STRATEGIC RESPONSES TO ENVIRONMENTAL CHALLENGES
BY ALLIANCE GINNERIES LTD IN TANZANIA

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DECLARATION

I Fredrick Gachau Macharia hereby declare that this research project is my original work and has not been presented for a degree in any other university.

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Supervisor’s Approval

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

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DEDICATION

I dedicate this work to my lovely sons Steve, Chris and Michael, my wife Esther and my late Mother Kezziah for their immeasurable love, support and inspiration.
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First, I would like to thank God the Almighty through whom all things are possible.

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ABSTRACT

Organizations are faced with a myriad of challenges emanating from the environment. In order to survive, strategies have to be devised to respond to the forces that threaten to halt survival. Companies that do not respond appropriately are usually driven out of business. Companies respond to the challenges in terms of devising cost cutting strategies, adopting new technologies, competing on low prices or on high quality products or services, differentiating the products or focus strategies. The cotton industry in Tanzania has had a number of environmental changes over the years. The challenges are compounded by the fact that most of their customers are international customers who hold enormous powers making them the major determinants in the pricing of the industry’s final products. Most companies within the industry have had to devise ways of responding to these changes in order to survive. Alliance Ginneries Ltd has been a player in the industry for many years and is expected to have formulated strategies to enable it respond to these changes. This research was carried out to examine how Alliance Ginneries Company in Tanzania is strategically responding to challenges posed by the competitive environment. The research was a case study of Alliance Ginneries Ltd, a Tanzanian company with subsidiaries in Zambia and Zimbabwe. The researcher used an interview guide as the primary data collection instrument. The interview guide was administered using e-mails and face to face interviews through video conferencing to the departmental heads and other employees in management positions at Alliance Ginneries. Data collected was analyzed based on content analysis. The study found out that the operating environment in the cotton industry is very dynamic and volatile. The study further concludes that Alliance Ginneries had adopted various strategies to respond to the environmental changes such as expansion into new regions, operation cost reduction, restructuring and outsourcing of non-core activities. The study recommends that Alliance Ginneries should engage in more cost reduction as a response to its competitor’s strategies. The government should also reduce some of the regulatory measures to give the industry the power to regulate itself since the industry is heavily regulated. Further research should be undertaken to establish the strategic responses to competitive changes employed by other companies within the cotton industry. The study was limited in that it included respondents from one company and conclusions drawn may not be representative of the whole industry. It also captured members of one focus group excluding other important stakeholders from the study.

Keywords: Business environment; Strategic responses; Environmental changes.
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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The goal of every organization is to operate with success and keep its business alive. However, they are all faced with enormous challenges and need to align and realign with the turbulent environment. Burnes (2004) has observed that there is considerable support for the view that the pace of change is accelerating as never before, and organizations have to chart their way through an increasingly complex environment. Organizations are having to cope with pressures of globalization, changes in technology, the rise of e-commerce, situations where customers and suppliers can be both competitors and allies, and a change in emphasis from quantity to quality and from products to services.

Kanter (1989) argues that today’s corporate elephants need to learn to dance as nimbly and speedily as mice if they are to survive in our increasingly competitive and rapidly changing world. Companies must constantly be alert and on their guard, and keep abreast of their competitors' intentions. According to Johnson, Scholes, and Whittington (2005), an organization exists in the context of complex political, economic, social, technological, environmental and legal world. This environment changes and is more complex for some organizations than others. How this affects the organization could include an understanding of historical and environmental effects, as well as expected or potential changes in environmental variables. Many of these variables will give rise to opportunities and others will exert threats on the organization-or both.
Ansoff and McDonell (1990) state that successful environment serving organizations are open systems and use strategies that ensure continued organizational survival in the environment. They further state that a major escalation of environmental turbulence means a change from a familiar world of marketing and production to unfamiliar world of new technologies, new competitors, new consumer attitudes, new dimensions of social control and above all unprecedented questioning of the firm’s role in the society. Kay (1993) also concluded that successful corporations based their strategies on an effective match between the external relationships of the firm and its own distinctive capabilities. According to Kay, the success of any firm is often based on the exploitation of the capabilities which the firm already enjoys, as such, strategy should begin with an understanding of what these distinctive capabilities are.

Strategy can be viewed as building defenses against competitive forces or as finding positions in the industry, where forces are weakest (Pearce and Robinson, 1999). Porter (1980) sees strategies as being all about competition and trying to gain competitive advantage. Johnson and Scholes (2002) define strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfill stakeholder expectations. Therefore, strategic response can be seen as the matching of activities of an organization to the environment in which it operates.

Strategic response affects the long-term direction of an organization and requires large amounts of resources. It is aimed at achieving advantage for the organization and as such it is concerned with the scope of the entire organization’s activities (Johnson and Scholes,
1999). Pearce and Robinson (1997) state that in order for organizations to achieve their goals and objectives, it is necessary for them to adjust to their environment. The dynamism of the environment implies that organizations have to remain competitive.

Operations management is the management of the direct resources required to produce the goods and services provided by an organization (Aquiland and Chase, 1991). According to Ansoff and McDonell (1990), operations management is concerned with exploiting the present strategic position to achieve organizational objectives. According to Johnson and Scholes (2002), operational tasks are very important but they are essentially concerned with effectively managing resources already deployed, often in a limited part of the organization within the context of an existing strategy. They indicate that operational management focus on routinised, operational specific and short-term tasks. Johnson and Scholes (1993) points out those operational strategies are concerned with how the different functions of the enterprise like marketing, finance, manufacturing and so on contribute to the levels of strategy. They have further observed that strategic decisions are likely to affect operational decisions, while Hickson et al (1986) views this as setting off waves of lesser decisions.

In a business firm the operations manager is concerned with converting the profitability potential into actual profits. In operations management the major activity is to establish and bring about levels of organizational output which will best contribute to the objectives (Ansoff and McDonell, 1990). According to Johns and Harding (1989), the modern operations manager is intimately involved in the management of change now than ever, the person who will gain advantage for themselves and their organization will be the individual who manages the change process more successfully. The changing and
challenging operating environment will either be seen as a threat or opportunity, depending on one’s approach to management of change.

A strategy developed for the operations area should ensure that operations capability supports the firm’s desired competitive advantage in its market place. For example if the firm decides to pursue a cost leadership strategy, its objective is to provide a range of goods or services comparable to its competitors, but at lower cost. The pursuit of such a strategy has great implications within the firm, not least in the operations area. It will have certain impact on the acceptance criteria for investment decisions, on attitudes towards recruitment and remuneration, the linkages developed with suppliers and so on. All these decisions will need to be focused on minimizing the firm’s operating costs and, if this strategy has been established for sometime, then the decision-making process will be embedded in the firm’s ‘minimum cost’ culture.

1.1.1 Business Environment
The environment can be defined as the conditions and influences in which people carry out a particular activity. A business gets resources from the environment and supplies its goods and services to the environment. There are different levels of environmental forces. Some are close and internal forces whereas others are external forces. These environmental forces provide opportunities as well as threats to the businesses. Organizations will strive to take advantage of the environmental opportunities while at the same time guard themselves from environmental threats.

According to Pearce and Robinson (1995), the business environment can be divided into the remote environment and operating environment. The remote environment includes political, social, technological and industry factors. The operating environment has a
direct impact on the ability of the firm to sell its products profitably. Among the factors to be considered here, are competitive position, customer profile, reputation among suppliers/creditors and the labor market. The operating environment is much more under the control of the firm, compared to the remote environment. So the firm should be more proactive in dealing with the operating environment.

Business organizations have no control over the external environment. Any changes in this external environment will require the organizations to respond by altering their internal environment to counter any threats or exploit resultant opportunities. An organization relies on strengths to capture opportunities and recognize weaknesses to avoid becoming a victim of environmental threats. A company performs environmental analysis to gain an understanding of these strengths, weaknesses, opportunities and threats. The environmental analysis then influences corporate planning and policy decision. This environmental analysis is a three-step process in which a company first identifies environmental factors that affect its business. The company then gathers information about the selected set of environmental factors that are most likely to impact business operations. This information serves as input to a forecast of each environmental factor on the business.

The business environment within which the cotton industry in Tanzania operates has been very volatile. Challenges have been brought about by the change in the macro economic factors; a move from a controlled economy to a free market economy, resulting in increased competition between both local and international firms. Managers must decide how best to adapt their organization’s resources to the changing environment.
1.1.2 Strategic responses

Beinhocker, (1999) mentions that the evolution of human species has useful lessons for strategic planners. A species thrives through ongoing adaptations and experiments. In the evolutionary struggle, species search for high points on their fitness landscape which keeps on changing as the environment changes.

A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thomson and Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield long-term benefit to the company. Prahalad and Hamel (1990) suggested that business leaders view their organizations as a portfolio of competencies as well as a portfolio of products and services. It is this portfolio of competencies that provides the competitive edge needed to be successful in the future. Core competencies are what makes an organization unique. They are the skills an organization possesses that sets it apart from their peers. They are the sources of competitive advantage. They further explain that a core competence has three characteristics; first it provides access to a wide variety of markets, secondly it increases perceived customer benefits and lastly it is hard for competitors to imitate. Sources of competitive advantage include high quality products, superior customer service and achieving lower costs than its rivals.

The essence of business strategy is to define the actions of the business so as to give a better response to customer needs than the competitors offer. In deciding where to position the business within its competitive environment, a firm should take into account both structural factors affecting the dynamics of the competition in a specific industry and factors determining the relative advantage of the business with respect to competitors.
in the same industry. Kim and Mouborgne, (1999) Argues that managers should seek out opportunities in the business environment which they call strategic gaps. A strategic gap is an opportunity in the competitive environment that is not being fully exploited by competitors. Managers can identify opportunities through studies into; substitute industries, other strategic groups and strategic spaces, in the chain of buyers, complementary products and services, new market segments and opportunities over time.

1.1.3 Cotton industry in Tanzania
Cotton in Tanzania is a lifeline of more than fourteen million people. Cotton is grown in thirteen out of twenty one regions. On average, an area of 400,000 Hectares is planted with cotton by some 500,000 small scale farmers in 42 districts. Farm size ranges between 0.5 to 5 hectares. All cotton is rain fed.

Cotton production in Tanzania is mainly conventional, largely for export for export where about 80% is exported mostly to Asia as lint. In the beginning, the business was Government regulated through the marketing board which was the sole exporter. However, the economic reforms that took place in the 1990s liberalized the market for cotton thus engaging new traders and encouraged competition which has acted as a catalyst to increased production and improved quality thus building a more competitive market system.

Despite the advantages that exists in such a liberalized market the system has a pile of challenges including insufficient inputs and poor agronomic practices which leads to lowest productivity and poor quality cotton, price risk and volatility in the world market, lack of incentives for grading during buying, stiff competition among cotton buyers due to mismatch between production and ginning.
1.1.4 Alliance Ginneries Ltd

Alliance ginneries ltd is a family owned company operating a cotton ginnery in the northern region of Tanzania. It was established in the year 1997 to take advantage of the newly liberalized cotton industry. At the time, the number of industry players was few resulting in a favorable competitive environment. Cotton buyers were few and the price of lint in the world market was rising. The industry had been liberalized in 1994 and new private investors were making good profits. Before then the cotton industry was monopolized by cooperative societies where farmers through their cooperative unions sold their cotton to the Government owned Tanzania cotton marketing board (TCMB). The TCMB was the sole marketer of Tanzania cotton both locally and in the global market. This system had many problems which resulted to near collapse of the whole of the cotton industry.

The company is located in the lake region of Tanzania near the shores of lake Victoria. Much of the cotton processed by the company is bought from farmers in Chinyanga, Nyanza and Musoma provinces. It buys the raw materials on cash basis which makes it very attractive to farmers who were used to selling their crop on credit to cooperative societies.

The company buys raw seed cotton from small scale and large farmers which it processes to produce cotton lint and cotton seeds. The products are sold in bulk to apparel manufactures and oil mills respectfully. The lint is wholly exported to foreign customers who are mainly apparel manufacturing companies. There are many oil mills in Tanzania who makes the main market for unprocessed cotton seeds.
During its first year, the company processed a total of 9,914,496.00 kgs of seed cotton. This was a good showing taking into consideration that it was the first year in the field. Volumes grew over the next six years with each succeeding reporting higher turnovers than the previous years. By the year 2005, the company was processing over 30 million kilograms of seed cotton. Increase in volumes and improvement in lint price in the world market resulted in a new players joining the industry. The increase in the number of ginneries in the country resulted in increased competitive rivalry.

In spite of the good performance witnessed in the first years of operation, Alliance Ginneries must realize that in order to survive in the competitive business environment where the competitors closely watch every move, strategic response is of essence. Successful strategies lead to superior performance and sustainable competitive advantage. The ability of a firm like Alliance ltd to command a competitive advantage depends on the sustainability of the competitive advantages that they command which has a direct link to the strategic responses it has formulated.

1.2 Research Problem

The changing business environment presents different challenges to business. Businesses have as a result to cope with these changes by adopting strategic responses to it or risk being thrown out of the market by competitors. According to Burnes (2004), the pertinent issue is how organizations can cope with both the environment in which they operate and the constraints, challenges and threats they face. Ansoff and McDonnell (1990) point out that the parts of the challenge agenda confronted by different industries are different. As a result, it is no longer possible to devise a single prescription for response to challenges which would apply to all industries and forms.
Owing to the increasing efficiency in the cotton industry, favorable gate prices for raw seed cotton, Cotton farmers have been increasing their cotton production over the years. This has also resulted in the increase in the number of ginners. However the rate of establishment of new firms is not commensurate with the increase in the amount of raw materials being produced by the farmers. Demand for lint in the world market has also not been stable with natural calamities precipitating unprecedented shortages while overproduction is evidenced in other years. This has resulted in fluctuations in seed cotton gate prices and increased rivalry among industry players. A study on Alliance Ginneries will highlight on how the institution is strategically and operationally responding to the challenges in the environment amid opposing forces in support and against it.

Several studies have been carried out in Kenya before, addressing the aspects of Kenyan firms’ responses to the changing environment. Komira (2011) researched on the strategic by jubilee insurance to changing competitive environment. She found that Jubilee insurance had adopted various measures to curb environmental changes. These included expansion into new regions, investing into modern information technology to the speed settling claim, reducing operation cost and premium rates, hiring and maintaining experienced and qualified staff, training and development of key staff, enhancing risk management strategies, development of new products, concentrating on the niche market, and enhancing proper code of conduct to improve the organizations image among others.
A study conducted by Lagat (2011) on strategic responses by supermarkets in Kenya to changes in external environment established that they were employing varied responses to cope with environmental threats. Establishing clear points of differentiation, focusing on the primary shoppers and offering products that shoppers want to buy with excellent customer service were the major responses applied. Opening new branches to increase market share, upgrading IT systems and cost control were other responses which were designed to cope with environmental threats.

Ligondo (2012) researched on the strategic responses by private hospitals in Nairobi to changes in external environment. She found that hospitals were being affected to a great extent by economic factors, political factors, legal factors, ecological factors, and technological factors. These were key to the hospital’s management hence the strategies adopted were influenced by globalization changes, societal concerns over global warming, increase in poverty levels and ecosystem destruction. The study also concluded that the hospitals collaborated with stakeholders, formed strategic alliances, adopted organization learning and organizational reengineering, and came up with innovative strategies, proactive strategies, adopted downsizing, and outsourcing strategies, focusing strategies and technological forces as a strategic response to environmental changes.

Elius (2012), in his research on strategic responses by NIC Bank limited to changes in the banking industry in Kenya found that; the major changes affecting the banking industry in Kenya were; government policies, competition, rise in inflation, changing customer expectations and technological changes. The strategies developed by the bank to respond to these challenges were; diversification, good corporate governance, new products and services, products and services differentiation, market segmentation, acquisition, branch
network expansion, automation of business processes, innovation, improved customer services, strategic partnerships, marketing, staff training and development, cost containment, use of mature information technology and entering new markets.

However, all the above studies have been done in different circumstances and cannot be used to address the problem at Alliance Ginneries Ltd. (Aosa, 1996) has observed that even within the same country; differences do occur due to organizational factors like size, ownership and culture. As a result, it is no longer possible to devise a single prescription for response to challenges which would apply to all industries and forms. Therefore, in this case how is Alliance Ginneries Ltd positioning itself for the future?

### 1.3 Research Objective

The objectives of this study were

1. To establish Strategic responses by Alliance ginneries Ltd to environmental challenges.
2. To establish Operational responses by Alliance ginneries Ltd to environmental challenges.

### 1.4 Value of the study

This study would be valuable to a number of stakeholders. These would include: managers of Alliance ginneries Ltd, the Government of the United Republic of Tanzania and to researchers and academicians. Each would find it relevant in different ways.

The study would be important to the government whose interest lies in improved service delivery for economic development and national growth through investor confidence. It
would inform the Government of areas that needs attention when formulating policies relating to the cotton industry in the country. It would also point to areas of operational difficulties enabling the government to allocate more resources towards addressing these problems.

The study would benefit the Alliance ginneries ltd management by providing information regarding gaps in strategic responses the company could exploit in order to cope with the current and future challenges. This would also enable them to gauge their performance and progress. The study will also provide useful information to the company as to what needs to be done at policy level to address critical issues facing stakeholders in the company and how to avoid past omissions and commissions.

The study would also be useful to academicians wishing to carry out further research as it contributes to the existing literature in the field of strategic management. It would serve as a source of reference on the environmental effects on the cotton business in the country. It would form a basis for further studies in respect of the company and the cotton industry.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the review of literature in relation to the study. An overview of Theoretical underpinning of the study, Concept of Strategy, Nature of the environment, Levels and types of strategy and Strategic and Operational Responses will be discussed.

2.2 Theoretical Foundation of the study

One way of thinking about strategy is through the use of the game theory. According to Johnson,(2002) game theory is concerned with the interrelationships between the competitive moves of a set of competitors. The central idea is that the strategist has to anticipate the reaction of competitors. The theory makes three core assumptions. First, that a competitor will behave rationally and always try to win to their own benefit. Second, that the competitor is in an interdependent relationship with other competitors, so all competitors are affected by what other competitors do; one competitor’s move will galvanize response from another competitor, and the outcome of the choices made by one competitor is dependent of the choices made by another. Third, that to a greater or lesser extent the competitors are aware of the interdependencies that exist and of the sort of moves that competitors could take. A moment’s reflection is sufficient to convince one that many business choices are made under conditions of strategic interdependence. For example, the change in the demand for a firm’s product when it cuts its price will be different when rivals leave their prices unchanged than when they match the price cut. Porter’s(1980) utilized the tools of the game theory in his five forces model to analyze the nature of interaction between rival firms and to show how a firm can influence the
behavior and actions of rival firms and thus the market environment. In times of uncertainty, game theory should come to the forefront as a strategic tool, for it offers perspectives on how players might act under various circumstances, as well as other kinds of valuable information for making decisions. The key is to use the discipline to develop a range of outcomes based on decisions by reasonable actors and to present the advantages and disadvantages of each option.

Bracker (1980) argued that the word strategy comes from the Greek Stratego, meaning ‘to plan the destruction of one’s enemies through effective use of resources’. However they developed the concept purely in relation to the successful pursuit of victory in war. Chandler (1962) put forward the view that the emergence of strategy in civilian organizational life resulted from an awareness of the opportunities and needs created by changing population, income and technology to employ existing or expanding resources more profitably. He defines strategy as the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out the goals.

Strategy is creating a fit between the external characteristics and the internal conditions of an organization to solve a strategic problem. The strategic problem is a mismatch between the internal characteristics of an organization and its external environment. The matching is achieved through development of the organization’s core capabilities that are correlated to the external environment well enough to enable the exploitation of opportunities existing in the external environment and to minimize the impact of threats from the external environment. Strategy is therefore required in order for an organization
to obtain viable match between external capabilities. It must also continuously and actively adapt the organization to meet the demands of an ever-changing environment.

2.3 Environmental Changes

Considering that performance is the major objective of an organization, it is generally accepted that the structure and decision making in an organization is influenced by environmental complexity and volatility (e.g., Miles and Snow 1978; May et al. 2000). Furthermore, it is argued that the alignment of strategies of organizations with the requirements of their environment outperform organizations that fail to achieve such an alignment (Beal, 2000).

Environmental-serving organizations, such as the firm, are in constant two-way interaction with the environment. They take in an assortment of resources from the environment, add value to them, and deliver them back to the environment in the form of goods and/or services (Ansoff and McDonnell, 1990). The environment can be relatively stable or turbulent. Ansoff and McDonnell further observe that the bulk of managerial time in business firms is devoted to coping with uncertainties induced by the environment: competitors’ moves, economic fluctuations, availability of raw materials, labour demands, etc. Hersey (1996) observes that organizations do not exist in a vacuum, but are continually affected in numerous ways by changes in the external environment.

Most writers categorize the external environment, both domestic and global into three subcategories: remote environment, industry environment and operating environment. In most cases organizations have little or no influence on or control over economic, social, political, technological, and ecological factors in the remote environment.
The operating environment, also known as the task or competitive environment comprises such factors as competitors, creditors, customers, labour force and suppliers. Organizations, depending on their size, may have more influence on the industry factors such as barriers to entry into the industry, power of suppliers, power of buyers, availability of substitutes or compliments, and the intensity of competitive rivalry.

According to Ansoff and McDonnell (1990), environmental turbulence is a combined measure of changeability and predictability of the firm’s environment. Changeability of the firm is seen by the complexity of the firm’s environment and the relative novelty of the successive challenges, which the firm encounters in the environment. On the other hand predictability is the rapidity of change, which is the ratio of the speed with which challenges evolve in the environment to the speed of the firm’s response. Predictability can also be seen in terms of the visibility of the future, which assesses the adequacy and the timeliness of information about the future.

Their high level of dynamism, capability and uncertainty characterizes turbulent environments. Reasons behind these increasing turbulence are associated to many factors like technological convergence and the consequential fall in the barriers to entry of industries related to communication and information (Chackra, 1997), the increasing access and availability of information and the need to manage that information in a more effective way and the increasingly global profile of competitors (D’Aveni, 1994). According to Johnson and Scholes (2001), understanding the environment is made difficult by its many diverse influences, secondly is the element of uncertainty and thirdly is the way organizations cope with complexities posed by the uncertain environment.
Johnson and Scholes (2001) suggest analysis of forces that affect the external macro environment of the firms, which they refer to as PEST analysis. P.E.S.T is an acronym for the political, economic, social, and technological factors of the external environment. Such external factors usually are beyond the firm’s control and sometimes present themselves as threats. Many macro-environmental factors are country specific. In the context of this study, a PEST analysis can be done in relation to the challenges posed on. Identifying PEST influences is a useful way of summarizing the external environment in which a business operates. However, it must be followed up by consideration of how a business should respond to these influences.

The direction and stability of political factors is a major consideration for managers on formulating company strategies. Political factors define the legal and regulatory parameters. Political constraints are placed on firms through fair trade decisions, legislation, political stability, environmental protection and regulation, taxation policy, trade regulations and tariffs, pricing regulations, government laws and competitive regulations. Since such laws and regulations are most commonly restrictive, they tend to reduce potential profits of firms. However, some actions are designed to benefit and protect firms (Pearce and Robinson, 1997).

**2.4 Strategic and Operational Responses**

Organizations are environment dependant. No organization can exist without the environment. They depend on the environment for their survival and they have to scan the environment in an effort of budding trends and conditions that could eventually affect the industry and adapt to them (Thompson and Strickland, 1993). Failure to do this will
lead to a strategic problem, which is characterized by the maladjustment of the organization’s output and demands of the external environment (Ansoff, 1984).

According to Porter (1976), companies must be flexible to respond rapidly to competitive changes. They must benchmark continuously to achieve best practice. Hofer and Schendler (1978) observed that for organizations to be effective and hence successful, they should respond appropriately to the changes that occur in their respective environment. Consequently, they need strategies to focus on their customers and deal with the emerging environmental challenges.

Responses of any organization can be both strategic and operational. Strategic decisions are likely to affect operational decisions. The link between overall strategy and operational aspects of an organization is important because, firstly if the operational aspects of the organization are not in line with strategy, then, no matter how well considered the strategy is, it will not succeed, it is at the operational level that real strategic advantage can be achieved.

According to Johns and Harding (1989), if the operations area is to support the firm’s competitive advantage then it needs to reflect the chosen basis for advantage in its decisions-making. The task is to develop the characteristics of the operations area in line with the market needs. For example where the firm chooses to compete through a cost leadership strategy, then this must be reflected in the definition of the key operations tasks. All structural decisions in the operations area must be made with a view to reducing costs, as this will be totally in concert with the firm’s position within its industry.
If the firm chooses to compete through a differentiation strategy and, in this instance, the key operations task must be to structure the operation to support and enhance the chosen basis for differentiation. For example, if the firm competes through the achievement of a product specification that cannot be attained by the competition, then a key task for operations is to maintain the process capability of hitting and (if the market warrants it) improving that specification. If the chosen basis for competition is superior delivery performance, the task for operations is to structure the most flexible operation in the industry, with the appropriate customer and supplier linkages. The critical activity for the operations manager must be to structure the operation to support the firm’s chosen basis for competition, and to capitalize on the market or industry characteristics as appropriate.

By this means, operations become an important member of the corporate team with a direct influence on the organization’s success. Ansoff and McDonnell (1990) state that the responsiveness of the firm’s organizational capability measures the ability of a firm’s ability to respond effectively to a given level of environmental turbulence. Thus organizational response is a reaction to what is happening in the environment of organization.

2.4.1 Corporate Level
The company’s corporate strategy should help in the process of establishing a distinctive competence and competitive advantage at the business level. There is a very important link between corporate-level and business level. According to Johnson and Scholes (2002), Corporate level responses is the first level of strategy at the top of the organization, which is Concerned with the overall purpose and scope of the organization
to meet the expectations of Owners or major stakeholders and add value to different parts of the enterprise.

This includes issues of geographical coverage, diversity of product / services or business units and how resources are to be allocated between the different parts of the organization. At a general strategic level Ansoff and Mc Donnell (1990), suggests three reasons why firms diversify. The objectives cannot be achieved by continuing to operate in their existing market. The most frequent reason for diversification in the part of individual business is the achievement of growth and risk reduction.

2.4.2 Business Level Responses
According to Hill and Jones (1999), argue that focus strategy concentrates on serving Particular market niche, which can be defined geographically, type of customer or by segment of the product line. It differs from the first two because it is directed towards serving the needs of a limited customer group or a segment. Hence the company is specialized in some way. A focus strategy provides an opportunity for an entrepreneur to find and then exploit the gap in the market by developing an innovate product that a customer cannot do without. The company has enormous opportunity to develop its own niche and compete against low-cost and differentiated enterprises which tend to be larger. It differs from corporate strategy in that whereas corporate strategy involves decisions about the entire organization, strategic decision under the business units are basically concerned with how customers’ or clients’ needs can best be met. According to Johnson and Scholes (2002) “Business unit strategy is about how to compete successfully in particular markets”.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology used in the study. The geographical area where the study was conducted, the study design and the population and sample are described. The instrument used to collect the data, methods that was used in data analysis including methods that were implemented to maintain validity and reliability of the instrument described.

3.2 Research Design

This research was conducted through a case study design. It investigated the strategic Response that Alliance ginneries have developed to respond to the changes in the environment. Case study was chosen as it enabled the researcher to have an in-depth understanding of the study. A case study design is most appropriate where a detailed analysis of a single unit of study is desired as it provides focused and detailed insight to phenomenon that may otherwise be unclear. This is advocated by Young (1960) who acknowledge that a case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study.

3.3 Data Collection

The researcher used structured interview guide as primary data collection instrument. The interview guide is designed to give a brief introduction of the environmental changes targeted. The interview guide had both close-ended and open-ended questions. The interview guide was administered to the head of various departments, specifically the
General Manager, Head of Administration Department, Finance Manager, Head of finance and Accounting department, ICT Manager, Head of ICT Department, and Audit Manager Head of Internal audit Department. Personal interviews are advocated by Parasulaman (1986) as having the potential to yield the highest quality and quantity of data compared to other methods because supplementary information can be collected in the course of the interview.

3.4 Data Analysis

After the responses were collected, the interview guide was edited for completeness and consistency before processing. Thereafter, the data was coded to facilitate categorization. The data collected on the strategic responses was analysed qualitatively on the basis of the strategic variables highlighted. The interview guides were read through and brief notes made in the margin when interesting or relevant information was found. The notes made in the margins were used to list the different types of information found. Items on the list were categorized in a way that offered a description of what it was about. The categories were then compared and contrasted. All the categories were examined in detail and their fitness and relevance considered.

Data collected was purely qualitative and was analyzed by content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Mugenda and Mugenda, 1999). It involves observation and detailed description of phenomena that comprise the object of study. The researcher used the data with an aim of presenting the research findings in respect to the adopted strategic responses to changes in environment adopted by Alliance Ginneries.
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter covers the analysis of the data obtained and the findings of the study. The data analysis has been done in line with the objectives of the study, which were to establish the strategic responses by alliance Ginneries to the changes in the environment and to establish the factors that influence the Company to respond to the environmental changes. According to the data found, this study had targeted to interview five managers. The data required to achieve the objectives of the study was obtained after interviewing the five managers.

4.2 Analysis of Responses

To achieve the objectives of the study, the interview guide targeted five senior managers at alliance ginneries limited drawn from different departments. The study established that all the respondents were male. The respondents were requested to indicate the position they held in the organization. From the study findings, all interviewees’ were departmental heads. The researcher had also asked the number of years that the interviewees had worked in the organization. According to the interviewees’ response, all of them had worked in the organization for at least five years as most promotions were internal, within the organization. The interviewees’ responses hence had the advantage of good command and responsibility being that they were senior managers and had experience and aptitude owing to the years of experience in the organization.
The respondents had different roles in strategy formulation and implementation within the company. Some of the roles include timely processing of suppliers (farmers) and customer contracts, prompt payments of agency commissions, ensuring full adherence to regulatory rules, monitoring the implementation of the company’s strategic objectives and formulation of key performance indicators.

The study found out that the company has a five year strategic plan running from 2012 to 2016. This plan is reviewed annually by senior management. The strategic plan is formulated by all the business departments and the finance and accounting department according to the respondents. Respondents also indicated that the company reviews its strategic plan annually and from this exercise develops annual strategic objectives. The interviewees’ unanimously responded to the question on their perception of the environment under which the company operates. The responses indicated that the company operates in a highly competitive industry which is heavily regulated. The environment also, according to the respondents was very dynamic with high growth potentials but facing a lot of challenges. The changes in the external and operating environment had impacted pressure for change in the organization, hence necessitating crafting of appropriate strategies to respond to those changes. The Tanzania cotton Board which is the body regulating the operations of cotton industry in Tanzania had come up with stringent requirements in various lines such as maintenance of relationships between farmers and ginners, quality of lint exported and pricing agreements between farmers associations and the association of cotton ginners. The respondents also explained that alliance ginneries had been affected to a great extent by competition in acquisition of raw materials leading to reduced market share. However, that fact notwithstanding, the
respondents were keen to point out that still; they maintained a strong position in the industry.

The study further established that the overall responsibility for formulation of strategic responses to constant changing environment rests with the Strategic Plan Implementation Committee whose convener is the Company’s Managing Director and its secretary is the General. According to the interviewees’ while responding to the question on what triggered the formulation of strategic responses by the Company; they unanimously agreed that the continuous changes in the external and operating environment created pressure for the organization to change, hence necessitating crafting of appropriate strategies to respond to those changes.

4.3 Environmental Challenges Facing the Company

The study has established that the company is facing numerous environmental challenges in their day to day operations. The challenges come from both the internal and external environment where the company operates. Generally, according to the respondents, the cotton industry is affected by the several issues. Alliance ginneries being a player in the industry has directly been affected with the challenges caused by these issues.

One of the issues identified by the respondents affecting the company and industry as a whole was that of regulation. The cotton industry is heavily regulated. Tanzania cotton association continues to be uniquely placed to be at the forefront of influencing and shaping the regulation that affects the industry. Although some major successes had been recorded, further legislative changes were required to facilitate industry growth, and the
Tanzania cotton association was intending to champion for such change.

Again, the study identified the issue of competition. According to the respondents, rivalry in the industry was very intense with many ginners opting to compete on price to take business away from competitors. Most of the ginners in the industry sell their products in the world market through futures. They commit to supply certain quantities depending on their estimate on what they will be able to produce during the year. If the farmers yields go down due to climatic factors, there is heavy competition for the little amount of raw materials available. This results into an increase in the price of raw materials. Since The price of the finished product is dictated by global factors, any increase in the price of raw materials results in a reduction in profitability for the whole industry.

The researcher also discovered that economic factors had posed challenges to the industry. The interviewees elaborated in details how the Tanzanian economy had faced various drawbacks from the global warming which resulted to increased rates of inflation, and foreign exchange rates. The rates of interest had also increased thereby increasing the general cost of living. Farmers’ purchasing power had gone down and hence, majority of them are looking for ways of cutting down on expenses. This results in a reduction in the use of farm inputs meant to increase the quality and quantity of farm outputs. On this note, the respondents expressed their fears that the ginning business was at a risk of losing more revenue as farm produce continue to reduce in quantity and quality.
4.4 Strategic Responses to Competitive Environment

The research findings indicated that formulation of strategic responses at Alliance Ginneries was undertaken by the management and departmental heads and uses top down approach. The strategies formulated were then cascaded to the employees to implement through the guidance and direction of the heads of departments. The interviewees further said that such strategic responses were necessitated by demands from the stakeholders, results of strength, weaknesses, opportunities and threats analysis, changes in business operating environment, or when generally deemed necessary and in response to changes in government regulations and policies. These environmental challenges continue to affect the company and it had devised a number of strategic responses to the challenges as revealed by the interviewees.

The study established that Alliance Ginneries had made arrangements to mitigate the consequences. The various measures put in place to mitigate the consequences were expansion into new regions and geographical locations such as Zambia, and Zimbabwe, Strategic alliance with global cotton marketers, partnering with farmers by starting a contract farming system and implementation of farmers’ payment systems that are efficient. The respondents also described that other efforts had been geared towards upgrading the Information Technology system to align it with the current needs in the market especially field data collection and analysis for management decision making.

The interviewees were in accord that the importance of long term planning on strategic responses to increase the competitive advantage for the company’s future was to enhance assessment of the relevant groups such as customers, competitors, consumers, suppliers,
creditors and the government or political climate so as to align the strategy with the current environment with an eye into the future. The respondents were keen to point out that as companies were becoming socially aware and practicing Corporate Social Responsibility, Alliance Ginneries was not left behind. The company was sponsoring education for children and running community projects as part of its Corporate Social Responsibility.

On what else had Alliance Ginneries have done to remain competitive, the respondents indicated that they had put in place effective internal mechanisms for strategy formulation and implementation to enhance its ability to respond to a changing environment. It had used appropriate framework to analyze the internal and external environment (SWOT). All these were aimed at making the company grow and survive in its operating environment. The respondents also recommended the need to focus on research and development resulting in development of new and efficient operating methods that will result in cost reduction which will make their products attractive in the world market.

4.5 Discussion of the findings

The objectives of the study were to establish the strategic responses by Alliance Ginneries to the changes in the environment and to identify the factors that influence the response to the environmental changes. The study found out that Alliance ginneries had been affected to a great extent by competitive changes within its external environment. The company had thus formulated strategies to respond to the competitive changes in its environment. This study presents findings similar to other studies and is thus consistent with previous studies. The respondents also described that other efforts had been geared
towards upgrading the Information Technology system to align it with the current needs in the market especially on farmers payments leveraging on technology. The company had invested on good IT systems, strong financial strategies aimed at reducing the overall operation cost. Where appropriate, the organization had considered other strategies such as restructuring and outsourcing non-core logistics such as cleaning and preparation of tea to allow the management to concentrate on core businesses of the company. Priority had been accorded to areas such as product and technology innovations and invention of new products strategies and research and development ventures aimed at developing the.

These findings were similar to Porter (1980) three general types of strategies that were commonly used by businesses which are cost leadership, differentiation and market segmentation (or focus). In the study of Telkom Kenya, Kandie (2001) found that despite a major change in the environment of Telkom Kenya occasioned by liberalization of telecommunications, the corporation’s strategic aggressiveness was not consistent with the environment turbulence and its organization capability was not in line with the strategy. This had adversely affected the competitive position of the firm.

The study further revealed that the company needed to employ other strategies to remain competitive. These were efficient customer service, engaging more on corporate social responsibility to give back to society and enhancing customer loyalty were identified. These findings concur with what Johnson and Scholes (2003) recommended that for companies to remain competitive, they should adopt strategies directed at improving the effectiveness of basic operations within company, such as production, marketing, materials management, research and development, and human resource management.
The study established that Alliance Ginneries strategic responses were both proactive and reactive. They went ahead to elaborate that most often, the company’s strategies were proactive, but occasionally, they could be reactive based on a case by case analysis. These findings were similar to what Pearce and Robinson, (1997) indicated that the strategic response to the environmental challenges were identified as a major source of competitive advantage for numerous firms in today’s intensely competitive global economy. Similarly, Kipturgen (2003) looked at the strategic responses to a changing competitive environment in the case study of Kenya Commercial Bank established that proactive rather than reactive strategies such as research on changing customer needs and preferences form the basis of its strategic planning. Mbwayo (2005) focused on the strategies applied by commercial banks in Kenya in anti-money laundering compliance programs. He concluded that strict adherence procedures and standards have been implemented to ensure that money laundering is contained in Kenya.
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key data findings, conclusions drawn from the findings highlighted and recommendations made there-to. The conclusions and the recommendations were drawn in the quest of addressing the research question or achieving the objectives of the study. The chapter is thus outlined into summary of the findings, conclusions, recommendations, limitations of the study and suggestions for further research.

5.2 Summary of the Findings

The researcher interviewed five senior management and departmental heads and the data collected was concurring and thus sufficient to achieve the objectives of the study. The interviewees were all male who had worked in the company for over five years. From the findings, it was evident that the company had a five year strategic plan which was formulated and reviewed annually to enable it respond to the competitive challenges in the cotton industry. The researcher also confirmed that the cotton industry was very turbulent with several challenges making the industry to be very competitive.

The study further confirmed that Alliance Ginneries had incorporated strategies to respond to the challenges which enabled the company to maintain its success in the industry. These strategies included opening of subsidiaries in two different countries to spread the risk of climatic fluctuations and political and economic challenges. They have
also formed strategic alliances with global cotton market players to help in penetrating the global lint market.

The company has responded to the environmental changes through such initiatives as strategic alliances with farmers, diversification, and expansion to new regions, organizational restructuring, investment in human resources, adoption of new Information Technology and active involvement in corporate social responsibility.

The findings further indicated that the organization had formulated strategies to respond to these threats. These included risk management strategies, expansion to new regions, investing in modern Information Technology to ensure speed in processing farmers payments and accuracy of reporting transactions, cost reduction strategies, and production of more accurate production estimates.

The study has shown that the strategies the company has employed to respond to the competitive changes in the environment have been successful. This was evident by the success of the company through expansion to new regions, maintaining the market lead in lint production in Tanzania.

The study discovered that the Company like most of the modern organizations had formulated a strategic plan. This was the responsibility of the senior management and was to be implemented by all the staff. The plan was reviewed annually to align it with the changing times. The company was forced to review their strategic plan annually to respond to the frequent changes from the industry regulators such as the government through the Tanzania Cotton Board.
Business environment continues to greatly affect the company and these calls for constant formulation and implementation of strategic responses to mitigate these threats. Findings of this study show that alliance ginneries has adopted a more proactive approach in addressing changes in its operating environment. The study has found that effects of competition continues to greatly affect the company in comparison to other changes as it has led the organization to increase raw materials prices and loss of key staff to competitors through poaching. Other threats such as heavy regulations, magnitude losses through theft by purchasing agents, poor quality of raw materials, and change in organization leadership, lack of clear structures, political interference, economic issues, and scarcity of skilled personnel, unaligned organization culture and entrants of new players were identified. The study found out that the changes that had taken place due to economic liberalization were entry of new competitors.

The study, however, found out that there has been variance between the strategy formulated and that which is implemented due to time and money constraints, and the unpredictability of the business environment, incompetence of employees in some areas as well as interference from some stakeholders. There were also challenges in continuously upgrading the existing technology due to cost constraints.

### 5.3 Conclusions of the study

In the modern world of Stiff competition, Alliance Ginneries has been able to keep pace with the changing business environment scenario by adopting various response strategies. From the study findings, the researcher concludes that the challenges in the external environment that affect the operation of the organization were global financial crisis
(inflation), competition from firms within the cotton industries, low quality of raw materials, climatic changes, fluctuation of exchange rates, low technological advancements, heavy regulations and stiff requirements from the regulators, lack of skilled personnel, increased cases of fraud and social-cultural factors.

The study concludes that the social factors which had affected the company were low level of trust between the farmers and the ginners. In addition, the company was faced with competition forcing it to increase the remuneration of key staff to maintain them as well as being forced to increase raw material prices hence resulting to low profitability.

The study further concludes that Alliance Ginneries had adopted various measures to curb environmental changes. These included expansion into new regions, investing into modern information technology to help in projections and monitoring of farmers activities, reducing operation cost, hiring and maintaining experienced and qualified staff, training and development of key staff, enhancing the risk management strategies, enhancing proper code of conduct to improve the organizations image among others.

5.4 Recommendations of the study

From the discussions and conclusions in this chapter, the study recommends that although alliance ginneries has been successful in neutralizing the challenges posed by the competitive environment, the company should streamline the organization structure. Clear reporting lines should be stated as this will ensure staff motivation and reduce the employee turnover rate which is a direct cost to the company. The company should recruit employees with the necessary knowledge and skills in the business to minimize on the induction and training costs. The management should further enhance ways of
developing and retaining competent staff to ward-off staff poaching by competitors.

The study findings indicated that due to competition, the company had been forced to increase raw material prices due to the pressure posed by competitors. The study recommends to the industry players to widen their strategies while competing. Cut throat competition on raw material pricing should be checked and maximum acceptable raw material rates offered be set for the players. Low cost strategy is just one of the strategies identified by Porter (1980). However, other strategies like differentiation and market segmentation (focus) strategies should be adopted where competition is very stiff. There is a point beyond which the raw material prices cannot pass. The company should consider integrating lower stream to take advantage of the resultant cost savings.

The company should work on its culture and should align its strategies to the culture. There is a need by policy makers to ensure the organization culture supports the strategies formulated. Culture affects many organizations and previous studies have found out that whenever there is a mismatch between the organization culture and its strategies, the strategies might fail at the implementation level. Employee attitude towards change and organization success through implementation of the formulated strategies should be checked.

5.5 Limitations of the Study

This was a case study of one company and the data obtained may differ from that found in other Ginning companies since they use different strategies to respond to the challenges posed by the competitive environment. This is because each company is
unique and would therefore employ different strategies to distinguish it from the competitors. However, the researcher made an effort to construct an effective research instrument that sought to elicit general and specific information on the strategic responses that companies adopt to match the changing environment. The study faced both time and financial limitations. The study was conducted within a short period and hence exhaustive and extremely comprehensive research could not be carried on the company’s strategic responses to changing environment. Due to limited finances and time, the study could not be carried on the other branches of Alliance ginneries. Never the less, the researcher minimized this by conducting the interview at the company’s Tanzania plant since it is where strategies are formulated and rolled out to other branches for implementation.

5.6 Areas suggested for Further Research

The study recommends that further studies should be done on the effect of organization culture to strategic responses in the organization. This study should also be done on other companies in the cotton industry so as to get comprehensive information on how the other players in the industry have responded to the challenges posed by competitive changing environment.

Another study should be carried out to establish the extent to which the industry has been regulated and what impacts it can have on the industry should the regulations be reduced. More research can be done on the company to establish the relationship between its success and the marketing strategies employed.
REFERENCES


APPENDICES

APPENDIX 1- INTERVIEW GUIDE FOR MBA RESEARCH ON STRATEGIC RESPONSES BY ALLIANCE GINNRIES LTD TO ENVIRONMENTAL CHALLENGES.

Date

Respondents’ Name                      Job Title

This interview guide is designed to collect views on the strategic and operational responses to environmental challenges by ALLIANCE GINNRIES LTD. The information collected will be used strictly for academic purposes only and will be treated with utmost confidentiality:

SECTION A: General Information

1. In which department do you currently work?

2. What is your position in the department?

3. For how long have you worked with the organization?

4. What is your principle role in this position as well as corporate strategic planning is concerned?
SECTION B: Organization and Environment

1. Which are some of the features of environmental changes that your organization face in the running of its businesses?

2. Which are some of the strategies that your organization has implemented to counter the changes in its environment?

3. How important is the long term planning on strategic responses to increase the competitive advantage in for your organization’s future despite the changes in the environment?

4. In your opinion, describe the stability of operation environment in the Alliance Ginneries ltd

5. In which organizational/departmental areas have you noticed any change in the last one to five years?

6. Which is/are the most significant factors that pose a threat to the survival of your organization?

7. Which internal factors do you think contributed to the changes in working environment experienced?
Section C: Strategic Responses and Changes in Environment

8. What effect did the strategic responses have on your area of operation?


10. What are the corporate level strategic responses employed by the Alliance Ginneries in response to environmental changes?

11. What are the reasons for the Alliance ginneries diversification in response to changes in the environment?

12. What are the business level responses to environmental changes adopted by the alliance ginneries?

Thank you for your cooperation
### Appendix II: List of Ginneries in Tanzania

<table>
<thead>
<tr>
<th>No.</th>
<th>Ginneries</th>
<th>Contact Details</th>
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<tr>
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<td>Nyanza Co-operative Union</td>
<td>P.O. Box 9, Mwanza, Phone: 028 241615/240082, Fax: 028 2500218, Mob: 0784 652760</td>
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<tr>
<td>02</td>
<td>Shirecu Co-operative Union</td>
<td>P.O. Box 349, Shinyanga, Phone: 028 2762525, Fax: 028 2762525, Email: <a href="mailto:shireculimited@yahoo.com">shireculimited@yahoo.com</a></td>
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<tr>
<td>03</td>
<td>Afrisian Ginning Company</td>
<td>P.O. Box 19964, Dar Es Salaam, Phone: 022 2138781, Fax: 022 2130650, Email: <a href="mailto:afrisian@bol.co.tz">afrisian@bol.co.tz</a></td>
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<td>04</td>
<td>Birchand Oil Mill</td>
<td>P.O. Box 210, Mwanza, Phone: 028 250060/2570259, Fax: 028 2500463, Mob: 0784 203557, Email: <a href="mailto:laxmi@mwanza-online.com">laxmi@mwanza-online.com</a></td>
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<tr>
<td>05</td>
<td>Copecot Cotton Trading (T) Ltd</td>
<td>P.O. Box 220, Geita, Phone: 028 2520127, Fax: 028 2520335, Email: <a href="mailto:mail@copecot.co.tz">mail@copecot.co.tz</a>, P.O. Box 2555, Mwanza, Phone: 028 2501064, Fax: 028 2500905</td>
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<tr>
<td>06</td>
<td>Alliance Ginneries Ltd</td>
<td>P.O. Box 11074, Mwanza, Phone: 0784 461986, Email: <a href="mailto:ogola@alliance.co.tz">ogola@alliance.co.tz</a></td>
</tr>
<tr>
<td>07</td>
<td>S &amp; C Ginning Co. Ltd</td>
<td>P.O. Box 373, Bukamba, Phone: 028 2621230/2621137, Fax: 028 2621229, Email: <a href="mailto:segl@africanoilco.tz">segl@africanoilco.tz</a></td>
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<tr>
<td>08</td>
<td>Nida Textile &amp; Oil Mill (T) Ltd</td>
<td>P.O. Box 14, Kajama, Phone: 028 2710718, Fax: 028 2710719, Email: <a href="mailto:dgom786@yahoo.com">dgom786@yahoo.com</a></td>
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<td>Kahama Cotton Co. Ltd</td>
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<td>P.O. Box 70, Shinyanga, Phone: 028 2762732, Fax: 028 2763016, Mob: 0784 750806/0754 284203, Email: <a href="mailto:gakiginnery@yahoo.com">gakiginnery@yahoo.com</a></td>
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<td>11</td>
<td>Hassanal Walji</td>
<td>P.O. Box 64, Maswa, Phone: 028 2750598, Fax: 028 2750527, Email: <a href="mailto:hralji@hotmail.com">hralji@hotmail.com</a>, P.O. Box 117, Mwanza, Phone: 028 2503309, Fax: 028 2500310, Mob: 0713 318883</td>
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<td>P.O. Box 1321, Mwanza, Email: <a href="mailto:smholdings@cats-net.com">smholdings@cats-net.com</a>, P.O. Box 268, Moregoro, Fax: 022 2182844, Dar Es Salaam</td>
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<tr>
<td>19</td>
<td>Badugu Ginning Co. Ltd</td>
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<td>20</td>
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<td>P.O. Box 253</td>
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<td>Nsagali Co. Ltd</td>
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<td>22</td>
<td>Tanzania Cotton Growers Association</td>
<td>P.O. Box 979</td>
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<tr>
<td>23</td>
<td>Olam (T) Ltd</td>
<td>P.O. Box 11995</td>
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<tr>
<td>24</td>
<td>Nyanza Commercial Farming Ltd</td>
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<td>Vitrees Oil Mill</td>
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<tr>
<td>32</td>
<td>Roshan Meghjee Co. Ltd</td>
<td>P.O. Box 71372, Dar Es Salaam</td>
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<td>33</td>
<td>MSK Solutions Ltd</td>
<td>P.O. Box 1551, Mwanza</td>
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<td>34</td>
<td>Vcarrian (T) Ltd</td>
<td>P.O. Box 299, Bunda – Mara</td>
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<tr>
<td>35</td>
<td>ICK Cotton Oil Co. Ltd</td>
<td>P.O. Box 1606, Mwanza</td>
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<tr>
<td>36</td>
<td>KBL Enterprises Ltd</td>
<td>P.O. Box 11624, Magu</td>
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<td>37</td>
<td>Louis Dreyfus Commodities (T) Ltd</td>
<td>P.O. Box 8736, Moshi</td>
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<td>38</td>
<td>BiSustain (T) Ltd</td>
<td>P.O. Box 72525, Dar Es Salaam</td>
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<td>39</td>
<td>Busangwa Organic Farming (BOFA)</td>
<td>P.O. Box 808, Shinyanga</td>
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<td>New Ubora</td>
<td>P.O. Box 155, Shinyanga</td>
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<td>41</td>
<td>Kisumwa Machinery Co. Ltd</td>
<td>P.O. Box 251, Shinyanga</td>
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<td>42</td>
<td>Tancrops Agency Ltd</td>
<td>P.O. Box 46</td>
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