STRATEGIC MANAGEMENT PRACTICES APPLIED BY FAST FOOD FRANCHISES IN NAIROBI CITY COUNTY KENYA TO ENHANCE PERFORMANCE

BY

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DECLARATION

This research project is my original work and has not been submitted for examination in any other university.

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Other appreciation goes to the University of Nairobi for giving me financial support through a Scholarship Award.

Thank you all.

DEDICATION

This study is dedicated to my mother for her continuous support and encouragement in not only my studies but also all aspects of my life.

ABSTRACT

The fast food industry has become an important part of globalization as people spend many hours working or doing business. The franchising market is steadily growing and evolving from single-unit owners to multi-unit operators employing professional staff of field and unit managers, while they focus on strategy and growth. Over the recent years there has been an upsurge of fast food franchises setting shop in Nairobi with the aim of bringing international food quality standards. Strategic management is an on-going process that evaluates and controls the business and the industries in which the company is involved in. Firms that pursue sustainable strategic management base the formulation, implementation, and evaluation of their strategies on an analysis of the business issues they face. The study sought to determine the strategic management practices applied by fast food franchises in Nairobi City County as well as to establish how strategic management practices influence organizational performance**.** The research design was a cross-sectional survey of the fast food franchises operating in the Nairobi. The population of the study consisted of fast food franchises operating in Nairobi. The fast foods franchises were chosen as they were strategically located in the main streets, with more than one outlet offering the same kind of foods, invested large sums of money in the business, paid goodwill and thus should have well defined strategic plans in order to counter competition and recover what they have invested. The fast food franchises had multiple units globally and had been operating in Kenya for more than a year, making it fairly simple to determine and verify their track record of success in terms of strategic management best practices. The study used primary data which was collected through self-administered questionnaires. Respondents were the directors of the fast food franchises or the supervisors who were situated at the head office, in the case of franchises with several outlets within Nairobi and administration department for franchises with a single outlet. The analysed data was presented in frequency distributions tables and pie charts for ease of understanding and analysis. The data was analysed by the use of descriptive statistics to summarize and relate. The study established that a good number of the respondents indicated that their organizations had articulated a company vision and mission statement to guide their business functions. It also identified that the organizations' capacity to implement strategies as well as competency of staff to implement them was extremely high. The study established that all of the fast food franchises listed high sales as a key performance indicator for tracking the success of their strategic initiatives. Other KPIs included customer satisfaction, gross profit, order preparation time, employee productivity and daily customer complaints. On strategy evaluation, the level of participation in strategy evaluation by Board of Directors and management staff was high. The study concludes that strategic management has a positive relationship with performance of the fast food franchises and that strategic management practices influenced performance of fast food franchises to a very great extent. This shows that the franchises are committed to applying strategic management practices to steer their operations in the Kenyan market. The study recommends that strategic training should be given to all employees in the fast food franchises and that adoption of strategic management practices in developing economies like Kenya should form part of the fast food franchise's method of improving organizational performance in order to cope with turbulent business environment and the global economy.

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ABBREVIATIONS AND ACRONYMS

KFC	Kentucky Fried Chicken
FMCG	Fast Moving Consumer Goods
U.A.E	United Arab Emirates
U.S.A	United States of America
SWOT Analysis	Strength, Weakness, Opportunity and Threats
KPIs	Key Performance Indicators

CHAPTER ONE

INTRODUCTION

1.1 Background

Strategy is defined as the determination of the basic long-term goals of an enterprise, and the implementation of different courses of action and the allocation of resources necessary for carrying out these goals. Strategic management entails the formulation and implementation of the key goals, objectives and initiatives taken by the company's top management on behalf of the owners. The top management has to put into consideration the available resources, and in addition, carry out an assessment of the internal and external environments in which the organization competes. Strategies are important to companies because they guide top management to set direction, focus effort, define or clarify the organization, and provide consistency or guidance in response to the environment.

In global and highly competitive markets, organizations strive to be innovative and agile enough to meet customers' demands. According to Czinkota & Ronkainen (2003) internationalization results to an expansion of national markets, opening new opportunities in a global economic and technological system, in which a growing integration of national economies occurs. The environment dependency theory purports that for organizations to achieve their goals and objectives, it is necessary for them to adjust to their environment. The dynamism of the environment implies that the organization has constantly redesigned their strategies in order to remain competitive (Pearce and Robinson, 2002).

Over the recent years there has been an upsurge of fast food franchises setting shop in Nairobi with the aim of bringing international food quality standards. The market that is growing fastest in Kenya is the middle class comprising of about two million people (from Kenya's 40 million population) who can be defined as those with high disposable income. Nairobi's ranks of people with disposable incomes have in the past been mainly made of its large expatriate community working in diplomatic missions and in the United Nations offices.

Nairobi, Kenya's capital is a cosmopolitan city that is considered to be a market that is a trendsetter for the country. Nairobi's population can be described as educated, exposed, sophisticated, aspirational and with fast changing product tastes and preferences. This has resulted in the rise in Multinational Companies which deem Nairobi as a key business hub. From a vantage view and return on investments the Kenyan market particularly is ready to take international brands. Most of the food chains have picked popular addresses in Central Nairobi or malls located in leafy suburbs such as Westlands and Upper Hill. The food chains invest heavily in market research before choosing to enter a new market, down to the details of identifying specific locations for the stores.

1.1.1 Concept of Strategy

Strategy is a unifying theme that gives coherence and direction to the actions and decisions of an organization. It guides an organization to superior performance by helping it establish competitive advantage (Grant 1998). Strategy acts as vehicle for communication and coordination within the organization. The goal of strategic management therefore is to build and maintain sustainable competitive advantage and create stakeholders wealth. Strategic management process includes formulation, implementation, evaluation and control (Pearce and Robinson 2003).

Strategy is a multidimensional concept that is hard to be defined in a few words. Certain aspects of strategy however have been identified by various authors. Strategy is a game plan that management has for positioning the company in its chosen market arena (Thompson and Strickland 1998, Anderson 1999). Grant (1998) sees strategy as a vehicle for communication and coordination within the organization. He states that strategy guides management decisions towards superior performance by establishing competitive advantage. This enables the company to compete successfully and please its customers while achieving good business performance.

Johnson and Scholes (2003) on the other hand see strategy as the direction and scope of an organization over a long term. They argue that strategy achieves advantage for the organization through its configuration of resources within the changing environment to meet the needs of the market, and fulfill stakeholders' expectations. Chandler (1962) in his definition of strategy states that strategy is the determination of basic long term goals and objectives of the enterprise and the adoption of courses of action. Hence strategy helps in the allocation of resources necessary for carrying out those goals. Mintzberg (1996) offers his view of strategy by asserting that strategy is a plan, a ploy, a position and a perspective as it specifies consciously the intended course of action. He says that strategy is a specific maneuver intended to outwit the competitor and that it is a means of locating the organization in its environment.

Strategy is a unifying part of a decision that helps in identifying purposes, goals, objectives, and priorities of the organization. Strategy also helps the organization create competitive advantage as the organization needs to be aware of what the competitors do to effectively compete. Strategy helps in defining the obligations of the organization to its stakeholders as well as defining its specific business in terms of geographic scope. The success of any organization therefore depends on how new strategies are crafted to enable countering of challenges that are thrown by the environment (Johnson & Scholes 2003).

It is not enough just to formulate good strategies. A good strategy must be implemented and managed properly as desired to give good results. It has been stated that organizations are dependent on the environment and as such interact with the environment. They rely on the environment for their inputs and rely on the same environment to consume its services or products as outputs. The organization must therefore discharge the services or output that meet the needs of the environment. The external environment is always changing. The changes are usually very turbulent and full of surprises. The organization must therefore be flexible and be able to move with speed to counter these changes (Ansoff & McDonnell 1990).

Strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations (Johnson Scholes & Whittington, 2005). Koch (1995) affirms that a good strategy is the commercial logic of any business that defines why a firm can have competitive advantage. Mismatching the two creates a problem, and the matching is achieved through development of organizations capabilities and relating them to external environment.

1.1.2 Strategic Management Practices

Strategic management involves the formulation, implementation and evaluation of the major goals and initiatives taken by a company's top management on behalf of owners, based on resources and an assessment of the environments in which the organization competes. Strategic management processes includes strategy formulation, implementation and evaluation. Formulation of strategy involves analyzing the environment in which the organization operates, then making a series of strategic decisions about how the organization will compete. Formulation ends with a series of goals or objectives and measures for the organization to pursue. Strategic decisions are based on insight from the environmental assessment and are responses to strategic questions about how the organization will compete, such as: What is the organization's business? Who is the target customer for the organization's products and services? What differentiates the company from its competitors in the eyes of customers and other stakeholders? (Mintzberg, 1988).

Strategy implementation involves decisions regarding how the organization's resources will be aligned and mobilized towards the objectives. Strategy implementation includes designing the organization's structure, allocating resources, developing information and decision process, and managing human resources, including such areas as the reward system, approaches to leadership, and staffing. Implementation results in how the organization's resources are structured, leadership arrangements, communication, incentives, and monitoring mechanisms to track progress towards objectives (Mintzberg, 1988).

Strategy evaluation is the final phase of strategic management. It tests the efficiency and effectiveness of the comprehensive plans in achieving the desired results. The process of strategy evaluation consists of: fixing benchmark of performance by using both quantitative and qualitative criteria for of performance, measurement of performance by means of financial statements such as balance sheet, profit and loss account, analysing variance by setting limits between actual and standard performance may be accepted and taking corrective action for instance if the performance is consistently less than the desired performance, the strategists must carry a detailed analysis of the factors responsible for such performance (Mintzberg, 1988).

1.1.3 Strategic Management Practices and Organizational Performance

Strategic management is an on-going process that evaluates and controls the business and the industries in which the company is involved in. Firms that pursue sustainable strategic management base the formulation, implementation, and evaluation of their strategies on an analysis of the ecological issues they face, the values they hold that support sustainability, and the ecological interests of their stakeholders (Chell et al, 1991). Strategies which result in high performance are identified with activities that generally lead to success in the industry; that is key success factors. These activities are associated with initiatives in the industry and include emphasis on product quality, product and service innovations, development of new operating technologies, and discovery of new markets. Activities associated with high performing strategies also include emphasis on customer service and support, extensive advertising, and use of external finance (Covin, 1991).

A firm's performance is the measure of standard or prescribed indicators of effectiveness, efficiency, and environmental responsibility such as, cycle time, productivity, waste reduction, and regulatory compliance. Performance also refers to the metrics relating to how a particular request is handled, or the act of performing; of doing something successfully; using knowledge as distinguished from merely possessing it. It is the outcome of all of the organization's operations and strategies (Venkatraman & Ramanujam, 1986). Performance measurement systems provide the foundation to develop strategic plans, assess an organization's completion of objectives and goals (Alderfer, 2003).

The concept of organizational performance has been based upon the idea that an organization is a voluntary association of productive assets, including human, physical, technological and capital resources, in order to achieve a common purpose (Barney 2002). According to Richard (2008) organizational performance encompasses three specific areas of firm outcomes: financial performance in terms of profits, return on assets and return on investment, market performance such as sales as well as market share, and shareholder return for instance total shareholder return and economic value added.

1.1.4 Fast Food Industry in Kenya

According to the National Restaurant Association's Foodservice Industry Forecast, fast food comprised the largest segment of this market, capturing 47.8 percent of the income spent. The report attributes this success to fast food's ability to meet consumers' desire for value and convenience. It was further estimated that at least 64 percent of all fast food purchases were consumed off-premises. According to Technomic Incorporation, a food industry consulting firm, almost half of consumer food expenditures are spent on meals prepared away from home. In addition, food expenditures rise significantly as income increases according to the Bureau of Labor Statistics' Consumer Expenditure Survey Data. This significant trend of consumers purchasing prepared meals is so pervasive that the foodservice industry has coined a new term to describe it: home-meal replacement. Many businesses are shifting their focus to meet the growing demands of consumers for example most supermarkets now include a deli, bakery, and a prepared-foods section as well as offer fast-food service (Linda, 2013).

There are also several economic and cultural trends that have contributed to this growing demand which include; increasing number of women in the workforce, increasing number of woman-owned businesses, growing number of higher-income households, decreasing amount of leisure time, premium placed on convenience and trend toward purchasing personal services such as dial-a-delivery. Based on the National Restaurant Association's Food Service Industry Forecast, the percentage of food expenditure spent away from home has grown from 25 percent in 1955 to 50 percent today. More importantly, the proportion of the food budget spent on meals away from home increases significantly as income increases (Linda, 2013).

The fast-food revolution has made its debut in Kenya. Well-known chains dot major streets targeting the rising free spend among the growing middle class. The fast-food industry is built around a model of convenience hence aim to deliver this convenience at rock bottom prices. The main distinction between fast-food businesses and other kinds of catering enterprises essentially lies in their marketing and promotion. Fast-food outlets basically market their brands and not so much the underlying menu. As opposed to traditional restaurant businesses, fast-food businesses heavily advertise in mass and other media and hold their brands in high esteem charging astronomical sums as royalties and licensing fees to fly their flag (Mugo, 2014).

1.1.5 Fast Food Franchises in Nairobi City County

Kentucky Fried Chicken (KFC) is a fast food restaurant chain that specializes in fried chicken and is headquartered in Louisville, Kentucky, in the United States. It is the world's second largest restaurant chain (as measured by sales) after McDonald's, with 18,875 outlets in 118 countries and territories as of December 2013.KFC recently opened the first ever drive through in Nairobi enabling motorist on the busy Mombasa road to enjoy their KFC chicken on the go.

Hoggers a South African based brand houses Steers, Debonairs Pizza and most recently the Ocean Basket famous for its delicious sea food. Steers remains one of the market leaders by offering the widest range of burgers using a unique flame grilled process. Debonairs Pizza serves a wide variety of pizza in town and a wide selection of Pizza toppings with a “build your own” option for custom toppings combinations, sauces, as well as crusts. Innscor Kenya is the company behind Bakers Inn, Creamy Inn, Pizza Inn and Galitos and also one of the most famous fast food joints in Nairobi and beyond. Innscor Africa is a diversified conglomerate operating primarily in the FMCG food space both in Zimbabwe and a number of other African countries such as Kenya.

Teriyaki Japan is a Japan-based international fast-food restaurant chain mainly known for its grilled chicken. The key operator is Toridoll Kenya Limited, a Toridoll Corp's subsidiary set up to oversee the company's investments in Africa. Toridoll Kenya is 90 per cent owned by Toridoll Corporation with the rest of the shareholding being held by a local company that imports and sells printing ink from Japan. The chain plans to open 10 outlets in Nairobi and a similar number in other towns across the country over the next two years. Snack Attack Kenya is a quick serve restaurant franchise from the UAE. It was the first restaurant in Nairobi to introduce "Loaded Chips", made using Snack Attack's own unique recipe, consisting of a bucket of deep-fried chips covered with a variety of exotic toppings. Snack Attack also offers specialty chips including sweet potato, arrow roots and cassava chips.

Naked Pizza was founded in late 2006 as one small store in New Orleans, USA, in an area that flooded during hurricane Katrina. Naked Pizza (originally named World's Healthiest Pizza) was launched as an ambitious business model that seeks to change the nutritional profile of fast food in America as its ingredients are natural. Subway is an American fast food restaurant franchise that primarily sells submarine sandwiches and salads. It is owned and operated by Doctor's Associates Inc. Subway is one of the fastest growing franchises in the world, with 43,981 restaurants in 110 countries and territories as of June 18, 2015.It is the largest single-brand restaurant chain and the largest restaurant operator in the world.

Domino’s Pizza along with sister brand Cold Stone Creamery are the newest brands to tap into the Kenyan market and are among the most popular joints in Nairobi. Domino's Pizza, Inc. is an American restaurant chain and international franchise pizza delivery corporation headquartered at Michigan, United States and founded in 1960. Domino's is the second-largest pizza chain in the United States (after Pizza Hut) and the largest worldwide, with more than 10,000 corporate and franchised stores in 70 countries.

1.2 Research Problem

The franchising market is steadily growing and evolving from single-unit owners to multi-unit operators employing professional staff of field and unit managers, while they focus on strategy and growth. Strategy is considered to be a detailed plan for a business in achieving success. Strategic management practices and improved organizational performance in business goes hand in hand. Strategy must connect with vision, purpose and likely future trends. The fast food industry has an important role in economic development through job creation.

In Nairobi, there has been an influx in international fast food franchises owing to apparent increase of the ‘eating out trend’ among the Kenyan urban population in keeping up with the global trends. The fast food industry has become an important part of globalization as people spend many hours working or doing business. The need for quick food services has grown with apparent shortage of free time. With reduced disposable income, a consequence of the global economic downturn, customers seem to shift from fine dining and full service restaurants to quick service or fast food outlets since the latter are more cost effective.

Some of the studies done internationally regarding strategic management best practices and fast food franchise performance include; Alonso (2014) conducted a market research on fast food restaurants McDonald's vs. Burger king strategies and conclude that preferences are led by marketing or by the taste and quality of the food. Sunde (2013) researched on franchise growth as strategy for employment creation in the fast food sector: The case for Windhoek. The research asserted that fast food franchises were a key source of employment in Windhoek, Namibia. Castillo (2012) who did a study on Impact of a localized marketing strategy on an international fast food chain within the Central American region established that when localizing fast food menus, customer satisfaction's perception tends to grow on the positive side, confirming that a localized marketing strategy taking into consideration local customs and values, helps increase attractiveness towards a new product within a new market. Ruiz (2014) conducted a survey on Franchising: A choice of entrepreneurship in the Honduran fast food industry and affirmed that extensive market research, flexibility in adjusting existing business model to accommodate local culture differences and a good training program would result in success of a fast food franchise.

The local studies include; Gikonyo (2014) researched on critical success factors for franchised restaurants entering the Kenyan market customers' perspective and identified product mix, convenience, employee competence, price and atmosphere as the critical success factors. Mwangi (2010) conducted a study on strategic responses to competition among large fast food restaurants in Nairobi central business district. The research established that for a firm to survive in a competitive environment it should be able to identify its target market and tailors its products and service to suit their tastes and preferences. Akoth (2013) researched on expansion trend of fast food franchises in Kenya and ascertained that factors such as standard processes, limited menus, enhancement of values, swift and effective services are catalysts to the growth of fast food franchises. Most of the studies focused on firm's competitive environment. Thus a gap of knowledge was left in the area of strategic management with relation to franchise business.

This study therefore, seeks to fill that gap by establishing the strategic management best practices to enhance the performance of fast food franchises in Nairobi. It will be guided by the following research questions: what is the influence of strategic management practices on performance of fast food franchises in Nairobi City County?

1.3 Research Objectives

The research objectives the study addresses are:

i) To determine the strategic management practices applied by fast food franchises in Nairobi City County

ii) To establish how strategic management practices influence organizational performance

1.4 Value of the Study

This study would give insights to the government bodies on how they can form a foundation for helping or enhancing the growth fast food franchises. Moreover, the study would act as a guide to the government on how they can regulate the franchises and enact rules and regulations to guide them. Also in making the national policies, the government would be able to ensure that the tax rates are favorable to attract more franchise investors in Nairobi. At national level, the study on fast food franchises can also be used as one of the instruments that assist towards the achievement of national goals like Vision 2030 which both highlight employment creation as one of the key goals of the nation.

The study would be a source of reference material for future researchers on the topic strategic management best practices in fast food franchises and other related topics. It would also support theories such as Internationalization and Environmental dependency theory which elaborate on strategic management with a focus on the franchise business. Academicians who undertake the same topic in their studies would also find the study insightful.

Managers and owners of SMEs would infer to the study making appropriate strategies for their firms to enhance competitive advantage and performance. The study would also highlight on the major strategic management practices crucial for survival and growth of fast food franchises as it can be relied on as a guide when making future strategic decisions on their organizations. Entrepreneurs are likely to benefit from the study by providing them with significant information regarding franchising as a global business entry strategy to actualize market penetration and tap into new market opportunities for business growth.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The specific areas covered here are Strategic Management Theoretical Foundation, Factors Influencing Foreign Market Entry Strategy Decision, Foreign Market Selection and Operation Strategies and Strategic Management Practices in Organizations, Organization Performance Measurement, Empirical Studies and Knowledge Gaps. The scope of this study will be limited to identifying the strategic management practices applied by fast food franchises to enhance performance in Nairobi.

2.2. Theoretical Foundation

Theories of strategic management demonstrate that strategies create a competitive edge for a firm. The choice of a certain strategy depends on the costs of strategy formulation and implementation. The theories highlighted in relation to the scope of this study include Environmental Dependency Theory, Internationalization Theory and Porter's Generic Business Strategies.

2.2.1 Environmental Dependency Theory

All organizations are environment dependent; they depend on the environment for their inputs and outputs. Every firm should therefore have a competitive strategy which relates it to the environment and enables it to maintain a fit between itself and the environment. Every organization is established with specific goals and objectives in mind. For business organizations, three economic goals guide their strategic direction, whether or not they are explicitly stated in their mission statement. These are survival growth and profitability. However organizations operate in a dynamic environment and they need to adapt and respond appropriately, hence the need for strategic management (Pearce & Robinson, 2003).

For an organization to operate successfully, it must establish a match between itself and the environment in which it is operating. The environmental forces could either be the internal multifaceted activities, a firm’s immediate external environment or even the remote external environment all of which contribute to making the business environment complex. Therefore all environmental factors most are anticipated, monitored, assessed and incorporated in top level decision making. The success and survival of any organization depends on how well it is able to relate and competitively position itself in the environment (Pearce and Robinson, 2007).

Jackson and Morgan, (1982) contend that when the business environment changes, organizations must adjust to survive and those that are successful in their adjustment may use any of several possible strategies. Mintzberg, (1979) postulate that an organization is made of structures that define its various parts and the different functions it performs in the environment to realize its goals. Peddler, Borgoyne and Boydell, (1996) introduced the concept of learning organization in a turbulent environment. They define a learning company as an organization that facilitates learning of all its members and consciously transforms itself and its context. An organization transforms itself as a result of self awareness and will to take advantage of environmental changes, while Senge, (1990) says a learning organization is a particular vision of an enterprise that has capacity to continually enhance its capabilities to shape its future.

All business forms exist in an open system. This means they impact and are impacted by the external conditions largely beyond their control. This requires managers to look beyond the limits of the firms own operations (Pearce and Robinson, 2002). It thus calls for all organizations regardless of the sector in which they are to formulate competitive strategies in response to this turbulent environment. This will enable them cope with competition. For effective strategic responses, continuous scanning of both internal and external environment is a prerequisite so as to keep abreast of all environmental variables underpinning current and future business operations of the firm (Rose and Holland, 1986; Thompson and Strickland, 2003).

2.2.2 Theory of Internationalization

The process theory of internationalization focuses on why companies gradually increase their international involvement. Internalization theory focuses on imperfections in intermediate product markets. Two main kinds of intermediate product are distinguished: knowledge flows linking research and development (R&D) to production, and flows of components and raw materials from an upstream production facility to a downstream one. The theory claims the internalization leads to larger, more multinational enterprises, because knowledge is a public good. Development of a new technology is concentrated within the firm and the knowledge then transferred to other facilities.

According to Czinkota & Ronkainen (2003) international marketing is the process of planning and conducting transactions across national borders to create exchanges that satisfy the objectives of the individuals and organizations. Internationalization results to an expansion of national markets, opening new opportunities in a global economic and technological system, in which a growing integration of national economies occurs. The way to obtain leadership, economically, politically or morally is not through passivity but rather through a continuous alert adaptation to the changing business environment.

Johanson and Vahlne (1977) Enterprises gradually increases international involvement, which means the company that plans to expand internationally first enters in neighboring countries, where the political systems, culture and language is not very different, known as psychic distance. Once company gains knowledge and experience to work in different countries then it can gradually approach a new market. According to this view, there are two different types of knowledge one objective and other experience based. A company initially starts with occasional export and then once settled in the market gradually enters in regular exports. The experience based knowledge is considered to be more relevant, since building and understanding commitments is important to discover and make opportunities by involving other companies in their business. When any country expands in other than their home country they need to understand the national as well as commercial culture, companies must understand the reason of the cultural barriers. Internationalization theory can help companies to gain vital information and resources.

2.2.3 Porter's Generic Business Strategies

Porter (1998) states that the goals of a competitive strategy for a business unit in an industry is to find a position the industry where the company can best defend itself against the five forces which are rivalry, threat of substitutes, buyer power, supplier power and the threat of new entry. These five forces constitute the industry structure and it is from this industry analysis that a firm determines its competitive strategy. Porter unveiled four generic competitive strategies that can be viable in the long term business environment. They are cost leadership strategy, differentiation strategy, cost focus strategy and differentiation focus strategy which are represented in the diagram below:-

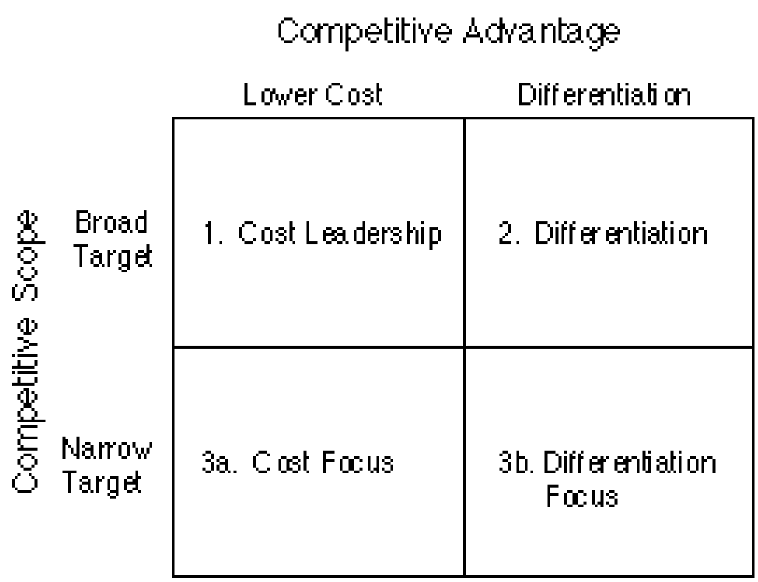


Figure 1.1 Porter's Generic strategies

Source: Porter M.E (1988) Generic Strategies. The free press pp.4

Porter's (1980) generic strategies can yield competitive advantage and also ensures long-term profitability. Differentiation is one of Porter's key business strategies. When using this strategy, a company focuses its efforts on providing a unique product or service. Since, the product or service is unique; this strategy provides high customer loyalty. Product differentiation involves tailoring the product or service to the customer. The differentiation strategy appeals to a sophisticated or knowledgeable consumer interested in a unique or quality product and willing to pay a higher price.

2.3 Strategic Management Practices and Organizational Performance Measurement

While each organization's strategic plan should be specific to its needs, empirical research has determined that organizations that follow best practices in strategic planning have a greater probability of realizing increased benefits from its strategic plan, than organization's that don't follow these best practices. Best practice in strategic management also deal with the process for developing the strategy, the components of the plan and the organizational systems and processes that help deploy, align and manage the strategic plan (Abaris, 2008).

An organizational strategy is determined by: context which is the situation within which the strategic plan is being developed and includes the external environment and the internal aspects of the organization including, but not limited to, resources, capabilities, processes, culture and structure. The content of the strategy deals with the actual components of the strategy and the quality of the decisions derived from using those components. Process deals with how the strategy is developed, deployed and managed. The optimal decisions regarding context, content and process is specific to the needs and operational realities of each organization (Abaris, 2008).

According to Olson and Bokor, (1995), the performance of an enterprise is determined by the business strategy it adopts. Strategies which result in high performance are identified with activities that generally lead to success in the industry; that is key success factors. Researchers have identified such initiatives to include emphasis on product quality, product and service innovations, development of new operating technologies, and discovery of new markets Activities associated with high performing strategies also include emphasis on customer service and support, extensive advertising, and use of external finance because high performing strategies involve initiative-taking, hence referred to as proactive strategies (Robinson & Pearce, 1998).

Focusing on business strategy items and performance, some studies have identified that there are some relationships between strategy activities and performance. The activities of improving existing products to meet changing customer needs, developing new products and emphasizing product quality is associated with market share increases by attracting new customers and retaining existing ones (Robinson & Pearce, 1998). In contrast, low performing firms are likely to ignore these innovative and risk taking activities. High performing firms are implementing new production technologies, emphasizing cost effectiveness and concerned with employee productivity to compete with competitors within the industry more so than the low performing firms (Vickery et al; 2003).

2.4 Empirical Studies and Knowledge Gaps

Decisions on franchise locations require a careful evaluation of resources and environmental variables. Resources include all assets, capabilities, organizational processes, attributes, information, and knowledge that enable a firm to define and implement strategies to compete, Porter (1981). Barney (1991) classified these resources into three major categories: physical capital resources, human capital resources, and organizational capital resources.

Porter's (1980) strategic positioning model builds upon the assumption that five forces determine industry attractiveness or the potential to earn rents. Three forces represent the horizontal competitive relationships, namely the rivalry among competing firms, the threat of new entrants and the threat of substitutes. Two other forces reflect the firm's vertical linkages with external actors, namely buyer and supplier power. An interesting characteristics of the five forces model is that industry structure, at least when used for strategy prescription at the firm level, is viewed as partly endogenous. This means that there is a reciprocal relationship between industry structure and firm behavior. Entry barriers do not just result from a given industry structure but may be induced or challenged by firms. In this context, the five forces could be seen as the opportunities-threat component in a conventional SWOT-analysis (strengths, weaknesses, opportunities and threats).

In contrast, the resource-based view focuses on the strengths-weaknesses component of SWOT analysis. It does this by identifying valuable (as perceived by customers), nonsubstitutable, non-imitable, firm-level competences as the basis of superior performance. Industry capabilities include trust relations, and specific ways of diffusing and sharing technological knowledge, Foss (1997). An integrative perspective has recently been introduced, Teece and Pisano (1998). In this, dynamic capabilities include special company strengths to cope with the shifting character of the environment.

The study therefore tries to find out the strategic management practices being used by fast food franchises in Nairobi to enhance performance. This results from the gap which existed on whether the fast food franchises apply different strategies at the same time or only one strategy at a time to survive in new markets, grow and make profits.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the proposed research design, data collection and the techniques for data analysis that will be used with relation to strategic management best practices applied by fast food franchises to enhance performance in Nairobi.

3.2 Research Design

The research design was a cross-sectional survey of the fast food franchises operating in the Nairobi. This research design allowed for contact with otherwise inaccessible participants. It has been observed that a survey is feasible when the population is small and variable. Cooper and Emory (1985) contend that surveys are more efficient and economical than observations.

According to Gingery (2011) survey research tends to be a reliable method of inquiry. This is because surveys are standardized in that the same questions, phrased in exactly the same way, are posed to participants. Assuming well-constructed question and questionnaire design, one strength of survey methodology is its potential to produce reliable results. Surveys also offer convenience for respondents since they can answer questions on their schedule, at their pace, and can even start a survey at one time, stop, and complete it later.

3.3 Population of the Study

The population of the study consisted of fast food franchises operating in Nairobi (see Appendix III). The fast foods franchises were chosen as they are strategically located in the main streets, with more than one outlet offering the same kind of foods, invested large sums of money in the business, paid goodwill and thus should have well defined strategic plans in order to counter competition and recover what they have invested. The fast food franchises had multiple units globally and had been operating in Kenya for more than a year, making it fairly simple to determine and verify their track record of success in terms of strategic management best practices.

3.4. Data Collection

The study used primary data which was collected through self-administered questionnaires (see Appendix II). Structured questionnaire consisted of both open ended and closed ended questions designed to elicit specific responses for qualitative and quantitative analysis respectively. A questionnaire is a useful tool for collecting data from respondents because of the need to provide a means of expressing their views more openly and clearly.

Respondents were the directors of the fast food franchises or the supervisors who were situated at the head office in the case of franchises with several outlets within Nairobi and administration department for franchises with a single outlet. The questionnaire was administered through “drop and pick later” method. The respondents were expected to give an insight into some of the strategies they have put in place to ensure that they have a competitive edge over its competitors. These respondents were involved in formulation and implementation of organization's strategies.

3.5 Data Analysis

The data was analyzed by the use of descriptive statistics to summarize and relate variables which were attained from the administered questionnaires. The data was classified, tabulated and summarized using descriptive measures, percentages and frequency distribution tables while tables and graphs will be used for presentation of findings.

Before final analysis was performed, data was be cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. This method of analysis is most desirable as it enabled the researcher to have an insight of the most commonly used strategies by the fast food chains. In accomplishing all analysis details with efficiency and effectiveness, the Statistical Package for Social Sciences (SPSS) software were utilized. This analysis was suitable where there are several variables under consideration such as a group of which refer to one major variable.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and interpretation of the data collected through questionnaire. The respondents were senior managers from 13 fast food franchises sampled. A total of 13 questionnaires were distributed, out of which 11 were successfully completed and returned. This represents a response rate of 84%. According to Mugenda and Mugenda (2003) a 50% response rate is adequate, 60% good and above 70% rated very well. The response rate was good enough to proceed with the research. Data was analysed through descriptive analysis.

4.2 Demographic Characteristics

In this section, the study presents the general information of the respondents since it forms the basis under which the study can rightfully access the relevant information. The general information captured includes name of fast food franchise, year of incorporation, position held in the organization, period of working in the organization, number of branches, number of employees and the country of origin of the organization.

Table 4.1 Duration of Operation of the Franchise in Kenya

Duration (in Years)	Frequency	Percentage
1-5 years	7	63.63
6-10 years	3	27.27
11-15 years	0	0
16 years and above	1	9.09
Total	11	100

As indicated in Table 4.1, the study established that most of the fast food franchises (63.63%) have been in operation in Kenya for 1-5 years. 27.27% of the respondents further indicated that their franchise had been in operation for 6-10 years whereas 9.09% of the respondents stated that they had been operation for more than 16 years. This shows that most of the franchises are new to the Kenyan market hence the need for managers to understand their business environment well as it would have an impact on the strategic management practices adopted.

The respondent were also asked to indicate the size of the organization in terms of number of employees, the result are as shown in Table 4.2

Table 4.2 Size of the Organization

Number of Employees	Frequency	Percentage
1-100	4	36.36
101-200	3	27.27
201-300	1	9.09
301-400	1	9.09
Over 400	2	18.18
Total	11	100.0

As shown in Table 4.2, the study established that most of the organizations had between 1-100 employees as revealed by 36.36% of the respondents while 27.27% revealed that their organizations had between 101-200 employees. Only 9.09% of the respondents indicated that they had 201-300 and 301-400 employees. 18.18% of the respondents had above 400 employees.

Table 4.3 Number of branches in Kenya

Number of branches	Frequency	Percentage
1-3	5	45.45
4-6	3	27.27
7-9	2	18.18
0ver 9	1	9.09
Total	11	100.0

As shown in Table 4.3, the study established that most of the organizations had between 1-3 branches as revealed by 45.45% of the respondents while 27.27% revealed that their franchises had between 4-6 branches. 18.18 of the respondents had 7-9 branches whereas only 9.09% indicated that they had over 9 branches.

Fig 4.1 Country of Origin of the Fast Food Franchise

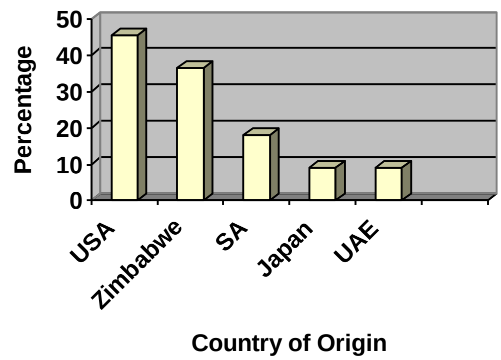


Figure 4.1 shows that most (45.45%) of the franchises had originated from the USA while 36.36% were from Zimbabwe. 18.11% were from South Africa whereas 9.09% were from Japan and UAE respectively.

Fig 4.2 Year of Incorporation of the Franchise

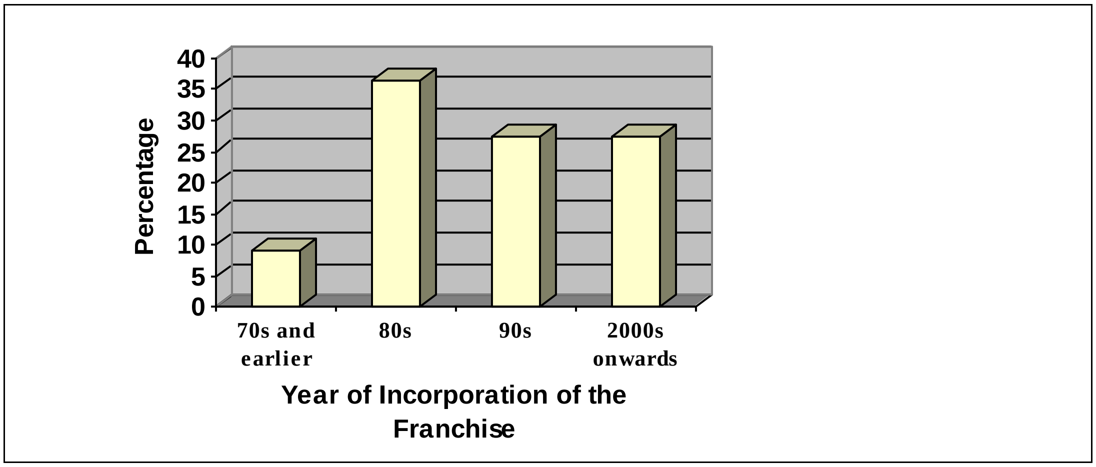


Figure 4.2 shows that majority (36.36%) of the franchises were incorporated in the 80's while 27.27% in the 90's and 2000's onwards. Only 9.09% were established in the 70's.

4.3 Strategic Management Practices Applied by Fast Food Franchises

In this section, the study sought to establish whether the fast food franchises had adopted strategies in the past, the external factors that contributed to the adoption and the influence of the various strategic management practices adopted on performance. The study sought to establish whether the franchises were employing a strategy to enhance their performance in Nairobi City County.

4.3.1 Strategy Formulation

This section of the questionnaire aimed at identifying whether the fast food franchises had a strategy to support their operations in Nairobi City County. Strategy formulation is involves analyzing the environment in which the organization operates, then making a series of strategic decisions about how the organization will compete within the business environment.

The study sought to establish whether the franchises had an articulated vision, mission statement, long-term objectives and whether they had conducted a SWOT analysis to steer organizational performance. The results are as shown below in Table 4.4

Table 4.4 Elements of Strategy Formulation

	Frequency	**Percentage**
Vision	10	90.9
Mission Statement	10	90.9
Long-Term Objectives	9	81.8
SWOT Analysis	8	72.7

90.9% of the respondents indicated that their organizations had articulated a company vision and mission statement. 81.8% specified that they had set long-term objectives to support their operations. 72.7% revealed that they had conducted a SWOT analysis to assess the internal and external environments within which they operate.

4.3.2 Strategy Implementation

This section aimed at establishing whether the fast food franchises executed a strategy to sustain their operations in Nairobi City County. Strategy implementation involves decisions regarding how the organization's resources will be aligned and mobilized towards the objectives as well as communication and monitoring mechanisms to track progress. The survey aimed to identify the capacity of the franchise to implement strategies, allocation of financial resources, staff competencies and commitment to strategic initiatives. The results are as shown below in Table 4.5

Table 4.5 Strategy Implementation Practices

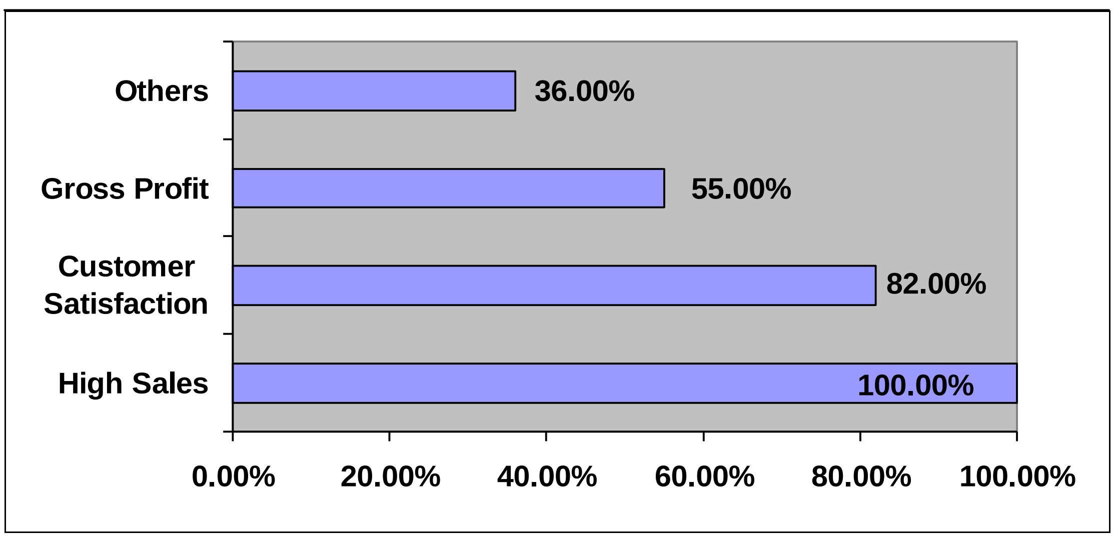
	None		**Very Low**		**Low**		**High**		**Extremely High**	
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Capacity of organization to implement strategies	-	-	-	-	2	18.18	4	36.36	5	45.45
Commitment by board to providing financial resources	-	-	-	-	4	36.36	6	54.54	1	9.09
Competency of staff to implement strategies	-	-	-	-	-	-	5	45.45	6	54.54
Motivation of Board of Directors to support strategies	-	-	-	-	4	36.36	5	45.45	2	18.18

As indicated in Table 4.3.1.1, different fast food franchises implement strategies differently. 45.45% of the respondents indicated that the capacity of the organization to implement strategies was extremely high while 18.18% indicated low. Further 54.54% of the respondents indicated that commitment by board to providing financial resources was high while 36.36% reported low. Majority of the respondents (54.54%) reported that competency of staff to implement strategies was extremely high. 36.8% reported to a great extent. 45.45% of the respondents rated motivation of Board of Directors to support strategies as high while 36.36% indicated low.

4.3.3 Strategy Evaluation

This section aimed at identifying how the fast food franchises evaluated set out strategies in Nairobi City County. Strategy evaluation is the final phase of strategic management and involves testing the efficiency and effectiveness of the comprehensive plans in achieving the desired results. The study sought to identify the common key performance indicators to track the success of strategic initiatives. The results are shown below in Fig 4.3.

Fig 4.3 Key Performance Indicators to Track Strategic Initiatives



The study established that all(100%) of the fast food franchises listed high sales as a key performance indicator for tracking the success of their strategic initiatives. 82% of the respondents outlines customer satisfaction and 55% listed gross profit. 36% of the respondents mentioned other key performance indicators such as order preparation time, employee turnover, daily customer complaints and employee productivity.

The survey also intended to find out the strategy evaluation phase by the fast food franchises in terms of performance in communicating assessment results, response time after acknowledging a strategic initiative is failing and level of participation in strategy evaluation by Board of Directors and management staff. The results are as shown below in Table 4.6

Table 4.6 Strategy Evaluation Practices

	None		**Very Low**		**Low**		**High**		**Extremely High**	
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Performance in communicating assessment results	-	-	3	27.27	5	45.45	3	27.27	-	-
Response time after acknowledging a strategic initiative is failing.	-	-	-	-	2	18.18	5	45.45	4	36.36
Level of participation in strategy evaluation by Board of Directors and management staff	-	-	-	-	2	18.18	6	54.54	3	27.27

As indicated in Table 4.6, there are different strategy evaluation practices applied by the fast food franchises. 45.45% of the respondents rated the performance in communicating assessment results of the organization as low while 27.27% indicated low. Further 45.45% of the respondents ranked response time after acknowledging a strategic initiative is failing as high while 18.18% ranked it as low. Majority of the respondents (54.54%) indicated that the level of participation in strategy evaluation by Board of Directors and management was high whereas 27.27% reported extremely high.

4.4 Influence of Strategic Management Practices on Performance of Fast Food Franchises

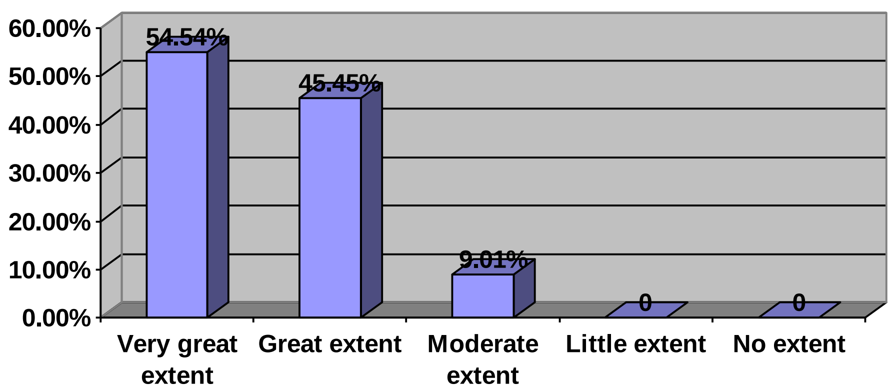
In this section, the study sought to establish the influence of strategic management practices on performance of fast food franchises. The results are shown in Table 4.7

Table 4.7 Strategic Management Practices and Performance

	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	F	%	F	%	F	%	F	%	F	%
Internal factors affect the company's strategic decision making	-	-	-	-	2	18.18	3	27.27	6	54.54
External factors affect the company's strategic decision making	-	-	-	-	3	27.27	5	45.45	3	27.27
Our organization adopts new strategies to achieve competitive advantage	-	-	-	-	4	36.36	3	27.27	4	36.36
The company does the external analysis and internal analysis to know the strategies to adopt	-	-	-	-	1	9.09	5	45.45	5	45.45
Strategy management affects company's performance	-	-	-	-	-	-	4	36.36	7	63.63

As depicted in Table 4.4, majority of the respondents (54.54%) strongly agreed while 18.18% were neutral that internal factors affect the company's strategic decision making. Further, 45.45% agreed while 27.27% strongly agreed that external factors affect the company's strategic decision making. 36.36% of the respondents strongly agreed that their organizations adopt new strategies to achieve competitive advantage. Moreover, 45.45% of the respondents strongly agreed that their companies carried out external analysis and internal analysis to know the strategies to adopt. On the relationship between strategy management practices and performance; majority of the respondents (63.63%) strongly agreed while 36.36% agreed that strategy management practices affected company's performance.

Figure 4.4 Extent the Strategies Adopted Have Improved the Performance the Business



As shown in figure 4.4, 54.54% of the respondents reported that the strategies adopted by their organizations had improved the performance of the business to a very great extent while 45.45% revealed that it had improved performance to a great extent. 9.01% of the respondents indicated that it had improved performance to a moderate extent.

4.5 Correlation Analysis

The study sought to test the relationship between the strategic management practices adopted and the size and age of the firm. This was tested using Pearson Product Moment Correlation Coefficients.

Table 4.8 Pearson Correlation

		Strategic Management Practice	**Age of the firm**	**Size of the firm**
Age of the firm	Pearson Correlation	0.531**	1	
	Sig.(2-tailed)	0.000		
Size of the firm	Pearson Correlation	0.116	0.186	1
	Sig.(2-tailed)	0.001	0.002	

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

On age of the firm and strategic management practice adopted, a correlation coefficient of 0.531 was established depicting a high and significant positive relationship ($p<0.001$) between the two at 99% level. Further the study found out that there was a low (0.116) positive relationship between size of the firm and the strategic management practice adopted ($p=0.001$). This is to mean that firms which have been into existence for a long duration tend to adopt strategic management practices more than those which have been in existence for a short duration. Also, the correlation analysis depicts that large fast food franchises also tend to adopt strategic management practices more than the small franchises.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECCOMMENDATIONS

5.1 Introduction

This chapter is a synthesis of the entire report and contains summary of findings, conclusions arrived at, the recommendations and the suggestions for further study with regard to strategic management practices applied by fast food franchises in Nairobi City County to enhance performance.

5.2 Summary

The study established that majority of the fast food franchises had been operation in Kenya for less than five years hence most of them were new entrants in the Kenyan market. This could imply that the Kenyan business environment is lucrative for international investors interested in the fast food franchise business. The survey also found out that most of the franchises had 1-3 branches and that they had less than 100 employees as a result of being new entrants to the Kenyan market depicting that they were assessing the Kenyan market for future expansion. The study further established that a good number of the franchises had originated from USA owing to the fact that the US leads the global fast food market, accounting for 52.4% of the market's overall value according to a report released by Datamonitor.

The study ascertained that different franchises applied different strategic management practices. The most common strategy formulation practices were articulation of a vision and mission statement. Majority of the franchises had an extremely high capacity to implement the set strategies as well as staff competency. On strategy evaluation, a good number of the franchises cited high sales, customer satisfaction and gross profit as the key performance indicators for tracking strategic success. Other KPIs mentioned included order preparation time, employee turnover, daily customer complaints and employee productivity.

On the influence of strategic management practices on performance of the fast food franchises, majority of the respondents agreed that strategy management affects company's performance. They also strongly agreed that internal factors such as change of processes, top managers' ability to develop effective strategies, firm's resources, organization's behaviour and need to remain competitive in the market affect the company's strategic decision making. The study further identified that majority of the franchises reported that the strategies adopted by their organizations had improved the performance of the business to a very great extent.

5.3 Conclusion

The following conclusions were made based on the findings of the study:

The study concludes that the most common strategy formulation practices were articulation of a vision and mission statement. Majority of the franchises had an extremely high capacity to implement the set strategies as well as staff competency. On strategy evaluation, level of participation in strategy evaluation by Board of Directors and management staff was high. This shows that the franchises are committed to applying strategic management practices to steer their operations in the Kenyan market.

Strategic management has a positive relationship with performance of the fast food franchises. The findings indicate that the number of staff currently employed by the respondent outlet is high, signaling growth in the industry or increased workload as a result of increasing demands from customers. It was also observed that a great number of the franchises operate other outlets suggesting that there is potential for market expansion attributed to adequate capital and attainable prerequisites for operating a fast food franchise in Kenya. Lastly, it can also be concluded that strategic management practices influence performance of fast food franchises to a very great extent.

5.4 Limitations of the Study

A number of limitations were encountered in carrying out this study. These included unwillingness to complete the questionnaires promptly. Some of the respondents kept the questionnaires for too long, thus delaying data analysis. The researcher also encountered immense problems with apathy to fill the questionnaire as the respondents had to be persuaded in order to provide information.

5.5 Recommendations

The following recommendations for the practitioner were made based on the findings and conclusion of the study.

The study established that the management needs to have a positive rethink towards the use of strategic management and have the right resources as the success of a business or strategy depends primarily on the value judgment, energy and skill of its top managers and the strategic implementation within the context and parameter of the uncertainty and ambiguity of the environment subjected to volatility.

The study further established that strategic training is recommended to top management and all employees in the fast food franchises in order to enhance their performance. Also it recommended that top management should undertake a comprehensive study and adoption of strategic management in all and every aspect and areas of its concern so as to synergies, restructure, re-engineer and reposition its operations and thus enhancing competitiveness and performance.

Adoption of strategic management practice is considered indispensable in small scale enterprises and especially in developing economies like Kenya and it should form part of the fast food franchise's method of improving organizational performance to enable them cope with the changes and challenges of the turbulent business environment and the global economy.

5.6 Suggestion for Further Research

The Methodology used in this study has limitations and the findings are not exhaustive; requiring further scrutiny. Further it will be interesting to have a full fledge study, that focuses on the precursors of each company impacting on their strategic management practices and establish the critical success factors for each of these firms.

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APPENDICES

Appendix I: Letter of Introduction

Date……………….

TO WHOM IT MAY CONCERN

The bearer of this letter…**Lorna Wanja**…………………………………………

Registration No…**D61/69047/2013**…………………………………………………

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

She is required to submit as part of her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would therefore appreciate your assistance to enable her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

APPENDIX II: INTERVIEW GUIDE

PART A: GENERAL INFORMATION

1. Name of fast food franchise…………………………………………..………
2. Year of incorporation……………………………………………………..……….
3. Duration of operation of the organization in Kenya……………………………
4. The position you occupy in your organization? …………………………………
5. Period for which you have held the position:-

   Less than a year ( )

   1-5 Years ( )

   5-10 Years ( )

   10-15 Years ( )

   Over 15 ( )

6. How many branches does the organization have? ....
7. How many employees does the organization have? ………………………………
8. What is the country of origin of the organization?………………………………..

PART B: STRATEGIC MANAGEMENT PRACTICES APPLIED

Strategy Formulation

1) Has your association articulated a vision for the association? Yes ☐ No ☐
2) Has your association developed a mission statement? Yes ☐ No ☐
3) Do you feel that your current mission statement is compatible with the activities being carried on by the association? Yes ☐ No ☐
4) Has your organization conducted a SWOT analysis? Yes ☐ No ☐
5) How would you rate the importance of the SWOT analysis process to the effective operation of your association?

   (1- Extremely important 2-Very Important 3-Important 4-Little importance 5-Not important)
6) Is a SWOT analysis employed when dealing with significant issues outside of strategic planning? (1-Always 2-Sometimes 3-Never)
7) Has your association established long term objectives? Yes ☐ No ☐
8) How important is it to establish long-term objectives for your association?

   ☐ Very important ☐ Average Importance ☐ Not important
9) How important is it to generate strategies to deal with issues for your association?

   ☐ Very important ☐ Average Importance ☐ Not important

Strategy Implementation

1) Does your association maintain a policy manual? Yes ☐ No ☐

For questions 2-5 rate using a five point scale where:-

1 = None

2 = Very low

3 = Low

4 = High

5 = Extremely high

2) Rate your organization's capacity to implement strategies

3) Rate the commitment to providing financial resources to support the implementation of strategic initiatives.

4) Rate the motivation to maintain and support the implementation of strategic initiatives by the:

   Board of Directors

   Staff

5) Rate the competencies of your association staff to plan, manage and implement strategic initiatives.

Strategy Evaluation

1) Has your association developed a set of key performance indicators or some other form of accountability to track the success of strategic initiatives? Yes ☐ No ☐

If yes list atleast 3

____

____

____

For questions 2-4 rate using a five point scale where:-

1 = None

2 = Very low

3 = Low

4 = High

5 = Extremely high

2) Rate your association's performance in communicating assessment results to the:

Membership

Board of Directors

Auditors/Public/Others

3) Rate your association's response time, after they acknowledge that a strategic initiative is failing.

4) Rate the level of participation in strategy evaluation by the:

Board of Directors

Management Staff

PART C: INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE

1. To what extent do you agree with the following statements on strategic management practices and performance?

Use a scale of 1-5 where;

1 -Strongly disagree 2- Disagree 3- Neutral 4- Agree 5-Strongly agree.

	1	**2**	**3**	**4**	**5**
Internal factors affect the company's strategic decision making					
External factors affect the company's strategic decision making					
Our organization adopts new strategies to achieve competitive advantage					
The company does the external analysis and internal analysis to know the strategies to adopt					
Strategy management affects company's performance					

2. To what extent has the strategies adopted by your organization improved the performance of your business?

To no extent ( )

To a Little extent ( )

Moderate extent ( )

To a great extent ( )

To a very great extent ( )

Appendix III: Fast Food Franchises in Nairobi City County

Fast Food Outlet	**Country of Origin**	**Popular Product**
KFC	U.S.A	Chicken
Hoggers Steers Debonairs Pizza	South Africa	 Flame grilled chicken Pizza
Innscor Galito's Pizza Inn Creamy Inn Bakers Inn	Zimbabwe	 Flame grilled chicken Pizza Icecream Pastries
Teriyaki Japan	Japan	Grilled Chicken
Snack Attack	U.A.E	Chips
Naked Pizza	U.S.A	Pizza
Subway	U.S.A	Sandwiches
Domino's Pizza	U.S.A	Pizza
Cold Stone Creamery	U.S.A	Icecream