Abstract

The study was concerned with the challenges and networking strategies: a case of equipment manufacturing MSEs in Kariobangi area of Nairobi County. To achieve this objective, the study used research instruments such as interviews, questionnaires and observation in collecting data from respondents who were mainly owners of the businesses. The data collected was processed and analyzed in accordance with the study objectives.

The findings of this study are that MSEs networking is done predominantly by owner managers. Networking is a very frequent activity and is conducted at equal level and is aimed at expanding the area of influence and knowledge. The networks were found to be long term, mainly outsourcing contracts and are not aimed at merging the entities, as the firms remain separate entities. The interactions are mainly verbal and individual to individual and are not confined to the cluster but also involve other towns in the Eastern African region. Financial advice, technical advice, marketing, costs and talent skills were the main issues that MSEs sorted help through networking. The benefits received from the networks were mainly on marketing information, worker training and the use of scarce resources. The challenges encountered by these firms were mainly related to managerial skills, finances, competition, marketing, government legislation, interest rates, crime, changing techniques, bookkeeping and accounts and cash flow management. The strategies that the firms were using to overcome the challenges were forming Clusters, Alliance constellations and Industrial districts.

The study concluded that in an environment where adapting faster to the changing environment is important for success, networking is the only way that will enhance MSEs growth. This is because MSEs compile knowledge, skills, and resources from the networks. This information is important for realizing competitive advantages, specialization, cooperation and increased flexibility.

The study recommends that in an economy like Kenya where unemployment is in very high levels, the government should take the development of MSEs seriously by enabling the development of clusters and industrial districts all over the country, as these will more likely increase employment and contribute to making local economy more vibrant and more attractive to foreign direct investments.

From the findings of this study, it is recommended that further research be carried out whereby all MSEs will be looked at irrespective of what the firms are manufacturing, another factor that this study should consider is that it covers a wider area for example, Nairobi county. The two studies should be compared; with the aim of finding out if this study was in agreement with the general norms.