

**"COMPETITIVE STRATEGIES ADOPTED BY NON-
GOVERNMENTAL ORGANIZATIONS DEALING WITH HIV-AIDS
IN KENYA TO COPE WITH INCREASED COMPETITION FOR
FUNDING "**

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Date 15th November 2006

BY:

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A Management Research Project Report Submitted in Partial
Fulfillment for the Requirements of the Master of Business
Administration Degree, Department of Business Administration, School
of Business, University of Nairobi

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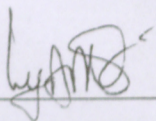
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DECLARATION

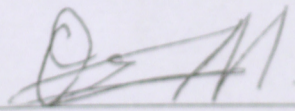
This research project is my original work and has not been submitted for a degree course in this or any other university.

Signed 

Okal Lydia (D61/P/8076/2002)

Date 15th November 2006

This Project has been submitted for examination with my approval as a university supervisor

Signed 

Dr. Martin Ogutu

Date 17th November 2006

DEDICATION

I dedicate this work to my husband Eric Mukaye , my daughter Jessie Vuyanzi and my two sons Bradley and Sammy for your understanding and moral support. To my mum for giving me opportunity to attend school and advance academically.

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Dedication.....

Acknowledgement.....

I wish to express my deepest appreciation to the following individuals and institutions that shared their perspectives and experiences with me or offered some form of assistance during this research.

The Almighty God for giving me good health, strength and a gift of life to undertake this research.

The entire family members for their support and encouragement, the survey respondents, and the research assistant Martina Amolo who helped greatly with data collection.

KANCO for availing list of registered NGO's, all organizations that responded to the questionnaire.

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ABBREVIATIONS

AIDS	Acquired Immunodeficiency Syndrome
CBO	Community Based Organization
FBO	Faith Based Organization

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ABBREVIATIONS

AIDS	Acquired Immunodeficiency Syndrome
CBO	Community Based Organization
FBO	Faith Based Organization
GOK	Government of Kenya
HIV	Human Immunodeficiency Virus
INGO	International Non Governmental Organization
KANCO	Kenya AIDS Non Governmental Organization Consortium
NACC	National AIDS Control Council
NGO	Non Governmental Organization
STI	Sexual Transmitted Infections
SPSS	Statistical Package for the Social Sciences

ABSTRACT

CHAPTER II: INTRODUCTION

Competition in an industry is rooted in its underlying economic structures and goes well beyond the behavior of current competitors (Obado 2005). The level of rivalry or competition in industry therefore is determined by the concentration ratio of industry. Rivalry is low if the larger proportion of market share is held by a few large firms and high when the industry is fragmented. The NGO industry is one such industry that has a high number of concentrated players Porters generic model is therefore a powerful tool for systematically diagnosing the chief competitive pressures in a market and assessing how strong and important each one is. For public service organizations however, the concern is with an equivalent issue: the bases on which the organizations chooses to sustain the quality of its services within a greed budgets i.e. how it provides best value.

To survive in today's highly competitive environment whether for profit making or not any organization must achieve at least temporarily a competitive advantage. Differentiation strategy focuses not only on being unique but extends beyond the characteristics of the product or service to encompass every possible interaction between the firm and its customers. In the NGO industry it might be accomplished by applying narrow focus or broad based strategies. It therefore requires a well thought out tack tick to outmaneuver competitors and have access to funding.

CHAPTER 1: INTRODUCTION

1.1 Background

In the context of turbulent business environment, strategic management plays a crucial role in facilitating the deployment of firm's resources in an efficient manner to optimize the long term performance of the firm. Implementation of strategies becomes critical especially in the context of increasing competition and complexity of today's business world which can make it difficult for a business to access and take advantage of opportunities open to it. (Bennet, 1998). Researches have shown that in the face of competition firms adopt various competitive strategies in order to survive in the market. Porter (1980) argues that the essence of formulating a competitive strategy is relating a company to its environment. He further states that competitive strategy adopted by a firm should result to competitive advantage. Competitive advantage grows fundamentally out of values a firm is able to create for their buyer that exceeds the firm's cost of creating it

1.1.1 Competitive Strategies

Competitive strategy is the part of business strategy that deals with management plan for competing successfully- how to outmaneuver rivals, how to defend against competitive pressures, how to strengthen the firm's market position (Thomson & Strickland, 1996). An organization's strategy consists of the moves and approaches derived by management to produce successful organization performance. Strategy is thus management game plan for the business (Thompson and Strickland, 1998). Ansoff (1988) defines competitive strategy as the distinctive approach, which a firm uses or intends to use to succeed in the market. He further states that formulation of competitive strategies include consideration of four factors: the firms' strengths and Weaknesses, industries opportunities and threats, personal values of key implementations and broader societal expectations. Competitive strategies comprise of both offensive and defensive actions.

The goal of competitive strategy for a firm is thus to find a position in the industry where the company can best defend itself against the competitive forces or can influence them in its favor.

Porter (1980) pioneered thinking in this field when he proposed that there were three generic strategies by which an organization could achieve competitive advantage. These were overall cost leadership, differentiation and Focus. Cost leadership or 'no frill' strategy combines low price, low perceived product services, benefits and a focus on a price sensitive market. It seeks to achieve a lower price than competitors whilst trying to maintain similar perceived product or service benefits to those offered by competitors. The firm sells its products either at average industry prices to earn a profit higher than that of rivals or below the average industry prices to gain market share. In the event of a price war, the firm can maintain some profitability while competition suffers losses. Focus strategy seeks to provide perceived product or service benefits justifying a substantial price premium, usually to a selected market segment (niche). The premise is that the needs of the group can be better serviced by focusing entirely on it. Within the niche it attempts to achieve either a cost advantage or differentiation.

Differentiation strategy seeks to provide products or services benefits that are different from those of competitors and that are widely valued by the buyers. The aim is to achieve competitive advantage by offering better products or services at the same price or enhancing margins by pricing slightly higher. The value added by the uniqueness of the product may allow the firm to charge a premium price for it. Firms that succeed in differentiation strategy often have some internal strength including high research and development capabilities, strong sales team and corporate reputation for quality and innovation. This is the model to be adopted by this study.

1.1.2 Non Governmental Organization Dealing With HIV/AIDS in Kenya

In 1999, the Government of Kenya (GOK) declared HIV/AIDS a national disaster since the first case was discovered in 1984. This is because HIV/AIDS spread rapidly during the 1990's reaching prevalence rates of 20-30% in some areas of the country. It is estimated

that over 1.5 million people have died due to AIDS-related illnesses, resulting into 1.8 million children left as orphans. It is also estimated that 1.4 million people are living with the HIV today. The rate of AIDS deaths has risen dramatically and it is estimated that there are about 150,000 AIDS deaths per year. This has since foreseen International Non Governmental organizations, community based organizations, Local organizations and Faith based organizations engage in the fight against the endemic. The government appealed to donor agencies for assistance towards HIV prevention and care through Sessional paper No.4 of 1997 which went further to define strategies for intervention and identified three priority areas in response to the epidemic in the country: Prevention of new infections, improving quality of life and Mitigating the socio-economic impact of HIV/AIDS. The activities of INGOS/CBOS &FBO are built around these strategic objectives.

A consortium of NGOs working in HIV prevention and care exists and was established in 1990. KANCO mission is to provide and promote leadership, solidarity and collaboration among member NGOS/CBOS, Religious organizations and the Kenya government for collective actions towards response to HIV/AIDS. To date there are approximately over 800 NGOS and FBOs officially registered with this group and engage in the fight against HIV/AIDS in the country.

The industry for NGOs dealing with HIV/AIDS remains concentrated and reflects a century of Entry, but No Exit. To note Presidential declaration on total War on AIDS in 2003 as recorded in his speech, 'I assure you of total support from my government. Together we should be able to win this war, which should be won through mobilization, awareness raising and a sense of caring for our neighbors". This escalated Entry and No Exit in the industry. The last five years have witnessed an increase in the number of stakeholders and partners who are fighting HIV/AIDS in Kenya. The goodwill created by the high level of political commitment and the evidence of local support and action has resulted in an increased flow of resources into the countries National HIV/AIDS programme.

It may not be easy to measure at this juncture the intensity of competition within this industry, but the degree of concentration is a reflection that there is increased competition. It has been reported that 60% of interventions in the country are provided by NGOs/CBOS & FBOS. This shows that a larger market share is in the hands of these groups. To date even the NACC has not been in a position to track down the exact number of partners engaged in HIV/AIDS interventions.

Increase in the number of people and organizations involved in the HIV/AIDS interventions have lead to increased challenges in coordination to maximize efficiency, minimize wastage and duplication of efforts. There has been a constant stream of new entrants, and a clear tendency for donors to break out of providing aid. Currently there are about 33 funding agencies against over 800 service providers (NGOs/CBOS& FBOS).

The study will look at competitive strategies as attributed by NGOS/CBOS&FBOS dealing with HIV/AIDS related interventions to serve to defend against the competitive forces in sourcing for funds. This is because competitive strategy calls for the development of a product or service that offers unique attributes that are valued to the financiers and that financiers perceive to be better than or different from the services of other competitors.

1.2 The Research Problem

Despite the substantial progress noted in the fight against HIV/AIDS, a review of reports prepared by civil society groups (CBOs, FBOs and NGOs) and JAPR, among others, showed that a number of obstacles and constraints exists and need to be addressed. Among them being poor institutional arrangements, management and coordination leading to inadequate financial resources, infrastructure and institutional capacity of implementing agencies, Conflict of roles and interest within Constituency AIDS Control Committees, Duplication of activities and wastage of resources, Political interference in programme activities at constituency level, Poor procurement system for supplies such as reagents for STIs, Poor coordination of programme activities at the community level

including poor financial tracking system. Large NGOs not willing to share resources with small CBOs and civil society organizations, Leadership wrangles within CBOs, Mistrust, competition, suspicion and unwillingness to share information among different groups at all levels, Poor geographical coverage of interventions due to vastness of some regions. Demand for transparency and accountability has also increased from the unusual sources, the budget providers who wish to maintain levels of service provision and quality but at reduced costs, thus causing the management of the costs base of an organization to be a basis for competition.

The study will contribute towards the fulfillment of the knowledge gap in looking at Survival of HIV-AIDs NGOs calls for adoption of competitive strategies. The evaluation of HIV/AIDS programme, so far, has revealed that there is need to shift in strategy. Firms develop strategies to help them achieve competitive advantage. Strategies reflect both external as well as internal circumstances. Nduboi (2003) researched on competitive strategies applied by the retail sector of the pharmaceutical industry. He found that sector specific strategies exist and that they are formulated in an informal manner, thus necessitating the need to find out how competitive strategies have been developed in the HIV/AIDS NGO sector.

Cases of competitive strategies have been studied by various scholars for example by; Kiburi (1999), Abdullar (2000), Murage (2001), Theuri (2002), Nduboi (2003), Omuyitsi (2003) and Namanda (2004). However most of these studies concentrated on service provision mainly focused on medium, large and small scale enterprises like the food companies, pharmaceutical industry and retail supermarkets. These looked at competitive strategies from the market point of view as applied to attract and maintain customer for a company's profit maximization. The proposed study will emphasize and help investigate competitive strategy employed in order to attract and maintain financiers of projects as opposed to other studies that concentrated highly on customer base maintenance for profit maximization.

1.3 Research Objectives

The objectives of the study are to:

- (i) Determine the competitive strategies being used by NGOs dealing with HIV-AIDS in Kenya to compete for funding.
- (ii) Establish the challenges NGOs are facing in applying the competitive strategies

1.4 Importance of the Study

The study will contribute towards the fulfillment of the knowledge gap in looking at competition from the supply side of the market and help the HIV-AIDS NGOs access ready source of information on competitive strategies being applied in the industry. Funding agencies will be able to get readily available information on a myriad of competencies to look out for in NGOs before releasing funds

CHAPTER 2: LITERATURE REVIEW

2.1 Competition and its Challenges

John Collins is quoted to have said 'Competing in the market place is like war. You have injuries and casualties, and the best strategy wins' (Thompson A, 1989) Competition is the act of striving against another force for the purpose of achieving dominance or attaining a reward or goal, or out of a biological imperative such as survival. (American Heritage® Dictionary, 2004). Competition, according to the theory, causes commercial firms to develop new products, services, and technologies. This gives consumers greater selection and better products. The greater selection typically causes lower prices for the products either creating a bigger market share for the company or a smaller. Ansoff (1990) argues that in the 1970s' the strategists attention turned from diversification to optimizing the firms competitive strategies and then to optimizing the firms total business portfolio. Porter (1980) adds that when the different markets of the firm have growth prospects and are mixed and turbulent, before further prospects can be estimated it becomes necessary to segment the firms environment into distinctive areas of trends, threats, opportunities .Complexity, uncertainties and turbulence in the resource technology and socio, political environment make it desirable to segment these environments into strategic resource areas, thus the essence of strategy formulation is coping with competition. (Porter 1980)

Competition in an industry is rooted in its underlying economic structures and goes well beyond the behavior of current competitors (Obado 2005). The level of rivalry or competition in industry therefore is determined by the concentration ratio of industry. Rivalry is low if the larger proportion of market share is held by a few large firms and high when the industry is fragmented. Porter (1980) argues that most businesses must respond to five basic competitive forces that drive industry competition. The five forces are; threat of new entrants; threat of substitute products; bargaining power of suppliers and bargaining power of buyers. Existence of these factors; high exit barriers, slow market growth, high fixed costs, low buyer switching costs and low levels of product differentiation intensify rivalry in an industry and forces the rival firms to seek

competitive advantage in ways that elicit counter-response from rivals, reducing profitability and industry attractiveness. Porters' model is a powerful tool for systematically diagnosing the chief competitive pressures in a market and assessing how strong and important each one is. Kitoto (2005) confers that a proper analysis of the five forces will help a firm choose one of the generic strategies that will effectively enable the firm to compete profitably in an industry. Managers therefore can only develop winning strategies by first identifying the competitive pressures that exists gauging the relative strength of each and gaining a deep understanding of the industry's whole competitive structure.

However, unlike in a market system where industry concentration is determined by the market forces, rivalry in highly regulated industries would be low, giving an unreliable indication of industry attractiveness. In such a system, a freedom of enterprise and choice exists whereby firms have unrestricted access to obtain resources, produce products of choice and sell to markets of choice. For public service organizations the concern is with an equivalent issue: the bases on which the organizations chooses to sustain the quality of its services within a greed budgets that is how it provides best value (Johnson & Scholles, 2005). Michael Porters five forces model of industry analysis is therefore more suited to a market system economy.

2.2 Industry Competition

Competitive strategy in an industry is composed of all the specific moves and approaches a firm has taken and is taking to compete successfully in a given industry. In plainer terms, a firm's competitive strategy concerns how management is trying to knock the socks off rival companies and otherwise cope with the five competitive forces (Arthur, 1989)

Kevin P Coyne in Business Horizons (1986) witnesses the widely accepted definition of competitive strategy as an integrated set of actions that produce a sustainable advantage over competitors. Thus ideas that form the basis of competition in an industry are traced to early literature on the subject of sustainable competitive advantage. Hoffman (2000)

quotes Adelson (1965) as the first to recognize that firms should strive for unique characteristics in order to distinguish themselves from competitors in the eyes of consumers. Hamel and Prahalad (1989) discussed the need for firms to learn how to create new advantages that will keep them one step ahead of competitors. Hall (1980) solidified the need for firms to possess unique advantages in relation to competitors if they are to survive. These and related arguments would later form the basis of sustainable competitive advantage concept.

The idea of sustainable competitive advantage surfaced in 1984 when Day suggested types of strategies that may help sustain the competitive advantage. The term sustainable competitive advantage emerged in 1985, when Porter discussed the basic types of competitive strategies that firms can adopt to achieve sustainable competitive advantage; cost leadership and differentiation. Porter (1985) argues that when a firm has achieved a competitive advantage and successfully raises the barriers preventing imitation by competitors it thereby "resists erosion by competitor behaviour" and achieves sustainable competitive advantage.

The first and closest attempt to define sustainable competitive advantage was made by Barney (1991). He postulated that a firm is said to have a sustainable competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy.

Gunther (1995) argues that the sustainability does not refer to a particular period of the calendar time, nor does it imply that the advantage persist indefinitely, but rather depends on the possibility and the extent of competitive duplication. Preventing imitation does not last forever and therefore the firm's ability to delay the eventuality is essential in order to derive the maximum benefit from any competitive advantage (Porter, 1996, Pearce and Robinson, 2000). According to Hao Ma (1999) sustainability of competitive advantage refers to an advantage that is long lasting, and is not easily matched by competitors.

A firm may have many advantages over competitors, but the important advantages are those in which customers place value. The concept of competitive advantage is therefore defined in the context of the marketplace and has to do with how a firm is able to win and retain customers in a competitive environment. Oxford dictionary meaning of the term sustainability is "the ability to keep going over time or continuously" Sustainable competitive advantage therefore means those advantages that are valued by the customers that a firm has, and is able to maintain over a period of time while keeping the competitors at bay.

Competitive advantage is therefore based on strategies formulated around unique resources possessed or created by the firm that may not be easily acquired by competitors. To achieve sustainable competitive advantage therefore a firm has to be outward looking to determine the actions of the competitors and continuously invest in developing unique resources for the future.

2.3 Porter's Generic Strategies

A firm's relative position within its industry determines whether a firm's profitability is above or below the industry average. (Porter 1980) The fundamental basis of above average profitability in the long run is sustainable competitive advantage. There are two basic types of competitive advantage a firm can possess according to Porter (1985): low cost or differentiation. The two basic types of competitive advantage combined with the scope of activities for which a firm seeks to achieve, lead to three generic strategies for achieving above average performance in an industry: cost leadership, differentiation, and focus. The figure shows the two basic strategies to achieve competitive advantage as supported with the argument that every activity in the value chain is a potential source of pursuing either cost leadership or differentiation at the same time not all have the same significance (Hax and Nicolas, 1996)

		Competitive Advantage	
		Lower Cost	Differentiation
Competitive Scope	Broad Target	1. Cost Leadership	2. Differentiation
	Narrow Target	3a. Cost Focus	3b. Differentiation Focus

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Figure: The three generic Strategies

Source: Hax, A.C and Nicholas, S.M (1996) The Strategy Concept and Process, New Jersey, Prentice Hall, Page 124

Cost Leadership

In cost leadership, a firm sets out to become the low cost producer in its industry for a given level of quality (Thompson and Strickland 1998). The firm sells its products either at average industry prices to earn a profit higher than that of rivals, or below the average industry prices to gain market share. In the event of a price war, the firm can maintain some profitability while the competition suffers losses. The sources of cost advantage are varied and depend on the structure of the industry. They may include the pursuit of economies of scale, proprietary technology, preferential access to raw materials and other factors. A low cost producer must find and exploit all sources of cost advantage. If a firm can achieve and sustain overall cost leadership, then it will be an above average performer in its industry, provided it can command prices at or near the industry average.

(<http://www.quickmba.com/strategy/generic.shtml> 4th May 2006)

Each generic strategy has its risks, including the low cost strategy. For example, other firms may be able to lower their costs as well. As technology improves, the competition may be able to leapfrog the production capabilities, thus eliminating the competitive advantage. Additionally, several firms following focus strategy and targeting various narrow markets may be able to achieve an even lower cost within their segments and as a group gain significant market share.

Differentiation

In a differentiation strategy a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. It selects one or more attributes that many buyers in an industry perceive as important, and uniquely positions itself to meet those needs. Grant (1998) argues that differentiation is not about pursuing uniqueness for the sake of being different, but it's about understanding the product or service and the customer. Differentiation therefore extends beyond the characteristics of the product or service to encompass every possible interaction between the firm and its customers. Product differentiation is always a matter of customer perception, but firms can take a variety of actions to influence these perceptions (Barney 1997). Approaches to differentiation can take many forms; design or brand image, technology features, customer service, dealer network or other dimensions.

As is quoted by Pearce and Robinson (2002), differentiation usually arises from one or more activities in the value chain that creates a unique value important to buyers as mentioned above. Firms that succeed in a differentiation strategy often have the following internal strengths; access to leading scientific research achieved through highly skilled and creative product development team, strong sales team with ability to successfully communicate the perceived strengths of the product, corporate reputation for quality and innovation (Porter 1980)

Thompson and Strickeland (2003) argue that differentiation strategies tend to work best in market circumstances whatever there are many ways to differentiate the product or service and many buyers perceive the differences as having value. Firms can differentiate their products by altering or modifying the product features, linking different functions within the firm, introducing the product at the right time, exploring location advantages, mixing products, linking with other firms and reputation. (Porter 1980)

Kitoto (2005) Observes that for a company to be successful in using differentiation, it has to study buyers' needs and behavior carefully to learn what they consider important, with value and what they are willing to pay for it. The risks associated with differentiation

strategy include imitation by competitors and changes in customer tastes. Additionally, various firms pursuing focus strategies may be able to achieve even greater differentiation in their market segments.

Focus

The generic strategy of focus rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry and tailors its strategy to serving them to the exclusion of others. The focus strategy has two variants; Cost focus – where a firm seeks a cost advantage in its target segment and Differentiation focus- where a firm seeks differentiation in its target segment. Both variants of the focus strategy rest on differences between a focuser's target segment and other segments in the industry (Porter 1985). The target segments must either have buyers with unusual needs or else the production and delivery system that best serves the target segment must differ from that of other industry segments.

Thompson and Strickland (2003) argues that a firms strategy based on the two variants becomes increasingly attractive as more of the following conditions are met; First the target market niche is big enough to be profitable, second, costly or difficult to multi-segment competitors to put capabilities in place to meet the specialized needs of the target niche and satisfy the expectations of their main stream customers, third, the industry has many different niches and segments, thereby allowing a focuser to pick a competitively attractive niche suited to its resource, strengths and capabilities, and few if any other rivals are attempting to specialize in the same target segment a condition that reduces the risk of segment overcrowding, fourth, focuser can compete effectively against challenges based on capabilities and resources it has to serve the target niche and the customer goodwill it may have build up.

Some risks of focus strategies include imitation and changes in the target segments. Further more, it may be fairly easy for broad-market cost leaders to adapt its product in order to compete directly. Finally, other focusers may be able to carve out sub-segments that they can serve even better.

The three generic strategies are not necessarily compatible with one another. If a firm attempts to achieve an advantage on all fronts, in this attempt it may achieve no advantage at all. For example, if a firm differentiates itself by supplying very high quality products, it risks undermining that quality if it seeks to become a cost leader. Even if the quality did not suffer, the firm would risk projecting a confusing image. For this reason Porter (1980) argued that to be successful over the long term, a firm must select only one of these three generic strategies.

Newman et al (1982) argues that besides market and supply factors, three other considerations throw light on the ability of the enterprise to put the strategy into action. These are financial strength, community and government relations and the ability and values of company executives.

2.4 Other Models of Competitive strategies

Researches have shown that in the face of competition firms adopt various competitive strategies in order to survive in the market. Ansoff (1988) defines competitive strategy as the distinctive approach, which a firm uses or intends to use to succeed in the market. Competitive strategies comprise of both offensive and defensive actions. He argues that formulation of competitive strategies include consideration of four factors: the firms' strengths and Weaknesses, industries opportunities and threats, personal values of key implementations and broader societal expectations.

Johnson and Scholes (2005) argues that competition can be sustained by organizations having strategic capabilities which are valuable to buyers, rare, robust, non substitutable and dynamic. Strategic capabilities can be defined as the adequacy and suitability of the resources and competencies of an organization for it to survive. These entail tangible and intangible resources. Intangible resources are non physical assets such as information, reputation and knowledge that is; intellectual capital, human resources financial management and physical resources. Threshold capabilities are essential for organizations to be able to compete in a given market. Competences are activities and processes that which an organization deploys its resources. Rarity is the uniqueness and may depend on who owns the competence and how easily transferable it is, for example, some

professional service organizations, reputations that is recruiting, training, motivating and rewarding these rare individuals to ensure that they do not defect to competitors, or culture that attract funders to work with particular organizations, preferred access to customers.

Prahalad and Gary Hamel (1990) coined the word core competencies and argued that these are the source of competitive advantage which enables a firm to introduce an array of new products. According to Prahalad and Hamel, core competencies arise from the integration of multiple technologies and the coordination of diverse skills. It is rooted in the ability to integrate and coordinate various groups in the organization. Other attributes of core competencies are that they possess customer value (the skills that enable the firm to deliver unique customer value), they are competitively unique as well as extendable (form basis for entry into new markets).

Competitive challenges as highlighted by Theuri (2002) in his study on Competitive challenges adopted by Branded fast food Chains in Nairobi are; huge financial requirements, changing consumer targets and preferences, enhancement of the abilities and skills of the staff, huge marketing costs and competition from unbranded outlets. This basically confers to the views of Newman. Kitoto (2005) also found out that adequate finance was one of the challenges facing investors

Thompson and Strickland (2003) argues that fitting the organizations internal practices to what is needed for strategic success is the most complicated and time consuming part of strategic management. The ability and values on company executives are important in putting strategy into action. Executives turn potential opportunities into actual opportunities even for the good of the company, keep costs in line and face anticipated challenges. Executives may be entrenched to the current strategy such that they are unable to change and measure up with environmental changes; this reduces business opportunities for firms. Within the management group therefore, there should be individuals with qualities essentials to the planning, direction and control of the organization strategic.

Phatak (1989) argues that some other competitive challenges include community and government relations. It must be noted that organizations differ in their ability to work with governments. While it is important to be regarded as a good corporate citizen good community and government relations may lead simply to a permissive situation, but in crisis situations the very right to continue operating may be at stake.

3.2 Population

The population consisted of 300 registered organizations with Kenya AIDS NGOs Consortium (KANCO). A list of the NGOs/CBOs is attached. From this population a sample size of 40 was determined using stratified sampling. The population was therefore categorized into four strata of International NGOs, Local NGOs, Faith Based Organizations (FBOs) and locally Community Based organizations (CBOs).

3.3 Sampling Methods

Simple random method was then used to randomly select the first 10 listed organizations from each specific stratum. This is because according to Roscoe (1975), a sample size between 30 and 500 are appropriate for most research. The population therefore is the sample unit and the sample frame is a complete listing of all NGOs/CBOs. A sample of 40 was therefore drawn from the NGOs in Nairobi.

3.4 Data Collection Methods

Questionnaires were used to collect data for this research. The questionnaire consisted of both open ended and closed questions which provided both qualitative and quantitative data. The questionnaire was administered to HIV/AIDS Program or project directors.

CHAPTER 3: THE RESEARCH METHODOLOGY

3.1 Research Design

The design used in this research was a survey of the descriptive kind. This was because of the descriptive data to be collected. The survey research method has more advantages than other methods of data collection (Mugenda,1999) observe that 'survey research method is probably the best method available to social scientist and other educators who are interested in collecting original data for purposes of describing a population which is too large to observe directly. Survey research is also excellent vehicles for the measurement and comparing the characteristics of a large population as was the intention of this study.

3.2 Population

The population consisted of 800 registered organizations with Kenya AIDS NGOs Consortium (KANCO). A list of the NGOs/CBOs is attached. From this population a sample size of 40 was determined using stratified sampling. The population was therefore categorized into four strata of; International NGOs, Local NGOs, Faith Based Organizations (FBOs) and lastly Community Based organizations (CBOs).

3.3 Sampling Methods

Simple random method was then used to randomly select the first 10 listed organizations from each specific stratum. This is because according to Roscoe (1975), a sample size between 30 and 500 are appropriate for most research. The population therefore is the sample unit and the sample frame is a complete listing of all NGOs/CBOs. A sample of 40 was therefore drawn from the NGOs in Nairobi.

3.4. Data Collection Methods

Questionnaires were used to collect data for this research. The questionnaire consisted of both open ended and closed questions which provided both qualitative and quantitative data. The questionnaire was administered to HIV/AIDS Program or project directors,

project coordinators in the CBOs/FBOs and HIV/AIDS specialists as was relevant to each organization. The questionnaire was divided into two sections, Section A and B. Section A provided general information, while section B sought to find out the various strategies employed by the organization to compete for funding from donors. It also gave information on the various challenges organizations face in applying competitive strategies in the market and the coping mechanisms.

3.5 Data Analysis Method

The data collected was analyzed using descriptive statistics such as mean scores, percentages, frequencies and cross tabulation. The findings are presented using tables and charts. The percentages were used to determine popularity in terms of strategies used by the targeted organizations and the challenges. Frequencies aided in analyzing demographic information of size, type and years of experience of the organizations. Cross tabulations guide in determining whether certain demographic data are related to certain challenges and competitive strategies used. The software used to enter and analyze data was Statistical Package for the Social Sciences (SPSS 10.0).

Organization Size	Frequency	Percentage
Less than 50	14	64
50-100	4	18
100-500	3	14
More than 500	1	4
Total	22	100

As the Table 1 shows, 64% of the organizations interviewed had staff capacity of less than 50 while only 4% had staff of over 500.

CHAPTER 4: DATA ANALYSIS AND FINDINGS

4.1 Introduction

In this chapter the data collected is analyzed and presented. The section is divided into three major parts namely; relevant demographic statistics, results for the first objective of the study which is to determine the competitive strategies being used by NGOs dealing with HIV-AIDS in Kenya to compete for funding and results on the second objective of the study which addresses challenges these NGOs are facing in applying the competitive strategies

4.2 Demographic Profile of Organizations

The demographic profile presented here are those that are expected to influence the competitive strategy to be used by an organization. These are; organization size, age of organization and area of coverage. Table 1-3 gives information on demographic profile.

Table 1: Profile of Organizations by Size of staff

Organization Size	Frequency	Percentage
Less than 50	14	64
50- 100	4	18
100- 500	3	14
More than 500	1	4
Total	22	100

As the Table 1 show, 64% of the organizations interviewed had staff capacity of less than 50 while only 4% had staff of over 500.

4.3 Competitive Strategies for Sourcing Funding

The first objective of this study sought to establish the competitive strategies being used by NGOs dealing with HIV-AIDS in Kenya to compete for funding. Data for this was collected using a five point rating scale where 5 = very great extent and 1 = Not at all. The data collected was analyzed using mean score. The higher the mean score the

Table 2: Profile of Organizations by Age (Years of Work in Kenya)

Organization Age	Frequency	Percentages
1-5	10	45
6- 10	5	23
11 – 20	6	27
21 – 30	1	5
Total	22	100

Table 2 shows at least 45% of the organizations had one to five years experience working in Kenya in the area of HIV/AIDS, while only 5% of the organizations have been in the country for 21- 30 years.

Table 3: Profile of Organizations by Area of Coverage

Area of coverage	Frequency	Percentage
Location	5	23
Division	4	18
District	2	9
Regional	8	36
National	3	14
Total	22	100

Table 3 shows that most of the NGO's (36%) dealing in HIV/AIDS intervention in the country operate regionally in more than one province. Very few only 9% are within the district level intervention.

4.3 Competitive Strategies for Sourcing Funding

The first objective of this study sought to establish the competitive strategies being used by NGOs dealing with HIV-AIDS in Kenya to compete for funding. Data for this was collected using a five point rating scale where “5 = very great extent and 1= Not at all”. The data collected was analyzed using mean scores. The higher the means score the

greater the extent of use of the strategy and vice versa. The results are presented in Table 4.

Table 4: Competitive Strategies for Sourcing Funding

Competitive Strategy	Means Score	Std Deviation
Wide range of donors to fund projects	3.22	1.19
Wide range of services offered	3.72	1.03
Specific and narrow range of services offered	2.55	1.18
Identifying needs of prospective clients	3.86	1.17
Frequent research	2.73	0.93
Strong focus on high growth areas with potential funding	3.05	1.21
Timing considerations associated with first timers	2.86	1.58
Timely reporting on fund use	4.55	1.18
Encouraging donor visits to project site	4.27	1.12
Conducting exchange programs	3.18	1.22
Having unique resources like intellectual capital	3.09	1.19
Offering professional services	3.45	1.18
Preferred access to funding agencies	3.09	1.11
Situation Dependant in looking for funds	2.95	1.05
Controlling supply costs	3.91	1.02
Maintaining low administration costs	4.14	0.89
Experience	4.41	0.73
History and tradition of organization	4.59	0.73
Maintaining strong relationships with donors	4.45	0.80
Excellent conformance to specifications and guidelines	4.27	0.77
Superior ability to serve customers	4.05	1.00
Grand Mean	3.64	

n = 22

Table 4 shows that organizations in the HIV/AIDs service industry greatly use competitive strategies in their bid to compete for funding. This is depicted by the grand mean score of 3.64. History and tradition of organization stands out as a greatly used

strategy with a mean score of 4.59. Strategies that scored higher mean score and are greatly used include; Timely reporting (4.55), Maintaining strong relationship with donors (4.45), Organization experience (4.41), Excellent conformance to specifications and guidelines (4.27), Maintaining low administration costs (4.14), Having superior ability to serve customers (4.05), Controlling supply costs (3.91) and Encouraging donor visits (4.27). Specific and narrow range of services offered stood out as the least used strategy among organizations in the HIV/AIDs service industry with a mean score of 2.55. Those that scored low mean score and are least used include: Specific and narrow range of services offered, Frequent research, timely considerations associated with first timers and situation dependant in looking for funds

This data was further analyzed and categorized into Porters generic strategies of Cost Leadership, Differentiation broad focus and differentiation narrow focus. The information is presented in Table 5.

Table 5: Extent to which Organization use Competitive Strategies

Type of competitive strategy	Classifications	Means score
Cost Leadership	Maintaining low administration costs	4.14
	Controlling supply costs	3.91
	Excellent conformance to specifications and guidelines	4.27
	Grand Mean	4.11
Differentiation narrow focus strategy	Frequent research	2.73
	Strong focus on high growth areas with potential funding source	3.05
	Situation dependant in looking for funds	2.95
	Grand Mean	2.91

Table 5: Continued

Differentiation Broad	History and tradition of organization	4.59
	Superior ability to serve customers	4.05
	Organization experience	4.41
	Maintaining strong relationship with donors	4.45
	Wide range of services offered	3.72
	Wide range of donors to fund projects	3.22
	Grand Mean	4.07

Table 5 shows that Cost leadership and differentiation broad focus strategies are greatly used by most organizations in the HIV/AIDs service industry to compete for funding as depicted by high grand mean score of 4.11 and 4.07. Differentiation narrow focus strategy is least used with a grand mean score of 2.91. Cost leadership is however, a more popularly used strategy than differentiation broad focus as illustrated by a grand mean score of 4.11 and 4.07 respectively.

4.4 Demographic Profile and Competitive Strategies Adopted

The study sought to establish whether a relationship existed between chosen competitive strategies and the various demographic profiles of organization size, years of experience, type and organization's area of coverage. Only two variables, organization size and years of experience were used to analyze this relationship due to similarity of the other two variable organization type and area of coverage. Small organization tended to have few staff and covered a smaller area of intervention and vice versa. The strategies were categorized into broad categories namely cost leadership, narrow differentiation and broad differentiation strategies.

4.4.1 Relationship between NGO Size and Competitive Strategy

Respondents were asked to indicate which category their organization belonged. Less than 50 staff, between 50 to 100 staff, between 100 to 500 and above 500 staff. The analysis was then clustered into two categories, less than 50 staff and 50 plus staff for

purposes of meaningful analyses given the data that was obtained. The other two entries 100 to 500 and 500 and above staff size were ignored. Table 6 shows the relationship between NGO size and the competitive strategies.

Table 6: Competitive Strategies and Size of NGO

	Size of NGO	
	Less 50 staff (Mean)	50-Plus staff (Mean)
Cost leadership strategies		
Controlling supply costs	4.21	3.38
Maintaining low admin costs	4.21	4.00
Excellent conformance to specifications and guidelines	4.07	4.63
Grand Mean	4.16	4.00
Narrow differentiation strategies		
Frequent research	2.71	2.75
Strong focus on high growth areas of interventions with potential funding	2.71	3.63
Situation dependant in looking for funds	3.00	2.88
Grand Mean	2.81	3.10
Broad differentiation strategies		
Wide range of donors to fund projects	2.79	4.00
Wide range of services offered	3.50	4.13
Experience	4.14	4.88
History and tradition of organization	4.43	4.88
Maintaining strong relationships with donors	4.29	4.75
Grand Mean	3.83	4.53
Overall grand mean	3.6	3.88

Table 6 shows that cost leadership strategies were used more by smaller NGOs with a staff size not exceeding 50 than large ones with mean score of 4.16 as compared to 4.00 for larger NGOs with staff exceeding 50. It can also be seen that excellent conformance

to specifications and guidelines as a cost leadership measure was more preferred by larger NGOs. The table also shows that narrow differentiation strategies were more favorable to larger NGOs with a staff size exceeding 50 as compared to small organizations with staff size of less than 50. This is illustrated by larger means of 3.10 and 2.18 respectively. However as a narrow differentiation focus strategy, small NGOs preferred Situation dependant in looking for funds more as compared to larger organization that preferred Strong focus on high growth areas of interventions with potential funding.

It can be seen in Table 6 that broad differentiation strategies were more applied by larger NGOs with a staff size exceeding 50. This is clearly illustrated by the grand means for each of the categories that are higher than those of smaller organizations. Overall cost leadership is greatly used among NGOs with staff not exceeding 50 while differentiation broad category is greatly used by organizations with staff exceeding 50. It is however noted that organization with staff exceeding 50 greatly used competitive strategies as compared to NGOs with staff less than 50. This is illustrated by the total grand mean of 3.88 and 3.6 respectively.

4.4.2 Relationship Between NGO Years of Experience and Competitive Strategies

The study sought to explore the relationship between competitive strategies preferred and NGO experience, measured in years of existence. It was anticipated that organizations that had existed for longer periods had over time experimented and refined their competitive strategies. The years were categorized into four where 1 = less than 1 year, 2 = 1-2 years, 3 = 3-5 years and 4 = greater than 5 years. These were collapsed into two

categories of less than 5 years and greater than 5 years for the sake of analysis. Table 7 shows the relationship between NGO size and the strategies.

Table 7: Competitive Strategies and NGO Years of Experience

	Years of experience	
	5 yrs and Below (Mean)	More than 5 yrs (Mean)
Cost leadership strategies		
Controlling supply costs	4.20	3.67
Maintaining low admin costs	4.20	4.08
Excellent conformance to specifications and guidelines	4.40	4.17
Grand Mean	4.27	3.97
Narrow differentiation strategies		
Frequent research	2.90	2.58
Strong focus on high growth areas of interventions with potential funding	3.30	2.83
Situation dependant in looking for funds	2.80	3.08
Grand Mean	3.0	2.83
Broad differentiation strategies		
Wide range of donors to fund projects	3.10	3.33
Wide range of services offered	3.90	3.58
Experience	4.40	4.42
History and tradition of organization	4.70	4.50
Maintaining strong relationships with donors	4.60	4.33
Grand mean	4.14	4.03
Overall Grand Mean	3.80	3.61

Table 7 shows that cost leadership strategies were used greatly in younger NGOs (up to 5 years existence) than in NGOs older than 5 years. This finding indicates that younger and fledgling NGOs were more cost conscious than older and more established ones. This

may be due to the fact that more established NGOs had developed systems and procedures that regulate costs.

	Means score	Std Deviation
Other organizations copy and copy and try the same	2.59	1.26
Changes in donor demands	1.36	1.03

Table 7 also indicates that narrow differentiation strategies were more used by the NGOs with up to 5 years of existence. However, ‘situation dependant in looking for funds’ was more applied by the NGOs that had existed for more than 5 years. The findings suggest that younger NGOs were more active in exploring new areas and possibilities for funding than older NGOs. This is probably because older NGOs had long term projects which they for which they sought continued funding.

	Means score	Std Deviation
Looking for new funding sources	2.53	1.06

Table 7 shows broad differentiation strategies were more applicable to younger NGOs in terms of years as compared to older ones. Overall, all organizations use competitive strategies, however younger organizations with less than five years of experience use more of the competitive strategies as compared to older organization above five years of experience. This is depicted by the higher overall grand mean score of 3.81 for younger organizations and 3.61 for older organizations.

4.5 Challenges NGO’s are Facing in Applying the Competitive Strategies

Respondents were asked to state the challenges that they faced in their effort to apply the competitive strategies in their organizations. A list of possible challenges was provided upon which respondents had to choose and to write own specific challenges. Data for this was collected using a five point rating scale where 5= very great challenge and 1= No challenge at all. This data was also analyzed using means scores, the higher the means score the greater the challenge and vise versa. Table 8 presents the information collected.

Table 8: Challenges in Applying Competitive Strategies

Challenge	Means score	Std Deviation
Other organizations copy and copy and try the same	2.59	1.26
Changes in donor demands	3.36	1.05
Not known to donors	2.32	1.09
Poor financial strength	2.77	1.48
Inadequate staff competency	2.41	1.30
Staff turn over is high due to poaching	2.55	1.41
Community and government relations	2.72	1.28
Ability and values of company executives	2.60	1.44
In ability to fit the organizations practices to what is needed for strategic success	2.55	1.06

Table 8 shows that changes in donor demand is a great challenge in the application of the competitive strategies to most organizations with a mean score of 3.36. Poor financial strength, community and government relations, ability and values of company executives are among the challenges that greatly affects organizations face with a mean grade of 3 when rounded off to the nearest whole number .However its noted that the issues of inadequate staff competency and not being known to donors are the least challenges facing most organization with a mean score of 2.41 and 2.32 respectively.

CHAPTER 5: CONCLUSION

5.1 Introduction

This is the final chapter of this study. The chapter provides summary discussions and conclusions of the findings of the study. The chapter also highlights limitations of the study, recommendations for further research and recommendations for policy and practice.

5.2 Summary, Discussions and Conclusions

The first objective of this study sought to establish competitive strategies used by NGO's dealing with HIV-AIDS in Kenya to compete for funding. The results indicate that generally NGOs in the HIV/AIDs industry use competitive strategies as a means to compete for funding. The most popularly used competitive strategies are cost leadership and differentiation broad focus. The study found out that differentiation narrow focus strategy was generally least used among the organizations interviewed.

However, it is apparent from the findings that cost leadership is greatly used by most organization in the industry. This could be due to the nature of the industry being service oriented. Johnson and Scholles, (2005) argue that cost leadership from the point of view of service and public institutions is on the bases on which organizations chooses to sustain the quality of its services within a greed budgets. Usually, it is a donor requirement to work within budgets in this industry, thus contributing to a larger scale as to why most NGOs scored high in the usage of cost leadership as a strategy.

The study found that younger organizations with less than five years of experience and with staff not exceeding 50 used cost leadership strategy more than older organizations. This signifies a more avid use of procedures, codes and regulations in carrying operations in larger organizations. This implies that larger NGOs use set benchmarks more to mete their performance as well as to track their competitiveness. Younger and fledging NGOs are more cost conscious than older and more established ones and are struggling to be a performer in the industry and gain entry into the market.

The second objective of this study was to establish the challenges NGOs are facing in Kenya in raising funds for HIV/AIDS. Differentiation broad focus was the second most used strategy to compete for funding. Thompson and Strickeland (2003), states that differentiation strategies tend to work best in market circumstances where there are many ways to differentiate a product or service and many buyers to perceive the differences as having value. The NGO industry has many players and beneficiaries and this confers to the findings. Analyses found that differentiation broad strategy were more applied by larger NGOs with a staff size exceeding 50. Research conducted by Namanda (2004) also concluded that very large firms tend to use differentiation broad strategy as a way to remain competitive over other competitors. Broad differentiation measures were also found to be more applicable to younger NGOs with less than five years of existence as compared to older ones. The measures are generally indicative of a trend whereby younger NGOs maintain an expanded scope of activities, most likely so in a bid to appeal to more donors and hence increase the odds of obtaining funding.

Narrow differentiation strategies were found to be more favorable to larger NGOs with a staff size exceeding 50. The study further revealed that narrow differentiation strategies were more used by the NGOs with up to 5 years of existence. This is attributed to bigger and older NGOs having a more stable funding source, more experience and knowledge of target segments that can be selected to the exclusion of others with a possibility of attracting donor funding. Experience is an added advantage which smaller and younger organizations are deficient of.

From the foregoing discussions the following conclusions can be made regarding the objective that most organizations dealing with HIV/AIDS prefer to use Cost leadership and differentiation broad based strategies as a means to attract donor funding to remain competitive. There is also distinction on the use of the two strategies between smaller and younger organizations as compared to older and bigger organizations.

The second objective of the study was to establish the challenges NGO's are facing in applying the competitive strategies. The results indicate that changes in donor demand are a great challenge to most organizations in the HIV/AIDS service industry. Other challenges that greatly affect these organizations are; poor financial strength, community and government relations and differing ability and values of company executives. However the study revealed that issues of inadequate staff competency and not being known to donors are the least challenges. A research conducted by Theuri (2002) on Competitive challenges adopted by Branded fast food Chains in Nairobi found out that some of the challenges were; huge financial requirements, changing consumer targets and preferences, enhancement of the abilities and skills of the staff, huge marketing costs and competition from unbranded outlets. Kitoto (2005) also found out that adequate finance was one of the challenges facing investors. This concurs to the findings of this study.

From the foregoing discussions the following conclusions can be made regarding the second objective that the challenges faced by NGOs to look for funding are somehow similar to those highlighted from the consumer market oriented studies in the aspects of change in customer tastes as equivalent to change in donor requirements, poor government and community relations, as well as poor financial status.

5.3 Limitations of the Study

One of the limitations associated with this preliminary study is that there was no clear categorization of cost leadership into Broad and narrow focus for analysis. This was an omission at the questionnaire design stage. Another limitation is the inability to administer the questionnaire to the funders to get a different perspective. This is because most of the organizations that fund HIV/AIDS related interventions are stationed out of Africa basically in Europe, USA and Asian countries.

5.4 Recommendations for Further Research

This study found that the competitive strategies used by NGO's dealing with HIV/AIDS in Kenya to source for funding is cost leadership and differentiation broad focus strategy.

It is therefore recommended that further research can be done to establish the competitive strategies funding agencies look for in an NGO to determine release of funds for HIV/AIDS intervention. It's also recommended that further research and study can be conducted to establish competition from the supply side of the market as opposed to the numerous studies on competition from the customer perspective as conducted by most scholars.

5.5. Recommendations for Policy and Practice

This study found that most organizations dealing with HIV/AIDS in Kenya faces the challenge of frequent change in donor demands as well as community and government relations. It's therefore recommended that a policy be developed to safeguard the interest of the organizations dealing with HIV/AIDS interventions in meeting service standards so that donors do not shift the goal post at will to their advantage. Policy document to guard communities against exploitation and demand transparency and accountability should also be developed and implementation monitored on regular basis.

This study is a first step in this line of research, the findings however are important and should be further researched to establish whether competitive strategies differ or are similar from the supply and customer side of the market in different industries.

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In order to achieve the objectives of the research, the information you provide shall be confidential and will be used exclusively for academic purposes. A copy of the report can be availed to you upon request.

Your kind contribution is appreciated.

Thank you.

Your faithfully,

Isabel J. Ochi

Student

Dr. Martha Ochi

Supervisor

APPENDICES

Appendix 1: Letter of Introduction

Lydia D. Okal
School of Business,
Department of Business Administration,
P.O.BOX 30197
Nairobi, Kenya.

19th September, 2006

Dear Respondent,

RE: COLLECTION OF DATA

I am a graduate MBA student at the University of Nairobi currently undertaking a management research project titled “**Competitive Strategies Adopted By Non Governmental Organization Dealing With HIV-AAIDS In Kenya To Cope With Increased Competition For Funding**”. Consequently, I kindly request you to co-operate in filling the enclosed questionnaire, which shall provide the data for analysis in order to achieve the objectives of the research. The information you provide shall be confidential and will be used exclusively for academic purposes. A copy of the report can be availed to you upon request.

Your kind contribution is appreciated.

Thank you,

Your faithfully,

Lydia D. Okal

Student.

Dr. Martin Ogutu

Supervisor

Appendix 2: Questionnaire

COMPETITIVE STRATEGIES ADOPTED BY NON GOVERNMENTAL ORGANIZATION DEALING WITH HIV-AIDS IN KENYA TO COPE WITH INCREASED COMPETITION FOR FUNDING

A study in partial completion for Master of Business Administration School of Business University of Nairobi

Section A

1. What is the name of your organization? -----

2. What is your title in the organization? (Tick where appropriate)
(i) Director () (ii) Program Coordinator/Officer () (iii) HIV Specialists ()
(iv) Project Manager ()
3. To which of the following categories does your organization fall? (i) INGO ()
(ii) Local NGO (), (iii) CBO (), (iv) FBO (), (v) Other specify.....
4. What is the size of your organization? (i) <50 staff (), (ii) 50-100 (), (iii) 100-500
staff (), (iv) >500 staff ()
5. For how long have you worked in this organization? (1) <1 year (2) 1-2 years (3)
3 years (4) > 4 years
6. When did your organization start its HIV/AIDS interventions in the country? ----

7. What are your areas of intervention? (i) Care of OVC/PLWAs () (ii) Prevention ()
(iii) Advocacy () (iv) Training () (v) All (), (iv) Others specify.....
8. Please identify specific interventions in each of the areas identified-----

9. What is your geographical area of coverage? (1) Village () (2) Sub-location (),
(3) Location () (4) Division (), (5) Regional (), (6) Others specify-----

Section B

10. Does your organization have a strategy? Yes (), No ()

11. Please indicate the extent to which your organization has used the following strategies to remain competitive?

(1) Not at all, (2) Little Extent, (3) Moderate extent, (4) Great extent, (5) Very great extent

	1	2	3	4	5
Wide range of donors to fund projects					
Wide range of services offered					
Specific and narrow range of services offered					
Identifying needs of prospective clients					
Frequent research					
Strong focus on high growth areas of interventions with potential funding					
Timing considerations associated with first timers					
Timely reporting on fund use					
Encouraging donor visits to project site					
Conducting exchange programs					
Having unique resources like intellectual capital					
Offering Professional services					
Preferred access to funding agencies					
Situation dependant in looking for funds					
Controlling supply costs					
Maintaining low administration costs					
Experience					
History and tradition of organization					
Maintaining strong relationships with donors					
Excellent conformance to specifications and guidelines					
Superior ability to serve customers					
Use of incentive to staff					

12. If there are any other strategies used to attract donor funds please specify below.....

13. How do you perceive the level of competition in this industry

(1) Not stiff(), (2) stiff (), (3) fairly stiff (), (4) Very stiff (), (5) Not sure ()

14. In your opinion which are the three most successful organization in regard to implementation of HIV/AIDS related projects/programs?

(i)

(ii)

(iii)

15. Give your reasons to the above response.

16. Does your organization try to create a unique image to your donors?

(1) Yes() (2) No ()

If Yes what are the ways in which the organization does this to donors?

17. What challenges does your organization face in applying the strategies you have chosen to attract donor funding? (Please tick as applicable)

(i) Others organizations copy and try the same ()

(ii) Changes in donor demands ()

(iii) Not known to donors ()

(iv) Staff turn over is high ()

(v) Inadequate staff competency ()

(vi) Poor financial strength ()

(vii) Community and government relations ()

(viii) Ability and values of company executives ()

(ix) In ability to fit the organizations practices to what is needed for strategic success ()

18. What are the values your organization place to the following in the range of 1-5?

1- Not at all, 2- Very little, 3- a little, 4- much, 5- a lot.

	1	2	3	4	5
Research and development					
Highly skilled and creative product development team					
Strong market team with ability to successfully communicate the perceived strengths of your perceived donors					
Corporate reputation.					

19. To which of the following groups does your organization lay strong emphasis on when it comes to the above values (1) Beneficiaries (), (2) Donors (), (3) Both ()

20. Why ?-----

21. What are some of the risks associated with the above reasons?-----

22. Are there categories of donors who would prefer working with your organization in the implementation of HIV/AIDS interventions? (1) Yes (), (2) No ()

23. If yes how do you ensure you retain their trust in the organization?.....

24. How do you inform donors about your presence and services?

31. What can you say are the specific strengths of your organization?-----

25. What other challenges does your organization face in its implementation of its Interventions?-----

26. What would you propose as ways to overcome some of this challenges?-----

Thanks.

Appendix 3: List of NGO's

Adventist Development & Relief Agency, (ADRA) Kenya

Aids Orphans Support Center (AOSUC)

AMREF Kenya

Ananda Marga Universal Relief Team (AMURT)

Apostles of Jesus AIDS Ministries

Chandaria Health Clinic

Christian Health Association of Kenya- CHAK

Community Action for Health and Development- CAHED

Family Program Promotion services

Kaloleni Elites Youth Group

Marie Stopes Kenya

Mayatima Care Coalition

Medical Assistance Program (MAP) International

Oasis Africa

Reach the Children

St Johns Community Center

Soweto Kayole P.H.C Project

Women Fighting AIDS in Kenya

Uzima Foundation

Umpja VCT Centre

World Relief

World Vision Kenya