic plan implementation process. It is worth noting that the EXCO meets every fortnight to review the progress of the implementation. Together with this, the bank has a dedicated resource – head of strategy and business analysis – that is dedicated to championing the implementation, monitoring and reviewing progress in close liaison with the managing director.

The banks shareholders offer a lot of support – in advice and resources - towards the strategic plan implementation. The board – for Bank of Africa Kenya - meets quarterly in a bid to check and review the progress. It is here that they make decisions and chart the way forward taking cognizance of the challenges being encountered with the implementation.

Communication remains the biggest challenge as put forth by the respondents. They attach a huge significance to communication and say that if it is not done, or not done in the correct way, to the right people and in a timely manner, then the implementation process will be riddled with huddles. If communication is right, people will feel involved and as part of the process which will in turn help create a buy in to banks strategy.

Of concern is the fact that strategic planning is an affair of the senior management. It is only the senior management who are involved in the exercise thereby creating some seclusion. Implementation also rests with the senior management and branch managers who execute the strategies in order to attain the set objectives. However, the managing director has appointed a sponsor for each branch who sits in such forums.

The sponsor helps to communicate and articulate the strategy to the branch personnel and also to seek for feedback with a report to the EXCO. The respondents reiterated that there is a strategic fit of the strategy with the structure. They also were confident that they have the right personnel for the right jobs who possess the right skill to ensure they perform. Culture was not viewed as a challenge since all new staff are thoroughly inducted and trained in order to adapt to the bank's culture.

5.3 Conclusion

Bank of Africa Kenya is has been in Kenya since the year 2004 after it took over Credit Agricole. To date, the bank has managed to spread its presence from a two branch bank to a branch network of 25 branches as at year 2012. The Bank of Africa group has also expanded its presence in Africa and the management attributed the local and regional expansion to s good strategic plan.

Strategic planning is not only a necessary but also a sufficient exercise for a business to succeed. A strategic plan acts as a road map that guides a business to achieving the intended objectives. It helps to anticipate challenges that the business will encounter and come up with mechanisms of how to deal with them. At Bank of Africa, strategic planning is an exercise that is taken very seriously and is viewed as a catalyst for success.

A company can create sustainable competitive advantage by creating a strategic fit between the structure and the strategy. Further to this, people management and the leadership that is offered in the organization plays a big role in how the implementation is perceived. This determines how easy the plan gains acceptance and also how well it is implemented. Management must therefore seek to offer outstanding leadership. From a synthesis and analysis of the findings of this research, a positive correlation between strategic planning and performance is depicted.

5.4 Recommendations

Strategic planning is an exercise undertaken by many companies but few of them attain the objectives as stated in the strategic plan. There is a distinct difference between companies that just plan and companies that actually implement their strategic plans. Hence it is critical for the strategic plans to be implemented so that the objectives can be realized.

It is critical to involve people both in the strategic planning process and in the strategic plan implementation process. It is more likely that people who are involved in the planning process will buy into the strategic plan and give their best in the strategic plan implementation. This creates a strong sense of ownership, unity in purpose and accountability in the people making them support the strategic plan implementation.

Communication is very crucial in strategic plan implementation. It is necessary for people to know what is happening and what should be happening. This will guide their directions and actions. When people know what they are supposed to do and why, they will tend to act responsibly since they know the rational. It is also necessary to create mechanisms for feedback and communication. This will help in fostering an organization where information is readily available to all.

Recognition and reward is crucial. It is important for the teams to be recognized and rewarded as teams and as individuals in a bid to motivate them for more action. Recognition and reward not only reiterate but also reaffirm good actions which are more likely to recur if noticed and rewarded. The bank also needs to celebrate whatever little successes they realize as this will give a positive reinforcement to the staff.

5.5 Limitations of the study

The major limitation of this study was the fact that some managers were not willing to reveal all the information. The study was carried out at a time when banks are in high competition and some respondents appeared hesitant to reveal a lot of information some of which they deemed sensitive. This is because the respondents would not want information on their plans or challenges to leak to their competitors.

Some respondents appeared scared by the fact that they could be victimized because of revealing information since they had not participated in such as study at the bank. However, I was quick to reassure them that the study was for academic purposes only. Notwithstanding, this could have led them to conceal some information as some information was termed sensitive.

5.6 Suggestions for further research

Based on this study – the challenges of strategic plan implementation at the Bank of Africa Kenya Limited – based on the 2010 – 2012 strategic plan, it will be interesting to carry out a similar study in the year 2015 to find out how the 2013-2015 strategic plan was implemented and operationalized after this study had been presented to the management.

Many studies conducted in the field of management have dealt with identifying the challenges of strategy implementation. It would also be educating to conduct a study on how the bank or other institutions deal with challenges associated with strategic plan implementation in order to ensure that the implementation is a success. This will help start-ups as they try to implement their strategic plans.

5.7 Implication on Policy, Theory and Practice

Strategic plan implementation is a challenging exercise due to all the factors that surround the process and due to the fact that it is largely dependent on people The policy makers in the bank, and in other companies, must take cognizance of the importance of people, their roles and impact on strategic plan implementation. They need to come up with policies that involve and recognize people and reward policies that will act as positive reinforcements.

Successful strategic plan implementation leads to success by achieving the stated objectives. This study has identified a number of challenges that are not unique to the banks but which are common in the corporate world. By dealing with these challenges, companies will realize success in implementing their strategic plans. The study thus underscores the need to employ strategic management principles.

This study will have an impact on the body of knowledge by adding on to the many challenges associated with strategic plan implementation. This will assist leaders as they implement strategic plans by anticipating the challenges and ways of countering their effect or dealing with them to successfully implement the strategic plans.

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Appendices

Appendix 1: Interview guide

The interview guide will act as a plan to seek information on the challenges of strategic plan implementation at Bank of Africa Kenya Limited. All the information you give will be treated as confidential and for academic purposes only.

Section A

1. What is your name

   ....

2. What is your current job title

   ....

3. How long have you held this position

   ....

4. How long have you been at Bank of Africa Kenya

   ....

Section B

5. Does Bank of Africa Kenya have a strategic plan

   ....

6. What time span does the strategic plan cover

   ....

7. How often is the strategic plan reviewed

   ....

8. Who is involved in the strategic plan formulation

   ....

9. Are you involved in implementing the strategic plan

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10. Are you familiar with the strategic plan for Bank of Africa Kenya

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Section C

11. Do you encounter any challenges during the strategic plan implementation

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12. What are the challenges that you encounter during implementation

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13. Does the organizational structure match the strategy

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14. How does leadership and management impact strategic plan implementation

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15. How does culture impact strategic plan implementation

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16. Do the resources and capacity support the implementation

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17. How do you deal with resource constraints if any

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18. What is/are the employees role(s) in implementation

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19. Does communication pose any challenges in implementation

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20. How do the shareholders affect the implementation process

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21. Do the shareholders support implementation

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22. How often is feedback sought and communicated

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23. What do you think can be done differently in order to ensure a successful strategic plan implementation

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Appendix 2: Letter to study Bank of Africa Kenya

30th March, 2012

The Managing Director,
Bank of Africa Kenya Limited,
P.O. Box 69562-00400.
Nairobi.
Kenya.

Attn: Kwame Ahadzi

Dear Sir,

RE: AUTHORITY TO STUDY BOA KENYA FOR MBA PROJECT

Two years ago, I enrolled for an MBA at the University of Nairobi and I am in the process undertaking my MBA project in partial fulfilment of the requirements in order to be awarded with a Masters in Business Administration.

I would like to study BOA (K) under the topic: *Strategic Planning and Performance at Bank of Africa Kenya Limited.* The study will seek to establish if there is a relationship between the two variables - strategy and performance - and will in no way expose or disclose the bank's strategic information.

In this light, I wish to seek for your authority to undertake the study.

Yours faithfully,

Andrew Njirainis

cc. Human Resource Manager

Appendix 3: Approval letter to study Bank of Africa Kenya

BANK OF AFRICA KENYA
GROUPE BANK OF AFRICA

BANK OF AFRICA KENYA LIMITED

10th March 2012

Mr. Andrew Njiraini
C/o Ourselves
H/O

Dear Andrew,

RE: AUTHORITY TO STUDY BOA(K) FOR MBA PROJECT.

We refer to your letter dated 30th March 2012 where you requested to study BOA(K) under the topic: "***strategic planning and performance at BOA(K) limited***".

We are pleased to inform you that your request has been approved. However, the provisions on confidentiality subsist and you are therefore reminded to keep confidential all information regarding the Bank's procedures and practices.

We wish you the best as you undertake the project.

Kindly date and sign the duplicate copy of this letter in acknowledgement.

Yours sincerely

F. MURERWA
Senior Human Resources Manager

J. G. PASTOURET
Deputy Managing Director

Reinsurance Plaza, Taifa Road, P.O. Box 69562 - 00400 Nairobi, Kenya
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Appendix 4: Introduction letter to respondents

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

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

P.O. Box 30197
Nairobi, Kenya

DATE 03/09/2012

TO WHOM IT MAY CONCERN

The bearer of this letter ANDREW NJIRAINI NJIINU

Registration No. D61/60198/2010

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
03 SEP 2012
MBA OFFICE
P.O. Box 30197 - 00100, NAIROBI

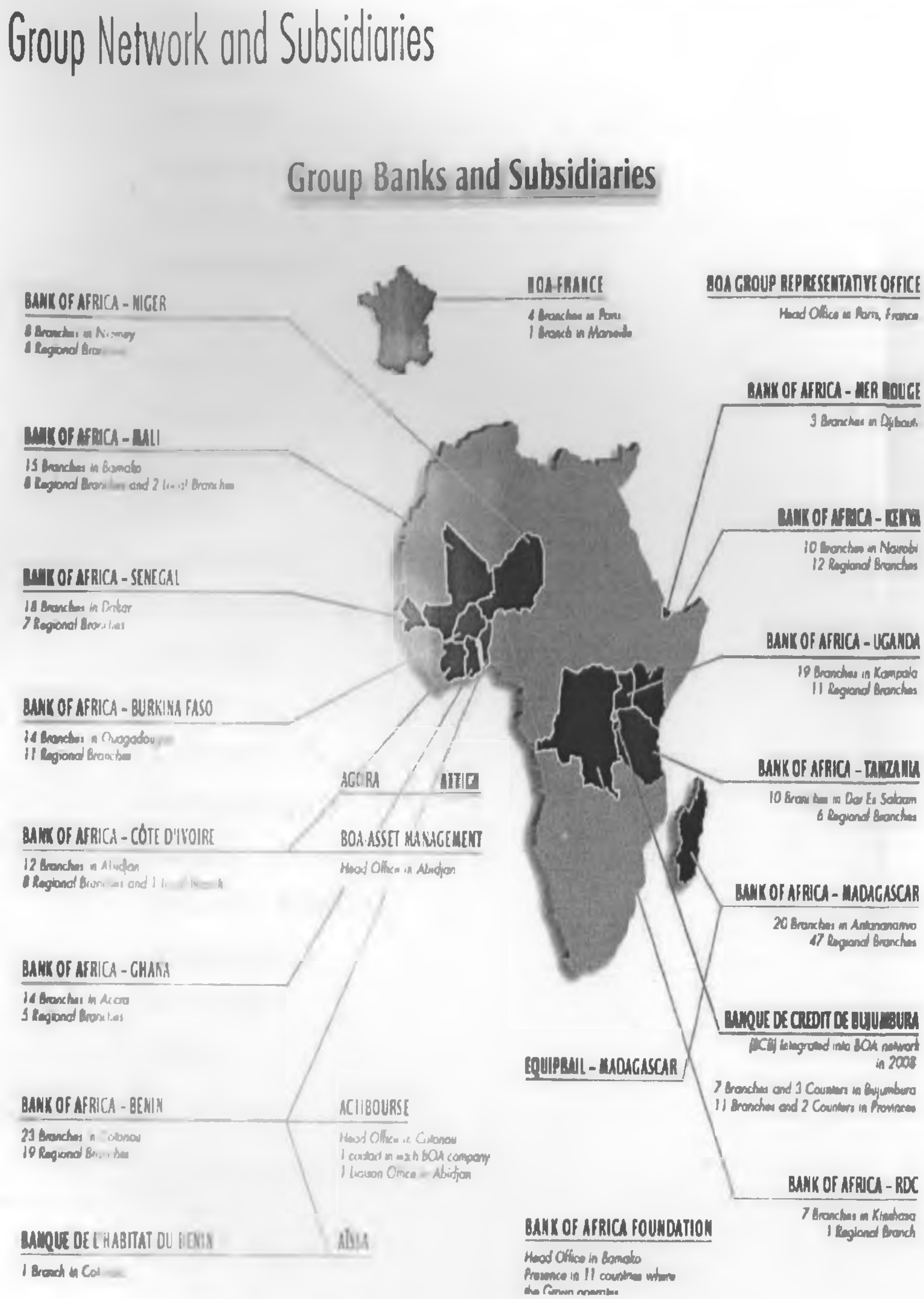
IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE

Appendix 5: List of banks in Kenya

1. AFRICAN BANKING CORPORATION
2. BANK OF AFRICA KENYA LTD
3. BANK OF BARODA
4. BANK OF INDIA
5. BARCLAYS BANK OF KENYA LIMITED
6. CENTRAL BANK OF KENYA
7. CFC STANBIC BANK KENYA LIMITED
8. CHASE BANK (KENYA) LIMITED
9. CITIBANK N.A.
10. COMMERCIAL BANK OF AFRICA LTD
11. CONSOLIDATED BANK OF KENYA LTD
12. CO-OPERATIVE BANK
13. CREDIT BANK LTD
14. DEVELOPMENT BANK OF KENYA
15. DIAMOND TRUST BANK
16. DUBAI BANK OF KENYA LTD
17. ECOBANK KENYA LTD
18. EQUITORIAL COMMERCIAL BANK LTD
19. EQUITY BANK
20. FAMILY BANK
21. FIDELITY COMMERCIAL BANK
22. FINA BANK
23. FIRST COMMUNITY
24. GIRO BANK LTD
25. GUARDIAN BANK
26. GULF BANK
27. HABIB BANK A.G.
28. HABIB BANK LTD
29. HOUSING FINANCE
30. IMPERIAL BANK LIMITED
31. INVESTMENTS AND MORTGAGES
32. JAMII BORA BANK LTD
33. KENYA COMMERCIAL BANK LTD
34. K-REP BANK
35. MIDDLE EAST BANK (K) LIMITED
36. NATIONAL BANK OF KENYA
37. NIC BANK
38. ORIENTAL COMMERCIAL BANK
39. PARAMOUNT UNIVERSAL BANK LTD
40. PRIME BANK LIMITED
41. STANDARD CHARTERED
42. TRANS-NATIONAL BANK
43. UNITED BANK FOR AFRICA KENYA
44. VICTORIA COMMERCIAL BANK LTD

(Source: Central Bank of Kenya Website, 2012)
http://www.centralbank.go.ke

Appendix 6: Bank of Africa Group network and subsidiaries



(Source: Bank of Africa Kenya Website, 2012)
http://www.boakenya.com/

Appendix 7: Bank of Africa Kenya Branches

BUNGOMA
CHANGAMWE
ELDORET
EMBAKASI
GALLERIA
GREEN SPAN
KERICHO
KISII
KISUMU
KITENGELA
MERU
MOMBASA
MONROVIA
NAIROBI
NAKURU
NANYUKI
NGONG ROAD
NYALI
ONGATA RONGAI
RIVERROAD
RUARAKA
THIKA
UHURU
UPPER HILL
WESTLANDS

(Source: Bank of Africa Kenya Website, 2012)
http://www.boakenya.com/