

**BUSINESS PLANNING AND COMPETITIVE STRATEGY AT THE
JITIHADA BUSINESS PLAN COMPETITION IN NAIROBI COUNTY**

By

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DECLARATION

This research project is my original work and has not been submitted for a degree course in this, or any other university.

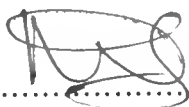
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This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

To my late dad Stephen Makau Mbatha whose wisdom, value and sacrifice for education has inspired me. Rest in peace.

ACKNOWLEDGEMENT

My successful completion of the MBA program has been the result of support and encouragement from many quarters. I thank the Almighty God for the gift of life, wisdom, provision and protection without which this project's success could not be achieved. I am indeed indebted not only to people who gave me inspiration to take up this program but also to those who gave me guidance and assistance on what I have reported here.

My heartfelt gratitude and appreciation go to supervisor, Dr. Kitiabi, for her tireless assistance and support on the project supervision, experience and initiatives, which guided me throughout the entire research. Her unwavering focus on details through countless pages of ideas is unparalleled. I am convinced that without her support, this study would not have been a success. My heartfelt gratitude is also to all members of the School of Business Studies of the University of Nairobi for the support and advice given in one way or another.

My profound thanks and appreciation also go to my family for their understanding and support during the entire time of study and the occasional long time spent away from them. Four members deserve special accolades; My loving husband Darwin Sandei, sons Ian Muthengi and Jakes Makau, daughter Phylis Nduku for their love and emotional support. Special appreciation to Mr. Joseph Njeru, Ministry of Industrialization and Dr. Bernadette Mungai Kenya Institute of Management for their facilitation and support. Last but not least I specially appreciate all the Jitihada Entrepreneurs who gave their time to be interviewed and fill up the research instruments.

ABSTRACT

The purpose of this study was to investigate the business planning and competitive strategy at the Jitihada Business Plan Competition in Nairobi County. Specifically, the study sought to determine the suitability of business planning on the strategic decision making process and firm performance in MSEs funded through the Jitihada Business plan competition as well as determining the whether business planning impacts on choice of competitive strategies among the MSEs. This study used the descriptive survey design where the targeted population was all the Micro enterprises that were funded through the Jitihada Business Plan Competition and are based in Nairobi County. The study used the purposive sampling technique targeting the key heads of the businesses. The researcher administered 45 questionnaires to the respondents. Interviews were also conducted and consisted of oral questions by the interviewer and oral responses from the respondents. The study relied mainly on primary data which was collected and analyzed by use of descriptive statistics; represented by means of SPSS package and presented through percentages, mean, standard deviations and frequencies. The information was displayed by use of tables, bar graphs and pie charts. From the study, development of a business plan is a very crucial process in any business organization. Allowing the board of directors to formulate the business plan is thus important instead of an individual doing the task. Reviewing the set goals regularly is also important because it enables the business organization to assess its performance and know whether or not it is working in line with the set goals or it has deviated. By so doing, the organization's efficiency increases which results to increased productivity which in turn increases the profits. The government should set policies that favor upcoming entrepreneurial firms. By so doing, such firms will grow and create employment opportunities which in turn lead to economic development.

TABLE OF CONTENTS

Declaration.....	ii
Dedication.....	iii
Acknowledgement.....	iv
Abstract.....	v
Table of contents.....	vi
List of tables.....	viii
List of figures.....	x
List of abbreviations and acronyms.....	xi
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.1.1 Competitive Strategy.....	3
1.1.2 Business Planning.....	4
1.1.3 The Jitihada Business Plan Competition.....	5
1.1.4 The Micro and Small Enterprise Sector In Kenya.....	6
1.2 Research Problem.....	8
1.3 Specific Objectives.....	10
1.4 Value of the Study.....	10
CHAPTER TWO.....	12
LITERATURE REVIEW.....	12
2.1 Introduction.....	12
2.2 Concept of Strategy.....	12
2.3 Strategic Management and Planning.....	13
2.4 Business Planning and Decision Making Process.....	14
2.5 Competitive Strategies and Competitive advantage.....	15

CHAPTER THREE.....	18
RESEARCH METHODOLOGY.....	18
3.1 Introduction.....	18
3.2 Research Design.....	18
3.3 Target Population.....	18
3.4 Sampling Procedures.....	19
3.5 Data Collection.....	19
3.6 Data Analysis.....	20
CHAPTER FOUR.....	21
DATA ANALYSIS RESULTS AND DISCUSSIONS.....	21
4.1 Introduction.....	21
4.2 Demographic information.....	21
4.3 General findings.....	24
CHAPTER FIVE.....	42
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	42
5.1 Introduction.....	42
5.2 Summary of Findings.....	42
5.3 Conclusion.....	44
5.4 Recommendations.....	45
5.5 Limitations of the study.....	46
5.6 Suggestions for Further Studies.....	47
REFERENCES.....	48
APPENDICES.....	50
Appendix I: Questionnaire.....	50

LIST OF TABLES

Table 4.1: Gender of the respondents.....	22
Table 4.2: Party involved in development of organization's business plan.....	24
Table 4.3: Whether the employees involved in the development of the business plan.....	24
Table 4.4: Whether the business plan affected the communication on aspects of the business	25
Table 4.5: Whether the organization set /formulates targets for the different departments.....	25
Table 4.6: How the goals are reviewed	26
Table 4.7: How fast the decision making process in the organization is	27
Table 4.8: Whether the business plan enabled the organization to position itself in the market in terms of withstanding competition	29
Table 4.9: Whether the business plan enabled the organization to position itself in the market in terms of improved market position	29
Table 4.10: Whether the business plan enabled the organization to position itself in the market in terms of offering high quality products to customers	30
Table 4.11: Whether the business plan enabled the organization to position itself in the market in terms of offering superior customer service to clients.....	32
Table 4.12: Whether these moves and actions have been implemented by other firms in the industry	34
Table 4.13: Whether these moves and actions had been successful in other firms	34
Table 4.14: Whether financial implication was considered in the choice of the strategies.....	36
Table 4.15: Whether the firm considered the competition before the choice of the above moves and action	36

Table 4.16: Whether the firm had appropriate and adequate management to implement the above moves and actions	37
Table 4.17: Whether the adoption of moves and actions above improved firm's financial standing	38
Table 4.18: The percentage with which the adoption of moves and actions above improved firm's financial standing.....	39
Table 4.19: Whether there were any moves or actions that adversely affected the firm.....	39

LIST OF FIGURES

Figure 4.1: Nature of employees' engagement.....	22
Figure 4.2: Number of employees in respondent's firm	23
Figure 4.3: Whether the business plan enabled the organization to position itself in the market in terms of attracting customers.....	28
Figure 4.4: Whether the business plan enabled the organization to position itself in the market in terms of focusing on narrow portion of the market	31
Figure 4.5: Whether those moves and actions were followed before developing the business plan	33
Figure 4.6: Whether the choice of the moves and actions depended on the above success	35
Figure 4.7: Whether there was any government policy that affected the choice and implementation of the above moves and action	37
Figure 4.8: Whether the firm had adequate marketing channels to reach all its current and potential clients	40

LIST OF ABBREVIATIONS AND ACRONYMS

GoK,	Government of Kenya
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KIM	Kenya Institute of Management
MDG	Millennium Development Goals
MSEs	Micro and Small Enterprises
MSME	Micro, Small and Medium Enterprises
SMEs	Small and Micro Enterprises
SPSS	Statistical Package for Social Sciences
USAID	United State Agency for International Development

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Micro and Small Enterprises (MSEs) play an important role in improving the livelihood of the rural and urban populace in developing countries. According to the 2008 Economic Survey by the Government of Kenya, employment within the MSME sector increased from 4.2 million in 2004 to 5.1 million in 2006; with the informal sector accounting for 70.4 per cent of total employment opportunities. In 2005, the informal sector accounted for 72.8 per cent of total employment opportunities. This percentage rose to 74.3 per cent in 2006 and 76.5 per cent in 2008, thus the need to pursue the strategies that will ensure the growth and stability of MSEs is of vital importance.

Changes in markets and the competitive strategies of large organisations have increased the pressure on MSMEs to focus on innovation, innovation capabilities and innovation management (McAdam and McClelland, 2004). Micro and small enterprises require a more strategic approach to innovation and effective innovation management skills if they are to survive and prosper in the long run. Business planning is identified as critical for MSME growth and survival, its primary aim being to increase innovation, productivity and employment therefore overcome constraints faced in the MSME sector by creating an environment that spawns creative business ideas that can effectively be implemented in the context of the global economy (Letting and Muthoni, 2009). Research shows a rather positive relationship between the extent of planning activities and the performance of small business. This relationship is found despite differing definitions of micro and small

enterprises, ways of assessing formality of planning and types of performance measures utilised. However Robinson and Pearce (1984) called for increased study of the relationships among planning formality, strategy content, and firm performance, thereby encouraging a more complex view of strategic management processes and results in micro-enterprises. It has been noted that one of the reasons why micro and small enterprises do not live to celebrate the fifth birthday is due to lack of business planning.

The relationship between business planning and the firm's strategic decision making process is particularly important in small firms where there may be little separation between the strategic thinking of the entrepreneur and the formal planning process. Studies on small firms in the Matatu industry in the Kenyan market concur with this school of thought (Otachi, 2009). The primary purpose of this study is to examine the relationship between business planning formality and competitiveness of the micro and small enterprises. This builds on the studies by Robinson and Pearce (1984) that Micro and Small Enterprises which do more planning will also have a more comprehensive strategic decision process and adopt a wider variety of alternative strategies than non formal planners. We shall pursue the basis for gaining a sustainable competitive advantage, in particular the strategies that enable a firm grow in business from Micro, to Small to Medium sized organization, as well as sustaining the growth with a special reference to Micro-enterprises in the Jitihada Business Plan competition in Nairobi County.

Jitihada is a program of the Ministry of Industrialisation's MSME Competitiveness project, implemented through a Public/Private sector partnership, which comprise of Kenya Institute of Management, Jomo Kenyatta University of Agriculture and

Technology(JKUAT) and Technoserve, Kenya .In our choice of the Micro and Small Enterprises in Jitihada Business plan competition phase one which was running in the year 2009, our study will entail to identify the suitability of formalised business planning in the strategic decision making process of the firm and/or in embracing competitive strategies. It is vital to note that all the businesses in our target population have one common denominator that; they all have business plans in place and have been taken through training on the same through the Competitiveness Project run by the Ministry of Industrialisation.

1.1.1 Competitive Strategy

Competitive Strategy refers to all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson and Strickland, 2002). A strategy is a long term plan of action designed to achieve a particular goal, most often "winning" (Thompson et al, 2007). Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated, and often practically rehearsed. Strategy is a deliberate search for a plan of action that will develop a business's competitive advantage and compound it.

For any company, the search is an interactive process that begins with recognition of where you are now and what you have now, where you want to be and the roadmap to getting you where you want to be. The question of corporate strategy and its elaborate nature has left many questions as to whether the organisation size affects the suitability of strategy management. Although many small business persons will argue that they can

utilise advanced management techniques just as well as larger organisations, there is often no apparent reason for them to do so. For this reason it may not be a wise investment of resources to embark on an elaborate strategic planning process when only a relative minor problem needs to be solved. Small businesses can apply the principles of strategy management in a drastically less formal manner and still reap maximum benefits (Tourangeau, 1981).

In view of this we propose that the concept of business planning would work as a less elaborate process for MSEs for embracing competitive strategy compared to the rather elaborate strategic planning process. This is due to the fact that they do not experience the same magnitude of communication and coordination problems as do their medium and large size counterparts. Small and Micro enterprises operate in very competitive environments in which large organisations are also deployed. They provide goods and services similar to those of the large corporate entities and the markets they serve are overcrowded. Given the competitive nature of small businesses and volatility of profits, business results are more sensitive to small errors for MSEs and therefore the need to embrace an informed decision making process to avoid mismanagement mistakes such as over-investment in fixed assets, poor inventory controls and poor financial controls (Otachi, 2009).

1.1.2 Business Planning

A business plan is a document that clearly demonstrates what the venture is, where it is projected to go and how the entrepreneur proposes to it to get there. A well written business plan offers various benefits to entrepreneurs. These include: Access to business

finance from banks and other financial institutions, guidelines for opening new business or expanding an existing one, providing a tool for managing every aspect of the business operation and communicates the goals, objectives and activities of the business. (Barringer and Duane, 2008).

The business planning process is vital in enabling existing and upcoming entrepreneurs in developing innovative ideas and therefore overcome constraints faced by MSME sector by creating an environment that spawns creative business ideas that can effectively be implemented in the context of the global economy. (Letting et al, 2009). Research shows that less than half of small business owners had formal plans prior to going into business, many engage in formal planning soon after starting business but a good number never recall having any formal business plan (Holt, 2004). Without planning it is nearly impossible to acquire capital, obtain loans, solidify venture capital contracts, do documented sales forecast, financial statement and market analysis. Plans are guidelines for actions and as a business evolves they must be continuously upgraded to reflect changes in the business environment.

1.1.3 The Jitihada Business Plan Competition

The Jitihada Business Plan competition was a national initiative of the Micro, Small and Medium Enterprises (MSME) Competitiveness project of the Ministry of Industrialisation organised in the year 2009 (GoK, 2009). The competition sought to identify growth oriented and innovative business ideas and to help nurture them into viable and sustainable enterprises. The project aimed at contributing to the creation of wealth for businesses and to increase employment for the people of Kenya. MSME's

owned by Kenyan nationals and individuals with business plans were eligible to enter for the competition. The MSME's were defined as those micro and small enterprises between 1 to 10 and 11 to 50 employees respectively and medium enterprises with between 51 to 99 employees. The overarching objectives of the MSME Project were to support development of the private sector, generate wealth and alleviate poverty. The specific objective of the Project was to increase growth and competitiveness of MSME's in Kenya by enabling access to finance; strengthening enterprise skills and market linkages; and improving the business environment (GoK, 2009).

1.1.4 The Micro and Small Enterprise Sector in Kenya

In this paper, we use the generic name MSEs to refer to micro and small enterprises. In general, MSEs are an integral element of the informal sector in most developing countries.

In the majority of cases, these enterprises are initially informal but gradually some of them survive and become formal businesses, thereby providing the foundation of modern private companies (Daniels, 1999). A number of measures have been used to identify and describe MSEs. There is however no consensus on any one measure and it is customary to use several metrics, including the value of fixed assets of the enterprise, enterprise turnover and the number of employees. It has been pointed out that the term may be used to cover a wide range of economic activities for an indicative number of employees; for example survival activities (<1 employees), household activities (1 employee), microenterprise sector (<5), small emergent enterprises (<25) and growth businesses (<100 employees). In the poorest countries, on average almost two thirds of workers are

employed in enterprises with less than 5 employees while the majority work for enterprises with less than 100 employees (Ryan ,2005).

During the last 50 years, considerable insight into the characteristics of MSEs has been gained. Early literature, particularly Staley and Morse (1965), enhanced the conceptualization of the main characteristics of MSEs and the pattern of growth of these enterprises. However, Anderson (1982) notes that there was lack of basic data on the management and characteristics of MSEs. Industrial censuses tended to concentrate on large enterprises; censuses of MSEs were often non-existent, or quite infrequent and published after a long delay. The lack of data hampered any attempts to undertake serious empirical work on measuring the characteristics of MSEs and explaining the behaviour of these enterprises. However, during the 1980s, some efforts were made to collect baseline data on MSEs by, among other tasks, identifying universes, constructing samples and devising methods to deal with incomplete entries.

However, due to poor book-keeping by MSEs, the data were often incomplete, unreliable and not repeated across samples. Hence, while the baseline data could be used for measuring the characteristics of MSEs, it was not adequate for testing theoretical propositions about the expected behaviour of the MSEs (Anderson, 1982).

Gradual improvements were achieved over the years such that by the early 1990s, some basic databases were available for empirical studies aimed at identifying the constraints facing the growth and development of MSEs in developing countries (Levy, 1993).

One of the main findings from these studies was that the growth and development of MSEs in developing countries were mainly inhibited by access to finance, poor managerial skills, lack of training opportunities and high cost of inputs. The last 50 years have witnessed important developments in the conceptualisation of the main issues relating to the MSE sector and subsequent theoretical work. The main theory, which goes back to the seminal work by Lewis (1955), is the labour surplus theory. It is argued that the driving force behind MSE development is excess labour supply, which cannot be absorbed in the public sector or large private enterprises and is forced into MSEs in spite of poor pay and low productivity. Arguably, the MSE sector develops in response to the growth in unemployment, functioning as a place of last resort for people who are unable to find employment in the formal sector.

1.2 Research Problem

The business environment within which MSE's operate has been very volatile. Markets that were thought secure now look vulnerable due to competition. Therefore enterprise owners must decide how best to respond to this competition: which markets to compete in (and which not to) and on what basis to compete-price, quality, customer service, availability. The dynamism of the entrepreneurial environment in the current times is posing many challenges to MSE's. Following the background of this study, only those enterprises with the ability to adapt to the changing environment can be guaranteed of survival.

Given the competitive nature of small businesses and volatility of profits, business results are more sensitive to small errors for MSEs and therefore the need to embrace an informed decision making process to avoid mismanagement mistakes such as over-investment in fixed assets, poor inventory controls and poor financial controls (Otachi, 2009). Most entrepreneurs in Kenya tend to copy existing ideas rather than develop innovative businesses. According to a 2003 World Bank report, at least 90% of new businesses in the major regions of the country are general retailers, hotels, or caterers. These 'copycat' businesses create undifferentiated markets that compete purely on price, resulting in entrepreneurs sharing existing markets rather than creating new market value.

According to Holt(2004) less than half of small business owners had formal plans prior to going into business, many engage in formal planning soon after starting business but a good number never recall having any formal business plan. The link between business planning process and competitive strategy for MSEs is vital noting that there may be little separation between the strategic thinking of the entrepreneur and the formal planning process. This builds on the studies by Robinson and Pearce (1984) that Micro and Small Enterprises which do more planning will also have a more comprehensive strategic decision process and adopt a wider variety of alternative strategies than non formal planners.

Locally there have been several studies that have been carried out in the past on various aspects of MSMEs. These previous research have focused on competitive strategies employed by micro-enterprises, access to finance, penetration of ICT, success factors and challenges impending the growth of MSMEs. These include Otachi (2009), Letting (2009), Okanda (2004), Gichira (1991) among others. These have dealt with issues such as

challenges of business success in informal matatu industry, competitive strategies among microenterprises along Ngong road and innovation through business planning. In a research based on the survey of regional and national winners of the Ernst & Young Entrepreneur of the year program in the United States it was noted that firms which prepare written business plans actually tied their planning to actual performance and impacts on strategic decision making process of the firm (Upton, Teal and Felan ,1996).

The findings however cannot be generalised bearing in mind the global diversity hence permeating a significant knowledge gap. This study therefore sought to close the gap by asking the following question: What is the suitability of business planning process on strategic decision making process by MSEs? Does business planning impact on the choice of competitive strategies and the overall firm performance among the MSEs?

1.3 Specific Objectives

The study was guided by the following specific objectives

- i. To determine the suitability of business planning on the strategic decision making process and firm performance in MSEs funded through the Jitihada Business plan competition.
- ii. To determine whether business planning impacts on choice of competitive strategies among the MSEs.

1.4 Value of the Study

The study will act as a guide to managers of firms in their steps towards developing competitive strategies and pursuing market leadership in the industry. The study will also

be a reference material to such managers. It will be a reference material for future researchers and academicians. The study will also highlight other important areas that need relational studies; these may include relationship between performance and strategic commitment.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter offers a discussion on competitive strategy guided by the objective of the study which is to establish the interface between business planning and strategic thinking process in a bid to attain a sustainable competitive advantage. The chapter begins with an in-depth discussion on the concept of strategy and competitive methods. The relationship between competitive strategy and competitive advantage is also analysed in this chapter. The chapter ends with a discussion of the strategic thinking and choices due to formal business planning process and their possible influence on Micro-enterprise performance.

2.2 Concept of Strategy

Competitive methods are actions taken or resources used in the overall strategy development process and are increasingly important to managers seeking to increase the performance of their firms (Campbell-Hunt, 2000). According to Grant, (2004) there is no agreed all embracing definition of strategy. Indeed, strategy is an elusive and somewhat abstract concept. He argues that this is expected when dealing with an area that is constantly developing. Strategy is the direction and scope of an organization over a long term. Strategies are systematic choices about how to deploy resources to achieve goals (Slater & Olson, 2001).

A strategy is a long term plan of action designed to achieve a particular goal, most often "winning" Thompson et al, (2007). Strategy is differentiated from tactics or immediate

actions with resources at hand by its nature of being extensively premeditated, and often practically rehearsed. Strategy is a deliberate search for a plan of action that will develop a business's competitive advantage and compound it.

2.3 Strategic Management and Planning

Research shows a rather consistent positive relationship between the extent of planning activities and the performance of micro and small enterprises. This relationship is found despite differing definitions of micro and small enterprises, ways of assessing formality of planning and types of performance measures used. Robinson and Pearce, 1984 however called for increased study of the relationships among planning formality, strategy content and firm performance, thereby encouraging a more complex view of strategic management processes and results in small firms.

The study on business planning and innovation among micro, small and medium enterprises in Kenya (Letting Et. al, 2009) pointed out that business planning is vital in ensuring the success and growth of MSEs. However given the short time within which the research was carried out and the concentration on the formal presentation of the business plan itself for the purpose of the National Competitiveness Project, the impact of this towards the attaining of competitive advantage by the MSEs need to be furthered. This is the gap that this research intends to fill. It concurs with the findings of Bracker and Pearson (1986) that notes that planning for micro and small enterprises spins around broad and formalised planning categories rather than on measuring differences in formality scale. They developed four levels of planning including strategic planning, structured operational planning, intuitive planning and unstructured planning. Similarly

Robinson *et al* (1984) grouped small firms into broad planning categories based on the extent of written documentation and inclusion of various planning steps.

This broader definition of planning formality is important in order to reflect entrepreneurial thought processes and actions that permeate the small organisation. Strategy development is a multidimensional process that must involve rational analysis and intuition, experience, and emotion. But, whether strategy formulation is formal or informal, whether strategies are deliberate or emergent, there can be little doubt as to the importance of systematic analysis as a vital input into the strategy process. Without analysis, the process of strategy formulation, particularly at the senior management level, is likely to be chaotic with no basis for comparing and evaluating alternatives.

Moreover, critical decisions become susceptible to the whims and preferences of individual managers, to contemporary fads, and to wishful thinking. The benefit of strategy is not just offering simplification and consistency to decision making, but the identification of strategy as the commonality and unity of all the enterprises decisions also permits the application of powerful analytical tools to help companies create and redirect their strategies. Strategy can help the firm establish long term direction in its development and behaviour (Gary and Prahalad, 1993).

2.4 Business Planning and Decision Making Process

The relationship between the formal planning system and the firm's decision process is particularly important to small businesses, where there may be little separation between strategic thinking of the entrepreneur and the formal planning system. Small business owners apparently are sensitive to how formal planning can improve their decision

process. Shuman, Shaw and Sussman (1985) concluded that 72 per cent of CEOs believed planning leads to a better decision making process and better decisions. Naffziger and Kuratko (1991) found that 78 percent of small business owners surveyed set formal goals for periods longer than one year while 92 percent set formal goals for shorter periods.

Robinson Et al (1984) determined that the formal planning process, not just the resulting plan, was recognised by small business managers as important to firm performance. These three articles lend support to the idea that small business owners believe formal planning enhances the decision process. The elements of the strategic decision process they examined include concern for following: assessing risk through environmental scanning; formulating goals and targets to be achieved in the competitive environment; selecting distinctive competences in order to gain competitive advantage; determining authority relationships among the firm's departments; deploying financial and physical resources to carry out firm strategies and monitoring and controlling implementation. Robinson Et al (1984) found that formal and non-formal planners follow basically the same strategic decision process differing only on the fact that formal planners place more emphasis on formulating goals.

2.5 Competitive Strategies and Competitive advantage

Competitive strategy consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position. A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson and Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield long term

benefit to the company. Prahalad and Hamel (1990) define a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. 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. To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will perceive as superior value. This entails either a good quality product at a low price or a better quality product that is worth paying more for.

Competitive strategy concerns what a firm is doing in order to gain a sustainable competitive advantage. Porter (1980) outlines the three approaches to competitive strategy these being ; Striving to be the overall low cost producer, i.e. low cost leadership strategy, secondly, Seeking to differentiate one's product offering from that of its rivals, i.e. differentiation strategy and lastly ,focus on a narrow portion of the market, i.e. focus or niche strategy . The study is based on the competitive strategies being used to cope with the stiff competition. Competitive strategies adopted by a firm should result in a competitive advantage. Porter (1998) argues that there are three generic competitive strategies which firms can employ. These are cost leadership, differentiation and focus. This generalization was applied in US firms and can be applied amongst micro sized entrepreneurs in Kenya. Owiye (1999) however, argues that findings of studies carried out in one culture could not be assumed to apply to other cultures unless that was supported by research. The environment, i.e. cultural context, in USA is very different from that of Kenya.

In following the niching strategy, SMEs need to identify the appropriate market niche that is attractive. In this regard, both Thompson and Stickland (1996) and Brown (1995) have provided criteria defining the attractiveness of potential niche markets for SMEs. However all these works seem to imply that niching strategy is the only competitive strategy option available to SMEs, given their lack of resources. Infact, Kao (1981), explicitly recognising the resource disadvantage faced by SMEs against bigger firms, argues that if there is no niche or gap, there is no hope for the firm's survival and prosperity.

There is a common misconception that strategies are only employed by the large firms. This misconception can be mainly attributed to a large number of writers in strategic management who base their case studies or illustrations on large firms. The continual survival of the MSMEs indicates that they must be having some form of game plan that guides them along contrary to a view held by many micro-enterprise owners that success or failure in business is due to supernatural forces (Buckley,1996). Okanda(2004) identified that microenterprises along Ngong road in Nairobi adopted strategies like the following in their success for business; differentiation strategy, unrelated diversification, building customer loyalty through personalised service provision, a wait and see approach as opposed to reacting to changes in the competitive environment. Looking at the passage of time from the time of this research, it would be important to establish whether these strategies still impact on the growth of MSEs today with a view of the fast changes in the environment.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out the various steps that were used to execute the study in a bid to satisfy the study objective. It details the research design that was adopted and methods that were used for data collection and analysis.

3.2 Research Design

This study used the descriptive survey design as it sought to describe the competitive strategies adopted by the micro enterprises funded through the Jitihada Business Plan competition. The study was quantitative in nature. The common goal of this survey research was to collect data representative of the whole population. The researcher then used the information gathered from the survey to generalise findings from the drawn sample back to the population within limits of random error.

3.3 Target Population

The targeted population was all the Micro enterprises that were funded through the Jitihada Business Plan Competition and are based in Nairobi County. The study targeted all the businesses that were still pursuing the same line of business as they were at funding and those that had branched out to other lines but still maintained their original business at funding as their core business. The targeted number was 45 respondents within Nairobi County.

The study only targeted all those businesses that were still compliant with all current legal requirements and targeted one respondent from each business who were the owner of the business or the employee charged with developing the marketing strategy.

3.4 Sampling Procedures

The study used the purposive sampling technique targeting the key heads of the businesses. Stratified sampling technique was also be used for scheduled interviews with the key informants such as the Kenya Institute of Management Secretariat and Ministry of Industrialisation.

The sample frame was obtained from the Jitihada One Business Competition database at the Ministry of Industrialisation. The researcher felt a sample size of 45 micro enterprises would provide sufficient data and information to make generalisations about business planning and competitive strategies in micro enterprises.

3.5 Data Collection

The researcher administered 45 questionnaires to the various heads of respondents. This method is preferred as it allows for the researcher to seek clarification on various issues. The questionnaires were addressed to the respondents who in this study were the small business owner or the person responsible for developing and implementing the marketing strategy of the business. Interviews were also conducted and consisted of oral questions by the interviewer and oral responses from the respondents. Notes were taken during the interviews and where possible the interviews were recorded to allow for future reference. The interviews were conducted with the help of an interview guide.

The study relied mainly on primary data. A 25 item questionnaire was prepared and sent out to identify respondents in different strata. The questionnaire had different types of questions. There were multiple choice/single responses questions for mutually exclusive responses. There were also multiple choice, multiple responses for independent responses. The questionnaire also had scale questions where there are varying degrees of attitudes and extents of opinions on a specific statement or position. Depending on the questions, the data collected was numerical, categorical or scaled.

A cover letter was attached to the questionnaire to outline the aims and objectives to the respondent. Interview type questions were asked but mainly to seek clarification on questionnaire responses. Prior to collection of the actual data, pilot-testing questionnaires were done to test the accuracy of language and meaning and to test whether the respondent understood. An introduction letter from the researcher was distributed to the sample units to be used in pilot testing the questionnaire.

3.6 Data Analysis

The data collected was mainly primary data. It consisted of data gathered during identification of the population sample and the data collected from the survey itself. The data was either numerical, categorical or scaled depending on the question.

Data collected was analyzed based on primary statistics such as the frequency analysis and reliability tests. Data collected was analyzed by the use of descriptive statistics and represented by means of SPSS package and presented through percentages, mean, standard deviations and frequencies. The information was displayed by use of tables, bar graphs and pie charts.

CHAPTER FOUR

DATA ANALYSIS RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents data analysis, findings, discussions and presentation. The purpose of this study was to investigate the business planning and competitive strategy at the Jitihada Business Plan Competition in Nairobi County. Specifically, the study sought to determine the suitability of business planning on the strategic decision making process and firm performance in MSEs funded through the Jitihada Business plan competition as well as determining the whether business planning impacts on choice of competitive strategies among the MSEs. The study use SPSS for data analysis while descriptive tools were used to assist in data interpretation. Owners of existing businesses were targeted where out of 45 targeted respondents, 39 responded by filling in and returning the questionnaire on time. This represented 86.7% which was adequate for the purpose of this study.

4.2 Demographic information

This section was based on the gender of the respondents, nature of employment engagement as well as the number of employees in the respondents' firm.

Table 4.1: Gender of the respondents

	Frequency	Percent
Male	27	69.2
Female	12	30.8
Total	39	100.0

Source: Author's Research Data(2012)

Findings indicated that 69.2% of the respondents were male while 30.8% were female. This implies that majority of youthful in entrepreneurship are male. The reason for this could be the business acumen men have as compared to women given a certain business venture.

Figure 4.1: Nature of employees' engagement

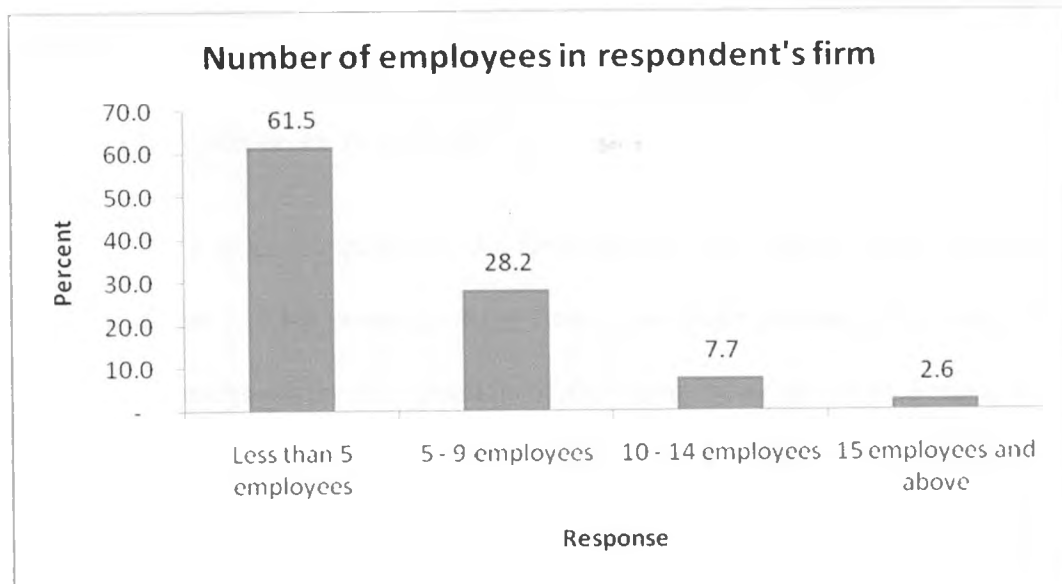


Source: Author's Research Data(2012)

Regarding the nature of employees' engagement, 54% said their employees are engaged on casual bases while the remaining 46% are permanently employed. This could be

interpreted by the dynamic nature of MSMEs whose size dictates seasons of peaks and off-peaks that in turn makes the manpower requirements vary accordingly.

Figure 4.2: Number of employees in respondent's firm



Source: Author's Research Data (2012)

From the findings, 61.5% of the respondents disclosed that their firms had below 5 employees while 28.2% had 5 – 9 years. Only 7.7% had 10 – 14 years while 2.6% had at least 15 employees. This implies that most MSMEs have below 5 employees.

4.3 General findings

Table 4.2: Party involved in development of organization's business plan

	Frequency	Percent
Board of Directors	20	51.3
Chief Executive Officer	17	43.6
Consultant	2	5.1
Total	39	100.0

Source: Author's Research Data(2012)

Findings on the Parties involved in development of the organization's business plan showed that majority (51.3 percent) of the firms have their business plans developed by the board of directors while 43.6 percent of the firms have the chief executive officer developing the business plan. For the remaining 5.1 percent, the consultant is the one who develops the business plan for the firm. This indicates that majority of the business firms entrust the board of directors with the responsibility to develop the business plan.

Table 4.3: Whether the employees were involved in the development of the business plan

	Frequency	Percent
N/A	6	15.4
Yes	11	28.2
No	22	56.4
Total	39	100.0

Source: Author's Research Data(2012)

With regard to whether the employees were involved in the development of the business plan, majority (56.4 percent) of the respondents said that the employees were not

involved whereas 28.2 percent said that the employees were involved in the development of the business plan. For other organizations however, this was not applicable. This implies that majority of the business organizations do not involve their employees in development of the business plan.

Table 4.4: Whether the business plan affected the communication aspects of the business

	Frequency	Percent
N/A	6	15.4
Yes	33	84.6
Total	39	100.0

Source: Author's Research Data(2012)

Concerning whether the business plan affected the communication aspects of the business, a vast majority (84.6 percent) of the respondents were of the opinion that it did affect while 15.4 percent said that it did not apply to their business organizations. This shows that for majority of the firms, business plan affects the communication aspects of the business.

Table 4.5: Whether the organization set /formulates targets for the different departments

	Frequency	Percent
N/A	17	43.6
Yes	22	56.4
Total	39	100.0

Source: Author's Research Data(2012)

Regarding whether the organization set /formulates targets for the different departments, majority (56.4 percent) of the respondents agreed that the organization sets targets for the different departments. To others however, this was not applicable. This implies that majority of the business organizations do formulate targets for their various departments to work towards.

Table 4.6: How the goals are reviewed

	Frequency	Percent
N/A	6	15.4
Weekly	23	59.0
Monthly	5	12.8
Quarterly	5	12.8
Total	39	100.0

Source: Author's Research Data(2012)

The researcher was also concerned with how the goals were reviewed. Findings showed that majority (59.0 percent) of the business organizations reviewed their goals on a weekly basis whereas 12.8 percent reviewed theirs monthly. Others (12.8 percent) did review their goals quarterly while the remaining 15.4 percent found this as not applicable to their firms. This implies that majority of the business organizations review their goals weekly. Reviewing the set goals regularly is important because it enables the business organization to assess its performance and know whether or not it is working in line with the set goals or it has deviated. This will enable the concerned party to reset the goals if need be or modify the already set goals where necessary. By so doing, the organization's

efficiency increases which results to increased productivity which in turn increases the profits; the dream of every business organization.

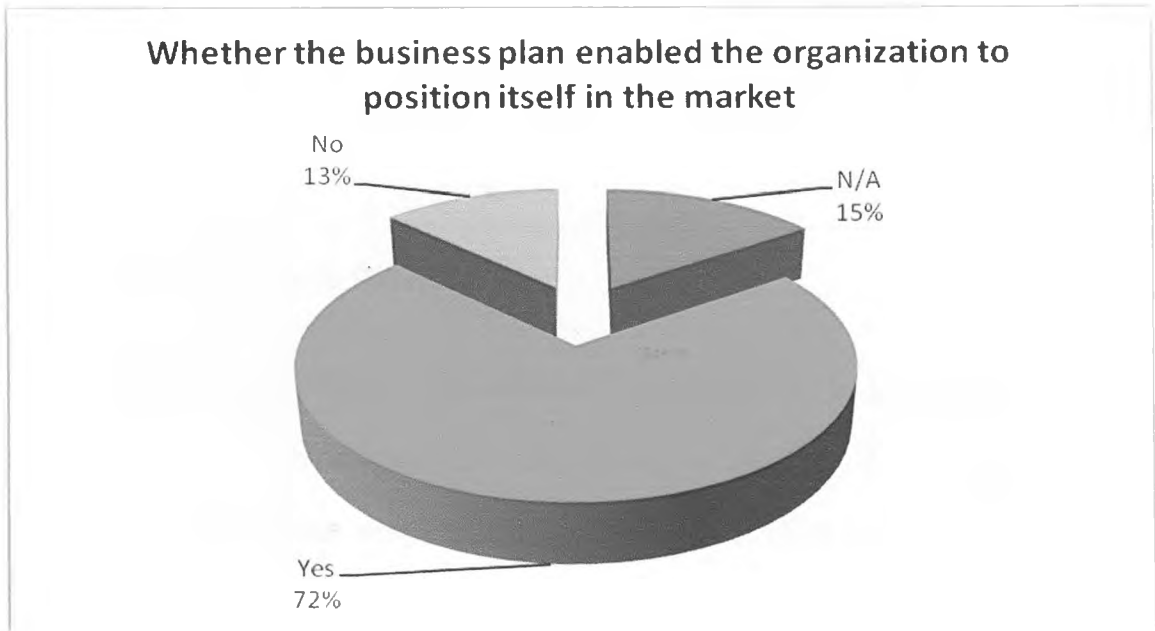
Table 4.7: How fast the decision making process in the organization is

	Frequency	Percent
N/A	11	28.2
In Hours	6	15.4
In a Day	22	56.4
Total	39	100.0

Source: Author's Research Data(2012)

The researcher also sought to know how fast the decision making process was in the organizations. Majority (56.4 percent) of the respondents said their decision making process took a day while 15.4 percent said that it took hours to make decisions in their organizations. To others (28.2 percent), the speed with which decisions were made in the organization was not applicable. This indicates that majority of the business organizations make decisions within a day. Fast decision making process is crucial in any organization. This is because the market is dynamic and therefore to be effective in meeting its demand, flexibility and quick decision making are key.

Figure 4.3: Whether the business plan enabled the organization to position itself in the market in terms of attracting customers



Source: Author's Research Data(2012)

Regarding whether the business plan enabled the organization to position itself in the market in terms of attracting customers, a great majority (71.8 percent) of the respondents agreed that it did enable the organization to attract customers while 12.8 percent were of the opinion that the business plan did not enable the organization to attract customers. The others said that this was not applicable to their organizations. This implies that for majority of the business organizations, the business plan enables them to position themselves in the market in terms of attracting customers. When one thinks of coming up with a business idea in order to develop it, the most important factor to consider is the target market; the customers. It is therefore significantly important to come up with a business plan which will place the organization in such a position as to attract customers.

Table 4.8: Whether the business plan enabled the organization to position itself in the market in terms of withstanding competition

	Frequency	Percent
N/A	6	15.4
Yes	33	84.6
Total	39	100.0

Source: Author's Research Data(2012)

Concerning whether the business plan enabled the organization to position itself in the market in terms of withstanding competition, findings showed that a vast majority (84.6 percent) of the organizations were enabled by their business plans to position themselves in terms of withstanding competition. The rest however, found this as not being applicable. This implies that many of the business organizations come up with business plans which enable them be in a position to withstand competition in the market. To any business organization, the big challenge that they always fight with is competition. If a firm cannot compete effectively in the market, then it is just a matter of time and it will be down. It is therefore important that any business organization aspiring to remain in the market and achieve its objectives should come up with measures to enable it be competent relative to its rivals.

Table 4.9: Whether the business plan enabled the organization to position itself in the market in terms of improved market position

	Frequency	Percent
N/A	6	15.4
Yes	33	84.6
Total	39	100.0

Source: Author's Research Data (2012)

Regarding whether the business plan enabled the organization to position itself in the market in terms of improved market position, a great majority (84.6 percent) said that it did enabled the organization be in an improved market position whereas 15.4 percent said that it was not applicable to them. This indicates that many of the business organizations set business plans which enable them to be in improved market positions. The position a firm takes in the market is one of the most important determinants of whether the business will thrive or not. The better the position a firm holds in the market, the higher the chances of it succeeding. As firms therefore try to attract customers and compete effectively, they should not undermine the need to be well positioned in the market,

Table 4.10: Whether the business plan enabled the organization to position itself in the market in terms of offering high quality products to customers

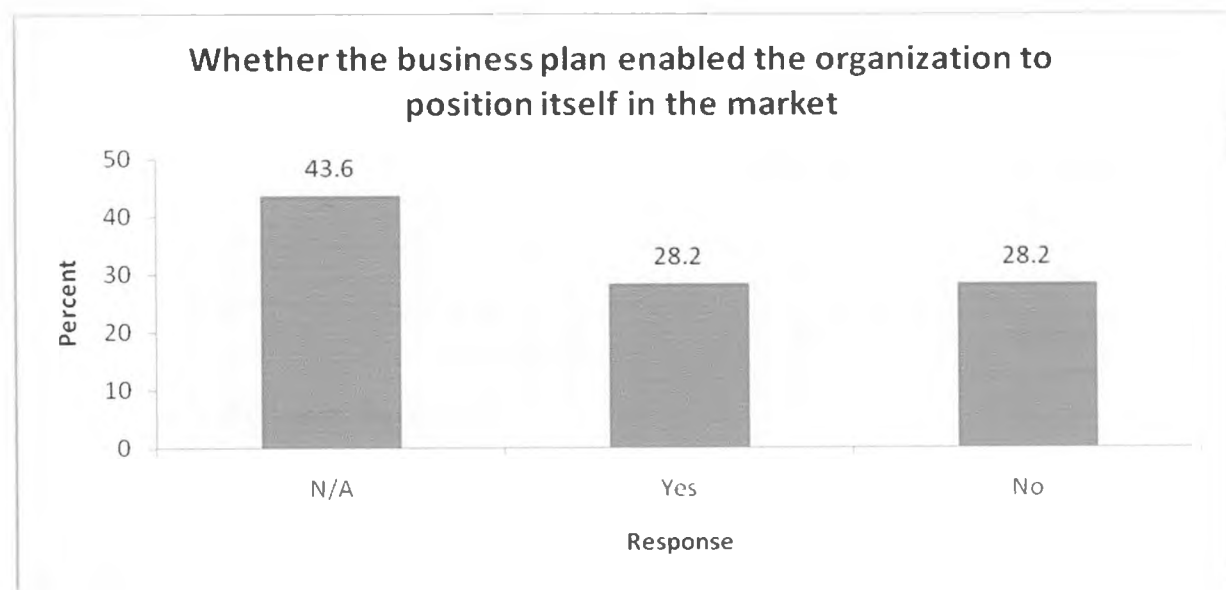
	Frequency	Percent
N/A	6	15.4
Yes	33	84.6
Total	39	100.0

Source: Author's Research Data (2012)

Regarding whether the business plan enabled the organization to position itself in the market in terms of offering high quality products to customers, majority (84.6 percent) of the respondents said that the business plan enabled them to offer high quality products to customers. To others however, this did not apply to their firms. This indicates that majority of the business organizations formulates business plans which positions them in such a manner as to offer high quality products to customers. Whenever there are two or more competing firms which produce the same goods and/or services to the same

customers, the important thing which will get customers' attention is the quality of the product in terms of constituents, branding, and packaging. Firms in a competitive industry should therefore try all means possible to improve the quality of the products they offer to customers.

Figure 4.4: Whether the business plan enabled the organization to position itself in the market in terms of focusing on narrow portion of the market



Source: Author's Research Data(2012)

With regard to whether the business plan enabled the organization to position itself in the market in terms of focusing on narrow portion of the market (few unique customers), 28.2 percent of the respondents said that the business plan enabled the business to focus on few unique customers whereas 28.2 percent were of the opposing idea that the business plan did not enable the organization to focus on a narrow portion of the market. Others (43.6) however said that this was not applicable to their organizations. This shows that for many business organizations, the issue of the business plan enabling them to

focus on few unique customers is less significant and so they view it as not being applicable. Dealing with a particular narrow market is something of significant importance because it makes the business organization to deal with a specific line of products. When this is so, there is improved customer relation and the organization can meet the customers' interests without difficult. This enhances the business' performance and in turn, profitability.

Table 4.11: Whether the business plan enabled the organization to position itself in the market in terms of offering superior customer service to clients

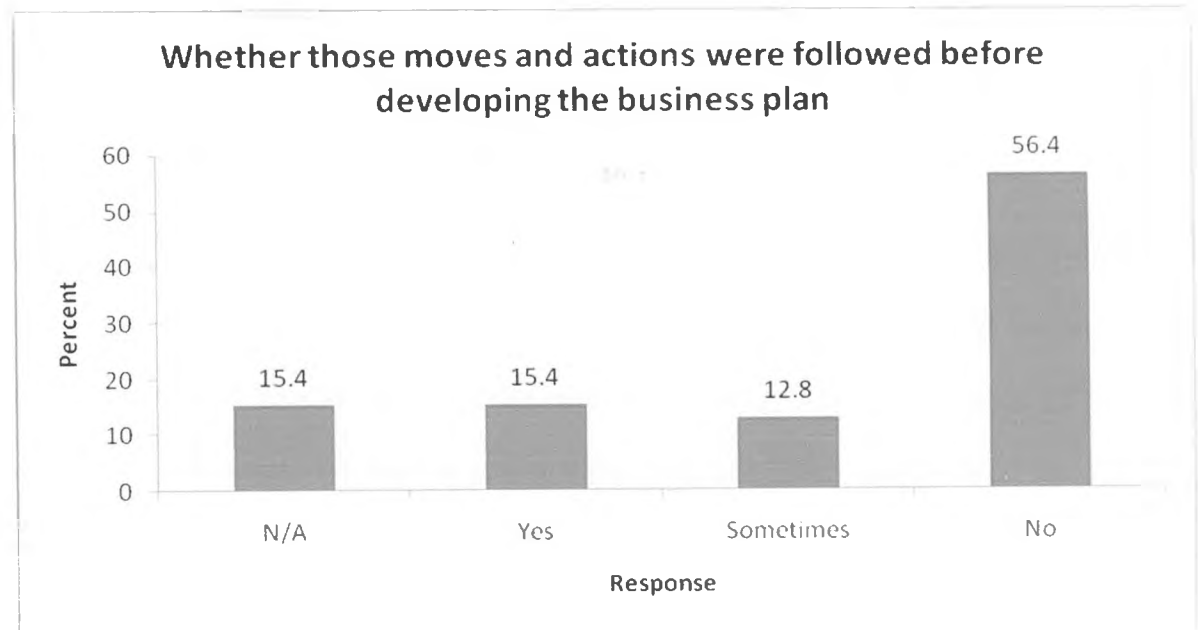
	Frequency	Percent
N/A	6	15.4
Yes	33	84.6
Total	39	100.0

Source: Author's Research Data(2012)

Findings on whether the business plan enabled the organization to position itself in the market in terms of offering superior customer service to clients indicated that a vast majority (84.6 percent) of the respondents said that their business plans enabled them to offer superior customer services. The remaining 15.4 percent however said that this was not applicable to their organizations. This implies that majority of the business organizations are enabled by their business plans to position themselves in the market so as to offer superior customer services. Whenever the customers find that they are not being attended to well, they find alternative ways to obtain goods and services. Losing customers is one of the steps towards failure and thus every organization should retain

their customers through superior customer service. This will motivate the customers to come back for more and to bring others along with them.

Figure 4.5: Whether those moves and actions were followed before developing the business plan



Source: Author's Research Data(2012)

Concerning whether those moves and actions were followed before developing the business plan, majority (56.4 percent) of the respondents said that the moves and actions were not followed while 15.4 percent said that they were not followed. Others (12.8 percent) said that the moves and actions were sometimes followed whereas the remaining 15.4 percent said that it was not applicable to their organizations. This implies that many of the organizations do not follow the above moves and actions before developing the business plan.

Table 4.12: Whether these moves and actions have been implemented by other firms in the industry

	Frequency	Percent
N/A	6	15.4
Yes	28	71.8
Sometimes	5	12.8
Total	39	100.0

Source: Author's Research Data(2012)

Findings on whether these moves and actions have been implemented by other firms in the industry showed that majority (71.8 percent) of the respondents were of the opinion that the moves and actions had been implemented by other firms and industries while 12.8 percent said that the moves and actions had not been implemented by other industries. The rest found this as not applicable. This indicates that the firms in the industry had implemented the moves and actions taken by the respondents' organizations. This means that the organizations had to find other ways of improving their efficiency since other firms in the industry seems to be aware of the moves and actions they're currently following

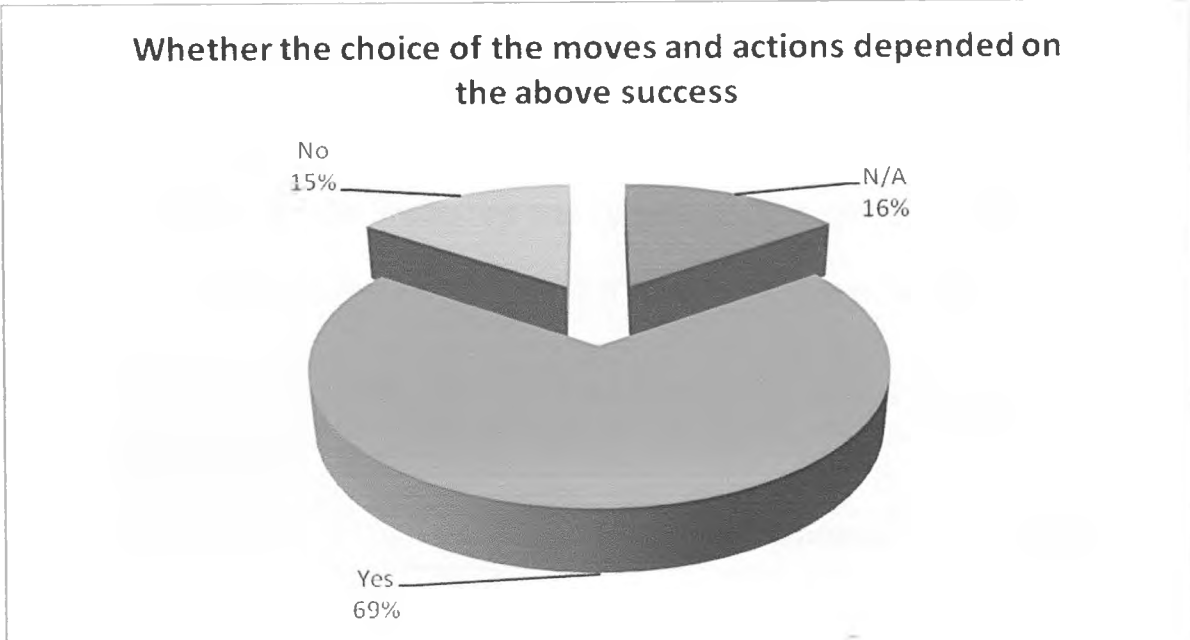
Table 4.13: Whether these moves and actions had been successful in other firms

	Frequency	Percent
N/A	6	15.4
Yes	33	84.6
Total	39	100.0

Source: Author's Research Data(2012)

With regard to whether these moves and actions had been successful in other firms, a great majority (84.6 percent) said that the moves and actions had worked well for the other firms while 15.4 percent said that it was not applicable. This implies that the moves and actions being implemented by the respondents' organizations had already been implemented by other firms in the industry and it was already successful.

Figure 4.6: Whether the choice of the moves and actions depended on the above success



Source: Author's Research Data (2012)

The researcher also wanted to know whether the choice of the moves and actions depended on the above success. The majority (69.2 percent) agreed that the choice of moves and actions did depend on the above success while 15.4 percent opposed their choice of moves and actions did not depend on the success in the other firms. The remaining 15.4 percent said that it was not applicable. This indicates that majority of the

business organizations consider how successful certain moves and actions are to other firms in the industry before adopting them.

Table 4.14: Whether financial implication was considered in the choice of the strategies

	Frequency	Percent
N/A	6	15.4
Yes	11	28.2
No	22	56.4
Total	39	100.0

Source: Author's Research Data (2012)

Regarding whether financial implication was considered in the choice of the strategies, 56.45 said no while 28.2% said yes. Others (15.4%) had their case not applicable.

Table 4.15: Whether the firm considered the competition before the choice of the above moves and action

	Frequency	Percent
N/A	17	43.6
Yes	22	56.4
Total	39	100.0

Source: Author's Research Data (2012)

On whether the firm considered the competition before the choice of the above moves and action, majority (56.4 percent) of the respondents said that they considered the level of competition while to the remaining 43.6 percent, this did not apply. This indicates that many firms consider competition before choosing any move or action. Understanding the

nature and level of competition in the industry is crucial because failure to do so may lead to the firm taking a wrong move and thus risking its effectiveness.

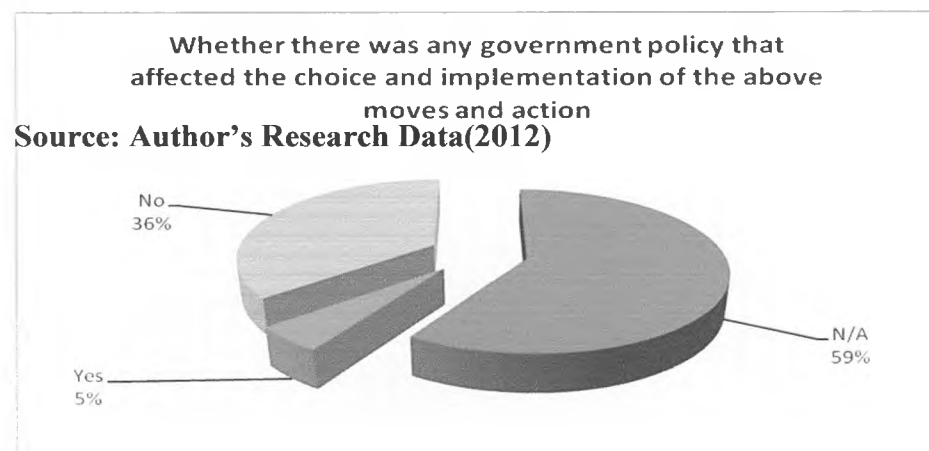
Table 4.16: Whether the firm had appropriate and adequate management to implement the above moves and actions

	Frequency	Percent
N/A	17	43.6
Yes	16	41.0
No	6	15.4
Total	39	100.0

Source: Author’s Research Data (2012)

Findings on whether the firm had appropriate and adequate management to implement the above moves and actions showed that 41.0 percent had appropriate and adequate management to implement the moves and actions while 15.4 percent said that they did not have appropriate and adequate management. The remaining 43.6 percent said that this was not applicable to their firms.

Figure 4.7: Whether there was any government policy that affected the choice and implementation of the above moves and action



With regard to whether there was any government policy that affected the choice and implementation of the above moves and action, 35.9 percent were of the idea that there were no government policies that affected the above moves and actions while 5.1 percent said that there were government policies that affected choice and implementation of the moves and actions above. The others (59.0 percent) found this as not applicable.

Table 4.17: Whether the adoption of moves and actions above improved firm's financial standing

	Frequency	Percent
N/A	6	15.4
Yes	33	84.6
Total	39	100.0

Source: Author's Research Data (2012)

Concerning whether the adoption of the moves and actions above improved the firm's financial standing, a vast majority (84.6 percent) said that the adoption of the moves and actions above improved the firm's financial standing. This was however not applicable to some firms. This indicates that majority of the firms' financial standing is improved by adoption of various moves and actions such as, attraction of customers, better competition, improved market conditions, to mention but a few.

Table 4.18: The percentage with which the adoption of moves and actions above improved firm's financial standing

	Frequency	Percent
N/A	6	15.4
Below 20 percent	11	28.2
40 to 59 percent	16	41.0
60 to 79 percent	6	15.4
Total	39	100.0

Source: Author's Research Data (2012)

Regarding the percentage with which the adoption of moves and actions above improved the firm's financial standing, 41.0 percent have improved with a percentage between 40 to 59 percent while 28.2 percent have improved below 20 percent. Others (15.4) percent haven improved between 60 to 79 percent. The remaining 15.4 percent said that this did not apply to their organizations. This implies that the adoption of the moves and actions above improved many of the firms' financial stand between 40 to 59 percent.

Table 4.19: Whether there were any moves or actions that adversely affected the firm

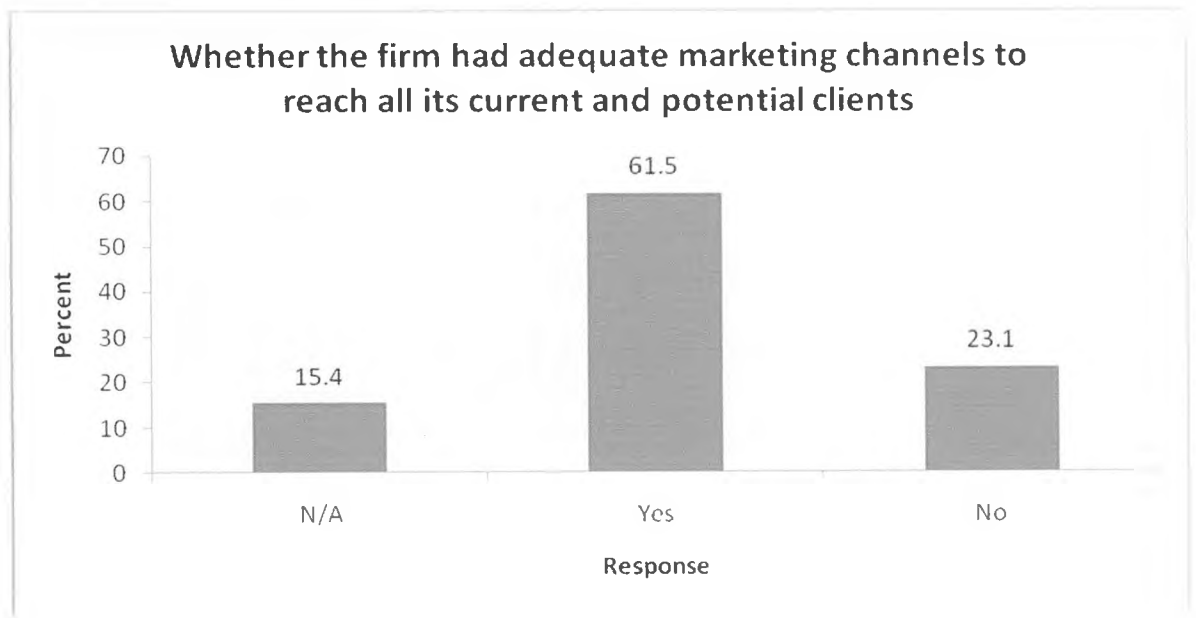
	Frequency	Percent
N/A	17	43.6
Yes	22	56.4
Total	39	100.0

Source: Author's Research Data (2012)

Concerning whether there were any moves or actions that adversely affected the firm, majority (56.4 percent) said that there were moves and actions that adversely affected the firm while the remaining 43.6 percent found this not applicable to their firms. This

indicates that there are moves and actions which adversely affected the firms which adopted them. When one decides to venture into the world of business, he/she has to be aware that there are risks along the way and so for any step or move taken, one should expect either a positive or a negative outcome.

Figure 4.8: Whether the firm had adequate marketing channels to reach all its current and potential clients



Source: Author's Research Data (2012)

On whether the firm had adequate marketing channels to reach all its current and potential clients, majority (61.5 percent) of the respondents said that their organizations had adequate marketing channels which they use to reach all their current and potential clients while 23.1 percent said that they had no such adequate marketing channels. This was however not applicable to some organizations. This implies that majority of the firms have adequate marketing channels to reach all their respective current and potential

clients. Before a firm considers expanding its market by adding to the current clients, it should first ensure that the current and potential clients are caught up with and their needs attended to.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study, conclusions and recommendations. The chapter also presents suggestions for further analysis.

5.2 Summary of Findings

The purpose of this study was to determine the suitability of business planning on the strategic decision making process and firm performance in MSEs funded through the Jitihada Business plan competition. The target population was all the Micro enterprises that were funded through the Jitihada Business Plan Competition and are based in Nairobi County.

Findings on the Parties involved in development of the organization's business plan showed that majority (51.3 percent) of the firms have their business plans developed by the board of directors while 43.6 percent of the firms have the chief executive officer developing the business plan. For the remaining 5.1 percent, the consultant is the one who develops the business plan for the firm.

With regard to whether the employees were involved in the development of the business plan, majority (56.4 percent) of the respondents said that the employees were not involved whereas 28.2 percent said that the employees were involved in the development of the business plan. Concerning whether the business plan affected the communication on aspects of the business, a vast majority (84.6 percent) of the respondents were of the

opinion that it did affect while 15.4 percent said that it did not apply to their business organizations.

Regarding whether the organization set /formulates targets for the different departments, majority (56.4 percent) of the respondents agreed that the organization sets targets for the different departments. The researcher was also concerned with how the goals were reviewed. Findings showed that majority (59.0 percent) of the business organizations reviewed their goals on a weekly basis whereas 12.8 percent reviewed theirs monthly. Others (12.8 percent) did review their goals quarterly while the remaining 15.4 percent found this as not applicable to their firms. The researcher also sought to know how fast the decision making process was in the organizations. Majority (56.4 percent) of the respondents said their decision making process took a day while 15.4 percent said that it took hours to make decisions in their organizations..

Regarding whether the business plan enabled the organization to position itself in the market in terms of attracting customers, a great majority (71.8 percent) of the respondents agreed that it did enabled the organization to attract customers while 12.8 percent were of the opinion that the business plan did not enable the organization to attract customers. Concerning whether those moves and actions were followed before developing the business plan, majority (56.4 percent) of the respondents said that the moves and actions were not followed while 15.4 percent said that they were not followed. Others (12.8 percent) said that the moves and actions were sometimes followed.

5.3 Conclusion

Development of a business plan is a very crucial process in any business organization. It therefore requires a great attention because a slight mistake made in this step will affect the entire organization. Allowing a board of directors to formulate the business plan is thus important instead of an individual doing the task. This is because being a team; they can come up with something reasonable due to combined efforts and ideas. Reviewing the set goals regularly is also important because it enables the business organization to assess its performance and know whether or not it is working in line with the set goals or it has deviated. This will enable the concerned party to reset the goals if need be or modify the already set goals where necessary. By so doing, the organization's efficiency increases which results to increased productivity which in turn increases the profits; the dream of every business organization.

It is imperative to note that fast decision making process is crucial in any organization. This is because the market is dynamic and therefore to be effective in meeting the market's, demand, flexibility and quick decision making are key. In addition to that, when one thinks of coming up with a business idea in order to develop it, the most important factor to consider is the target market; the customers. The position a firm takes in the market is also one of the most important determinants of whether the business will thrive or not. The better the position a firm holds in the market, the higher the chances of it succeeding. As firms therefore try to attract customers and compete effectively, they should not undermine the need to be well positioned in the market.

It is also worth noting that whenever there are two or more competing firms which produce the same goods and/or services to the same customers, the important thing which

will get customers' attention is the quality of the product in terms of constituents, branding, and packaging. Firms in a competitive industry should therefore try all means possible to improve the quality of the products they offer to customers. To add to that, dealing with a particular narrow market is something of significant importance because it makes the business organization to deal with a specific line of products. When this is so, there is improved customer relation and the organization can meet the customers' interests without difficulty. This enhances the business' performance and in turn, profitability.

5.4 Recommendations

In determining the suitability of business planning on the strategic decision making process and firm performance in MSEs funded through the Jitihada Business plan competition, the researcher recommends that;

- i. The business organizations should formulate goals to guide them in their day to day operations. This will enable them assess their performance and take action where necessary.
- ii. The government should set policies that favor upcoming entrepreneurial firms. By so doing, such firms will grow and create employment opportunities which in turn lead to economic development.
- iii. The business organizations should also ensure that they are competent in the industry. To do this, they should adopt strategies that will enable them to have competitive advantage over their rivals.

- iv. The customers should also help the supplying firms by making known to them how they need to be served and what specifically they need. This will enable the firms to improve their customer services and the quality of the products they offer to customers.

5.5 Limitations of the study

Given that the study considered only forty five respondents out of the three hundred and ten microenterprises that participated in the Jitihada competition in Nairobi County, and two thousand countrywide, the data may not be 100% representative of the microenterprises which have developed business plans in Kenya. Some of the respondents were not able to disclose information due to the fear of breach of business confidentiality. Other respondents used delay tactics by telling the researcher that they will call them when available for the interview, but further follow up showed that they were unwilling to participate in the interview.

The researcher encountered limitation of time. Time constraint was experienced due to the nature of data that was to be collected as it needed authorization from various levels of authorities. Jitihada database was also not updated and therefore some contacts given by the entrepreneurs at the competition stage were out of date by the time we did the data collection. The respondents were widely distributed within Nairobi County bearing in mind that they were microenterprises which had not been classified based on industry or size. As a result more research assistants had to be engaged for the data collection, a fact that made the cost of doing the research to go higher than the budget.

5.6 Suggestions for Further Studies

Given the scope and limitations of the study, the researcher recommends that a study be carried out on challenges affecting business planning in micro, small and medium enterprises and the mitigative factors. At the same time, other businesses that have not participated in business plan competition should be engaged in the study and the level of planning their business determined. The performance of businesses in the two categories should be established for comparative purpose of the competitive advantages.

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APPENDICES

Appendix I: Questionnaire

Instructions:

- (a) Give brief answers in the spaces provided.
- (b) In the boxes given, please tick appropriately.

SECTION ONE: COMPANY DEMOGRAPHICS

1. Name of your company
.....
2. Physical address
.....
3. When was the company started?
.....
4. What goods/services do you offer to the consumers? List below
.....
5. How many employees does the organisation have?
Permanent.....
Casual.....

SECTION TWO: BUSINESS PLANNING AND STRATEGIC DECISION MAKING PROCESS

1. Who developed the organisation's business plan?
Board of Directors.....
Chief executive Officer.....
Consultant.....
Other.....
2. Were the employees involved in the development of the business plan?
.....
3. Has the business plan affected the communication on aspects of the business ?
.....
4. If so in which ways?
(i) To Employees
To Outsiders.....

- (ii) Goals
- (iii) Timeliness in doing business projects.....
- (iv) Marketing Strategies
- (v) Product Development Strategies
- (vi) Others

5. Does the organisation set /formulate targets for the different departments?.....

6. If so who sets the goals?.....

7. Have the goals been achieved?.....

8. How are the goals reviewed?

Weekly.....

Monthly.....

Quarterly.....

Half Yearly.....

9. What happens when the goals are not met?.....

.....

10. Who determines the allocation of finances to the different departments?.....

.....

11. How is the allocation done? Is there a criteria for allocating the apportionment of the finances?.....

12. How do you identify what is happening to the external environment?.....

.....

.....

13. What is the reporting structure in the organisation?.....

.....

.....

14. How fast is the decision making process in the organization?

In Hours.....

- In a Day.....
- In Day(s).....
- In a Week.....
- Others.....

SECTION THREE: BUSINESS PLANNING AND COMPETITIVE STRATEGY

1. Has the business plan enabled you to position yourself in the market in terms of the following:-

a) Attracting buyers.....

b)Withstand
 competition.....

c) Improve market
 Position.....

d) Offer high quality products to the customers.....

e)Offer products at lower costs than rivals

f) Focus on narrow portion of the market (few unique customers).....

g) Offer superior customer service to your clients

2. Where you following those moves and actions before you developed the business plan?

.....
.....

3. Have these moves and actions been implemented by other firms in the industry.

.....
.....

6. Have these moves and actions been successful in other firms.....

.....
.....

7. If yes, did your choice of the moves and actions depend on the above success?.....

.....

SECTION THREE: FACTORS INFLUENCING COMPETITIVE STRATEGY

1. In the choice of the strategies in section two of the study, did you consider the financial Implications?

.....

2. If yes, did the firm have enough financial resources to implement the above moves and actions?

.....

3. If no in (2) above, how did the firm solve the problem?

.....
.....
.....
.....

4. Did the firm consider the competition before the choice of the above moves and action?

Yes []

No []

5. If yes above, what major factors influenced the adoption and implementation?

.....
.....
.....
.....

6. Did the firm have appropriate and adequate management to implement the above moves and actions?

Yes []

No []

7. If no above, what steps were taken to obtain the appropriate management?

.....
.....
.....

8. Did the firm have adequate marketing channels to reach all its current and potential clients?

Yes []

No []

9. If no above, what actions did the firm take to avail the new products as a results of the above moves and actions?

.....
.....
.....

10. Is there any government policy that affected the choice and implementation of the above moves and action? Please explain below.

.....
.....
.....

SECTION FOUR: FIRM PERFORMANCE

1. Has the adoption of moves and actions above improved firm's financial standing?

Yes []

No []

2. If yes above, by what percentage?

.....
.....
.....

3. Apart from financial performance, what other advantages has the firm gained from the adoption and implementation?

.....
.....

4. How does the firm evaluate financial implication of a given move or action?

.....
.....

5. Are there any moves or actions that have adversely affected the firm's

Yes []

No []

6. If yes, above what corrective measures were pursued to correct the situation and prevent other occurrences in the future?

.....
.....
.....