STRATEGIC RESPONSES TO ENVIRONMENTAL CHALLENGES BY KENYAN HORTICULTURAL EXPORTERS

MBURU, MARY N

A PROJECT SUBMITTED IN THE PARTIAL FULFILMENT OF THE REQUIREMENTS OF MASTER OF BUSINESS ADMINISTRATION,

SCHOOL OF BUSINESS,

UNIVERSITY OF NAIROBI.

DECLARATION

This project is my original work and has not been presented for a degree in any other University.

MBURU MARY NJERI

Date:

20TH NOVEMBER 2007

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

Prof. E. AOSA

Date:

25/7/2007

DEDICATION

To my fiancée Karanja; for encouragement, love and support all the way.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS

I am deeply indebted to my supervisor, Prof E. Aosa for his steadfast guidance, support and continued challenge as we went about this work together. A sincere vote of thanks to the management of the selected companies for sparing time out of their busy schedules to participate in this study.

I wish also to extend my gratitude to Mr. Jim Garnett and Mr. Peter Muthee both of Frigoken Limited who were very instrumental at coining out the conceptual framework of this study.

I acknowledge also the tremendous moral and material support, encouragement and goodwill that I received from my entire family that made it all worthwhile.

My most sincere and profound gratitude goes also to Dr. Karanja Ngugi for affording time out of his busy schedule to help me in the organization of the raw data and his invaluable help with the statistical work.

Lastly but not least, my warmest regards to the Administration and staff of the School of Business and to my cohorts at the Department, Mr. George Chacha, Mr. Benard Mwangi, and Ms. Evelyn Hinga, for the encouragement and support that they have shared with me throughout the two years that we were together.

I finally want to thank the Almighty Father for making it all possible for me.

ABSTRACT

Business organizations are open systems and therefore depend on the environment in which they operate for success. It is therefore important for organizations to formulate strategies that will help them exploit the opportunities in the environment and minimize threats.

The horticultural industry has not been spared by the environmental changes. It is facing many environmental challenges which include the flight miles campaign, Economic Partnership Agreements (EPA's) that will result to new terms of exports for the Kenyan horticultural export companies which will have to comply with a new range of conditions, to be able to trade and compete effectively in the EU market. Others are increased competition especially from China and changing weather patterns making supply of products to the market all year round a challenge to most organizations.

The objective of this study was to establish the strategic responses that the horticultural companies have adopted in the face of current environmental challenges. The target population was firms registered under Fresh Produce Exporters Association of Kenya (FPEAK). A sample of 20 companies was randomly drawn.

The main findings were that the changes had a very adverse impact. On analysis of specific challenges, the following was evident. Change of tariffs was ranked as the challenge that posed the highest impact in the industry. Competition followed with the majority of the organizations reporting the change to pose a high impact. Climate change

was ranked third with most organizations reporting the impact as fair. Air miles was reported as posing the lowest challenge of the four.

It was found that majority of the organizations had initiated strategies most of which were targeted for specific challenges. Strategies used for change of tariffs included cutting costs which majority of the companies have resorted to. Others include increasing the market share and diversification into new markets especially the Middle East and USA markets. Increased competition resulted to most organizations improving product quality. New markets, product development and diversification were also considered. The air miles campaign had the least response rate as most organizations felt that the government needs to intervene. The few responses considered included use of alternate transport and improved delivery efficiency. The threat of change of climate resulted to use of better technology and farming methods in the farming operations. Geo diversification and use of better plant breeds were also considered.

The study recommended that the companies carry out continuous monitoring and evaluation of the strategies used to ensure they are effective. The responsibility of monitoring of the external environment and evaluation of strategies should be given to a strategic manager.

LIST OF TABLES.

LIST OF FIGURES

CHAPTER 1: INTRODUCTION

1.1. BACKGROUND

1.1.1. Organizations and the Environment

Ansoff (1965), in his strategic success model brought out the importance of managing during turbulent environment. He observes that since 1990's organizations are facing increasingly turbulent environments. This has posed challenges to managers making it more difficult to succeed in a turbulent environment. His view in responding to the environment successfully requires firms to match their strategies to environmental turbulence. This is because the aggressiveness of the strategy should be based on the environmental turbulence to enable effectiveness of the strategy. The term 'turbulence' has been used to describe the different levels of environmental change from the very stable to the extremely unpredictable. Organizations perception on the level of turbulence will therefore have to be right for their responses to be successful.

The term environment is based on the definition by Morris and Jones (1994) and is used here to refer to everything outside the organization, and includes technological, economic, legal/regulatory, customer, competitive, supplier, distributor, and social dimensions. The external environments of firms can increasingly be characterized as dynamic, threatening and complex. (Davis, 1987; Handy 1989; Hamel & Prahalad, 1991; Miller & Friesen, 1983)

According to Covin and Slevin (1989), high-performing organizations typically related to increased hostility by creating strategies which allow them to effectively and efficiently manage any necessary strategic repositioning. Empirical evidence suggests that strategic aggressiveness may be positively related to environmental hostility among high-performing firms. Miller and Friesen (1983) found that innovation rather than conservatism seemed to be a common response to hostility among successful firms (the opposite was true of the unsuccessful companies).

According to Selznick (1957), organizations should match internal factors with external environmental circumstances. This will enable the organizations to enhance their strengths and take advantage of the opportunities in the environment. They will also be in a position to convert the threats into opportunities. This core idea was developed into what we now call SWOT analysis. Strengths and weaknesses of the firm are assessed in light of the opportunities and threats from the business environment.

Miles and Snow (1978) propose that organizations develop distinctive and relatively enduring patterns of strategic behaviour to co-align the organization with its environment. The strategic choice perspective of Miles and Snow (1978) suggest that a firm's competitive advantage can be sought through the strategies which they adopt to cope with the environmental changes. This component consists of assessing the environment to identify changing trends and potential developments, monitoring specific trends and patterns, and forecasting the future direction of these changes and potential developments.

In 1970, Toffler described a trend towards accelerating rates of change in the operating environment. He illustrated how social and technological norms had shorter life spans with each generation, and he questioned organizations ability to cope with the resulting turmoil. In past generations, periods of change were always punctuated with times of stability. This allowed society to assimilate the change and deal with it before the next change arrived. But these periods of stability are getting shorter and by the late 20th century stability periods had disappeared. Toffler (1970) characterized this shift to relentless change as the defining feature of the third phase of civilization (the first two phases being the agricultural and industrial waves). He claimed that the dawn of this new phase will cause great anxiety for organizations that operated in the previous phases, and will cause much conflict and opportunity in the business world. Hundreds of authors, particularly since the early 1990s, have attempted to explain what this means for business strategy.

Change requires that businesses continuously reinvent themselves. This argument is based on the fact that, what was a strength yesterday becomes the root of weakness today. Organizations tend to depend on what worked yesterday and refuse to let go of what worked well in the past. Prevailing strategies become self-confirming. In order to avoid this trap, businesses must stimulate a spirit of inquiry and healthy debate. They must encourage a creative process of self renewal based on constructive conflict emanating from the environment, according to Pascale (1990).

Miles and Snow (1978) came up with a typology that focuses on the content of the strategic orientations. Their typology shows how organizations choose specific strategic responses that allow them to realize an adequate fit with their environment. Their model includes organizational and strategic variables that describe the alternative responses used by various organizations in order to adapt to their environment. Strategic responses describe major strategies for meeting the needs that have been identified, along with the intended outcome of success for the organization. Strategic responses grow out of the assessment of the current situation. Core strategies for ensuring the success of the organization are presented. When developing strategic responses, analysis of the organization and its environment as it is at the moment and how it may develop in the future is important. The analysis has to be executed at an internal level as well as an external level to identify all opportunities and threats of the new strategy. Miles and Snow's (1978) typology classifies the strategic responses given by organizations to *changes* in their environment. The categories were classified into four. *Defenders* consist of companies which exhibit poor strategic ambition, eager to evolve in a stable market environment. *Prospectors c*ontinuously seek new opportunities in their environment, able to anticipate their environment's evolution. *Analyzers* normally study their environment very carefully in order to adapt their responses to the characteristics of each sub-environment. *Reactors* do not formulate a consistent response to their environment notably because of a lack of anticipating ability.

As strategies evolve in response to shifting macroeconomic and competitive contexts, the organizations through which those strategic responses are delivered must themselves evolve and change. It is unlikely that an organization structure developed under one set of conditions will be equally effective and appropriate under a different set of conditions or when required to deliver though a new set of strategies. Success of organizations today will depend on the strategic responses which they pursue. To trigger either tactical adjustments or strategic reorientations, decision-makers must collect data, make a determination as to its meaning through comparison to existing standards or aspirations, and then put in place strategic responses according to Mintzberg & Miller (1983).

1.1.2 The Horticultural Industry in Kenya

As of 1st January 2008, the LOME agreement will have expired and Kenyan companies exporting to the European Union will have to comply with the new regulations if agreement is not reached in the Economic Partnership Agreement (EPA) currently being negotiated. Amongst them will be liberalization of the market which will see the competition getting tougher for the Kenyan horticultural products. This will mean that the Kenyan companies will no longer enjoy exception of paying duty for the exported products.

There has also been the issue of 'flight miles' campaign being forwarded by some interest groups. The flight miles and carbon labeling campaign aims to curb pollution by advocating a boycott of imported products by leading European chain stores. However, this has been a bone of contention as the Kenyan companies are arguing that production in Europe requires use of technologies for example use of green houses that have more adverse environmental impact compared to the pollution caused by transporting of produce from Kenya to Europe by air. However, Trade minister, Dr Mukhisa Kituyi, dispelled fears that the introduction of the food miles and carbon labeling campaign had reduced the country's market share in Europe. He assured members that the Government had launched an aggressive marketing strategy to stave-off threats to the sector adding that the horticultural exports to the European Union have increased, contrary to the perception that the market share had shrunk because of the 'flight-mile' campaign. (*The Standard, 2007, Thursday May 3).* However, no data was produced to support this claim.

Facing the sector also, is the changing climate conditions in the country aggravated by global warming. The sector relies on suitability of the weather. This was previously seen as one of the key strength, giving Kenyan companies the ability to supply their produce 'all year round' to the Europe market. With the current changes in weather patterns, this has posed a challenge to the sector as the companies struggle to maintain their supplies 'all year round'.

Competition has also been on the increase mainly from China and also other parts of the world, supplying to the same market at much lower prices. With liberalization of the market, the competition can only stiffen, threatening to push the Kenyan sector out of the market.

Kenya has varied ecological zones owing to its varying altitude, which allows diverse agricultural activities, key among these being horticultural farming. In the past two decades horticulture has grown in importance to become one of Kenya's main foreign exchange earners (ranked as the third largest foreign exchange earner). Consignments of quality fresh cut flowers, fruits and vegetables are air freighted daily to various destinations around the world.

Horticulture is a compound name for numerous fresh farm products broadly classified as fruits & vegetables and cut flowers. The horticultural sector is divided into two broad categories which are the floriculture dealing with export of fresh cut flowers. The main flowers exported from Kenya include Roses, Carnations, Statice, Alstroemeria, and a variety of summer flowers. The other category is the Fruits & vegetables dealing with export of fruits and vegetables which can either be fresh produce or processed products. Under the vegetables category, french beans, snow & snap peas, asian vegetables dominate the export list. Mangoes, avocadoes and passion fruits are the most popular export fruits.

The growth in the sector has risen tremendously in the last decade. A leading economic indicator for April 2007 by the Ministry of Economic Planning showed horticultural export volumes rose by 0.33 per cent to 44,501 metric tonnes in the first quarter over last year. In all the four months, March was the most outstanding fetching some Sh7 billion from a volume of 15,990 metric tonnes- almost doubling over the rest in terms of value. The performance marked a major relief for the Kenyan horticulture industry that has been under threat of possible market loss after leading supermarkets in the United Kingdom such as Tesco and Mark & Spencer moved to place special carbon mile labels on produce shipped in from distant sources such as Kenya. This step was meant to discourage carbon pollution by flights bringing shipments of produce in the UK by warning customers of potential dangers to the environment whenever they picked such products from the shelves (*Business Daily, Thursday May 10, 2007).*

The sector employs thousands of people directly and indirectly. These include small scale farmers who are contracted to grow the produce for export serving both as a market and an important source of income. There are also those who are directly employed as labour in the processing chain including pack houses, transport chain, clearing and forwarding e.t.c.

The European Union (EU) is the principal importer of Kenya's horticultural produce. The Netherlands imports the bulk of flowers for sale through the auction system. Britain, Germany, The Netherlands and France are the major importers of fruits and vegetables. The Middle East market is also becoming an important outlet market for Kenyan fruits. The sector is controlled by the private sector, incorporating large and small-scale farmers and exporters scattered across the nation. It is largely controlled by private investors, who have continued to export top quality fresh produce to the markets. The government has helped in policy making and regulation of the sector.

Among the factors that have supported Kenya's rise in the fresh produce exports is a conducive Equatorial climate which allows year-round production; fertile soils; a competitive labour force with good education and technical background.

Over the past decade, growth in global horticultural trade has been substantial. According to Food and Agricultural Organization (FAO) trade statistics, fruit and vegetable trade (as derived from available import data) rose from approximately \$50 billion (1989) to \$79 billion (1999) and now comprises 26 per-cent of global food and animal product trade. The per-cent-increase is 58 compared with 33 percent for food and animal product trade. Currently the horticultural industry is operating under the LOMÉ convention under the Cotonou agreement which comes to an end by 31st December 2007. Negotiations on Economic Partnership Agreements (EPA's) are currently under way where new regulations on trading will be negotiated. As highlighted in the Bilateral Trade Relations, (2004, February 7), trade negotiations between the EU and the African, Caribbean Pacific (ACP) group have now entered a critical phase. Six sub-regional groupings of the ACP have entered into Phase 2 negotiations on Economic Partnership Agreements (EPA's) with the EU. The outcome of the negotiations will be a series of new Free Trade Agreements (FTA) replacing the LOMÉ system of preferential access to the European market for the ACP from 2008. The LOMÉ regime allowed ACP countries the space to pursue pro-development policies. It also aimed at protection for local industries and access to the European market, which was a successful formula. The replacement of the LOMÉ regime with free trade areas is a massive risk for the ACP countries but the EU has nothing to lose with this kind of arrangement. ACP countries are unlikely to gain better access to the European market but will see their local industries put under severe strain by competition from cheap European imports, often subsidized and of poor quality. The European Commission's own impact assessment notes that, 'EPA's could lead to the collapse of the manufacturing sector in Africa'.

The Cotonou Agreement intended that EPA's contribute to regional integration. EPA negotiations divided the Southern African Development Community in two. The poorest countries are put in a no-win situation: either they maintain their non-reciprocal access to the European market under the Everything But Arms programme where they will be required to pay duty but leave their regional grouping, or stick with their regional partners and open their market to the EU. In a nut shell, failure to come to a positive conclusion on the Economic Partnerships Agreements currently being discussed will strip off the horticultural companies the access to export their products duty free to the EU market. On the other hand, the governments of the ACP countries are reluctant to agree to the proposed arrangement of opening up their markets for the EU market as this will result to more damage to the local industry and will be a threat to the economy as a whole.

An impact assessment study carried out by Kenya Institute for Public Policy Research And Analysis (KIPPRA) and presented by the minister for trade gave an indication on some of the results of the impact assessment study. From a macro and socio-economic perspective, the potential gains will be lower prices for consumers of imported goods and capital and intermediate goods sourced from the EU. The analysis indicates that 34% of consumer goods imports are sourced from the EU, 17% of motor vehicles, 58% of machinery and equipment and 22% of imported intermediate inputs. Elimination of the tariff is an implicit price reduction for Kenyan consumers. Trade is also projected to increase as a result of opportunities for enhancement of regional trade under EPA's as well as increased market penetration in the EU market though impact assessments carried out by the EU indicates that the EU markets will not necessarily open up. On the other hand negative impacts will be adverse effects on the local industries, lose of jobs, flooding of cheap imports in the local market and lack of control for imports.

1.2 RESEARCH PROBLEM

Organizations have to adequately and promptly respond to changes in the environment for the organization to be successful. This is because organizations are dependent on the environment for resources and also depends on the environment to discharge their outputs. Ansoff (1999) brought out the need to evaluate the turbulence in the environment and to match the strategies to the level of turbulence in the environment. High performing firms create strategies which are used to manage strategic repositioning in times of changes in their environment as advanced by Covin and Slevin (1989).

The horticultural sector is facing many environmental challenges. These include the flight miles campaign, Economic Partnership Agreements (EPA's) that will result to new terms of exports for the Kenyan horticultural export companies which will have to comply with a new range of conditions, to be able to trade and compete effectively in the EU market. Others are increased competition especially from China and changing weather patterns making supply of products to the market all year round a challenge to most organizations. Some of the challenges are legislative while others are interest groups and consumer driven as well as climatic changes due to global warming. The sector is therefore facing challenges in the environment and this will prompt companies to adapt to the changes in their macro environment. How have firms responded to these challenges?

1.3 RESEARCH OBJECTIVE

The objective of this study will be to establish the strategic responses that the horticultural companies have adopted in the face of current environmental challenges.

1.4 IMPORTANCE OF THE STUDY

The findings of this study will benefit the top management of the horticultural organizations as they will be able to use the findings and the recommendations forwarded to be able to develop better strategic responses and to cope with changes in the environment. The management of the horticultural organizations will also stand to benefit as they will be able to articulate the strategic gaps existing within their member organizations and to develop strategies to help them improve.

Similarly, the study will add to knowledge which can be used by academicians, scholars and researchers as the study will form a reference point in examining different aspects of strategic management and also highlight further areas of research. Other interested parties like investors, the government through the ministry of trade will also find the study resourceful in developing policy papers and various journals interested with the dynamics of the horticultural trade.

CHAPTER 2: LITERATURE REVIEW

2.1 CONCEPT OF STRATEGY

Strategy can be defined as the direction and scope of an organization over ~~the~~ a long term, which achieves advantage for the organization through its configuration of its resources within a challenging environment and geared towards meeting the needs of the markets as it fulfils stakeholder expectations according to Johnson and Scholes (2002).

Andrew (1980 p.18), defined corporate strategy as "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 the economic and non-economic contribution it intends to make to its shareholders, employees, customers and communities."

According to Porter (1996), organizations must embark on making their strategies competitive. He argues that competitive strategy is about being different which means deliberately choosing a different set of activities to deliver a unique mix of value. Porter argues that strategy is about competitive position, about an organization differentiating itself in the eyes of the customer, about adding value through a mix of activities different from those used by competitors.

In most large corporations there are several levels of strategy. Corporate strategy is the highest in the sense that it is the broadest, applying to all parts of the firm. It gives direction to corporate values, corporate culture, corporate goals, and corporate missions. Under this broad corporate strategy there are often functional or business unit strategies. Functional strategies include marketing strategies, new product development strategies, human resource strategies, financial strategies, legal strategies, and information technology management strategies. The emphasis is on short and medium term plans and is limited to the domain of each department's functional responsibility. Each functional department attempts to do its part in meeting overall corporate objectives, and hence to some extent their strategies are derived from broader corporate strategies.

Many companies feel that a functional organizational structure is not an efficient way to organize activities so they have reengineered according to processes or strategic business units (SBUs). A strategic business unit is a semi-autonomous unit within an organization. It is usually responsible for its own budgeting, new product decisions, hiring decisions, and price setting. An SBU is treated as an internal profit centre by corporate headquarters. Each SBU is responsible for developing its business strategies that must be in tune with broader corporate strategies.

The "lowest" level of strategy is operational strategy. It is very narrow in focus and deals with day-to-day operational activities such as scheduling criteria. It must operate within a budget but is not at liberty to adjust or create that budget. Operational level strategy was encouraged by Drucker (1954) in his theory of Management by Objectives (MBO). Operational level strategies are informed by business level strategies which in turn, are informed by corporate level strategies. Business strategy, which refers to the aggregated operational strategies of single business firm or that of an SBU in a diversified corporation, refers to the way in which a firm competes in its chosen arenas.

Corporate strategy refers to the overarching strategy of the diversified firm. Such corporate strategy answers the questions of "in which businesses should we compete?" and "how does being in one business add to the competitive advantage of another portfolio firm, as well as the competitive advantage of the corporation as a whole?"

Since the turn of the millennium, there has been a tendency in some firms to revert to a simpler strategic structure. This is being driven by information technology. It is felt that knowledge management systems should be used to share information and create common goals. Strategic divisions are thought to hamper this process. Most recently, this notion of strategy has been captured under the rubric of dynamic strategy, popularized by the strategic management textbook authored by Carpenter and Sanders (1998). This work builds on that of Christensen (1997) and portrays firm strategy, both business and corporate, as necessarily embracing ongoing strategic change, and the seamless integration of strategy formulation and implementation. Such change and implementation are usually built into the strategy through the staging and pacing facets.

2.2 STRATEGIC MANAGEMENT

Strategic management as a discipline originated in the 1950s and 1960s. There were numerous contributors to the literature. Pearce and Robinson (1991) have defined strategic management as the set of decisions and actions that result in formulation and implementation of plan designed to achieve a company's objective. Strategic management is the process of specifying an organization's objectives, developing policies and plans to achieve these objectives, and allocating resources so as to implement the plans. It is the highest level of managerial activity, usually performed by the company's Chief Executive Officer (CEO) and executive team. It provides overall direction to the whole enterprise. An organization's strategy must be appropriate for its resources, circumstances, and objectives. The process involves matching the companies' strategic advantages to the business environment the organization faces. One objective of an overall corporate strategy is to put the organization into a position to carry out its mission effectively and efficiently.

The importance of objectives was advanced Drucker (1954). He argued that an organization without clear objectives was like a ship without a rudder. He developed a theory of management by objectives (MBO). According to Drucker, the procedure of setting objectives and monitoring the progress towards them should permeate the entire organization, top to bottom.

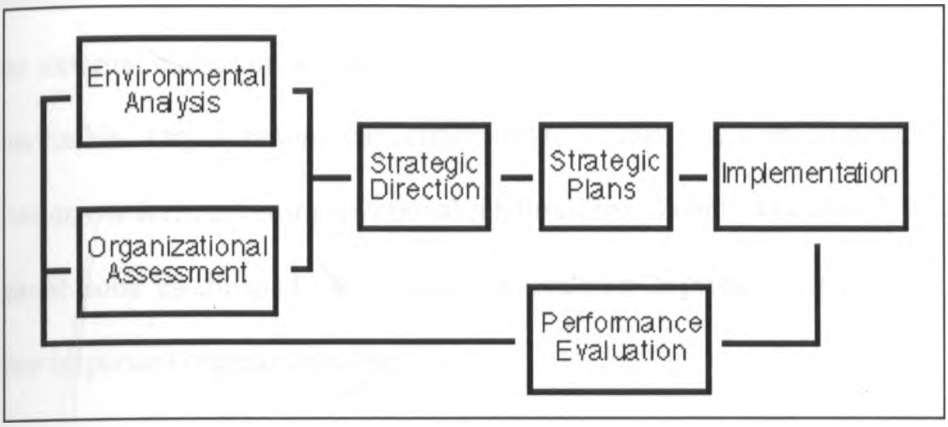
Chaffee (1985) summarized what he thought were the main elements of strategic management theory by the 1970s. From the summary, Strategic management involves adapting the organization to its business environment. It is fluid and complex. Change creates novel combinations of circumstances requiring unstructured non-repetitive responses. Strategic management was also found to affect the entire organization by providing direction. It also involves both strategy formation (referred to as content) and also strategy implementation (referred to as process). This can be partially planned and partially unplanned. Strategic management was found to involve both conceptual and analytical thought processes.

Markides (1999) reexamined the nature of strategic planning. He described strategy formation and implementation as an on-going, never-ending, integrated process requiring continuous reassessment and reformation. Strategic management is planned and emergent, dynamic, and interactive. Moncrieff (1999) also stresses strategy dynamics. He recognized that strategy is partially deliberate and partially unplanned. The unplanned element comes from two sources: emergent strategies (result from the emergence of opportunities and threats in the environment) and Strategies in action (ad hoc actions by many people from all parts of the organization).

Some business planners are starting to use complexity theory. Complexity can be thought of as chaos with a dash of order. Chaos theory deals with turbulent systems that rapidly become disordered. Complexity is not quite so unpredictable. It involves multiple agents interacting in such a way that a glimpse of structure may appear. (Axelrod, 1999; Holland, 1985; and Kelly & Allison, 1992), call these systems of multiple actions and reactions complex adaptive systems. Axelrod (1999) asserts that rather than fear complexity, business should harness it. He says this can best be done when there are many participants, numerous interactions, much trial and error learning, and abundant attempts to imitate each others' successes.

Figure 1 below shows building blocks for a comprehensive strategic management model. It consists of external analysis, internal assessment, strategic direction, strategic plans, implementation and performance evaluation.

Figure 1: Strategic Management Model



Source: (Mintzberg, H. and Quinn, J.B. (1988).The Strategy Process, Prentice-Hall, Harlow).

Strategic management is an ongoing process that assesses the business and the industries in which the company is involved, assesses its competitors and sets goals and strategies to meet all existing and potential competitors. It also reassesses each strategy regularly to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment, or a new social, financial, or political environment according to Lamb (1984).

2.3 ENVIRONMENT DEPENDENCE

The environment can be thought of as all the events which affect the organizations according to Pfeffer and Salancik (1978). Thus the boundaries are defined as the organization's control of the action of participants relative to control of other entities over the same activities. They further explored how external constraints affect organizations and provide insights for designing and managing organizations to mitigate these constraints. All organizations are dependent on the environment for their survival. As the authors contend, it is the fact of the organization's dependence on the environment that makes the external constraint and control of organizational behaviour both possible and almost inevitable. Organizations can either try to change their environments through political means or form inter-organizational relationships to control or absorb uncertainty. This seminal book established the resource dependence approach that has informed so many other important organization theories.

According to Porter (1980), the organization operates in an external environment. Strategy of an organization is the roadmap towards attainment of its long term goals and objectives. It entails obtaining a fit between organizational strategy, structure, and environment. It is imperative for the organization to conduct an industry analysis to assess the environment, for efficient strategic management process. An organizations competitive strategy must meet the opportunities and threats inherent in the external environment and should be based on an understanding of industry and economic change. He identified the five forces that shape every industry and which determine the intensity and direction of competition represented as the environment and the strategies which organizations should adopt. High levels of firm performance are assumed to indicate a good "fit" between strategy and the environment. Therefore, in studies that find a positive relationship between managerial characteristics and firm performance, we have assumed that this relationship indicates these characteristics relate positively to organizational strategy and an environmental "fit."

According to Linda (1985), an organization is an open system that exists within an independently given environment. The objective of the environment may be accurately or inaccurately perceived, but in either case the task of the strategic managers is to maintain congruence between environmental constraints and organizational needs. This requires organizations to constantly monitor and scan the environment in which they operate. The main objective of environmental scanning is to alert decision-makers to potentially significant external impingements before they have crystallized so that decision-makers may have as much lead time as possible to consider and to plan for the implications of the changes. Consequently, the organizations are able to gain competitive advantage.

Waker and Taylor (1997) claimed that these major upheavals occur every 5 centuries. They argued that we are currently making the transition from the "Age of Reason" to a new chaotic Age of Access. Drucker (1969) coined the phrase Age of Discontinuity to describe the way change forces disruptions into the continuity of organizations. In an age of continuity, attempts to predict the future by extrapolating from the past can be somewhat accurate. But according to him, organizations are now in an age of discontinuity and extrapolating from the past is hopelessly ineffective. They cannot assume that trends that exist today will continue into the future. He identified four sources of discontinuity: new technologies, globalization, cultural pluralism and knowledge capital.

Dudik (2000) argued that an organization must develop a mechanism for understanding the source and level of complexity it will face in the future and then transform itself into a complex adaptive system in order to deal with it.

2.4 STRATEGIC RESPONSES

Ansoff (1965) advanced a strategy grid that compared market penetration strategies, product development strategies, market development strategies and horizontal and vertical integration and diversification strategies. He felt that management could use these strategies to systematically prepare for future opportunities and challenges. He also developed the "gap analysis" still used today in which organizations must understand the gap between where they currently are and where they would like to be, to enable them develop what he called "gap reducing actions".

Chandler (1962) recognized the importance of coordinating the various aspects of management under one all-encompassing strategy. Prior to this time the various functions of management were separate with little overall coordination or strategy. Interactions between functions or between departments were typically handled by a boundary position, that is, there were one or two managers that relayed information back and forth between two departments. He also stressed the importance of taking a future looking long term perspective and showed that a long-term coordinated strategy was necessary to give a company structure, direction and focus.

In 1988, Mintzberg and Quinn looked at the changing world around them and decided to reexamine how strategic management was done. They examined the strategic process and concluded it was much more fluid and unpredictable than people had thought. Because of this, they could not point to one process that could be called strategic planning. Instead they concluded that there are five types of strategies. Strategy as a plan where it is used as a direction, guide or course of action that is an intention rather than actual. Strategy as ploy used as a maneuver intended to outwit a competitor. Strategy as pattern derived from a consistent pattern of past behaviour which is realized rather than intended. Strategy as position used for locating of brands, products, or companies within the conceptual framework of consumers or other stakeholders. This is strategy determined primarily by factors outside the firm. Strategy as a perspective being a strategy determined primarily by a master strategist.

Strategic decay was discussed by Hamel (2000), the notion that the value of all strategies, no matter how brilliant, decays over time, while Abell (1978) described strategic windows and stressed the importance of the timing (both entrance and exit) of any given strategy. Handy (1989), identified two types of change; Strategic drift being a gradual change that occur so subtly that it is not noticed until it is too late. By contrast, there is transformational change which is sudden and radical. It is typically caused by discontinuities in the business environment. The point where a new trend is initiated is called a strategic inflection point.

Similarly, in 1996, Kleimer noted that to foster a corporate culture that embraces change, you have to hire the right people. The conservative bureaucrat that made such a good middle manager in yesterday's hierarchical organizations is of little use today. Earlier, Peters and Austin (1985) had stressed the importance of nurturing champions and heroes. They noted that there is a tendency to dismiss new ideas, so to overcome this, organizations should support those few people in the organization that have the courage to put their career and reputation on the line for an unproven idea. The new ideas result to new strategies.

Mintzberg and Quinn (1988) developed these five types of management strategy into 10 "schools of thought". These 10 schools are grouped into three categories. The first group is prescriptive or normative. It consists of the informal design and conception school, the formal planning school, and the analytical positioning school. The second group, consisting of six schools, is more concerned with how strategies are actually done, rather than prescribing optimal plans or positions. The six schools are the entrepreneurial, visionary, or great leader school, the cognitive or mental process school, the learning, adaptive, or emergent process school, the power or negotiation school, the corporate culture or collective process school, and the business environment or reactive school. The third and final group consists of one school, the configuration or transformation school, a hybrid of the other schools organized into stages, organizational life cycles, or "episodes".

Changes in the business environment are reflected in value migrations between industries, between companies, and within companies according to Slywotsky (1996). He claimed that recognizing the patterns behind these value migrations is necessary if organizations wish to understand the world of chaotic change. Christensen (1997) took the position that great companies can fail precisely because they do everything right since the capabilities of the organization also defines its disabilities. His thesis is that outstanding companies lose their market leadership when confronted with disruptive technology. He called the approach to discovering the emerging markets for disruptive technologies, agnostic marketing, i.e., marketing under the implicit assumption that no one - not the company, not the customers - can know how or in what quantities a disruptive product can or will be used before they have experience using it.

An influential strategist, Porter (1980) introduced many new concepts including; 5 forces analysis, generic strategies, the value chain, strategic groups and clusters. In 5 forces analysis, he identified the forces that shape a firm's strategic environment similar to a SWOT analysis with structure and purpose. It shows how a firm can use these forces to obtain a sustainable competitive advantage. Porter's generic strategies detail the interaction between cost minimization strategies, product differentiation strategies, and market focus strategies. Porter showed the importance of choosing one of them rather than trying to position your company between them. He also challenged managers to see their industry in terms of a value chain. He noted that a firm would be successful only to the extent that it contributes to the industry's value chain. This forced management to look at its operations from the customer's point of view. Every operation should be examined in terms of what value it adds in the eyes of the final customer.

According to Tichy (1983) most organizations tended to repeat the strategies which they were most comfortable with. He added that this constrained creativity, prevents exploring new ideas, and hampers dealing with the full complexity of new issues. He developed a systematic method of dealing with change that involved looking at any new issue from three angles: technical and production, political and resource allocation, and corporate culture.

Past studies have proven that environmental turbulence does have an effect on performance of organizations, but they were mainly focused on western organizations as in Canada (Montreal), France, Germany, Netherlands, United States (Florida), United Kingdom, as well as Australia, Japan and Korea (Covin & Slevin, 1989; Miller, 1983; Miller & Friesen, 1982; Morris & Jones, 1994; Zahra, Dharwadkar & George, 2000).

Zahra et al. (2000) study looked at 227 US-based foreign manufacturing subsidiaries of MNCs headquartered in Australia. Morris and Jones's (1994) study looked at 250 firms in Florida; Covin and Slevin's (1989) study looked at 52 large, diverse Canadian firms.

Various studies have also been carried out aimed at establishing strategic responses in different organizations. Thiga (2002) looked at the strategic responses of airlines operating in Kenya in the face of changing environmental conditions. Some of the responses included enhanced customer service, cost cutting measures, collaborations and mergers. Ohaga (2004) reviewed the strategic responses of commercial banks in a changing environment. From the conclusion of the study, banks had to respond appropriately to environmental changes in order to remain competitive, using differentiated strategies. A study carried out to investigate the strategic planning practices in the horticultural sector by Maundulu (2005) revealed that most small horticultural organizations did not practice formal strategic planning. The larger organizations had formal strategic planning in place. The organizations that lacked formal planning were more unlikely to cope with adverse environmental changes.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The study was carried out as a cross sectional survey. It was done at one point in time, measuring the same variables across all respondents. This type of design was found suitable as the study was used for comparison across the organizations.

3.2 POPULATION

The study population consisted of all companies actively involved in export of horticultural produce to Europe and were registered under the Fresh Produce Exporters Association of Kenya (FPEAK). There was a total of 58 companies registered, which consisted of 27 dealing in cut flower export and 31 dealing with export of fruits and vegetables (See Appendix 1).

3.3 SAMPLING

Simple random sampling was used to pick study samples from the population. A desired sample size of 30 companies was targeted. This utilized the probability method of sampling with random selection of the samples. This ensured that all the organizations in the population had an equal chance of being selected. In order to ensure a random selection, a procedure that assured that the different units in the population had an equal probability of being chosen was put in place. The samples were selected using a random selection of numbers that had been assigned to the population.

3.4 DATA COLLECTION

Primary data was collected for the study. The data was collected through use of a questionnaire, which consisted of both structured and unstructured questions. The questionnaire was developed from the study of pertinent literature (Appendix 2). The questionnaire was mailed to the companies. This was done through electronic mail, traditional post office method and 'drop and pick' method for organizations in close proximity. The use of mailed questionnaire was preferred to other methods of data collection because of various advantages according to Trochin, 2006. They are relatively inexpensive to administer. You can send the exact same instrument to a wide number of organizations especially in large geographical locations like was the case with the horticultural organizations selected. They allow the respondent to fill it out at their own convenience. However, there are some disadvantages as well. Response rates from mail surveys are often very low. To enhance the response rate, the respondents were reached on phone as an introduction before the questionnaires were mailed.

Respondents consisted of the top managers in the organizations. An effort was made to have the actual names of the top managers for the various organizations.

3.5 DATA ANALYSIS

Once the questionnaires were received, the data was subjected to cleaning. This entailed going through each questionnaire to ensure all the data was filled correctly and accurately. Any missing information was clarified through telephone calls to the respondents. Data Preparation involved checking or logging the data in a serialized format then checking the data for accuracy. The data was then entered into the computer in a tabular summary and then developed into a database structure that integrates the various measures.

The analysis of the data mainly focused on descriptive statistical analysis such as the mean, standard deviation, frequency distribution and simple regression which was used as a basis for comparison across the companies. Descriptive statistics are used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data. Descriptive statistics simply describe what the data shows (Trochin, 2006).

CHAPTER 4: RESULTS AND DISCUSSION

4.1 RESPONSE

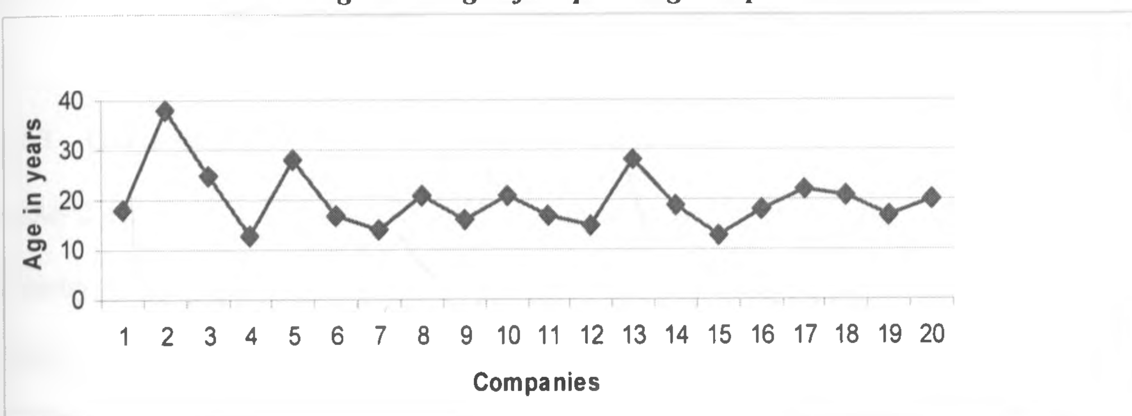
A total of 20 companies participated in the study. This consisted of 67% of the target number and 35% of the total population.

4.2 BACKGROUND

4.2.1 Age.

The participating companies were distributed as shown in figure 2 below since company inception.

Figure 2: Age of responding companies



Source: Study Questionnaire

This indicates that most of the participating companies were within the same range of number of years in operation with a median of 20 years.

4.2.2 Ownership.

A total of 85% of the participating companies are locally owned while 10% are on joint venture ownership. Only 5% are foreign owned. Table 1 below shows the ownership distribution.

Table 1: Ownership

Ownership	Freq	Percent	Cum.
Foreign	1	5	5
Joint Venture	2	10	15
Local	17	85	100
Total	**20**	**100**	

Source: Study Questionnaire

The ownership of the organizations is an indication that most companies (85%) have similar ownership structures thus this will have no significant influence on the strategies they adopt.

4.2.3 Horticultural Sector

Table 2 shows the distribution of the companies across the different sectors of the industry.

Table 2: Horticultural sector

Sector	Freq	Percent	Cum.
Fruits & vegetables	8	40	40
Flowers	7	35	75
Both	5	25	100
Total	**20**	**100**	

Source: Study Questionnaire

As shown in table 2 above, the responding companies consisted of 35% in the flower industry and 40% in the fruits and vegetables sector. Companies who are exporters of both cut flowers and fruits & vegetables consist of 25% of the organizations. This indicates that there is an equal distribution across the two major sectors. The two sectors are equally affected by the challenges at hand, thus no significant difference is expected in the responses adopted in either sectors. There is also a significant percentage of organization operating in both sectors, indicating similarity in the two lines of business.

4.2.4 Mode of Selling

Table 3 shows how the organizations sold their products in the export market.

Table 3: Mode of Selling

Mode of selling	Freq	Percent	Cum.
Agents	9	45	45
Agents & Supermarket chains	7	35	80
Direct sales	1	5	85
Supermarket chains	3	15	100
Total	**20**	**100**	

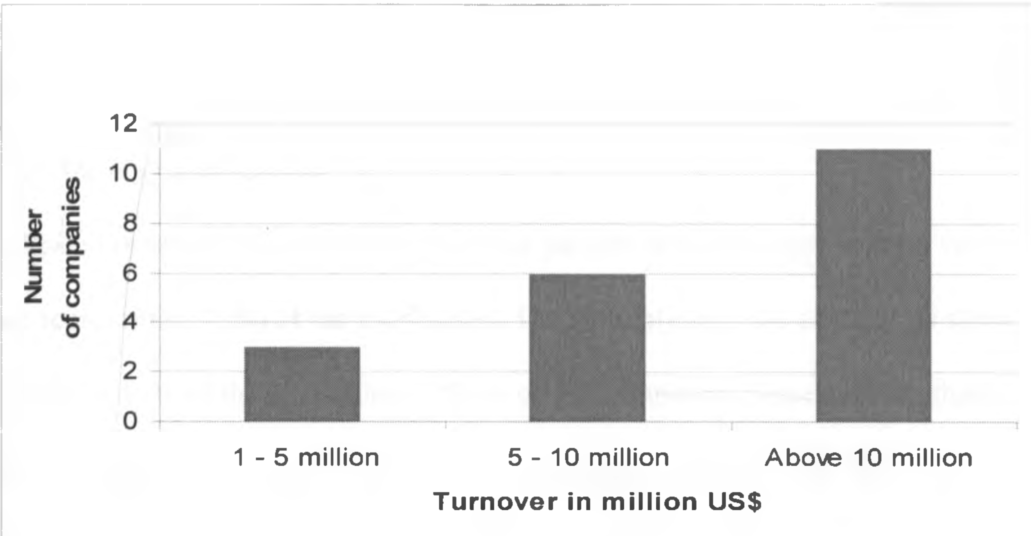
Source: Study Questionnaire

As indicated in table 3, 45% of the companies used agents to sell their products while 35% reported use of both agents and supermarket chains. A few organizations (15%) used supermarket chains only such as Tescos and Marks & Spencer, while 5% of the organizations sold their products through direct sales. Use of agents and supermarket chains has been used by a significant number of organizations (80%). This mode of selling exempts the companies from direct presence in the market where they have to carry out brand promotion, advertising e.t.c. Although this ensures the companies concentrate on production, it also makes the companies more prone to competition in the event that the agents do not put enough effort to enhance their brands.

4.2.5 Sales Turn Over

Figure 3 below gives an illustration on the distribution for each turnover category.

Figure 3: Company Turnover



Source: Study questionnaire

Most of the companies participating had a turnover of above 10 million USD representing 55%, while 30% are smaller companies with a sales turnover of between 1 & 5 million USD. Only 15% reported a turnover of between 5& 10 million USD. This is an indication that the industry is large and has high volume turnover contributing to its significance in the overall economy.

4.3 ENVIRONMENTAL CHALLENGES

4.3.1 Environmental Impact

The study sought to investigate how the organizations perceived the changes in the environment. The responses obtained are shown in Table 4 below.

Table 4: Environmental Impact

Adversity	Freq	Percent	Cum.
Adverse	8	40	40
Very adverse	12	60	100
Total	**20**	**100**	

Source: Study Questionnaire

As indicated in table 4 above, the respondents perceived the changes to have very adverse impact representing 60% of the companies. The perception of the changes as adverse was perceived by 40% of the respondents. None of the companies perceived the changes to be normal. This therefore is an indication that the organizations feel that the current changes are beyond the normal environmental changes that businesses experience. This can be equated to high turbulence in the business environment and thus need to ensure that the strategies adopted match the turbulence perceived.

4.3.2 Specific environmental factors

The study went further to investigate the impact of the specific challenges facing the industry.

4.3.2.1 Tariffs

Table 5 shows the impact of change of tariffs to the organizations.

Table 5: Tariffs Impact

Impact	Freq	Percent	Cum.
High impact	19	95	95
Fair impact	1	5	100
Total	**20**	**100**	

Source: Study Questionnaire

As indicated in table 5, change of tariffs was reported to have a very high impact by 95% of the organizations. Only one company representing 5% of the organization perceived the impact as fair. Change of tariffs was perceived to pose the highest threat by all the organization even with different backgrounds. This is an indication that the tariffs change will have a significant influence on operations of the businesses. Given the high impact perceived, organizations are expected to have put in place strategies to cope with the imminent impact.

4.3.2.2 Competition

Table 6 shows the impact that was posed by the threat of competition from china and other export countries to the organizations.

Table 6: Competition Impact

Impact	**Freq**	**Percent**	**Cum.**
High Impact	11	55	55
Fair Impact	7	35	90
Moderate Impact	2	10	100
Total	**20**	**100**	

Source: Study Questionnaire

Competition was perceived to have a high impact by 55% of the organizations while 35% indicated the impact to be fair. A few organizations (10%) felt the impact to be moderate. Most organizations felt the impact of the organizations to be significantly high. This can be attributed to the mode of selling where most organizations leave the selling of the produce to third party thus not directly involved with the marketing aspect.

4.3.2.3 Air miles

Table 7 shows the perceived impact of the air miles threat to the industry

Table 7: Air miles Impact

Impact	**Freq**	**Percent**	**Cum.**
Moderate Impact	13	65	65
Fair Impact	4	29	85
High Impact	2	10	95
No Impact	1	5	100
Total	**20**	**100**	

Source: Study Questionnaire

Majority of the organizations felt the impact of air miles threat as moderate (65%). Fair impact was felt by 20% of the organizations while 10% perceived the impact as high. One company was not threatened by the air miles. The moderate impact perceived was mainly due to expressions of the media and no direct impact had been felt in terms of reduced business. The aspect of use of agents is also important as these would directly affect their businesses thus they are more inclined to put responsive measures on behalf of their suppliers.

4.3.2.4 Climate change

Table 8 represents the impact perceived by the organizations by the threat of changes in climate.

Table 8: Climate change Impact

Impact	Freq	Percent	Cum.
Fair Impact	14	70	70
High Impact	4	20	90
Moderate Impact	2	10	100
Total	**20**	**100**	

Source: Study Questionnaire

As indicated in table 8 above, 70% of the organizations perceived the impact to be fair while high impact and moderate impact were reported by 20% and 10% respectively. The organizations perceived the impact as fair mainly because of the nature of their businesses having an agricultural background. It also indicates that the change in the weather patterns is not as adverse resulting to a fair perception of the impact.

According to the results obtained, change of tariffs was ranked as the challenge that posed the highest impact in the industry with 95% of the companies reporting it as having a high impact to their operations. Competition followed with the 55% reporting the change to pose high impact. Climate change was reported by 20% as posing high impact while 70% reported the impact as fair. Air miles was reported as posing the lowest challenge of the four, with only 10% reporting high impact and 20% reporting fair impact. Majority of the organizations reported the impact of air miles to be moderate.

4.4 STRATEGIC RESPONSES

4.4.1 Organizations responses to challenges

Faced with challenges, businesses normally roll out strategies that they deem necessary for survival. The study therefore sought to investigate if the firms had any strategies in place. From the responses, it was evident that all the companies had put in place some form of strategy to cope with various challenges. This indicates that majority of the companies responded to the environmental challenges.

The study further investigated the strategies the companies had put in place to respond to each specific challenge.

4.4.1.1 Tariffs

Given the threat of changes in tariffs, organizations have put in place various strategies as indicated in table 9 below.

Table 9: Tariffs strategic responses

Strategies	**Freq**	**Percent**	**Cum.**
Cut costs	11	55	55
Govt Intervention	3	15	70
Increase market share	2	10	80
Market diversification	2	10	90
Product diversification	1	5	95
Value addition	1	5	100
Total	**20**	**100**	

Source: Study Questionnaire

Majority of the companies have resorted to cutting of costs at all levels to ensure they remain competitive in the market given new tariffs. This strategy was used by 55% of the organizations. Some organizations (15%) felt that the challenge requires government intervention and have thus not put any response on their side. Used with equal measure were strategies aimed at increasing the market share and diversification into new markets at 10%. Markets being considered for these strategies are Middle East and USA markets. A few organizations (5%) have resulted to diversifying their products while 5% have considered increasing the value addition for their products to enable them fetch a better price and thus reduce the impact. It is evident that the organizations have resulted to use of the generic strategies to overcome the challenge. Cutting costs seems to be the universal strategy used when faced with the probability of changing tariffs. There is lack of customized strategies across the organizations.

4.4.1.2 Increased competition

Table 10 below shows the strategies that organizations put in place as a response to increased competition.

Table 10: Increased competition strategic responses

Strategies	**Freq**	**Percent**	**Cum.**
Improved product quality	6	30	30
Improved quality & product development	3	15	45
New markets	4	20	65
Product development	4	20	85
Improved quality & competitive prices	1	5	90
Cut costs	1	5	95
Diversification	1	5	100
Total	**20**	**100**	

Source: Study Questionnaire

From table 10 above, it is evident that various strategies have been deployed as a measure to the threat of increased competition. Most organizations have also resorted to use of multiple strategies. Improved product quality was the most popular used by 30% of the organizations though it has also been used as a combination with other strategies. New markets and product development have each been used by 20%. Among the combined strategies used were improved quality and product development used by 15% of the organizations, improved quality and competitive pricing (5%). Cutting of costs was used by 5% of the organizations while another 5% have considered diversification which is new products for new market segments. The strategies used are also very generic and not customized in most organizations. There is also use of multiple strategies by some organizations which is able to give an advantage in case one of the strategies is not effective. None of the companies seems to have considered the mode of selling in light of increased competition as this would help in more direct involvement in how their products are sold in a bid to increase competitiveness.

4.4.1.3 Air miles

Various strategies have been used by a few of the organizations to cope with the challenge of air miles as shown in table 11.

Table 11: Air miles strategic responses

Strategies	**Freq**	**Percent**	**Cum.**
Alternate transport	3	15	15
Enhanced delivery efficiency	1	5	20
Improved quality	1	5	25
Lobbying	1	5	30
Government intervention	6	30	60
No response	7	40	100
Total	**20**	**100**	

Source: Study Questionnaire

From the results above, it is worth noting that majority of the organizations have not put in place any strategies at all (40%) while an additional 30% felt that the government should intervene on their behalf. Strategies considered by the organizations include use of alternate methods of transport with sea freight being the most preferred (15%). Enhanced delivery efficiency and improved quality have been used to enhance the competitiveness between the air lifted products and those which are not airlifted in the European market. A few organizations (5%) felt that the industry should lobby against the air miles campaign. The results are an indication that most organizations have not given the air miles challenge a lot of seriousness in terms of strategies. This is likely to be the case as the impact of the same has not been perceived to be high. It is also an aspect that has attracted government interest and thus the feeling that the government should intervene though lobbying.

4.4.1.4 Climate change

Change in climate as far as farming of horticultural products is concerned solicited responses as indicated in the table12 below.

Table 12: Climate change strategic responses

Strategies	**Freq**	**Percent**	**Cum.**
Technical advancement	12	60	60
Enhanced delivery efficiency	6	30	90
Improved quality	2	10	100
Total	**20**	**100**	

Source: Study Questionnaire

Majority of the organizations have resulted to use of better technology and farming methods in their operations representing 60%. Geo diversification where the farming operations would be diversified to various regions in the country to have the micro climatic advantage was used by 30% of the organizations. A few organizations (10%) have considered use of better plant breeds. The change in climate was perceived to have a fair impact to the industry operations which can be attributed to the fact that the weather change has not been very adverse. All the organization, being direct beneficiaries of good weather patterns, have been able to come up with strategies to overcome this challenge which are acceptable and have been tested within the industry.

4.4.2. Association between impact and strategic responses

The study sought to investigate the association between the impact of the challenge and the strategies put in place.

4.4.2.1 Tariffs

Table 13 shows the association between the impact of the tariffs challenge and the strategic responses adopted.

Table 13: Association between Tariffs impact & strategic responses

Strategic responses	Fair impact (%)	High Impact (%)	Total (%)
Cut costs	1 (100)	10 (52.6)	11 (55)
Government intervention	0 (0)	3 (15.8)	3 (15)
Increase market share	0 (0)	2 (10.5)	2 (10)
Market diversification	0 (0)	2 (10.5)	2 (10)
Product diversification	0 (0)	1 (5.26)	1 (5)
Value addition	0 (0)	1 (5.26)	1 (5)
Total	**1**	**19**	**20**

Source: Study Questionnaire

As indicated above, cutting costs was used by 52.6% of the organization that felt the impact to be high, followed by government intervention at 15.7%. Increased market share and Market diversification each with 10.5%, while product diversification and value addition were at 5.2% each. Only one organization that felt the impact to be fair used cutting cost as its strategy; this however represented 5% of the organizations. This indicated that the most common strategy across the organizations is cost cutting to reduce the production cost so as to be able to compete with new price structures. Change of tariffs was perceived by majority of organizations to have a high impact and these organizations resorted to cutting cost as a generic strategy which seemed acceptable by most organizations. This indicates that cutting of costs was considered to be an aggressive strategy which would match the turbulence of the high tariff impact.

4.4.2.2 Increased competition

Increased competition was perceived to have a high impact by 55% of the organizations. Table 14 shows the strategies that were adopted by these organizations.

Table 14: Association between Competition impact & strategic responses

Strategic responses	Fair impact (%)	High Impact (%)	Moderate (%)	Total (%)
Cut costs	0 (0)	1 (9.09)	0 (0)	1 (5)
Improved quality	2 (28.57)	4 (36.36)	0 (0)	6 (30)
Improved quality & Competitive pricing	0 (0)	1 (9.09)	0 (0)	1 (5)
Improved quality & Product development	2 (28.57)	0 (0)	1 (50)	3 (15)
New markets	2 (28.57)	2 (18.18)	0 (0)	4 (20)
Product development	1 (14.29)	2 (18.18)	1 (50)	4 (20)
Diversification	0 (0)	1 (9.09)	0 (0)	1 (5)
Total	**7**	**11**	**2**	**20**

Source: Study Questionnaire

As indicated above, majority of the organizations that felt the impact of increased competition to be high resorted to improving quality of their products so as be beat the competitors (36.6%). Other strategies that appear popular include opening up new markets and developing new product ranges each with 18.1%. Cutting costs, competitive pricing and diversification were each used by only 9.0% of the organizations. Majority of the organizations that perceived the impact to be high resulted to improved quality and other generic strategies. The pressure on quality products in the market and need for quality related certification seems to put quality improvement as an important aspect of gaining a competitive edge in the market.

4.4.2.3 Air miles

The challenge of air miles was felt to have had a moderate impact by 65% of the organizations. Table 15 shows what responses were used by the various categories of organizations.

Table 15: Association between Air miles impact & strategic responses

Strategic responses	Fair impact (%)	High Impact (%)	Moderate (%)	No impact (%)	Total (%)
Alternate transport	0 (0)	0 (0)	3 (23)	0 (0)	3 (15)
Delivery efficiency	0 (0)	0 (0)	1(7.7)	0 (0)	1 (5)
Government intervention	1 (25)	1 (50)	4 (30.8)	0 (0)	6 (30)
Improved quality	1 (25)	0 (0)	0 (0)	0 (0)	1 (5)
Lobbying	0 (0)	0 (0)	1(7.7)	0 (0)	4 (20)
No response	2 (50)	1 (50)	4 (30.8)	1 (100)	8 (40)
Total	**4 (100)**	**2 (100)**	**13 (100)**	**1 (100)**	**20 (100)**

Source: Study Questionnaire

As indicated in the table above, 30.7% of the organizations which felt the challenge to have moderate impact felt that the government should put intervention measures. Equally, a further 30.7% did not respond at all and 23% have considered use of other transport modes for their products. There lacks a direct relation between the impact which was perceived as moderate and the strategies employed since most companies did not put any strategies in place. This could be an indication that most companies feel that the challenge is beyond their capacity to tackle. The responsibility has been pushed to the government.

4.4.2.4 Climate change

The change in climate posed a fair impact to majority of the organizations. Table 16 indicates the strategies that this category has put in place.

Table 16: Association between Climate change & strategic responses

Strategic responses	Fair impact (%)	High Impact (%)	Moderate impact (%)	Total (%)
Better breeds	2 (14.30)	0 (0)	0 (0)	2 (10)
Geo diversification	5 (35.7)	1 (25)	0 (0)	6 (30)
Technical advancement	7 (50)	3 (75)	2 (100)	12 (60)
Total	**14**	**4**	**2**	**20**

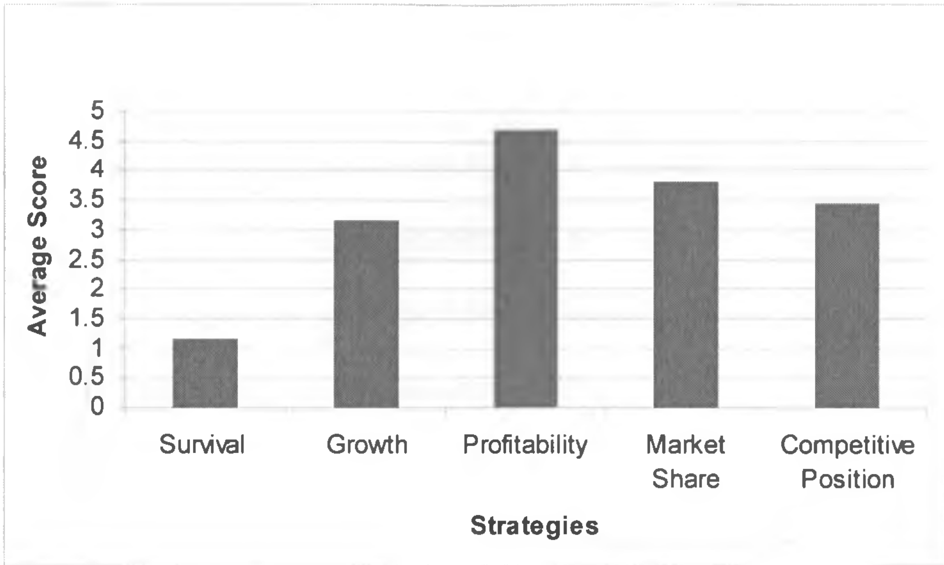
Source: Study Questionnaire

Majority of the companies (50%) that felt the impact to be fair have put in place technical advancement measures while 35.7% used geo diversification. Only 14.2% have resorted to using better breeds. Of the 4 companies that felt the impact to be high, technical advancement was used by 3 of them (75%). Technical advancement seems to be the most popular across all the impact levels. This entails use of new technology which is wide scoped and seems to have been tested and proved acceptable across the organizations.

4.4.3 Strategy scores

The study also investigated the scoring of various generic strategies in order of importance attributed to them by the organizations. A score of 1 – 5 was used, 5 taken as the highest score representing the most important while 1 gives the lowest score representing the least important. Figure 4 below shows the scoring of the various strategies.

Figure 4: Strategy Scoring



Source: Study questionnaire

As indicated in figure 4 above, profitability scored as the most important strategy with an average score of 4.7. This was followed by market share scoring an average of 3.8. Competitive position scored third while growth followed closely with a score of 3.4 and 3.2, respectively. Survival was the least used strategy with a score of 1.2.

Increased profits is the most important drive for most organizations in the industry. The other strategies are used with a basis of their contribution to the profits. A low score on the survival strategy is an indication that most organizations in the industry are beyond the survival stage and are more geared towards profitability, growth, increased market share and competitive position.

CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

A total of 67% of the targeted sample participated in the study. This constituted 35% of the population. The participating companies had an equal distribution across the two sectors of fruits & vegetables and cut flowers. Majority of the companies sell their products through agents and supermarket chains (80%).

The horticultural industry is facing a number of challenges which include a likely change in tariffs structure, increased competition, air miles campaign and climate change. The organizations described the changes as very adverse. On evaluation of the specific challenges, change in tariffs posed the highest threat to the industry; this was followed by increased competition, climate change and air miles in that order.

All the organizations had put in place strategic responses to cope with the challenges. Strategies related to likely changes in tariffs included cutting of costs which was used by the majority of the organizations in a bid to remain competitive. Increasing market share, market and product diversification are other strategies employed. Improving product quality, product development and new markets were some of the strategies adopted to curb the threat of increased competition. Most new markets being considered include the Middle East markets and the USA. Climate change posed a fair impact to the operations of the organizations. All the organizations have put in place response measures which include use of technically advanced farming methods, geo diversification and use of better plant breeds. The threat of air miles campaign had the lowest response rate, as most organizations had not put in place any form of strategy, while others felt the government should intervene on their behalf. However, a few who put in strategies considered use of alternate methods of transport, enhanced delivery efficiency and improved quality which would make the Kenyan products a preference in the EU market despite the mode of transportation.

Investigation regarding use of generic strategies in the organization indicated that there was more focus on profitability, increasing market share, competitive position and growth. Most organizations are beyond the survival phase.

5.2 CONCLUSION

The horticultural industry has been faced by various challenges which required the organizations to put in place strategies to respond to these challenges and ensure that they remain competitive. The most threatening of these changes was the likely change of tariffs. This is because change of tariffs will directly affect the prices on the shelves resulting to decreased margins as the price increase cannot be wholly passed on to the consumer. This will also make the products more prone to competition in terms of prices. Air miles campaign was reported to have the lowest impact to the industry. This may be because these campaigns have not had a direct impact in terms of fewer orders and decreased sales. The issue of air miles may require government intervention measures. This can be inform of campaigns to defend the carbon generation given our methods of farming which are mainly organic versus what is being advocated for in Europe and which is responsible for far more carbon generation despite the fact that there is no air freight.

5.3 RECOMMENDATIONS

There is evidence that organizations have put in place strategies in the face of challenges being experienced. However, the companies will have to carry out continuous monitoring and evaluation of the strategies used to ensure they are effective. Most organizations have given the responsibility of monitoring the external environment to senior management who are also responsible for coming up with strategies to put in place. The senior management are also responsible for the day to day running of the organization and thus monitoring of strategies may take a back seat given their busy schedules. A consideration should be made to have the role of strategies monitoring and evaluation given to a strategic manager whose responsibility will be to spearhead the monitoring of the environment and to also monitor performance of strategic responses and advise the top management on the direction to take.

Most organizations have also restricted themselves to one response for each of the challenges faced. Given the dynamisms of the business world today, organizations should put various strategies and be able to consider the most effective combination to enhance the results.

5.4 LIMITATIONS OF THE STUDY

The limitation faced was in collection of data as some selected companies did not participate. This reduced the sample size from the initial target. There was also limitation faced with interpretation of some questions especially those that were unstructured, this required getting back to the respondents to seek clarity which was time wasting and also expensive.

5.5 AREAS OF FURTHER RESEARCH

Evaluation of the organizational performance based on a longitudinal study to evaluate the effect the challenges have on the organizations and the effectiveness of the strategic responses put in place. This would best be carried out as case studies. There would also be need to evaluate how the Economic Partnership Agreements once concluded, will affect the organizations.

REFERENCES

Abell, D. (1978). Strategic Windows. *Journal of Marketing*, Vol 42, pg 21–28.

Andrews, K. (1980). *The Concept of Corporate Strategy*, 2nd Edition. Dow-Jones Irwin.

Ansoff, I. (1965). *Corporate Strategy*. McGraw Hill, New York.

Ansoff, I. (1999). *Managing in Turbulent Environments*, "Strategic Success Model". Feature – Management news. Singapore Institute of Management.

Axelrod, R. & Cohen, M. (1999). *Harnessing Complexity : Organizational implications of a scientific frontier*. The Free Press, New York.

Barnard, C. (1938). *The function of the executive*. Harvard University Press, Cambridge Mass, p 235.

Barney, J. (1991) Firm Resources and Sustained Competitive Advantage. *Journal of Management* 17(1): 1-15.

Bilateral Trade Relations. (2004, February 7). *Negotiations of an EPA with East and Southern Africa: joint roadmap*. [On-line] Available http://www.europeancommission.uk

Business Daily. (2007, May 10). *Horticulture*. [On-line] Available http://www.nationmedia.com

Chaffee, E. (1985). Three models of strategy. *Academy of Management Review, vol 10*, no. 1.

Chandler, A. (1962). Strategy and Structure: *Chapters in the history of industrial enterprise*, Doubleday, New York.

Christensen, C. (1997). *The Innovator's Dilemma*. Harvard Business School Press, Boston.

Carpenter, P. & Sanders, A. (1998). *Strategic Management, A dynamic perspective*. Prentice-Hall, Englewood Cliffs.

Covin, J. G. & Slevin, D. P. (1989). Strategic Management of Small Firms in Hostile and Benign Environments. *Strategic Management Journal*, 10: (75-87).

Drucker, P. (1954). *The Practice of Management*. Harper and Row, New York.

Drucker, P. (1968). *The Age of Discontinuity*. Heinemann, London.

Dudik, E. (2000). *Strategic Renaissance*. Amacon, New York.

FPEAK. *The horticulture industry.* [On-line] Available http://www.fpeak.org

Handy, C. (1989). *The Age of Unreason*. Hutchinson, London.

Hamel, G. & Prahalad, C.K. (1994). *Competing for the Future*. Harvard Business School Press, Boston.

Hamel, G. & Prahalad, C.K. (1990). The Core Competence of the Corporation. *Harvard Business Review.*

Hamel, G. (2002). *Leading the Revolution*. Plume (Penguin Books), New York.

Holland, J. (1995). *Hidden Order: How adaptation builds complexity.* Addison-Wesley, Reading Mass.

Johnson, G. and Scholes, K. (2002). *Exploring Corporate Strategy*. Prentice-Hall, NJ.

Kelly, S. and Allison, M.A. (1992). *The Complexity Advantage*. McGraw Hill, New York.

Kenya Web; *Horticultural Marketing*; [On-line] Available. http://www.kenyaweb.com

Lamb, R. (1984). *Competitive strategic management*. Englewood Cliffs, NJ: Prentice-Hall.

Linda, S. (1985). Strategic Management in an Enacted World. *The Academy of Management Review*, *Vol. 10, No. 4*, pp. 724-736

Markides, C. (1999). A dynamic view of strategy. *Sloan Management Review*, vol 40.

Maundulu, M. N. (2005). An investigation of the strategic planning practices of Horticultural exporters in Kenya. *Unpublished MBA Project*, School of Business, University of Nairobi.

Miles, R. & Snow, C. (1978). *Organizational strategy, structure, and process*. New York: McGraw-Hill Book Co.

Miller, D. & Friesen, P.H. (1982). Innovation in Conservative and Entrepreneurial Firms: Two Models of Strategic Momentum. *Strategic Management Journal*, *3*: (1-25).

Ministry of Trade and Industry. (2007). *Impact Assessment Study Of The Economic Partnership Agreement Negotiations On The Kenyan Economy.* [On-line] Available. http://www.ministryoftrade.go.ke

Mintzberg, H. (1987). Crafting Strategy. *Harvard Business Review.*

Mintzberg, H. (1973). *The Nature of Managerial Work.* Harper and Roe, New York, page 38.

Mintzberg, H. and Quinn, J.B. (1988). *The Strategy Process.* Prentice-Hall, Harlow.

Moncrieff, J. (1999). Is strategy making a difference? *Long Range Planning Review*, vol 32, no2, p273.

Morris, M. H., & Jones, F. (1994). Relationships among Environmental Turbulence, Human Resource Management, and Corporate Entrepreneurship. *Journal of International Business & Entrepreneurship*, 3: pp16-43.

Ohaga, O. (2004). The strategic responses of the Kenyan banks to changes in the environment. *Unpublished MBA project*, School of Business, University of Nairobi.

Pascale, R. (1990). *Managing on the Edge.* Simon and Schuster, New York.

Pearce, J.A. & Robinson, R.B. (1991). *Strategic management: formulation, implementation and control.* New York.

Penrose, E. (1959). *The Theory of Growth of the Firm.* Basil Blackwell, London.

Peters, T. & Austin, N. (1985). *A Passion for Excellence.* Random House, New York,

Pfeffer, J. & Salancik, G. (1978). *The External Control of Organizations.* Stanford University Press.

Porter, M. E. (1980). *Competitive Strategy.* Free Press-Macmillan, New York.

Porter, M. E. (1996). What is Strategy? *Harvard Business Review.*

Porter, M. E. (1989). *Competitive Advantage.* Free Press-Macmillan, New York.

Quinn, J.B. (1992). *Intelligent Enterprise.* The Free Press, New York.

Rumelt, R. P. (1984). *Towards a Strategic Theory of the Firm.* Prentice-Hall, Englewood Cliffs.

Slywotzky, A. (1996). *Value Migration*. Harvard Business School Press, Boston.

Slywotzky, A., Morrison, D., Moser, T., Mundt, K., & Quella, J. (1999). *Profit Patterns*. Time Business (Random House), New York.

The standard, (2007, May 3). *Horticulture; flight-mile campaign*. [On-line] Available. http://www.eastandard.net

Thiga, S.W. (2002). Strategic responses of airlines operating in Kenya in the face of changing environmental conditions. *Unpublished MBA project*, School of Business, University of Nairobi.

Tichy, N. (1983). *Managing Strategic Change: Technical, political, and cultural dynamics*. John Wiley, New York.

Trochim, W, (2006). *Research Methods Knowledge Base*. New York.

Toffler, A. (1970). *Future Shock*. Bantom Books, New York.

Wacker, W. & Taylor, J. (1997). *The 500 Year Delta*. Capstone Books, Oxford.

Zahra, S. A., George, G. & Dharwadkar, R. (2000). Entrepreneurship in Multinational Subsidiaries: The Effects of Corporate and Local Environmental Contexts. Proceedings of the conference on Environment. Toronto, Canada. Academy of Management.

APPENDIXES

INTRODUCTION LETTER

Department of Business Administration
School of business,
University of Nairobi

15th Sept 2007

Dear Sir / Madam,

REF: LETTER OF INTRODUCTION

I am a postgraduate student pursuing a Masters of Business Administration (MBA) from the University of Nairobi. I am currently undertaking a research study on '***Strategic responses to environmental challenges in the horticultural sector***'.

Your organization has been randomly selected from the list of Fresh Produce Exporters Association of Kenya (FPEAK) registered companies. I would therefore kindly request for your assistance by availing time out of your busy schedules to complete the attached questionnaire.

A copy of the final report will be availed to you on request.

Your assistance will be highly appreciated.

Yours Faithfully,

Mary N. Mburu – MBA Student

Contact: 0733 477 179

Cc: Professor E. Aosa – Project Supervisor

STUDY QUESTIONNAIRE

PRIVATE & CONFIDENTIAL

Questionnaire No: ________

The information contained in this questionnaire will be treated confidentially and will not be used for any other purposes, other than academic.

SECTION 1: BACKGROUND INFORMATION

1. Name of Company: ____________________________________
2. Location: ____________________________________
3. Sector: (Tick appropriately)

   ☐ Flowers
   ☐ Fruits & Vegetables
   ☐ Other (specify) ____________________________

4. Ownership (Tick appropriately)

   ☐ Foreign Owned
   ☐ Joint Venture
   ☐ Locally owned
   ☐ Other (specify) ____________________________

5. Does the company have any branches and associated companies

   ☐ Yes ☐ No

   If *Yes*, how many_________

   Location: In Kenya__________ Outside Kenya___________

6. Date of incorporation

____

7. How do you sell your products

☐ Direct sales

☐ Supermarket Chains

☐ Agents

☐ Other (specify) ______________________________

8. No of employees (*Engaged during peak season*)

Permanents: ______________

Casuals: ______________

9. Main Products: (*Please list below*)

10. Main Market outlets (*Please list below*)

11. Sales Turnover per annum (in USD) (Please tick appropriately)

- ☐ Less than 1 million
- ☐ Between 1 million – 5 million
- ☐ Between 5 million – 10 million
- ☐ Above 10 million
- ☐ Other (specify) ________________________________

SECTION 2: ENVIRONMENTAL CHANGES

1. How would you describe the macro environmental changes affecting the industry?

- ☐ Very adverse
- ☐ Adverse
- ☐ Normal
- ☐ Other (specify) ________________________________

2. In your opinion, how would you describe the impact of the following environmental changes to your organization?

No.	Environmental Change	High Impact	Fair Impact	Moderate Impact	Little Impact	No Impact
1	Change of Tariffs unfavorably					
2	Increased Competition (from China and else where					
3	Air – miles					
4	Climatic Change					
5	Any other (*Please Specify)* ______________________					

3. What mechanism does your organization use to monitor environmental changes?

____

____

____

____

4. Who is responsible for monitoring the environmental changes in the organization?

____

____

5. Who are your organizations competitors?

____

____

____

____

SECTION 3: STRATEGIC RESPONSES

1. Does your organization practice strategic planning?

☐ Yes ☐ No

If *Yes*, how is it executed?

☐ Formal ☐ Informal

2. Who is responsible for setting out the organizations strategic plans?

____

____

3. What are the organizations main objectives / goals

4. What measures have your organization put in place to respond to the following environmental challenges?

- Change of tariffs

- Increased competition

- Air Miles

- Climatic change

- Any other *(Please specify)*

5. What importance does your organization attach to the following strategies?

No.	Strategy	Very Important	Fairly Important	Moderate Importance	No Importance
1	Diversifying into new products				
2	Seeking New Markets				
3	Improving Product Quality (through certifications e.t.c)				
4	Cost Cutting Measure				
5	Merging with other organizations				
6	Any other (*Please Specify)*				

6. Rank the following in order of importance to your organization.
*(Where: **5** represents very important and **1** represents the least importance)*

- *Survival* ☐
- *Growth* ☐
- *Profitability* ☐
- *Market Share* ☐
- *Competitive Position* ☐

7. Kindly add below any information or comments that you may deem relevant to this questionnaire.

____

____

____

____

____

____

THE END

THANK YOU FOR YOUR COOPERATION

FPEAK REGISTERED COMPANIES

Flower Exporters

Aquilla Development Co. Ltd
Mr. Kuki Amrit
P.O. Box 66743-00800Nairobi
Tel: 020-4440305 / 2 0722-205363, Fax: 020-4440305
Email: info@aquilaflowers.com

Bawan Roses Ltd
Mrs.Betty Ann Mboche
P.O. Box 46037 Nairobi
Tel: 067-47402, Fax: 020-2716768
Email: bawaroses@wananchi.com

Carnation Plants Ltd
Mr. E. Fieldman
P.O. Box 54274 Nairobi
Tel: 020-4448934, Fax: 020-4448937
Email: evi@exoticfields.com

Doralco Kenya Ltd
Mrs.Cristiana Chenet
P.O. Box 57683 Nairobi
Tel: 020-7122179/7122852, Fax: 020-7122870
Email: doralco@swiftkenya.com

Everflora Ltd
Mr. Khilan Patel
P.o. Box 62 Ruiru
Tel: 067-54624 / 50624, Fax: 067-54413
Email: dmblgroup@wananchi.com

Gatoka Ltd
Mr. A. Mishra
P.O. Box 404 Thika
Tel: 067-44235 / 44242, Fax: 067-44001
Email: gatoka@swiftkenya.com

Highflor Growers Ltd
Mrs. H. Karanja
P.O. Box 18521, Nairobi
Tel: 020-533039/4, Fax: 020-542596
Email: highflorgrowers@yahoo.com

Njoro Gardens Ltd
Mr. A. Mussanji
P.O. Box 15434 Nakuru
Tel: 051-62214 / 0733-751412, Fax: 051-61214
Email: rosqua@africaonline.co.ke

Panocal International Ltd
Dr. P. Wekesa
P.O. Box 982 Kitale
Tel: 054-30916, Fax: 054-30917
Email: pwekesa@africaonline.co.ke

Pemi Cultural Afrique Ltd
Mr. M. O. Owiti
P.O. Box 13034-00200
Tel: 050-51005/050-3032578, Fax: 050-51005
Email: pemiexo@kenyaweb.com

Regie Flowers Ltd
Mr. G. Ng'ang'a
P.O. Box 53737, Nairobi
Tel: 020-6762335/0722848579, Fax: 066-33355
Email: regieflowers@yahoo.com

Sian Group Ltd
Mr. Jos V. Danne
P.O. Box 15139 Nairobi
Tel: 020-891089 / 89100036, Fax: 020 891095
Email: jos@sianroses.co.ke

Sote Flowers Ltd
Mrs. A. Chesire
P.O. Box 6027 Eldoret
Tel: 053-62848 / 721220, Fax: 053-62439 / 72069
Email: rchesire@africaonline.co.ke

Tanu Roses Ltd
Mrs. C. Meuschke
P.O. Box 63543 Nairobi
Tel: 066-76282 / 76488, Fax: 066-76006
Email: tanu@africaonline.co.ke

Karen Roses Ltd
Mrs. R. Kotut
P.O. Box 68010 Nairobi
Tel: 020 –884429 / 882064, Fax: 020-570266
Email: karen@karenroses.com

Kirin Agribio Ltd
Mr. Francis Mwangi
P.O. Box 1175 Embu
Tel: 020-229976 / 068-30776, Fax: 020-214336 / 066-020-30776
Email: info.kak@fides.nl

Lauren International Flowers Ltd
Mr. Joseph Tawk
P.O. Box 10373, Nairobi
Tel: 067-44048, Fax: 067-44048
Email: thikanurse@clubinternetk.com

Magana Flowers Ltd
Mr. Santosh Gholkar
P.O. Box 14618 Nairobi
Tel: 020 -631440 / 631612 / 593176, Fax: 020-631611
Email: maganaflowers@swiftkenya.com
Web: www.maganaflowers.com

Mbugua Enterprises Ltd
Mr. S. Mbugua
P.O. Box 14826 Nairobi
Tel: 020-220157 / 225018, Fax: 020-211235
Email: mbuguaent@form-net.com

Mumy Flowers Ltd
Mrs. Mary Ndungu
P.O. Box 9246-00300 Nairobi
Tel: 066-32731 / 0722-682205, Fax: 020-217798
Email: fmuneri@ktdateas.com

Nature Grown Ltd
Mr. W. Kamami
P.O. Box 2577 Thika
Tel: 067-31728, Fax: 067-31728
Email: naturegrown@mbambu.com

Thara Orchards Ltd
Mr. S. Maina
P.O. Box 42995 Nairobi
Tel: 045-41010, Fax: 045-41052
Email: ngongroses@capstoneonline.co.ke

Tropiflora Ltd
Mr. N. Krasensky
P.O. Box 622 Village Market Nbi
Tel: 066-73076 / 73202, Fax: 066-73138 / 73278
Email: tropiflora@africaonline.co.ke

Valentine Growers Co. Ltd
Mrs. E. Gakibe
P.O. Box 18755 Nairobi
Tel: 066-22520 / 40108 / 51045, Fax: 066-22531
Email: info@valentine-flowers.com

Vegpro Kenya Ltd
Mr. Bharat Patel
P.O. Box 32931 Nairobi
Tel: 020-822834, Fax: 020-823236
Email: bharat@vegpro-group.com

Wetfarm Ltd
Mrs. E. Thande
P.O. Box 14725 Nairobi
Tel: 020-570302, Fax: 020-570302
Email: wetfarm@wananchi.com

Wilmar Agro Ltd
Mr. W.K. Muiruri
P.O. Box 1682 Thika
Tel: 067-30176, Fax: 067-30176
Email: wilmar@bidii.com

Fruits and Vegetable Exporters

Agrifresh Kenya Ltd
Mr. W. Dolleman
P.O. Box 63249 Nairobi
Tel: 020-860650/1/2, Fax: 020-860652
Email: info@agrifreshkenya.com

Ansa Horticultural Consultants Ltd
Mr. Sam Wangai
P.O. Box 53579 Nairobi
Tel: 020-3750348/3750647, Fax: 020-3750044
Email: ansa@iconnect.co.ke

Avenue Fresh Ltd
Mr. C. Muchiri
P.O. Box 3865 Nairobi
Tel: 020-825342/820015, Fax: 020-825288
Email: avenue@avenue.co.ke

Beltcargo Services Export Ltd
Mr. J. Muigai
P.O. Box 688-00618 Ruaraka
Tel: 020-4448821/4448822, Fax: 0209-4448820
Email: beltcargo@swiftkenya.com

Cleosam Enterprises Ltd
Mr. S. Nzuki
P.O. Box 544240-00200, Nairobi
Tel: 0722-329874
Email: cleosamy@yahoo.com

East African Growers Ltd
Mr. P. Mahajan
P.O. Box 49125 Nairobi
Tel: 020-822017/25, Fax: 020-822155
Email: info@eaga.co.ke

Everest Enterprises Ltd
Mr. J. Karuga
P.O. Box 52448 Nairobi
Tel: 020-824141/823333, Fax: 020-824195
Email: jkaruga@everest.co.ke

Kenya Fresh Produce Exporters Ltd
Ms. Priscillia King'ang'i
16845-00620
Tel: 254 20 826267/8, Fax: 254 20 836268
Email: kenyafresh@swiftkenya.com

Kenya Horticultural Exporters (1977) Ltd
Mr. Manu Dhanani
P.O. Box 11097-00400 Nairobi
Tel: 020-650300/1/2, Fax: 020-543857
Email: khe@khekenya.com
Web: www.khekenya.com

Makindu Growers & Packers Ltd
Mr. O.P. Bij
P.O. Box 45308 Nairobi
Tel: 020-822812, Fax: 020-822813
Email: info@makindugrowers.co.ke

Mboga Tuu Ltd
Mr. Jimmy Kent
P.o. Box 47070 Nairobi
Tel: 020-566497/564213, Fax: 020-564467
Email: mtl@wananchi.com

Myner Exporters Ltd
Mr. Simon Maina
P.O. Box 11706 Nairobi
Tel: 020-607997, Fax: 020-607997
Email: myner@todays.co.ke

Sacco Fresh Ltd
Mr. J. M. Muia
P.O. Box 22124 Nairobi
Tel: 020-824687/8, Fax: 020-824689
Email: sacco-fh@africaonline.co.ke

Sunfresh Farm Produce Ltd
Mr. J.K. Gathura
P.O. Box 22300 Nairobi
Tel: 020-609266, Fax: 020-602689
Email: sunfresh@wananchi.com

Fian Greens Ltd
Mr. F. Thuita
P.O. Box 60455-00200 Nairobi
Tel: 020-826157, Fax: 020-826158
Email: info@fiangreen.com

Frigoken Limited
Mr. Dostmohamed
P.O. Box 30500 Nairobi
Tel: 020-860096/860449, Fax: 020-860098
Email: frigoken@africaonline.co.ke

Greenlands Agroproducers Ltd
Mr. G. Murungi
P.O. Box 78025 Nairobi
Tel: 020-827080/1/2, Fax: 020-827078
Email: murungi@greenlands.co.ke

Homegrown Kenya Ltd
Mr. R. Evans
P.O. Box 10222 Nairobi
Tel: 020-573800/574193/574198, Fax: 020-574838/574940
Email: admin@homegrown.co.ke
Web: www.flamingoholdings.com

Horticultural Farmers & Exporters Co. Ltd
Mr. J. Muriuki
P.O. Box 17956-0050 Nairobi
Tel: 020-555506, Fax: 020-555186
Email: hfec@wananchi.com

Indu Farm (EPZ) Ltd
Mr. C. Bernard
P.O. Box 42564 Nairobi
Tel: 020-550215/6/7, Fax: 020-550220
Email: info@indu-farm.com

Jakal Services Ltd
Mr. K. Bandali
P.O. Box 86074 Mombasa
Tel: 041-223360/229435, Fax: 041-315550
Email: jakal@form-net.com

Sunripe (1976) Ltd
Mr. Hasit Shah
P.O. Box 41852 Nairobi
Tel: 020-822518/822879, Fax: 020-822709/3502266
Email: info@sunfripe.co.ke
Web: www.sunripe.co.ke

Super Veg Ltd
Mr. R. Kachela
P.O. Box 41876, Nairobi
Tel: 020-823234/053-63005, Fax: 020-823236/053-33506
Email: superveg@africaonline.co.ke

Tropical Horticultural Products Ltd
Mr. S. Ethangatta
P.O. Box 56032 Nairobi
Tel: 020-246982, Fax: 020 - 246982
Email: simonethangatta@ihc.co.ke

Value Pak Foods Ltd
Mrs. J. Patel
P.O. Box 42828, Nairobi
Tel: 020-823438/8234444439, Fax: 020-823347
Email: valuepak@wananchi.com

Wamu Investments Ltd
Mrs. Peris Muriuki
P.O. Box 26026 Nairobi
Tel: 020-822441/824990, Fax: 020-824991
Email: wamu@swiftkenya.com

Waqash Enterprises Ltd
Mr. S. Gulamhussein
P.O. Box 90728 Mombasa
Tel: 041-314596/225512, Fax: 041-220394
Email: waqash@swiftmombasa.com

Wilham Kenya Ltd
Mr. P. Mahajan
P.O. Box 52494 Nairobi
Tel: 020-822030/020-823976, Fax: 020-822823 Email: info@eaga.co.ke

Justel Fruits
Lincoln K. Njeru
P.O. Box 51361,00200 Nairobi
Tel: 215263,0733805197, Fax: 318641
Email: lnieru@icea.co.ke

Woni Fru-Veg Exporters & Importers Ltd
Mr. T.K. Mutiso
P.O. Box 52115 Nairobi
Tel: 020-532805/650350/825268/821132,
Fax: 020-560350
Email: woni@swiftkenya.com

Kakuzi Ltd
Mr. R. Collins
P.O. Box 24 Thika
Tel: 06764618/20/27/37, Fax: 067-64240
Email: horticulture_sales@kakuzi.co.ke