

Abstract

The purpose of this study was twofold: (a) to develop a profile of owner-manager entrepreneurs of 30 medium-sized firms in the "missing middle" sector of Kenya's economy, and (b) to investigate the business strategies used by these managers through the various stages of growth of their businesses. The sample for this study was drawn from medium-sized manufacturing firms in Nairobi. The data was collected through a preliminary fact sheet and structured interviews using a questionnaire.; The results of this study indicated that the entrepreneurs in the missing middle had strong internal locus of control, valued their independence, maintained close links with their families and perceived entrepreneurship as a challenge. Personal contact, especially networking with friends, relatives, and other entrepreneurs was the principal method used to conduct business. Other methods such as mail, newspaper, radio and television advertising were rarely used. The existing government policies and incentives did not appear to address the needs of medium-sized firms and had no influence in the respondents' decision to go into business. Flexibility, quality products, and customer service were the principal business strategies used to attract customers.; Fewer business strategies were used in the earlier stages of growth than in the later stages. Growth and expansion of medium-sized firms was hindered by excessive government bureaucracy, heavy taxes, and deterioration of the general economic infrastructure. The findings of the study indicated a need for training programs for owner-managers of medium-sized firms in the following areas: marketing at the national and international levels, human relations, accounting and finance, and organizational skills.