GROWTH STRATEGIES ADOPTED BY TOP FAST GROWING MEDIUM SIZE COMPANIES IN KENYA

BY

ERICK OBIERO ODIWOR

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DECLARATION

This research project is my original work and has never been presented in any other University or college before for any academic award.

Signed…………………………………….. Date……………………………………….

ERICK OBIERO ODIWOR

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

Signed …………………………………….. Date ………………………. ………………….

ELIUD O. MUDUDA

LECTURER

DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

DEDICATION

This project is dedicated to my lovely wife, Joanitha Joseph Rweyemamu, son, Leon Ochieng Odiwor, the late mother, Beldine Adoyo Obiero and my retired but not tired Dad, Mr. Gabriel Wilfred Obiero Otieno.

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ABSTRACT

The motivation behind this study was the fact that fast growing medium size companies in Kenya play a critical role in the economic development of the nation. However, according to the researcher, there seems to be limited if any studies on the growth strategies which have been adopted by these companies and the extent of such strategies towards their growth.

The study aimed at establishing the strategies adopted by fast growing medium size companies in Kenya by focusing on the top fast growing medium size companies in Kenya. The study focused on the top ten fast growing medium size companies in Kenya as per the latest ranking conducted by KPMG and Nation Media Group. The data of the study was collected using a structured questionnaire comprising both the open – ended and close-ended questions. The questionnaire was administered through drop and pick method. All the ten companies identified for study responded positively apart from one company that did not respond and this according to the researcher has not affected the accuracy of the results.

The study found out that top fast growing medium size companies in Kenya have adopted formal growth strategic plans, market development and product development plans. The companies have also adopted the market penetration strategy as well as gone further to ensure they recruit best talents that help them in coming up with such growth strategies. At the same time, the results indicated that there was a great contribution of such adopted strategies towards the growth of medium size companies in Kenya. However, the respondents indicated that the use of such strategies as joint venture was found to be of no significance to the growth of top fast growing medium size companies.

The study recommended that more companies be embraced upon to adopt the relevant growth strategies from the macroeconomic level of the government policy making to the organization's level since such strategies contribute towards the growth of the companies and subsequently towards the economic development of a nation. To the fellow researchers, the study has recommended that a replicate study be conducted using a case study of any of the top one hundred (100) fast growing companies in Kenya apart from the top ten companies which were the focus of this study in order to compare the results and make appropriate conclusions and further recommendations, hence expand the knowledge in this area.

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ABBREVIATIONS

GDP	Gross Domestic Product
OPI	Organization Performance Index
COYA	Company of the year awards
KIM	Kenya Institute of Management
NSE	Nairobi Stock Exchange
KIPPRA	Kenya Institute of Public Policy and Research Agency
SME	Small and Medium Size Enterprise
MSE	Medium Size Enterprise
SME	Small and Medium Size Enterprise

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy is an important element of a management process and according to Johnson, Scholes and Wittington (2000), strategy has been defined as the direction and scope of organization over the long – term, which achieves advantage for the organization, through its configuration of resources within a changing environment to meet and fulfill expectations. Johnson and Scholes also consider strategic decisions in an organization as a blend of deliberate and purposeful actions aimed at matching the activities of the organization in which it operates.

On the other hand, strategic management is defined as the process of formulating and implementing strategic goals and objectives. It integrates strategic planning and management into a single process. Strategic management becomes an ongoing activity in which all managers are encouraged to think strategically and to focus on long-term, externally oriented issues as well as short – term tactical and operational issues (Bateman and Zeithaml, 1993).

Rees (2006), views organizations today as becoming increasingly aware of the importance of strategic management. This awareness in a system is a critical dimension in the performance of organizations. The real life experiences substantiate the assumption that no matter how sophisticated and modern the business activities of the organization may become, it will be extremely difficult to sustain its growth and effectiveness unless there are strategies that complement its operations.

In Kenya, medium size companies play a critical role in economic development. Ayyagari, Demirguc-Kunt and Maksimovic (2011), state that on average 60 percent of formal employment in manufacturing sector is contributed by these organizations in advanced and developing economies alike. However, despite all the importance of fast growing medium size companies in Kenya, researchers have not conducted elaborate studies on the strategic options adopted by the fast growing medium size companies in Kenya. Hence, this study sought to bridge this gap by studying the strategic options adopted by top ten fast growing medium size companies in Kenya.

1.1.1 Concept of Strategy

Strategy is a direction and scope of organization over the long – term, which achieves advantage for the organization, through its configuration of resources within a changing environment to meet and fulfill expectations. The strategic decisions in an organization are a blend of deliberate and purposeful actions aimed at matching the activities of the organization in which it operates (Johnson et al., 2002).

On the other hand, strategy making brings into play the critical managerial issues of how to achieve the intended results in light of the organization's prospect. The complexity of strategic decisions requires strategic management. Strategic management has been defined as set of decisions that results in formulation and implementations designed to achieve organizations objectives. Believes that strategic management represents an organization's ability to analyze strengths, weaknesses, opportunities and threats facing the organization; develop the scope, resources, competitive advantage, and synergy; and create organizational flexibility in order to respond to changes in the environment (Johnson et al ., 2008).

The philosophy underlying the success of an organization is dependent on whether certain set objectives are met within a given period and one of the techniques adopted by most organizations in achieving success is the strategic management and on the other hand it has never been a guarantee that the use of a strategic management will lead to success or desired performance by an organization.

1.1.2 Various Strategic Options

Strategic options or responses can be categorized according to the dimension, domain, and speed, and they conceptualize resources as tangible and intangible. The theoretical framework is meant to understand the relationships among strategic options to new technologies; organizational resources; and firm's performance (Lee and Grewal, 2004).

Strategy is in itself the sustained patterns of resource allocation by which firms align themselves effectively to their external environment. Hence, a useful place to start is to consider the macro–environment context in which industry finds itself. This is a period of un-parallel change driven by factors such as genomics, heath economics and globalization.

Each of these factors individually would call for a considered strategic option from the industry, but taken together they represent a fundamental change in the market environment (Smith and Tushman, 2002).

According to Porter (1980), there are four generic strategies which are the cost leadership strategy, the differentiation strategy, cost focus strategy and differentiation focus strategy. Under a cost leadership strategy**,** a firm will be producing at the lowest cost in the industry and hence enjoys the best profits. Producing at lower cost is a strategy that can be used by various firms so as to have a significant cost advantage over the competition in the market. On the other hand a differentiation strategy involves differentiated goods and services that satisfy the needs of customers through a sustainable competitive advantage. This allows companies to desensitize prices and focus on value that generates a comparatively higher price and a better margin.

Cost focus strategy on the other hand entails offering a lower cost advantages to a section of the market segments with basic services offered to a higher priced market leader is a strategy accepted in the corporate world. It results to similar products to much higher priced products that can also be acceptable to sufficient customers in the market. A focused strategy based on low cost aims at securing a competitive advantage by serving buyers in the target market niche at a lower price than rival competitors.
Lastly, a firm can opt for differentiated focus strategy whereby items to differentiate within one or a number of target market segments. The special customer needs of the segment means that there are opportunities to provide products that are clearly different from competitors who may be targeting a broader group of customers.
Porter reiterates that only by a company making a strong and unwavering commitment to one of these generic competitive strategies rather than stand in the middle does it stand much chance of achieving sustainable competitive advantage that such strategies can deliver if properly executed.

When a firm's environment moves to a new turbulence level, the responsiveness of the firm's capability to the environment stimuli must also move to a different level. If the capability fails to keep pace with the environment, the firm is in danger of losing its competitive position and become unprofitable at the same time, different strategic options despite perception of the same challenges may be due to differences in a firm's resources or capabilities (Ansoff, 1976).

1.1.3 Fast Growing Companies

Aswath (2011) views fast growing companies as those that are diverse in size, growth prospects and can be spread out over very different businesses but share some common characteristics that make an impact on how they can be valued. Some of these features of a fast growing company include the dynamic financials which is the information used to value companies based on their financial statements (income statements, balance sheets and statements of cash flows). One feature shared by fast growing companies is that the numbers in their statements are in a state of flux. Not only can the numbers for the latest year be very different from numbers in the prior year, but can change dramatically even over shorter time periods. For many smaller, high growth firms, for instance, the revenues and earnings from the most recent four quarters can be dramatically different from the revenues and earnings in the most recent fiscal year (which may have ended only a few months ago). Another feature of these companies is the aspect of private and public equity.

It is widely accepted conventional wisdom that the natural path for a young company that succeeds at the earliest stages is to go public and tap capital markets for new funds. However, fast growing companies do not have to venture into public offering but can remain a private venture. Therefore, public entities are not the only feature of a fast growing company. Another feature of these companies is the use of debt. These fast growing companies tend to carry less debt, relative to their value (intrinsic or market). In some sectors, such as technology, most fast growing companies with large positive earnings and cash flows are reluctant to borrow money. In other sectors, such as telecommunications, where debt is a preferred financing mode, fast growing companies will generally have lower debt ratios than mature companies.

Another characteristic of fast growing companies is the size aspect. This feature should be looked at both in terms of the accounting value and the financial value. Meaning that growth in market value and book values of the firm should not be overlooked.

The last feature is that the market history is short and shifting in the case of fast growing companies. For example an analyst looking at a fast growing company will only need to scrutinize the recent historical data confirming such growth rather than dwell on very past historical data that may not be quite useful in analyzing such companies' growth rate. In short, while the degree to which these factors affect growth firms can vary across firms, they are prevalent in almost every growth firm.

1.1.4 Fast Growing Medium Size Companies

According to the survey dubbed the "Top 100 Medium-Size Company" commissioned by KPMG and Nation Media Group, a fast growing top medium sized company is one which ranks ahead of its peers in terms of revenue growth, profit growth, returns to shareholders and cash generation/liquidity. Fast growing medium size company is one which has succeeded in progressively growing its market position in the industry in which it operates and over time, this growth has translated into both returns for its shareholders and a fairly sound financial position.

These Medium Enterprises (SMEs) have been known to contribute greatly in economic growth of both developed and developing countries. According to a report published in the journal of Economic Literature in the year 2000 about the manufacturing firms in developing countries, the share of these Medium sized firms as well as the small firms in employment tends to be higher in developing countries, which are typically more focused on small-scale production.

Therefore, the focus of this study was the top ten fast growing medium companies as per the latest survey conducted in the year 2013. These companies were taken as the top ten fast growing medium sized companies in Kenya and they are listed in the appendix I.

1.1.5 Top Ten Fast Growing Medium Size Companies in Kenya

These are the top ten fast growing medium size companies in Kenya according to the recent survey that was conducted by KPMG and Nation Media Group among all the top 100 medium size companies in Kenya.

According to Sproul (2013), top fast growing medium-sized companies are companies which are well placed to influence an economic growth as they are equipped with both the flexibility and long-term aspirations needed to push for innovative strategies and understanding the success factors of these fast growing medium size companies is critical to the continued economic growth and revival.

In Kenya, the top ten fast growing medium size companies are those that came top out of the survey conducted by KPMG and Nation Media Group among all the one hundred (100) medium size companies in Kenya. According to the latest survey done in the year 2013, the following companies emerged the top ten fast growing medium size companies in Kenya Lean Energy Solutions, Digital City Ltd, Plenser Ltd, Allwin Agencies (K) Ltd, Propack Kenya Ltd, Vivek Investments Ltd, Powerpoint Systems (EA) Ltd,Coninx Industries Ltd Synermedica Pharmaceuticals Limited companies and East African Canvas Co. Ltd which formed the focus of this study.

1.2 Research Problem

Fast growing medium size companies in Kenya play a critical role in the economic development of the nation just like small sized companies. However, statistical data particularly on the strategic options of these medium size companies in Kenya has remained scanty despite the vital role they are playing. Due to this lack of adequate information, KPMG and Nation Media Group launched the Kenya's Top 100 mid-sized companies Survey ('Top 100 Survey') in 2008. The survey focuses on the fast growing mid-sized companies in recognition of the fact that this sector is a key contributor to Kenya's economic growth as earlier stated. However, this survey alone has not provided all the information related to the fast growing medium sized companies in Kenya. Birch (1981) in a survey of the fast growing European SMEs found out that rapidly growing firms (which he named "gazelles") are responsible for most employment growth.

On whether these fast growing medium sized companies embrace strategic options in their operations, it remains unanswered question. A fact supported by Farouk and Saleh (2011) who found out in their paper on exploring strategies for small and medium enterprises in Saudi Arabia that despite the fact that these companies forming the highest percentage of all the businesses with a large number of employees and contributing to the economic growth, they lack strategy which is the right plan to grow, continue and develop. Farouk and Saleh further found out that the growth of small and medium size companies to be a complex phenomenon. Despite the fact that the growth of small and medium size companies has gained vast academic interest, not a single model according to the researcher has been developed to date that can adequately explain why some small and medium size companies grow and others do not. At the same time, none of the above studies sought to specifically address the strategic options adopted by top fast growing medium size companies in Kenya. Therefore, this study sought to address the issue of strategies adopted by top fast growing medium size companies in Kenya? What were the strategies adopted by these top fast growing medium size companies in Kenya?

1.3 Research Objectives

The objectives of the study were: -

i) To determine growth strategies adopted by top fast growing medium sized Companies in Kenya.
ii) To determine the extent to which such strategies enhance the growth of such companies.

1.4 Value of the Study

The study will be valuable to different players who will find it critical in their various roles. First of all the findings will be important to the policy makers who are concerned with the growth rate of medium organizations and in turn the economic growth of a nation. For instance in Kenya, the findings will help the country’s economic policy makers in developing the appropriate policy documents which will enhance the growth of medium size companies and subsequently contribute towards the economic development of the country.

The findings will also be important to the academic community who will have an additional knowledge in the area of strategic options and the growth of medium sized companies. In this regard, the various researchers in the field of growth strategies and medium size companies will get the relevant information which will guide and influence their studies.

Lastly, the findings will enable the managers of medium size companies in understanding and managing the strategic options, performance and growth of their companies in today’s highly turbulent and competitive business environment. In this regard, the management of such companies will be in a position to set their growth objectives and by adopting some of the findings and recommendations of this study, they will be in a position to achieve their growth objectives by using the relevant growth strategies.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents views on the various existing literature on the subject. This is arranged in terms of the concept of strategy, theoretical basis of a company's growth, growth parameters of medium size companies, macro-economic foundations of medium size companies, strategic approaches to growth by medium size companies and the empirical review of related studies.

2.2 Theoretical Basis for a Firm's Growth

Growth is a vital indicator of a flourishing company. There are many factors (parameters) like characteristics of the company, access to resources like finance and manpower which affect the growth of a company and differentiate it from anon-growing company. Gilbert et al. (2006), suggested how and where questions are important in the context of the growth of the company. It has been highlighted that growth is a function of the decisions an entrepreneur makes, like how to grow internally or externally and where to grow in domestic market or international market. In this regard, therefore many different theories which do identify and explain this concept of growth of a firm (company). First we have lifecycle theory of a firm's growth. According to this theory, a company's growth is the lifecycle stage in which a Company develops value – creation skills and competences that allow such companies to acquire additional resources. Growth allows companies to increase their division of labor and specialization leading to the development of competitive advantage. A company that is able to acquire resources is likely to generate surplus resources that will allow it to grow faster and further. Thus satisfy the needs of their stakeholders.

Another theory is the population ecology theory of a company's growth which emphasizes that there are two factors that account for fast growth of any company. The first being as new companies are founded, there will be an increase in the knowledge and skills available to generate similar company. This explains why many companies are founded by entrepreneurs who were part of the existing ones and such companies grow very fast. The second factor of this theory is a new environment that is when a new kind of company is founded and survives, it provides a role model. The success of a new company makes it relatively easy for entrepreneurs to find similar new organizations.

However, Levie and Lichtenstein (2010) have disputed the above theories of a company's growth in that they do not provide an ample evidence of the growth and development of a given company. In their, they have found out that there is no agreement in defining the stages of a company's growth. Levie and Lichtenstein further, pointed out that previous research studies lack proper evidences on what is the path of progress from one stage to another and the reasons behind the shift. In this regard, they suggested a new dynamic stage theory which argues that organizations are not like organisms, and their growth can be co-created with the help of shifting of internal as well as external environment. This theory of dynamic stage theory, states a company can survive and maintain itself by being flexible and by adapting continuous changes in the environment.

Leitch et al. (2010), on the other hand suggested that there is a need to understand the growth phenomenon and its importance to conceptualize the phenomenon properly since there is a lack of shared understanding on the causes, effects, and the process of growth of a firm. This view was supported by Ngure (2010), who considered a company's growth to be a hot topic today and that explains why it remains the top management agenda in today's field of corporate governance whether in a small, big or medium sized company. A company's growth is not only vital for the economic growth of a nation but also a pre-condition for survival for any company. Again, Leitch et al. considered the growth of small and medium size companies as a complex phenomenon. Although it has gained vast academic interest, not a single model has been developed to date that can adequately explain why some SMEs grow and others do not.

2.3 Conceptual Understanding of Strategy

Resource based view approach to strategy is a model of determining the strategic resources available to a company. The fundamental principle of this model is that the basis of a competitive advantage of a firm lies primarily in the application of the bundle of valuable resources at the company's disposal. Hence, the adoption of a resource based model of strategic option. According to a resource based view of a firm explains it ability to deliver sustainable competitive advantage when resources are managed in such a way that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier and add value to a firm. However, not all resources of a firm may contribute to its competitive advantage (Johnson et al., 2008).

The essence of strategy is how firms can outperform others, whether in terms of growth, market share or customer satisfaction it does not matter. Thus, managers need to determine how a firm is to compete so that it can obtain advantages that are sustainable over a lengthy period of time. That means focusing on two fundamental questions: How should we compete in order to create competitive advantage? For example whether a company needs to position itself as the low – cost producer, develop unique products that enables a premium price to be charged or some combination of both (Porter, 1985).

Porter also argues that sustainable competitive advantage cannot be achieved through operational effectiveness alone. Most of the popular management innovations of the last two decades like total quality management, just-in – time, benchmarking, business process re-engineering, outsourcing are all about operational effectiveness. Operational effectiveness means performing similar activities better than rivals. Each of these is important but none leads to sustainable competitive advantage, since everyone is doing them. Strategy is all about being different from everyone else. Sustainable competitive advantage is possible only through performing different activities from rivals or performing similar activities in different ways.

2.4 Growth Parameters of Medium Size Companies

Several growth parameters or factors which can be learned and measured can be taken to measure the growth of medium size companies. These factors include competitive advantage, market size, and organizational culture, psychological characteristics of the leader, and the ability and capacity to manage growth and the alignment of growth strategies to the company’s internal and external environments. These strategies must be responsive, easily adapted to changing competitive environments, based on informed choices, and incorporate scenario planning for multiple contingencies.

O’Niell (1983), points out that a manager needs to engage in strategic planning in order to develop a system of management that transitions with company growth. Once the leader has identified the firm’s functions, he or she should promote, train employees, and provide opportunities for skill development and this in turn will enable the medium size company to grow.

2.5 Macro-economic Foundation of Medium Size Companies

Strategy is in itself the sustained patterns of resource allocation by which firms align themselves effectively to their external environment. Hence, a useful place to start is to consider the macro–environment context in which industry finds itself. This is a period of un-parallel change driven by factors such as genomics, heath economics and globalization. Each of these factors individually would call for a considered strategic option from the industry, but taken together they represent a fundamental change in the market environment (Smith and Tushman, 2002).

The gross domestic product (GDP) and economic growth rate are factors of macro-economic foundation which affect the company's performance. Gross domestic product is a measure of the country's overall economic performance. It is the money value of total goods and services produced annually in a country using exclusively the resources of a country.

Several studies have been conducted which are related to the macro - economic foundations or factors in relation to companies' performance. In a study conducted by Kenya Institute of Policy and Public Research Agency (KIPPRA) in the year 2008, of the various micro, small and medium size companies (MSMEs) in Kenya, revealed that inflation rates, economic growth rate, availability of bank credit as some of the factors affecting the growth of such companies in Kenya.

During the year 2012, medium size companies in Kenya had to operate within an economy that registered improved economic performance in 2012 with an annual growth of 4.6 per cent in GDP compared to 4.4 per cent in 2011. Hence, this definitely affected their growth and investment decisions. With a macroeconomic environment that is relatively stable, inflation pressure eases, while the exchange rate also stabilizes against major foreign currencies. However, in the year 2011, the Kenyan economy faced risks of macroeconomic instability reflected in high inflation and a weakening of the shilling against other international currencies. Hence, negative impact on the companies including medium size companies.

Rate of inflation is another factor of macro-economic environment affecting the medium size companies. It can be defined as a persistent increase in general price levels in an economy over the time. Low or medium levels of inflation in a country can have a positive effect on the medium size company, in that it can act as an incentive to production. High levels of inflation however can harm a medium size company's profitability by affecting the cost of inputs as well as reducing final demand for its output. Ultimately the effect of inflation on a firm is determined by the nature of its operations as well as its competitive environment.

A company which experiences an in-elastic demand for its products may be able to cushion itself from adverse impact of inflation by transferring the price increases to final consumers, thus leaving its margin untouched. The same could be said of a company operating in a sector with low levels of competition. From liquidity point of view, inflation is likely to result in an erosion of the real value of any financial claims outstanding an opposed to the nominal value of such claims which may find it with receivables whose real value is diminished, thus inflation harms lenders and tend to benefit borrowers (Myers and Steward, 1984).

Interest rate is yet another factor of this framework of macro-economic foundation. It is defined represent the cost of borrowing capital for a given period borrowing capital for a given period of time. However, according to Myers and Steward, prevailing interest rates are of much concern to many firms, including the medium size companies because of indexing of interest rates to inflation. Studies show that interest rates affect capital structure decisions which in turn affect the growth of a company. According to Singh, if the interest rate is high, investment falls, a low rate of interest leads to increase in investment activity. Therefore, it is implied that with an increased investment decisions, growth of an organization is likely to increase while on the other hand, reduced investment decisions means that growth of an organization is likely to be impeded.

2.6 Strategic Approaches to Growth by Medium Size Companies

According to Porter, Strategy consists of the analysis, decisions and actions that an organization undertakes in order to create and sustain competitive advantages. This definition captures two main elements that go to the heart of strategy. First the strategy of an organization entails three ongoing processes: analysis, decisions and action. That is strategy is concerned with the analysis of strategic goals (vision, mission, and strategic objectives) along with the analysis of the internal and external environment of the organization and leaders must make strategic decisions.

The essence of strategy is how firms can outperform others, whether in terms of growth, market share or customer satisfaction it does not matter. Thus, managers need to determine how a firm is to compete so that it can obtain advantages that are sustainable over a lengthy period of time. That means focusing on two fundamental questions: How should we compete in order to create competitive advantage? For example whether a company needs to position itself as the low – cost producer, develop unique products that enable a premium price to be charged or some combination of both. Hence, the use of various strategic options (approaches) by different companies.

Diversification is one of the four typical main growth strategies as defined by product/market ansoff matrix. Diversification is a form of corporate or business level strategy for a company that is seeking growth through increase profitability via greater sales volumes obtained from new products and new markets. Diversification usually requires a company to acquire new skills, new techniques and new facilities (Ansoff, 1976).

In horizontal diversification, a company adds new products or services that are often technically or commercially unrelated to current products but may appeal to current customers. Conglomerate (or lateral) diversification occurs when a company markets new products or services that have no technological or commercial synergies with current products. The products though may appeal to new groups of customers.

Business Acquisition Strategies on the other hand is also a typical growth strategy that a company can employ. Such a strategy is used to maximize a company's growth through enhance production and marketing operations and is common in many fields such as Information Technology, Telecommunications and business process outsourcing and the traditional businesses to gain strength , expand the customer base and cut completion or enter into new markets or product segment.

Marketing strategies can also be used to enhance the growth of an organization and the top fast growing medium size companies cannot be left outside. The marketing strategies are the various initiatives that a company undertakes to attract and retain the customers by fulfilling or promising to fulfill their expectations. Successful marketing strategy will lead to competitive advantage being realized and provision of opportunities for the organization to respond to the various challenges within its operating environment (Ouma and Munyoki, 2010).

Blue Ocean Strategies enables a firm to open up to new alternatives and does not look at competition in terms of confrontation with partners and rivals but a unique form of non-conflict cooperation. This strategy requires that a company open their mindsets to include the customers, the suppliers and the complementary as key constituencies. Finally the model requires granular customer's analysis by various companies in order to complete sensible customer segmentation. The ideal being, in fact the consideration of each single customer individually with his or her own needs and wants (Wilde and Hax, 2003)

Kim and Mauborge (2005) define and explain blue ocean strategy as the wider, deeper potential of market place that is not yet explored. Like the ''blue'' ocean, it is vast, deep, powerful, in terms of profitable growth, and presenting infinite possibilities. Under the blue ocean strategy, there is scarcely an attractive or unattractive industry because the level of industry attractiveness can be altered through companies' conscientious efforts. As market structure is changed by breaking the value tradeoff, so are the rules of the game
Blue Ocean Strategy is a way in which the top fast growing medium size companies can make competition irrelevant by creating a leap in value for both the companies and their customers. In Blue Ocean Strategy, demand is created rather than fought over like in Red Ocean Strategy. Therefore, there is an ample time for growth that is profitable, rapid and sustainable. In Blue Ocean competition is irrelevant because the rules of the game are waiting to be set.

2.7 Empirical Review

In a study conducted by Memba et al in the year 2012, seeking to establish the impact of Venture Capital on the growth of medium size companies in Kenya, it was found out that that lack of finance was one of the main reasons why these companies do not perform well in most developing countries. The study collected data from the said companies before and after the use of venture capital finance. Memba et al also went further and established that these companies made significant growth after accessing the financing and recommended that other similar companies should follow suit to attain the desired growth.

In 2012, Saleh conducted a study which was exploring the strategies adopted by small and medium enterprises in Saudi Arabia found out that there was lack of a theoretically grounded and holistic view of strategic option which had been adopted by these small and medium size companies. The study further stated that most researches focus on the role and importance of SMEs in the economy. Most references did not provide an in-depth analysis and integration of SME's strategy in the Kingdom of Saudi Arabia.

On the other hand, Glenn H. Mazur (1998), in his research paper entitled strategy deployment for small and medium size enterprises found out that such companies often lack time and energy to implement strategic plans.

In a research paper entitled variety in strategic management, perceptions of strategy, a study of entrepreneurship in fast growth medium-sized firms which was presented during the strategic management society annual conference by Perks and Bouncken in 2004, it was in found out that small and medium sized firms (SMEs) rarely utilize formalized strategic management concepts despite their strong contribution to the development. However, some fast growing medium sized companies, entrepreneurs in Europe whose businesses had grown rapidly from small to medium size in terms of employment over a five year period had typical and mixed strategic management styles.

Different stages of SMEs business required the strategic planning and it was observed that most of the units within SMEs in Pakistan are sick because of lack of planning strategies.

The strategy however continuous strong growth is not necessarily one of the aims of an enterprise, then success has been measured in other ways (Rohra and Junejo, 2009)

While in a paper by Miroslav and Yanko in 2010, on the impact of a firm's specific characteristics on the growth of small and medium-sized enterprises in Central and Eastern Europe, it was found out that the determinants of a fast growing medium size company is related not only to the traditional determinant of size but also to other specific characteristics associated with its financial structure and productivity.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter sets out the research design and methodology that was adopted to meet the stated objectives in chapter one of this study. In this chapter, the research design, the population of the study, the data collection instruments and data analysis techniques have been clearly outlined.

3.2 Research Design

The study was descriptive in nature and the researcher used survey method of all the top ten fast growing medium size companies in Kenya as per the latest survey conducted in the year 2013 by KPMG and Nation Media Group. Cooper and Emory (1995) noted that a descriptive study is used to learn what, who, where and how a phenomenon is the focus of the proposed study.

Descriptive studies are not only restricted to fact findings but may often result in the formulation of important principles of knowledge and solutions to significant problems. This method is preferred because descriptive studies present data in a meaningful form thus help to understand the characteristics of a group in a given situation and systematically about aspects in a given situation and help make certain simple decisions (Kerlinger, 1999).

Mugenda and Mugenda (1999), noted that a survey research attempts to collect data from members of a population and describes existing phenomena by asking individuals about their perception, attitudes, behavior or values. Moreover, it explores the existing status of two or more variables at a given point in time. Since the researcher does not have direct control of independent variables as their manifestation has already occurred or because the study will not be confined to the collection and description of the data, but will be seeking to find out the existence of certain relationships among the variables under investigation. Hence, the research design selected satisfied this aspect of this study since this study was seeking the adopted growth strategies and the extent of such strategies to the growth of fast growing medium size companies in Kenya.

3.3 Population of the Study

All the top ten fast growing medium size companies as per the latest survey conducted by KPMG and Nation Media group formed the population of study. Therefore, these top ten companies not only made up the population of study but also the sample of study.

3.4 Data collection

Primary data was collected using a semi-structured questionnaire. The questionnaires were administered to respondents' selected randomly from all the top ten fast growing medium size companies in Kenya as listed in the appendix I. These questionnaires targeted employees at senior levels of management since they were the ones involved in the formulation of the various strategic options in relation to the companies' growth and performance. These questionnaires were dropped and later picked after being filled by the identified respondents. The questionnaire that was used is attached at appendix III of this research project.

3.5 Data Analysis

The study conducted required the use of tools of analysis. These tools were used to determine the strategic options that have been adopted by top ten fast growing medium size companies in Kenya and the extent of adopting such strategic options to their growth.

The data collected were analyzed qualitatively and quantitatively. Program such as MS Excel 2007 was used to generate inferential and descriptive statistics from the respondents to establish the growth strategies they adopted and the extent of such strategies to the growth of such companies. These relative importance and weight of various variables under study were summarized in relevant tables and figures.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective of this study was to find out growth strategies adopted by top ten growing medium size companies in Kenya and to determine the extent to which such strategies enhance the growth of such companies. This chapter therefore, presents the analysis and findings with regard to the objectives and discussion of the same.

The response rate of ninety percent (90%), 9 (nine) top fast growing medium size companies in Kenya was achieved from the total target population of ten (10) top fast growing medium size companies in Kenya. This response was quite impressive since it gave the researcher the desired results. This good response was first of all as a result of the fact that the researcher used telephone and email to introduce himself and his intention to base his study on these companies and an assurance that the study was purely for academic purposes and not for any other objective. Secondly, the target respondents were from middle to top level management who were literate and well conversant with the topic being studied.

Summaries of these data findings together with their possible interpretation have been presented in form of relevant tables, figures and charts.

4.2 Respondents Profile

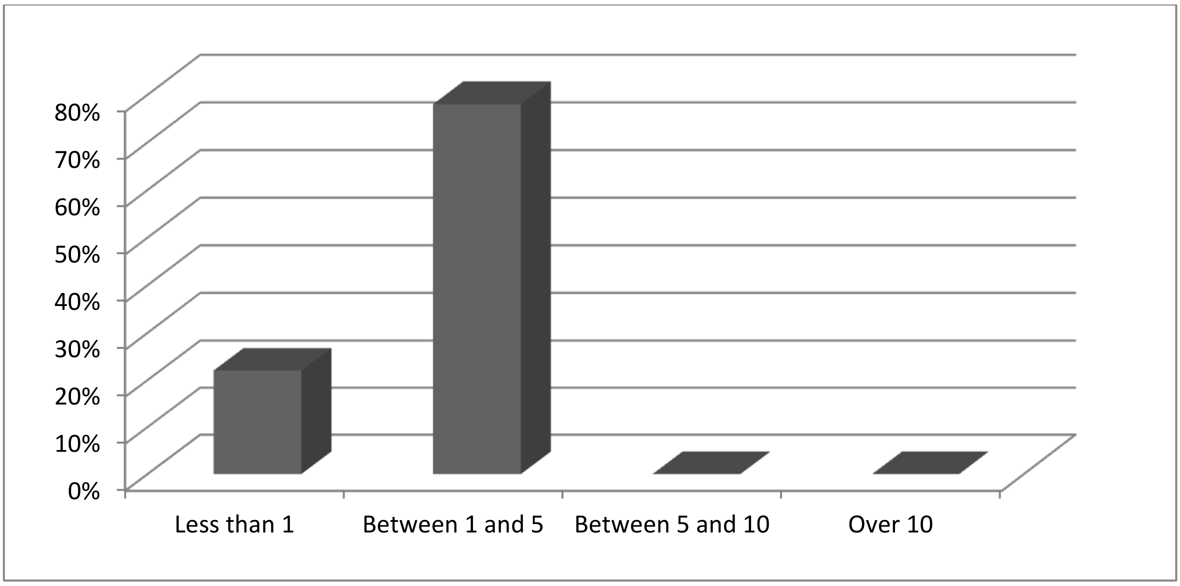
As shown in the table 4.1 below, the respondents were asked various questions on their profile including their departments and the duration they have worked in their current senior positions and these were their responses. The respondents comprised from the human resources, finance, accounts, marketing, customer service and the business analysis departments. The researcher did not get any response from one of the top ten companies without giving any reason. In the researcher`s view, this lack of response from the particular target population does not in any way compromise the quality and aim of this study.

Table 4.1 Respondents' Experience

No. of Years	Number	Percentage
Less than 1	2	22%
Between 1 and 5	7	78%
Between 5 and 10	0	0%
Over 10	0	0%
Total	**9**	**100.0**

Source: Author (2014)

Figure 4.1: Respondents' Experience



Source: Author (2014)

All the respondents were from the management level with 60% coming from the top level management. Concerning the experiences of the respondents, that is, the duration that they have worked in their current positions, it ranged from one to five years. Over 75% of the respondents were found to have worked in their current positions for between one to five years. This implies that all the respondents had adequate knowledge of the growth strategies that are employed by their companies to be among the top ten growing medium size companies in Kenya. Having worked in their positions for at least one year is an indication that they understood the company in a great manner.

With their proper and strong background in the day to day running of the affairs of the various companies and the industry at large, the respondents were found to be knowledgeable on the subject matter of the research and thus helped the researcher in realizing the research objectives.

4.3 Number of Years of Operation in Kenya

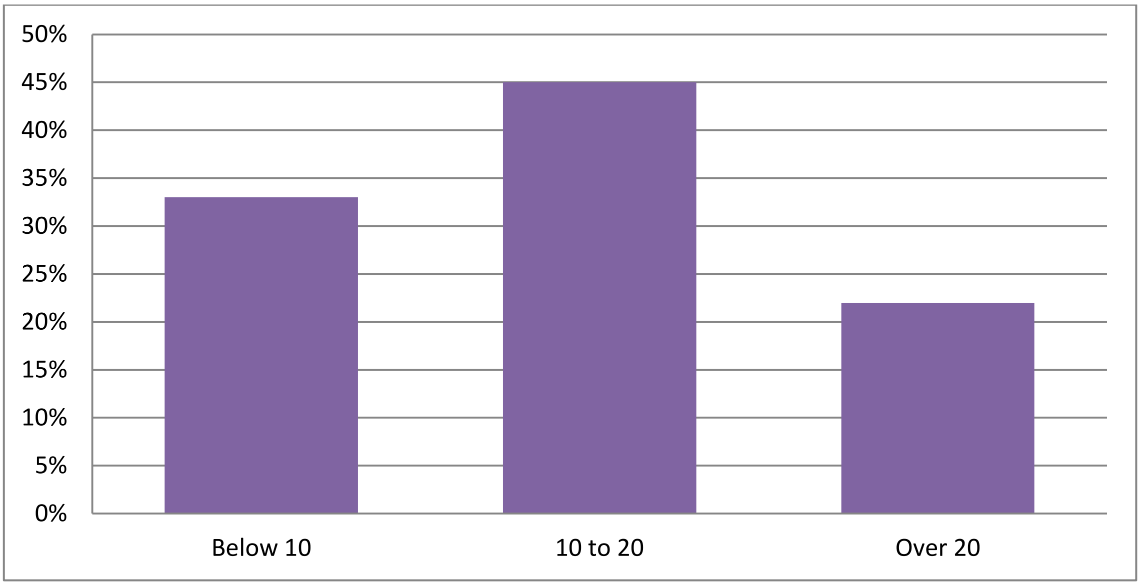
Under this section, the researcher has captured the number of years top fast growing medium size companies have operated in Kenya. This was to help in analyzing their duration of operation in Kenya as indicated in the table 4.2 and figure 4.2 below.

Table 4.2 Number of Years of Operation in Kenya

Number of years	**Companies**	**Percentage**
Below 10	3	33%
10- 20	4	45%
Over 20	2	22%
Total	**9**	**100.0**

Source: Author (2014)

Figure 4.2 Number of Years of Operation in Kenya



Source: Author (2014)

From the survey, 33% of the respondents have operated in Kenya for less than 10 years while 22% have operated in Kenya for more than 20 years and 45% have operated in Kenya for between 10 and 20 years. This is a clear indication that such companies have experience in terms of the growth strategies and how to manage various environmental challenges in their markets. Hence, such target population provided a better opportunity to the researcher who was seeking to answer the question as to whether such companies have growth strategies and the extent of such strategies in their growth of being fast top growing medium size companies in Kenya.

4.4 Number of Times Such Companies Have Been Recognized as Top Fast Growing

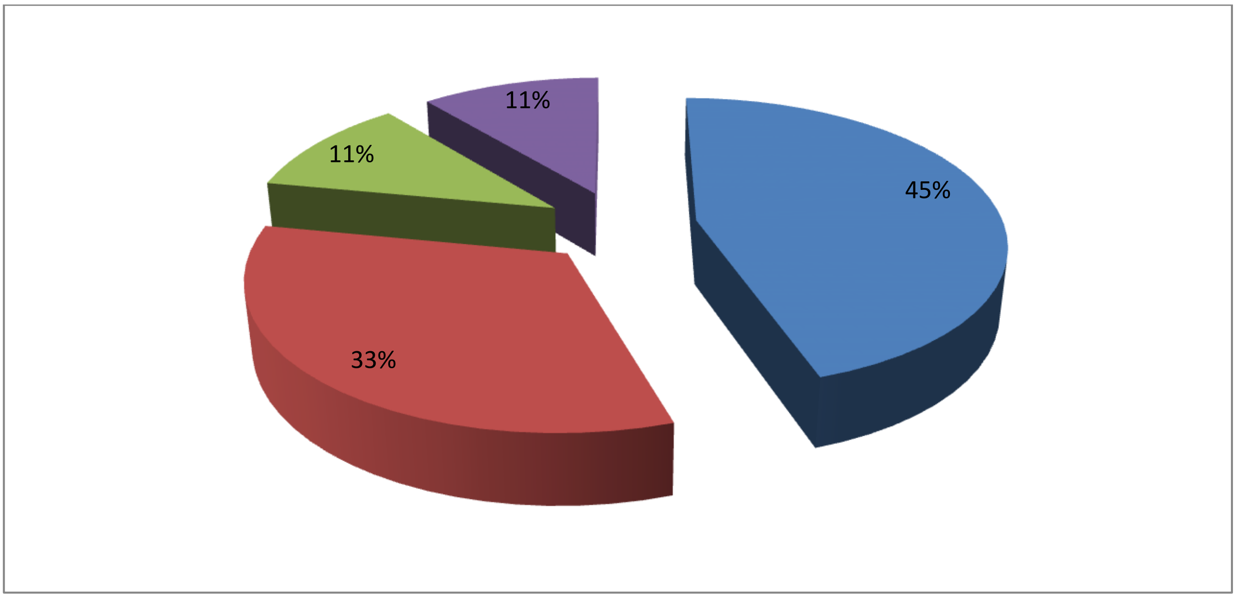
The researcher was curious to know the number of times these top fast growing companies have been recognized as among the top ten fast growing medium size companies in Kenya since they started operating in Kenya. Interestingly, 45% of the companies have been recognized only once which was during the last period of awards in the year that ended in 2013. More than 50% of such companies have been recognized twice and 11% being recognized three times while a similar percentage of 11% being recognized four times. In other words, 55% of these companies have been recognized for more than once as being top fast growing medium size companies in Kenya and therefore represented the top fast growing medium companies in Kenya.

Table 4.3 Number of times companies recognized among top ten fast growing

Number of Companies	Number of Times Recognized Among Top Ten Fast Growing	Percentage
1	3	45%
1	4	33%
3	2	11%
4	1	11%
9	**10**	**100%**

Source: Author (2014)

Figure 4.4 Number of times recognized among top ten fast growing company



Source: Author (2014)

4.5 The companies' Percentage Market Share in Kenya

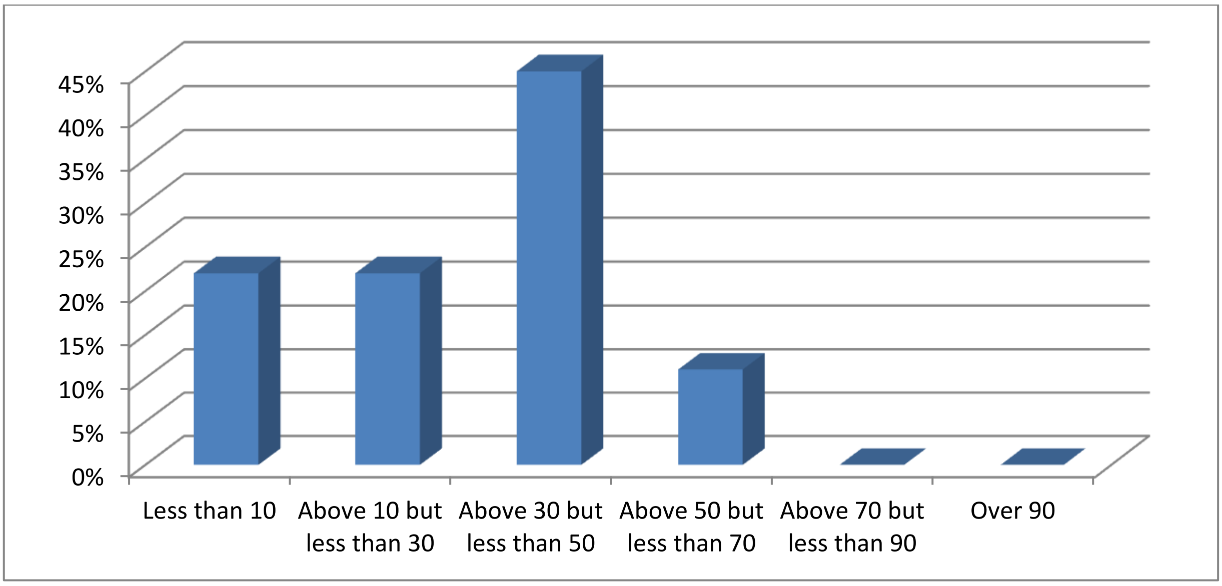
This section of the questionnaire sought to establish the market share of respective companies being studied. From the data got, it is ironical that none of the top fast growing companies has a market share of above 70%. On the other hand, majority of these companies, that is 45% have a market share of between 30% and 50% while 22% of the companies do have a market share of less than 10%.

Table 4.4 Company's Percentage Market Share in Kenya

Percentage Market Share	Number of Companies	Percentage
Less than 10	2	22%
Above 10 but less than 30	2	22%
Above 30 but less than 50	4	45%
Above 50 but less than 70	1	11%
Above 70 but less than 90	0	0%
Over 90	0	0%
Total	**9**	**100%**

Source: Author (2014)

Figure 4.5 Company's Percentage Market Share in Kenya



Source: Author (2014)

4.6 The Adoption of Various Strategic Options in Enhancing Growth

This section, the researcher sought to find out whether these companies employ the various strategic options and the extent of employing such strategic options.

Table 4.5 Adoption of Various Strategic Options in Enhancing Growth

Strategic Option	1 (No Extent)	2 (Little Extent)	3 (Neither)	4 (Great Extent)	5 Very Great Extent)
Having a formal strategy for growth	**0%**	**0%**	**11.1%**	**22.2%**	**66.7%**
Recruiting best talents	**0%**	**0%**	**0%**	**33.3%**	**66.7%**
Cost Reduction	**0%**	**0%**	**11.1%**	**11.1%**	**77.8%**
Expenditure in R & D	**0%**	**22.2%**	**33.3%**	**22.2%**	**22.2%**
Improve product quality	**0%**	**0%**	**33.3%**	**11.1%**	**55.6%**
Employ differentiation strategy	**0%**	**0%**	**44.4%**	**44.4%**	**11.1%**
Cost Leadership	**0%**	**0%**	**33.3%**	**55.6%**	**11.1%**
Product Development	**0%**	**11.1%**	**0%**	**55.6%**	**33.3%**
Diversification	**11.1%**	**22.2%**	**22.2%**	**22.2%**	**22.2%**
Niche Strategy	**11.1%**	**22.2%**	**33.3%**	**11.1%**	**22.2%**
Market Development	**0%**	**0%**	**22.2%**	**44.4%**	**33.3%**
Market Penetration	**0%**	**0%**	**33.3%**	**22.2%**	**44.4%**
Joint Venture	**33.3%**	**33.3%**	**33.3%**	**0%**	**0%**

Source: Author (2014)

As can be seen from the table above, only about 22% of the companies have adopted some form of formal strategy towards their growth while close to 67% do have some formal strategy for growth. When it comes to the aspect of recruiting best talents 66.7% of the organizations have adopted this as a growth strategy and only 33.3% of the organizations have adopted the same to some extent.

In view of cost reduction, about 78% of the organizations have adopted this strategy while around 11% of the same organizations adopted the same strategy to some extent. On the other hand, almost 22% of the organizations under study use research and development as a growth strategy and an equal percentage use the same strategy to some extent.

Regarding the issue of improvement of product quality, about 56% of the organizations have adopted this strategy to a great extent while about 11% of the organizations have adopted this strategy to some extent. On the other hand, again almost 56% of the organizations have embraced cost leadership as a growth strategic option and only about 11% of the organizations under study have only adopted cost leadership as a strategic option to some extent. At the same time, about 56% of the organizations studied have adopted differentiation strategy while only about 11% of the organizations have some form of differentiation strategy. However, almost 44% of the organizations did not indicate whether they have adopted this strategy.

It was interesting to observe that about 11% of the organizations under study have adopted cost leadership as a growth strategy to a very great extent while about 56% of the organizations have adopted the same strategy only to some extent. On the other hand, when it comes to product development, about 33.3% of the organizations have adopted this strategy to a very great extent while a massive 55.6% of the organizations have adopted this strategy to some extent. Similarly, diversification as a strategy has been adopted by close to 22% of the organizations while about 33% of the organizations adopted the same to some extent though about 44% of the organizations did not indicate whether they have adopted this strategy or not. On the aspect of niche strategy, it is important to note that almost 22% of the organizations have adopted this strategy to some great extent, 11% of them adopted the strategy to some extent, and about 33% of the organizations did not indicate whether they have adopted this strategy.

When it comes to market development, about 33.3% of the organizations have adopted this strategy to a very great extent while 44.4% of the organizations have adopted this strategy to a great extent and 22.2% did not indicate whether they have adopted this strategy or not. At the same time, about 44% of the organizations under study have adopted market penetration to a very great extent and 22.2% of the organizations have adopted this strategy to a great extent and 33.3% of the organizations did not indicate whether they have adopted this strategy or not. Lastly on the use of a joint venture, no organization under study indicated that they have adopted this strategy. However, about 67% of the organizations indicated that they have not adopted this strategy either to a little extent or at all.

4.7 Extent of Adopted Strategies towards Growth

The researcher sought to find out the extent of the following strategies towards the growth of top fast medium size companies in Kenya and the results have been indicated in the table 4.6 below.

Table 4.6 Extent of Adopted Strategies towards Growth

Strategic Option	Lowest Extent	Low Extent	Neither	High Extent	Highest Extent
Having a formal Strategy for growth	**0%**	**0%**	**11.1%**	**11.1%**	**77.8%**
Recruiting best Talents	**0%**	**0%**	**0%**	**22.2%**	**77.8%**
Cost Reduction	**0%**	**0%**	**11.1%**	**33.3%**	**55.6%**
Expenditure in R & D	**0%**	**22.2%**	**44.4%**	**11.1%**	**22.2%**
Improve product quality	**0%**	**0%**	**33.3%**	**22.2%**	**44.4%**
Employ Differentiation Strategy	**0%**	**0%**	**33.3%**	**44.4%**	**22.2%**
Cost Leadership	**0%**	**11.1%**	**33.3%**	**22.2%**	**33.3%**
Product Development	**0%**	**11.1%**	**0%**	**55.6%**	**33.3%**
Diversification	**11.1%**	**11.1%**	**22.2%**	**44.4%**	**11.1%**
Niche Strategy	**11.1%**	**11.1%**	**11.1%**	**44.4%**	**22.2%**
Market Development	**0%**	**0%**	**0%**	**33.3%**	**66.7%**
Market Penetration	**0%**	**0%**	**22.2%**	**22.2%**	**55.6%**
Joint Venture	**66.7%**	**22.2%**	**11.1%**	**0%**	**0%**

Source: Author (2014)

From the table 4.6 above, it can be clearly seen that 78% of having a formal strategy for growth has contributed to a very great extent towards the growth of the companies under study. On the other hand, about 11 % of the organizations consider this strategy to contribute only to some extent towards their growth. In a similar perspective, almost 78% of the organizations indicated that the recruitment of best talents contributes to their growth in a very great extent and 22% of the organizations indicated that this strategy contributes to some extent to their growth. When it comes to the contribution of cost reduction to their growth, 55.6% of the organizations indicated that this strategy contributes a very great deal and about 34% of the organizations indicated this strategy contributes to some extent only. At the same time, only about 22% of the organizations believe that expenditure in research and development has very significant contribution towards their growth as compared to only about 12% of the organizations which indicated that research and development contributes to not greatly to their growth and about 66% of the organizations indicated that this strategy does not contribute to their growth at all.

In view of improvement of product quality, about 45% of the organizations indicated that this strategy contributes to a very great extent to their growth and about 23% of the organizations indicated that this strategic option contributes only towards their growth to some extent. While about 32% of the organizations indicated that this strategy has neither contributed to their growth. When it comes to differentiation strategy, about 22 % of the organizations under study indicated that this strategy to a very great extent contributes to their growth while almost 45% of organization indicated that this strategy only contributes only to some extent towards some extent. Cost leadership as a strategy, contributes to growth to a very great extent according to 33% of the organizations. On the contrary, about 23% of the organizations indicated that this strategy contributes to their growth only to some extent. While about 44% of the organizations indicated that this either contributes to a little extent or does not contribute at all to their growth.

When it comes to the contribution of product development, about 56% of the organizations indicated that this strategy contributes to a very great extent towards their growth while about 34% indicated that this strategy contributes to some extent towards their growth and about 10% of the organizations indicated that this strategy contributes very little towards their growth. On the aspect of diversification strategy, almost 11% of the organizations indicated that this strategy contributes in a very great extent to their growth and about 45% of the organizations indicated that this strategy contributes in a great extent to their growth, approximately 22% of the firms indicated that this strategy neither makes any contribution to their growth and about 11% of companies indicated that this strategic option makes little contribution to their growth. Concerning niche strategy, about 22 % of the organizations indicated that the adoption of this strategy contributes to a very great extent towards their growth, almost 45% of the firms under study indicated that this strategy in a great extent contributes to their growth, about 11% of the firms indicated that this strategy neither makes any contribution to their growth, while approximately 11% of firms indicated that this strategy contributes to a little extent towards their growth on the other hand, almost 11% of the organizations indicated that this strategy does not have any contribution towards their growth.

Market Development has been indicated to have either very great contribution or great contribution towards the growth of an almost 100% of the companies under study. On the other hand when it comes to market penetration, about 78% of the companies studied, indicated that the adoption of this strategy either contributes in a very great extent or great extent to their growth and only almost 22% of them indicated that this strategy neither makes any contribution towards their growth. Lastly, on the contribution of a joint venture as a growth strategy, none of the companies under study indicated that this strategy makes any significant contribution towards their growth, about 11% of the companies respondents indicated that this strategy neither makes any contribution towards their were not sure whether it makes or does not make any contribution towards their growth. On the other hand, about 89% of the companies indicated that this strategy does make either low or lowest contributions to their growth if any.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the major findings of this study. The study sought to find out the growth strategies adopted by top fast growing medium size companies in Kenya and the extent of such strategic options to their growth.

Questionnaires were used to gather primary data. These questionnaires were both closed and open ended questions and were administered by the researcher in person having contacted the respondents in advance via telephone and email. Therefore, the questionnaires were simply dropped and later picked though a good number of respondents filled them there and then which were quite commendable. In addition, this chapter gives the conclusions, limitations of this study and recommendations to respective persons and for further research.

5.2 Summary of the Findings

The study sought to establish the growth strategies adopted by the top fast growing medium size companies in Kenya given the role of these companies in the economic growth and therefore their critical role in the economic development.

This study further endeavored to determine the extent of such growth strategies towards the growth of the medium size companies in Kenya.

From the results of this study, most respondents came from the managerial level and as such had adequate experience in their respective companies. Hence, they understood the topic under study as well as what the researcher was investigating via the questionnaires leading to relevant responses. From the responses and data gathered and the analysis of the same, over 65% of the top fast growing medium size companies have operated in Kenya for more than ten years. At the same time, over 60% of them have been recognized among top fast growing companies in Kenya. Nevertheless, about 78% of the companies have a market share of between 10% and 70% in Kenya.

The top ten growing medium size companies were found to have adopted a formal strategy for growth and in a similar version they have adopted recruitment of best talent, cost reduction, market development, market penetration, product development and the improvement of their product quality. These strategies have made very great contributions towards the growth of these medium size companies in Kenya.

However, none of the companies under study was found to have adopted joint venture as a strategic option and the same was found not to be making any contribution to the growth of these fast growing companies in Kenya.

5.3 Conclusions

The study found out that top fast medium size companies in Kenya have adopted such growth strategies such as formal strategy for growth, having a formal strategic plan, recruiting of the best talents, cost reduction, improving the product quality, differentiation strategy and product development. None of the companies under study have employed joint venture as a growth strategic option. However, a number of companies are not sure whether the use of formal strategies contributes towards their growth despite them being recognized as one of the top fast growing medium size companies in Kenya.

On the extent of such growth strategies towards their growth, to which a strategic option is employed is directly proportional to the extent to which it contributes to the growth of the company. The more a certain option has been employed the more it contributes to the growth of the company.

5.4 Recommendations

The study will be valuable to different players who will find it critical in their various roles. To the government policy makers responsible for our economic growth, these findings will help in developing policy guidelines which will enhance the growth of medium size companies which have been found to be making significant contribution towards the economic growth of a nation. In particular, these findings will be crucial in the development of the appropriate economic policy guidelines that will enhance the growth of medium size companies and subsequently contribute towards the economic development of the country.

The findings will also be important to the academic community especially the researchers who will access an additional knowledge in this area of strategic options and the growth of companies. In this regard, the various researchers in this field of growth strategies and medium size companies will get the relevant information which will guide and influence their studies.

Lastly, the findings will enable the managers of medium size companies in understanding and managing the strategic options, performance and growth of their companies in today's highly turbulent and competitive business environment. In this regard, the management of such companies will be in a position to set their growth objectives and adopt appropriate growth strategies in order to attain the said objectives.

5.5 Limitations of the Study

The respondents given their level of management and nature of busy operations were usually very busy and needed to take the minimum amount of time to fill the questionnaires though as accurately as possible. The challenge was overcome by contacting the respondents in advance over the phone and via email and this made the drop and pick method effective.

The other challenge was the huge financial implication involved in the logistics of gathering data, collecting and making the final report. This challenge was overcome by the researcher saving some money in advance plus getting some support from well - wishers.

Lastly, there was the challenge of one of the target companies failing to respond at all. This was overcome by having a response rate of 90% which meant that the final results remained as accurate as possible.

5.6 Suggestions for Further Research

The study researched on the growth strategies adopted by top fast growing medium size companies in Kenya using a survey method of the top ten fastest growing medium size companies in Kenya. This research therefore, should be replicated using a case study method or any other desirable method by selecting any of the medium size companies among the top 100 as per the annual survey being conducted by KPMG and Nation Media Group. The results should be analyzed compared with these results in order to establish further relationships between the growth strategies and growth of medium size companies.

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APPENDICES

Appendix I: List of Top Ten Fast Growing Companies in Kenya

1. Lean Energy Solutions,
2. Digital City Ltd,
3. Plenser Ltd,
4. Allwin Agencies (K) Ltd,
5. Propack Kenya Ltd,
6. Vivek Investments Ltd,
7. Powerpoint Systems (EA) Ltd,
8. Coninx Industries Ltd
9. Synermedica Pharmaceuticals Limited companies
10. East African Canvas Co. Ltd

Source: eastafricatop100.com website.

Appendix II: Questionnaire Cover Letter

To Whom It May Concern,

Dear Sir/Madam,

<u>RE: COLLECTION OF DATA FOR AN MBA ACADEMIC PROJECT</u>

I am a student of the University of Nairobi currently Master in Business Administration, Strategic Management Option. My topic of study is growth strategies adopted by top ten fast growing medium size companies in Kenya.

Being among the top ten fast growing medium size company as per the latest KPMG and Nation Media Group survey of the year 2013, which is among my target companies of study, I do hereby request for your authority to enable me collect data that can enable me accomplish the above task which is mandatory for the completion of my academic program.

Be assured that the information shared will be purely for academic purposes and will be treated with utmost confidentiality and in case you would like a copy of the findings of the study, the same will be availed as desired.

Thank you in advance.

Yours faithfully,

Erick Obiero Odiwor

Student Number: **D61/80183/2012**

Mobile Number: **0721 68 66 35**

Email: **obyro2003@yahooo.com**

Appendix III: Questionnaire

Please answer all questions honestly according to the given instructions

SECTION A: GENERAL INFORMATION

Complete this section by filling in the spaces

1. Name of your Organization…………………………………………………….
2. Department…………………………………………………………………..
3. Position/Title of the respondent…………………………………………….
4. Number of years in the current position

   Less than 1 year ( )

   Between 1 and 5 years ( )

   Between 5 and 10 years ( )

   More than 10 years ( )

5. How many years has the company operated in Kenya?
6. How many times has the company been recognized as among the top 10 fast growing medium size companies in Kenya?
7. What is your company's percentage market share in Kenya? (Tick as appropriate)

   Less than 10% ( )

   Above 10 but less than 30 ( )

   Above 30 but less than 50 ( )

   Above 50 but less than 70 ( )

   Above 70 but less than 90 ( )

   Above 90 ( )

SECTION B: GROWTH STRATEGIC RESPONSES ADOPTED BY YOUR COMPANY

To what extent does your company employ each of the following strategic options to enhance fast growth in your sector? Please tick as appropriate

(Key; 1= not at all; 2 = little; 3= moderate extent; 4 = great extent; 5= very great extent)

	1	**2**	**3**	**4**	**5**
Having a formal strategy for growth					
Recruiting best talents					
Cost Reduction					
Expenditure in R & D					
Improve product quality					
Employ differentiation strategy					
Cost Leadership					
Product Development					
Diversification					
Niche Strategy					
Market Development					
Market Penetration					
Joint Venture					

Other (Specify)

a)………………

b)…………………

c)…………………..

SECTION C: EXTENT OF THE STRATEGIC RESPONSES TOWARDS GROWTH

To what extent does the following strategy contribute towards the growth of your company? Please tick as appropriate

(Key: 1= not at all; 2 =little extent; 3 = moderate extent; 4= great extent; 5= very great extent)

	1	**2**	**3**	**4**	**5**
Having a formal strategy for growth					
Recruiting best talents					
Cost Reduction					
Expenditure in R & D					
Improve product quality					
Employ differentiation strategy					
Cost Leadership					
Product Development					
Diversification					
Niche Strategy					
Market Development					
Market Penetration					
Joint Venture					

Other (Specify)

a)…………………………………………….

b)…………………………………………….

c)……………………………………………