Competitive Advantage in Turbulent Business Environment: A Case of Sameer Africa Limited

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UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

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COMPETITIVE ADVANTAGE IN TURBULENT BUSINESS

ENVIRONMENT: A CASE OF SAMEER AFRICA LIMITED

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfilment of the Requirement for the Degree of Masters in Business Administration (MBA)

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STUDENT DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ______________________________ **Date:** _______________

Gitonga Peter (ID No.213305)

The project has been presented for examination with my approval as the appointed Supervisor.

Signed: ______________________________ **Date:** ____________________

Dr. Joseph N. Kamau

Signed: ___ **Date:** ____________________

Dean, Chandaria School of Business

DEDICATION

This project is dedicated to my wife Jane Gitonga and our children Dr. Sophie Gitonga, David and Edward and my loving mother Honesty Rigiri Mugambi for their encouragement, support and care during my study period.

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I give all the glory for the successful completion of this project to the almighty God for His guidance, strength and mercy. The professional input, the valuable guidance, humble approach and professionalism of Dr. Joseph Kamau who has necessitated the successful completion of this project.

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ABSTRACT

The purpose of the study was to determine competitive advantage practices used by Sameer Africa Limited in business operations. The objective of the study aimed at assessing the competitive advantages used by Sameer Africa Limited in its business practices, how Sameer Africa uses its competitive advantage to respond to turbulent environment and how Sameer Africa ensures its competitive advantage is sustainable.

The study adopted a descriptive research method in gathering, analyzing, interpretation, and presentation of information. The descriptive research design helped in focusing at the strength of relationship between competitive advantages and turbulent business environment. The study employed the use of questionnaires to obtain relevant information from respondents. The study focused on 172 executive and management of Sameer Africa Limited. Probability sampling technique was used to determine the sample size (60 respondents) and collect data from the sample. The study adopted a descriptive and inferential statistics in data analysis and presentation. Correlation analysis and regression analysis were used in the study to determine the competitive advantage practices used by Sameer Africa limited in turbulent business environment. Data were presented in tables and charts.

From the study, it was found that organizational leadership is very critical in determining the organizational competitiveness. To enhance organizational competitiveness, transformational leaders of Sameer Africa Limited stimulate and inspire followers to both achieve extraordinary outcomes and develop their own leadership capacity. The study found that good leadership in an organization enhances technological deployment in an organization that impacts overall strategic planning process. Improvements in transformational leadership based competencies should lead to marketplace positional advantages through competitive strategies.

The study found that Sameer Africa Limited uses different respond strategies like; market and product development, vertical integration, research and development, price fluctuations among others to respond to turbulent business environment. The study revealed that market and product development highly helps Sameer Africa to respond to turbulent business environment. When for instance there is high competition in the market, Sameer Africa Limited would develop a market or product counter the completion. Research and development helps the company in discovering new products and new ways of offering services to the customers hence enhancing the competitive edge of the company.

The study found that to enhance sustainability of competitive advantages, Sameer Africa Limited need to be doing continuous scanning of the business environment. Environment scanning helps to identify early signals of changes and trends. Enterprise risk management is also an important factor as it involves the establishment of well-defined controls to mitigate risks in line with the risk profile and culture of the organization. It was found out that strategic diagnosis helps in ensuring sustainability of competitive advantages as it identifies whether a firm needs to change its strategic behavior to be sure of success in the future business environment. Monitoring is crucial as it helps in detecting meaning through ongoing observations of environmental changes and trends. The study also found that strategic issue processing techniques can help managers to identify issues and plan appropriate actions that address high priorities.

The study concludes that the type of organizational leadership determines the competitiveness of Sameer Africa Limited. It also concludes that Sameer Africa Limited uses competitive advantages to respond to turbulent business environment. The study confirms that Sameer Africa Limited uses different respond strategies like; market and product development, vertical integration, research and development, price fluctuations among others to respond to turbulent business environment. The Enterprise Risk Management (ERM) is important in establishing well-defined controls to mitigate risks in line with the risk profile and culture of the particular organization. The study recommends the executive and management of Sameer Africa emulate more of transformational leadership style. The study recommends transformational leadership because improvements in transformational leadership based competencies leads to marketplace positional advantages through competitive strategies. The study also recommends the adoption of marketing strategy as it helps in pricing, promotion, advertising, product design and distribution. The study recommends scanning or business environment as it helps in identifying early signals of business environmental changes and trends.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The law of competitive advantage has raised considerate interest among various scholars especially in the 1980s (Capon, 2008). According to Box and Miller (2011), the competitive global business strategies should be based on competitive advantage of differentiation, unique specialization in terms of quality, product, service, technology or cost leadership. Perrot (2011) introduced the notion of excellence, the continuous pursuit of improvement which provides the basis for a unique competitive advantage. Peters (2010) asserts that excellence in performance is essential for sustainable competitive advantage. Ireland, Hoskisson and Hitt (2013) strongly recommend a high level of involvement by manufacturing managers in the strategic planning process of business units for the attainment of superior competitive performance.

Markides (2009) found that Barney J. B. derived sustainable competitive advantage (SCA) from the resources and capabilities that must have four attributes: valuable, rare, imperfectly imitable and not substitutable. Avella, Ferna´ ndez, and Va´ zquez (2001) consider that the emphasis on certain manufacturing competitive priorities or capabilities and decisions or practices on the key decision areas and their internal coherence can be the base for achieving sustainable or lasting advantage over competitors, thus producing superior business performance. Barney (2003) suggests derives sustainable competitive advantage as a resource-based strategy, which evidently is a very powerful business strategy today. Si, Takala, and Liu (2008) believe that agile manufacturing systems work in a constantly changing global market and meanwhile sustainability is becoming a key issue for manufacturing strategy. O"Brien (2010) explores the extent to which the fundamental issues of sustainability in manufacturing are currently being addressed. Gunasekaran, Rai, and Griffin (2011) review new strategies, techniques and technologies that can provide a competitive advantage and sustainability in the global market and operations. Firms that can sustain their competitive advantage are able to outperform others in the long run. In this work, a unique derives sustainable competitive advantage is proposed and identified as the advantage to create resource-based strategy and fast strategy by fast learning which is supported by the sense and respond idea of agile strategy implementations.

The competitive advantage on the business environment addresses managerial issues in the social, political, economic, competitive and technological environments of business. Suikki, Tromstedt, and Haapasalo (2009) propose that today‟s turbulent business environment characterized by uncertainty and inability to predict the future is extremely challenging, and thus requires the development of new competences. Chong (2004) outlines a practical approach to improving organizational crisis preparedness in today‟s highly uncertain and turbulent business environment and also suggests that crisis management is a critical component of contemporary strategic management.

Goncalves-Coelho and Mourao (2010) propose that manufacturing companies should be more adaptive to the dynamic environment and responsive to strategic decision-making. Elkins, Huang, and Alden (2011) and Dean (2011) regard adaptive and agile behaviours as important to shift from a product-centric to a customer-centric way of doing business in manufacturing companies. Ismail, Poolton, and Sharifi (2011) propose a strategic framework to assist manufacturing-based small and medium enterprises (SMEs) to develop a degree of resilience when operating in turbulent business environments. In the work of Takala, Kukkola, and Pennanen (2007) the business environment is defined mainly as operations in an economic crisis, more specifically it refers to a turbulent business environment which is dynamic and frequently changing within a time frame from some months up to one year, under heavy influence of the global financial crisis, the China effect and governmental behaviour.

The environment contains systems that correlate with each other. A system is a set of constituents that search for the completion of some objective. The constituents correlate and act together within a boundary. For its survival, a closed system doesn‟t depend on the outside environment. It can be conserved off from the external environment. On the other hand, an open system depends on its outside environment for survival. It constantly consumes resources from the environment and discharges resources back to the environment. Organizations are environmental dependant, hence they are open systems. The organizations use resources from the environment and convert them into products (Ansoff & Mc Donnell, 1990, Thompson & Strickland, 1998, Pearce & Robinson, 1999).

The aptitude to distinguish and positively respond to internal and external environmental challenges shows the success of an organization. The environment has more and more become unstable and changing, making it very important for firms to adapt their activities in order to survive. Therefore for firms to attain their objectives and goals, they have to continually adjust to their environment (Pearce & Robinson, 2008). A disparity between the organization and the environment brought about by failure to respond to changes in the environment generates a strategic problem (Aosa, 1992).

Survival of organizations is thus vital and hence the need to give good reason for its incessant existence in the environment. To achieve its goals and objectives, an organization must therefore adjust to the environmental blows rooted by its turbulent nature (Leiblein & Madsen, 2009). The achievement of any firm will deeply depend on how well it places itself in the environment to deal with the challenges within the environment.

Organizations should learn to adopt and re-orient to the changing environment for them to have maximum goal achievement. This procedure has to be coordinated and deliberate leading to radical or gradual systematic alignments between the organization‟s strategic orientation and environment that results in improvement in effectiveness and performance. Concurrent assessment of the company profile and outside environment enables an organization to recognize a range of probably striking interactive opportunities. This process results in the selection of a strategic choice which is meant to provide the combination of long-term objectives and grand strategies that will optimally position the firm in the external environment to achieve the company mission (Goncalves-Coelho & Mourao, 2007).

Organizations have adapted different strategies over time to help them cope with the threat posed by the strategic problem. The purpose of these strategies is to impact on the organizations performance relative to its competitors (Avella, Ferna´ ndez, & Va´ zquez, 2001).

Organizations have adopted diverse strategies to counter the extreme effects of liberalization and respond to the environmental challenges. Two types of responses to environmental changes are operational and strategic responses. Operational responses on one hand are short term and entail common organizational resources and are moderately easy to put into practice and reverse. They are more focused on efficiency. Strategic responses on the other hand are those that need the organization to change their strategy to go with the environment and also to redesign or renovate their internal ability to match its strategy. These strategies are focused on the effectiveness (Gunasekaran, *et al*. 2011).

The alterations in the home as well as the worldwide markets have had a main brunt on Sameer Africa Limited. Such changes include the liberalization of the local market, rising costs of production due to rising costs of raw materials, increasing fuel prices, falling Gross Domestic Product (GDP), rising costs of electricity, political instability, the emergence of parallel imports, that is, products that are available at a cheaper price in lower fixed costs countries such as Korea, China, India and America among others. As a result of these changes in the operating environment, costs have continuously risen translating into higher prices in tyres drastically reducing demand for the tyres thus resulting to low revenues (Sameer Africa Limited, 2014).

1.2 Statement of the Problem

The future competitiveness of manufacturing operations under dynamic and complex business situations relies on forward-thinking strategies. Economic recessions that affect firms regardless of location, increased competition and changes in customer expectations, all contribute to disruptions that require firms to be resilient (Acquaah, Amoako-Gyampah, & Jayaram, 2011).

We live in an era of risk and instability. Globalization, new technologies, and greater transparency have combined to upend the business environment and give many CEOs a deep sense of unease. Just look at the numbers. Since 1980 the volatility of business operating margins, largely static since the 1950s, has more than doubled, as has the size of the gap between winners (companies with high operating margins) and losers (those with low ones) (Turkson, 2012).

The impacts of opening up of the economy and particularly the tyre industry in Kenya have been harshly affected Sameer Africa Limited. Entry of new competition in the form of independent traders and imported tyres has very much impacted on Sameer Africa Limited"s operating costs. This effect has been felt in the form of reducing sales volumes which explains the declining profits. This has obviously posed a serious challenge to the profitability of Sameer Africa Limited (Sameer Africa Limited, 2014).

1.3 Purpose of the Study

The purpose of the study was to find out competitive advantage practices used by Sameer Africa Limited in business operations.

1.4 Research Questions

1.4.1 What are the competitive advantages used by Sameer Africa Limited in its business practices?

1.4.2 How is Sameer Africa using its competitive advantage to respond to turbulent environment?

1.4.3 How is Sameer Africa ensuring its competitive advantage is sustainable?

1.5 Significance of the Study

1.5.1 Sameer Africa Limited

The information from this study benefits Sameer Africa limited. The company would use the information from this study in creation prompt decisions to help cope with the dynamic changes in the business environment.

1.5.2 Tyre Firms (Auto Express, Treadsetters, Kingsway)

This study benefits other firms in the industry in helping them to understand and react proactively to the changes in the environment. This makes them develop strategies to minimize the impact of turbulent environment and remain relevant in the market.

1.5.3 Scholars and Future Researchers in Colleges and Universities

For scholars, it gives full evidence that practicing strategic management in organizations is critical for the continued existence of organizations. The study also is useful to researchers and future scholars in providing an in-depth understanding of strategic management.

1.5.4 Policy Makers

This study informs policy makers on the need to make and implement good policies that would help different companies manage impact of turbulent environment.

1.6 Scope of the study

The focus of this study is Sameer Africa Limited (SAL). The study has assessed competitive advantage practices used by Sameer Africa Limited in business operations. The study targeted the employees of Sameer Africa Limited to obtain information pertaining to Sameer Africa‟s competitive advantage over other competitors. The data collection tool was a questionnaire hence the study divided the respondents into different stratum. The study took place within

Nairobi County because the respondents are majorly based in the county. The research went for a period of four months starting from December 2015. The study experienced a limitation of obtaining relevant data from the respondents. Also cost for the study was a hindrance as the researcher was needed to print research materials, travel and do phone follow ups.

1.7 Definition of Terms

1.7.1 Competitive Advantage

Competitive advantage is a condition or circumstance that puts a company in a favorable or superior business position (Barney, 1999).

1.7.2 Turbulent Environment

A turbulent environment is an environment in which one cannot predict the outcome of one"s actions (Ismail, *et al*. 2011).

1.7.3 Business Operations

Business operations are activities involved in the day to day functions of the business conducted for the purpose of generating profits (Dean, 2011).

1.7.4 Business Practice

Business practice is a method, procedure, process, or rule employed or followed by a company in the pursuit of its objectives. Business practice may also refer to these collectively (Burnard & Bhamra, 2011).

1.8 Chapter Summary

This chapter gives an over view of the research area and identifies the problem of the study. It also presents the background of the organization under research and the beneficiaries of the results of the study. It focuses on the possible attributes of the competitive advantages of

Sameer Africa limited and the how they manage turbulent business environment. The study aims to tackle three main attributes that form the basis of the research questions that further guide in the development of the literature. These main issues are; competitive advantages used by Sameer Africa in business practices, using competitive advantages to respond to turbulent environment, and the ensuring sustainability of competitive advantages. It further goes to explain why it is important to carry out this study. Studies have been conducted on this area of competitive advantages and turbulent environment, but few have managed to focus on how competitive advantages have managed turbulent business environment. Therefore the study seeks to find out the competitive advantages practices used by Sameer Africa limited in business operations. Further the study under this chapter highlights the significance and the respective respondents who will find the results of this research useful. Important also, the working definitions of specific terms used in the project have been identified and well defined. Chapter two, literature review, shall explore in depth all these concepts and theories introduced in chapter one with reference to authoritative strategic management journals and literature. Chapter three outlines a research methodology that incorporated the variables highlighted in chapter one in a bid to address the research objectives posed in chapter one. Chapter four explains the findings of the study while in chapter five; the study explores conclusion and recommendations.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The chapter provides the literature review on the competitive advantage practices used by Sameer Africa Limited in business operations. The chapter is separated into various sections beginning with section 2.2 that illustrates the competitive advantages used by Sameer Africa Limited in its business practices. Section 2.3 presents a discussion on how Sameer Africa is using its competitive advantage to respond to turbulent environment. Section 2.4 discusses how Sameer Africa is ensuring its competitive advantage is sustainable. After all, section 2.5 is a summary of the whole chapter.

2.2 Competitive Advantage in Business Practices

Developing competitive advantage is well thought-out to be a critical success factor for a small or new up-and-coming business venture. For a competitive advantage to be thriving, entrepreneurs should create a competitive advantage that is sustainable over a period of time. Normally entrepreneurs should not anticipate the business community to receive the new business with open arms; instead, confident competitors will probably defend against the new business enterprise to stop the stealing of market share from them. This can over and over again be experiential in situations where market growth stalls, and stops new market entrants from getting in and attaining market share with no opposition. The market entry stage could be the first critical stage for developing effective competitive advantage and continues to be important all the way through the business life cycle (Box & Miller, 2011).

2.2.1 Pricing

The Price factor can be controlled by the business owners. Even though there could be a number of value propositions; enterprises could find the maximum possibility for business achievement by competing with high price, offering customers superior value. For instance, providing customers “superior value” could be provided with enhanced levels of customer service, developing key locations, or superior product knowledge (Turkson, 2012).

Ireland *et al*. (2013), puts forward that an ordinary mistake when marketing superior valueadded services and products usually centers on pricing low, in some cases by up to 20 percent. As an option, an effective market-entry plan for a new business organization may be pricing at the high end, mainly when the customer perceives the service or product to provide better customer value. That is, value as how the consumer defines value. In some cases, an entrepreneur might assume that their customers will forever purchase on the basis of lower price. Contrary to that belief nevertheless, know-how time and again shows that customers will often pay considerably higher prices for better service, preferred brand or image, customer convenience and better quality (Winer, 2010).

2.2.2 Firm Resources

Perreault, Cannon and McCarthy (2011) suggested that in order to understand sources of sustained competitive advantage, it is necessary to build a theoretical model that begins with the assumption that firm resources may be heterogeneous and immobile. Of course, not all firm resources hold the potential of sustained competitive advantages. To have this possibility, an organization‟s resource must have four qualities; (a) it must be valuable, in the sense that it exploit opportunities and/or neutralizes threats in a firm‟s environment, (b) it must be rare among a firm‟s current and potential competition, (c) it must be imperfectly imitable, and (d) there cannot be strategically equivalent substitutes for this resource that are valuable but neither rare or imperfectly imitable. These, according to Dean (2011), attributes of firm resources can be thought of as empirical indicators of how heterogeneous and immobile a firm‟s resources are and thus how useful these resources are for generating sustainable competitive advantages.

2.2.3 Valuable Resources

Firm resources can only be a source of competitive advantage or sustainable competitive advantage when they are valuable. As argued by Perrot (2011), resources are precious when they facilitate a firm to implement or conceive of strategies that enhances its effectiveness and efficiency. The traditional "strengths-weaknesses-opportunities-threats" model of firm performance suggests that firms are able to improve their performance only when their strategies exploit opportunities or neutralize threats. Firm attributes may have the other characteristics that could qualify them as sources of competitive advantage; for instance rareness, inimitability, and non-substitutability, but these attributes only become resources when they exploit opportunities or neutralize threats in a firm‟s environment.

2.2.4 Manufacturing Strategy

The strategic importance of manufacturing or operations has long been recognized by Randaccio and Veugelers (2014). The theoretical reference framework for competitiveness in manufacturing operations starts from the resource-based view of a firm (Menguc, Auh, & Shih, 2013). Since the 1970s the competitive strategies in manufacturing have changed dramatically from focused to multi-focused competitive priorities. Companies typically utilize multi-focused competitive strategies in a holistic way based on their business strategies (Takala, Kukkola, & Pennanen, 2007). Competitive priorities belong to the first phase of manufacturing strategies, which act as the bridge between business strategy and manufacturing objectives (Kim & Arnold 1996). Competitive priorities are the crucial decisive variables to manage manufacturing operations in a global context and indicate strategies emphasizing the development of certain manufacturing capabilities that improve operational competitiveness (Si, Takala & Liu, 2012).

Some recent research continuously focuses on manufacturing strategies which contribute to the long-term competitiveness and performance of the business (Zhang, 2011). Takala *et al*. (2007) presents a justification of multi-focused manufacturing strategies. Sueyoshi and Goto (2011) define four company groups which include prospector, analyzer, defender and reactor.

They suggest that, in contrast to the three stable groups, which are prospector, analyzer and defender, reactor does not lead to a consistent and stable organization and it is advised that the company changes over to one of the other three stable groups. Based on this theory, Takala *et al*. (2007) introduce unique analytical models to evaluate global competitiveness rankings for manufacturing strategies in prospector, analyzer and defender groups according to the multi-criteria priority weights of Q (quality), C (cost), T (time/delivery) and F (flexibility), of which the companies can and must have such high performances simultaneously (Gerwin, 2012). Such analytical models are used to gain insight into the influences and sensitivities of various parameters and processes in the alteration of manufacturing strategies in several recent studies. In China, the most dynamic market, Latshaw and Choi (2011) for the first time have applied such analytical models to analyze and improve operational competitiveness by adjusting competitive priorities in manufacturing strategy. Si *et al*. (2012), Latshaw and Choi (2011) and Liu and Takala (2010) compare the operational competitiveness strategies in China and other countries in the global context by utilizing the same analytical models in order to analyze different characteristics of manufacturing strategies in different markets and suggest how companies can improve their operational competitiveness.

2.2.5 Transformational Leadership

The adjustment of manufacturing strategy alone is not enough to improve the overall competitiveness in developing the business in new business situations. Burns (1978) differentiates transaction and transformational leadership. Transactional leaders lead through social exchange, like politicians lead by exchanging one thing for another. Transformational leaders are those who stimulate and inspire followers to both achieve extraordinary outcomes and develop their own leadership capacity. Menguc *et al*. (2013) defines transformational leadership as a process where leaders and followers engage in a mutual process of raising one another to higher levels of morality and motivation. His view is that transformational leadership is more effective than transactional leadership, where the appeal is to more selfish concerns. A plea to social values thus supports people to work together, rather than working as persons and potentially competitively with one another. He also views transformational leadership as an ongoing process rather than the discrete exchanges of the transactional approach.

Menguc *et al*. (2013) suggest that improvements in transformational-leadership-based competencies should lead to marketplace positional advantages through competitive strategies. Therefore, manufacturing strategy is one important factor and transformational leadership is another essential factor in improving overall competitiveness, whether in prosperity or adversity, and the latter can be even more decisive (Peters, 2010). Box and Miller (2011) provide evidence of the benefits and effectiveness of transformational leadership in terms of leadership and the training of leaders. Transformational leaders help their subordinates to learn and develop as individuals by encouraging and motivating them with a versatile repertoire of behavioral and decision-making capability (Box & Miller, 2011). In recent studies Takala *et al*. (2008) introduce unique analytical models to evaluate the level of outcome direction, leadership behavior and resource allocation of transformational leadership.

2.2.6 Technology Strategy

Technology has been taken into more and more connections with operations strategies as Timmons and Spinelli (2014) suggest that organizations must formulate strategic plans that are consistent with the use of manufacturing technology to be successful in this globally competitive and rapidly changing environment. Pilling (2012) suggest that the level of technology deployed will impact the overall strategic planning process and its main drivers: leadership and organizational culture resulting in differing levels of corporate performance. Recent research such as Markides (2009) also emphasized the dominant influence of technology and organizational innovations on today‟s manufacturing strategy change. Lamberg, Tikkanen, Nokelainen, and Suur-Inkeroinen (2009) describe the chasm theory that technology-based products require marketing strategies that differ from those in other industries, and explores marketing stages through a discussion of the technology adoption life cycle which follows a product from birth to death and suggests a course of action for each phase as high-tech companies engage in traditional business strategies (that is to say, strategic partnerships, competitive advantage, positioning, and organizational leadership).

Suikki, Tromstedt, and Haapasalo (2012) extends his technology adoption life cycle model to incorporate three distinct mainstream market stages, namely a pre-hyper growth era of niche markets, the mass-market phenomenon of hyper growth itself and a post-hyper-growth era of mass customization. Suikki, *et al*. (2012) details market dynamics of hyper-growth, and explains how to pool resources, gain supporters during pre-tornado phase, then how to unleash them once the tornado hits. Based on these three stages, in this study three different levels of technology (referred to as technology levels) are proposed to be adopted in technology strategy. From these implications, transformational leadership is in this study further extended by integrating with technology strategy as part of resource allocation, in which the technology level is classified as spearhead technology used mainly for pre-hypergrowth, core technology used mainly for mass hyper-growth and basic technology used mainly for post-hyper-growth. The objective here is to create a holistic model to integrate manufacturing strategy and transformational leadership with technology level for a more comprehensive evaluation of overall competitiveness in identifying and developing operational competitiveness potential in a sustainable manner.

2.2.7 Sense and Respond

Sense and respond (S&R) was originally used in the engineering field to make comparisons between measurements and desired values, and was the basis on which to adjust system settings to narrow the gap between the two. The same principle was later used in business and management concept. For fast changing business conditions, Markides (2009) develop dynamic business strategies based on sense and respond thinking. The S&R model helps companies anticipate, adapt and respond to continually varying environment conditions. Winer (2010) shows organizations can adapt in a systematic way to the unpredictable demands of rapid changes if the organization is designed and managed as an adaptive system. Burnard and Bhamra (2011) propose a conceptual framework which supports analytical thinking toward characterising the response of an organization to disruptive events and aims to support organizational development through outlining the fundamental processes necessary to elicit a resilient response. After detecting the critical resource allocation areas we try to find out how they should be developed and what will be the price of implementing S&R design in the operations network of already existing capabilities. This process consists of evaluation and comparison of the operational competitiveness of case companies in a turbulent business environment against the highest benchmarks in the world by taking into account operations, technology strategies and transformational leadership.

2.3 Using Competitive Advantage to Respond to Turbulent Environment

Organizations depend on environment. There is no organization that can stay alive without the environment. This means that organizations depend on the environment for their continued existence and therefore they have to scan their environment in an effort to recognize conditions and trends that could have an effect on the industry and adapt to them. Instantaneous evaluation of the company profile and external environment enables a firm to spot a range of probably attractive interactive opportunities. This process results in the selection of a strategic choice (Palese, & Crane, 2012).

Hofer and Schendel (2013) argued that for firms to be effective and successful, they ought to respond properly to the changes that occur in their particular environment. Subsequently, they need strategies to deal with the emerging environmental challenges and focus on their customers.

Organizations should create early warning systems to help them respond promptly. Enterprises that do not respond or respond improperly will not be able to endure the competition or turbulent environment and for this reason will perish. In this way the way of reaction is basic in guaranteeing that the effect of a risk does not antagonistically influence the firm. Responses of any firm may be both operational and strategic. Operational responses are practical and are concerned with attaining explicit tasks efficiently with well-known resources. They are short term in direction relatively easy to implement and overturn, for instance, a price increase (Gonc¸alves-Coelho & Moura˜ o, 2007).

Strategic responses, on the other hand, are hard to actualize and invert and are centered around viability. They are worried with how to strategize for the use of precise and distinctive firm resources to track long term objectives. Strategic responses need firms to change their plan to equate the environment and also to redesign or transform their interior capabilities to match its strategy. They make sure that an organization is prepared for the challenge and has strategized on how to undertake the obstacle (Ismail, *et al*. 2011). Porter

(1998) explained that strategic response entails change in a firm‟s strategic behaviour to guarantee success in transforming the future environment. It also often entails a change in the competitive situation a firm inhabits in the competitive industry.

2.3.1 Strategic Responses

Latshaw (2011) observed that strategic responses involve changes to the organizations strategic behavior. Such responses might take several forms depending on the organization‟s capacity and the environment in which it operates. A number of these strategic responses might include enhancing present markets and products, strategic alliances, turnaround, diversification, and positioning the firm optimally.

2.3.1.1 Market and Product Development

The enterprise markets its current products in new areas in market development. Organizations market the current products, often with only cosmetic alterations, to segments where alike critical success factors exist by putting together channels of distribution or by changing the content of promotion or advertising (Timmons & Spinelli, 2014).

Product development entails the considerable modification of existing products or the making of new but related products that might be marketed to present customers through reputable channels. Enterprises will adopt this strategy to extend the life cycle of present products or to take advantage of a favourite band name or reputation. Product development strategy is largely focused on the penetration of current markets by creating new products with a clear link to the existing product line or by involving product modifications into existing items or. Product development is necessary particularly where consumers become more experienced with judging value for money, for instance, because new choices become available in the market or through repeat buying (Zhang, 2011).

2.3.1.2 Generic Strategies

An organization‟s profitability is determined by its positioning in the industry and not only by the attractiveness of the industry in which it operates. An organization positions itself by leveraging its strengths. Hayes and Wheelwright (2012) argue that the strengths can either be applied in a narrow or broad scope resulting to the three generic competitive strategies:

differentiation, cost leadership and focus. Cost leadership endeavours at being efficient in production and operations to minimize costs by comprising controls to this effect. Organizations can attain this by sourcing inputs from cheaper suppliers or by rehabilitation of old plants and machinery or by building state of the art equipment which trims down delays and reduces wastage and cost of errors.

Differentiation on the other hand, entails an enterprise aiming different market segments and taking into account each individually to gain utmost value. This can be attained by making a product or service that is regarded unique industry-wide. For example, product distinctiveness can be attained through design and creation of innovative features. A firm then carries out an aggressive marketing campaign to emphasize the product uniqueness so as to build a strong brand loyalty to defend itself against competitor products (Dean, 2011).

Finally, focus strategy involves engaging on one particular market niche to position oneself in the market. Hill and Jones (2014), assert that this strategy focuses on serving a certain market niche, which can be characterized geographically or through the type of consumers or by segment of the product line. In order to obtain and maintain a competitive edge, organizations should narrow their operations and target particular markets. In a study conducted by Kamau, (2007), she recognized focus as a strategy assumed by Kenya Re in setting up businesses in other countries and using the locals to deal with the competition in their home market.

2.3.1.3 Diversification

Hayes and Wheelwright (2012) define diversification as changes in products, markets or functions that can be done internally or externally, horizontally or vertically; and it can involve unrelated and related changes. In diversification, an enterprise shifts away from its present products or markets or competences and make a decision to create new products for new markets. An enterprise therefore can either pursue unrelated or related diversification.

Unrelated diversification is development further than the present industry or value systems (Hofer & Schendel, 2013). Enterprises will diversify into new products and new markets by exploring the present competencies, creation of indisputably new markets and development of new competences for new market opportunities.

Related diversification on the other hand is development past the current markets and products but still inside the industry in which an enterprise operates (Latshaw, 2011). It takes the form of horizontal or vertical integration. Horizontal integration is the development into activities that are complementary to or competitive with a company‟s current product Vertical integration is when an enterprise obtains businesses that deliver it with inputs such as raw materials or a place for its outputs such as warehouses for finished products.

2.3.1.4 Turnaround Strategy

The turnaround strategies are essential to the continued existence of many firms. They entail decisions made by management in a bid to make sure an enterprise survives and ultimately get better if concentrated efforts are made over a few years to strengthen its unique competences. The decision is arrived at when an enterprise finds itself with reducing profits as a result of innovative breakthroughs by competitors, production efficiencies and economic recessions. The efforts comprise cost reduction through leasing, downsizing, dropping off some products from production and putting an end to low-margin customers; and asset reduction through sale of equipments, buildings and land not necessary to the running of the enterprise (Pearce & Robinson, 2008). Turnaround responses usually include two stages of strategic activities; retrenchment which entails cost cutting and asset reducing activities, and recovery response through making new efficiency strategies and entrepreneurial strategies.

2.3.1.5 Collaborative Strategies

Collaborative strategies are agreements went into with other parties in the industry either foreign or local. They are connections between companies to mutually track common goals. Enterprises can‟t for all time cope with more and more complex environments with the use of inner resources and competences alone. Agreements are created to either explore new possibilities or exploit current resources. Such agreements take the form of strategic alliances, acquisitions and mergers, franchising, licensing. Collaborative strategies minimize cost of differentiation and improve competitive advantage (Takala, Kukkola, & Pennanen, 2007).

2.3.2 Operational Responses

According to Hills and Jones (2014), an operational response is a strategic action taken to modify a strategy. It entails more and fewer general organizational resources and is moderately easy to implement and reverse. Operational strategies are focussed at enhancing the effectiveness of basic operations inside the company, such as, production, human resource, research and development and marketing.

2.3.2.1 Marketing Strategies

A marketing strategy is a process that can allow an enterprise to focus on its limited resources on the maximum opportunities to improve sales and attain a sustainable competitive advantage. This refers to the position an enterprise takes considering the product design, pricing, advertising, promotion and distribution. The marketing strategy that an enterprise adopts can have a major effect on cost structure and efficiency (Hills & Jones, 2014).

2.3.2.2 Research and Development Strategy

Superior research and development helps an enterprise to attain greater a lower cost structure and efficiency. The research and development permits efficiency by scheming products that are simple to manufacture. This can be done by cutting down on the number of parts that make up a product hence decreasing the required assembly time, which translates into higher employee productivity, lower costs and higher profitability (Hills & Jones, 2014). Research and development can also help an enterprise attain lower costs structure by initiating process innovations. A process innovation is an improvement in the way production processes operate that enhances their efficiency.

2.3.2.3 Human Resources Strategy

The function of human resources is one of the key determinants of an organization‟s cost structure, profitability and efficiency. It looks for ways of enhancing employee productivity by making strategies, training the work force, organizing the work force into self managing sets and connecting pay to performance. Productive employees reduce the cost of making revenue, improve the return on sales and by extension make better the organization‟s return on invested capital (Hill & Jones, 2014).

2.3.2.4 Production and Operation Strategies

Production is a critical function in an organization as it involves the manufacturing of products. Production strategies intend at attaining efficiency through embracing of flexible manufacturing technologies. This entails reduction in setup time for difficult equipment, enhancing the use of individual machines through better arrangement, increasing quality control at all phases of the manufacturing process. Adoption of this strategy improves on capacity utilization, reductions in work-in progress and wastage (Winer, 2010).

Operations strategy is the total prototype of decisions which form the long-term abilities of any type of operations and their role in the general strategy, through the reconciliation of market needs with operations resources. It involves decisions on such issues as what new product must be developed and when they must be introduced into production, what new production facilities are needed, what new production technologies and processes must be developed and adopted. Operation strategies help enterprises become efficient in production thus minimizing wastage and making sure that products are delivered on time (Perreault, Cannon, & McCarthy, 2011).

2.4 Ensuring that Competitive Advantages are Sustainable

2.4.1 Strategic Diagnosis

Strategic diagnosis is a logical approach to establishing the changes that have to be made to a company‟s strategy and its internal aptitude in order to guarantee the company‟s success in its future environment (Ansoff & McDonnell, 1990). This is a customized approach which establishes the nature of a company‟s strategic problem. Strategic diagnosis gives answers two questions: (a) How to diagnose the future environmental challenges which will tackle the company? The reply to this question is diagnosis of future turmoil levels in the company‟s environment. (b) How to establish the company‟s strategic response which will guarantee success? The responds to this question are diagnoses of strategic assertiveness and the organizational responsiveness which will go with the future turmoil (Ansoff & McDonnell, 1990).

The strategic success hypothesis states that a company‟s performance potential is most favorable when the following three conditions are attained: (i) Aggressiveness of the company‟s behavior go with the turbulence of its environment. (ii) Responsiveness of the company‟s ability goes with the aggressiveness of its strategy. (iii) The elements of the company‟s ability must be helpful of one another.

Strategic diagnosis spots whether a company needs to change its strategic behaviour to be certain of success in the prospect environment. If the diagnosis substantiates the need, the next stage is to choose and carry out specific actions which will bring the company‟s aggressiveness and responses corresponding to the future environment (Ansoff & McDonnell, 1990). The adaption begins with a forecast of future growth in each of the company‟s business areas and the elements which will be critical to success. The information is used to decide on the strategic response which will guarantee the company‟s future success. Whenever the gap between the current and required ability is discontinuous, execution of change usually encounters organizational resistance. In a nutshell, the theoretical model portrays strategic management through four closely interconnected activities; Strategic diagnosis – recognizes the need for a new strategic response; Strategic planning – establishes the future strategic response; Organizational design – finds out the future strategic responses; and change management which executes the response and capability.

2.4.2 Strategic Issue Management

As environmental turbulence goes up, strategic issues come out more often that challenge the way an enterprise formulate and execute strategy (Perrot, 2011). The level of turbulence will establish the type of response an enterprise must make to survive (Ansoff & McDonnell, 1990). For instance, at moderately low levels of turbulence, the enterprise might act in response by creating operational changes but few strategic changes. Conversely, at higher turbulence levels, strategic issues that may impact the enterprise‟s ability to attain its goals may come out at more frequent intervals and between planning cycles. Strategic issues are occasions or forces (with either negative or positive effects) either internal or external an enterprise that are likely to change its aptitude to attain its objectives (Perrot, 2011).

In times of uncertainty and environmental turbulence, the present position of a business needs to be determined before setting future strategies and directions (Perrot, 2011). In the strategic issue management model, outside issues are obvious as threats and opportunities, and inside issues as strengths and weaknesses. For enterprises getting into a period of turbulence, the tracking, monitoring and management of main issues become very important for corporate survival. Strategic-issue-processing methods can help managers to recognize issues and plan suitable actions that deal with high priorities (Palese & Crane, 2012). Phases in this process entail capturing issues, evaluating implications, assessing significance, setting priorities, and preparing actions. Strategic-issue management can encourage organizational action and creates impetus for organizational change (Perrot, 2011).

During moments of fairly high turbulence, an organization must deem relegating official business and marketing plans to the background. As an alternative, decision-makers will centre at strategic issue management by examining the pertinent sections of the environment, categorizing and prioritizing issues as they come out, then gathering together resources and projects that deal with critical issues (Markides, 2009). The issue management team would come across for the purpose of performing a strategic issue Workshop. At this point all members would list the issues that are important to the organization‟s operation.

They may be scheduled under the separate headings of Outside Issues (Opportunities and Threats) and Inside Issues (Strengths and Weaknesses). Working jointly, they could then situate each strategic issue with regards to its perceived level of exigency and possible impact on the "Strategic Issue Priority Matrix" (SIPM). Impact relates to senior manager"s worries as to the level of possible impact an issue may have on the company"s operation and performance (Ansoff & McDonnell, 1990).

2.4.3 Enterprise Risk Management

Enterprise Risk Management is a fairly new approach to dealing with strategic issues facing organizations (Hughes, 2009). Organizations more and more face a multitude of risks that, if not recognized and incorporated into an overall business strategy, may result in business failure or lost revenues (Burnaby & Hass, 2012). Hughes (2009) argues that enterprise risks are those occasions that would negatively manipulate or restrain the organization"s capability to attain its strategic goals. Specific risks may come into view in what has been described as the five factors affecting a company"s operation, namely: environmental uncertainty, firm size, firm complexity, industry competition, and monitoring process of board of director (Hughes, 2009). The Enterprise Risk Management concept entails determining well-defined controls to alleviate risks in line with the risk profile and culture of the specific organization (Burnaby & Hass, 2012). Enterprise Risk Management methods naturally provides the capability to catalogue risks within groups, give them weights and measures and connect them with business functions that have means and the power to control them. The risks faced by companies have been widely categorized as operational, credit and market (Bainbridge, 2009). Approaches to managing risks comprise; transferring risk, avoiding risk, mitigating risk, and finally accepting risk within definite limitations. The first stage is to identify the different areas of risk across the company and its operations. These must be managed constantly in an Enterprise Risk Management process (Hughes, 2009).

2.4.4 Balanced Scorecard

The balanced scorecard is a management control method that allows companies to elucidate their strategies, translate them into action and make available quantitative response as to whether the strategy is adding or creating value, leveraging core competences satisfying the organization‟s consumers and creating a financial reward to its company owners (Pearce & Robinson, 2008).

In order to attain most favorable success, the balanced scorecard calls for comprehension, commitment and support from the extremely top of the business down. As the organizational culture develops and evolves to appreciate the original approach of work force of the enterprise mature within the new culture, the enterprise will find new things to monitor and measure progress. Latshaw and Choi (2011) as stated in Chavan (2014) argue that organizations have conventionally measured their performance on short-term financial measures; the balanced scorecard nevertheless, enlarges this to include measures of performance relating to customer, internal processes, and learning and development needs of their people.

Chavan (2014) asserts that relying more on financial indicators supports short-term behavior that surrenders long-term value addition for short-term performance. In addition, Brown (2000) states that the balanced scorecard has increased the conventional financial measures with lead indicators of future financial performance. According to Hagood and Friedman (2002) an organization can assess its performance in creating key competencies required in terms of strategy and future survival by looking at the non financial measurements. Hughes (2009) asserts that the reason for the balanced scorecard is to give direction and manage the whole organization towards attaining a shared vision of the future. In accordance with the balanced scorecard an enterprise have to view itself from four viewpoints and to develop metrics, collect data, and analyze it relative to each of these points of view (Pearce & Robinson, 2008):

The balanced scorecard can measure how well an enterprise is constantly improving and creating value through employee motivation. The scorecard is constant on procedures related to organizational learning and innovation to measure performance on this dimension – product development cycle times, technological leadership. These estimates can be used; information system capabilities, employee capabilities, empowerment, motivation and alignment (Pearce & Robinson, 2008).

Effective implementation and internal business processes are measured and monitored by productivity, quality measures, various cost measures, cycle time, and downtime, among others (Capon, 2008). The customer viewpoint; this will measure and establish the fulfillment of the customers. A perspective of customer satisfaction normally adds measures related to on time deliver, defect levels, product development and warranty support. An organization can use the following metrics; product/service attributes, image/reputation, and customer relationships (Capon, 2008).

According to Pearce and Robinson (2008) a financial perspective typically uses measures like return on equity, sales, cash flow, and income growth. The following evaluations can be used; return on capital, enhanced shareholder value and asset exploitation. Pearce and Robinson (2008) maintain that incorporation of goals through the above mentioned viewpoints, the balanced score card approach make it easy for the strategy of the business to be linked with shareholder value creation whilst providing various measurable short term results that monitor and guide strategy implementation.

Chavan (2014) asserts that the final success of a change strategy heavily depends on how the change is to be initiated and implemented rather than the prerequisite of the strategy itself. This will permit management to set goals for the individual, team and the whole organization, create performance conditions, assess competences, recognize strengths and weaknesses and provide feedback.

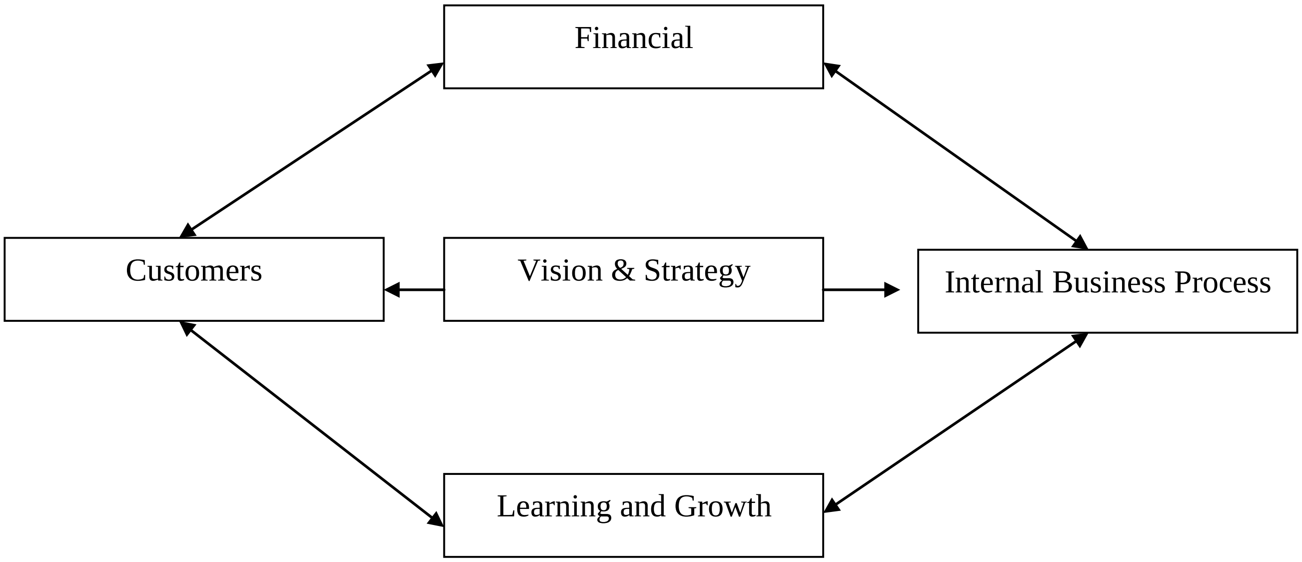

Figure 2.1: Basic design of a Balanced Scorecard Performance System

2.4.5 External Environmental Analysis

Organizations have to examine the external environment in which they function in, in order to make sense of the unstable world in which they live, such that suitable management and business decisions can be taken (Capon, 2008). In consideration of the dynamic and complex world in which they operate, companies have to take into consideration many influences and issues. For example in 2005, the US motor industry encountered a turbulent environment in the form of stern competition and loss of market share to Asian car producers, with both Ford and General Motors having to make carry out downsizing as a result (Capon, 2008). Firms engage in external environmental analysis to manage unpredictability and incomplete environmental data in order to enhance comprehension of the remote environment (Ireland, Hoskisson, & Hitt, 2013). The analysis includes scanning, monitoring, forecasting and assessing as demonstrated in Table 2.1.

Table 2.1: Components of the External Environmental Analysis

Scanning	Discovering early signals of environmental changes and trends
Monitoring	Noticing meaning through ongoing observations of environmental changes and trends

Forecasting	Developing projections of predictable outcomes based on monitored changes and trends.
Assessing	Establishing the timing and importance of environmental changes and trend for firm‟s strategies and their management

Source: Ireland, Hokisson & Hitt (2013).

Analyzing the remote environment is an intimidating task, yet very considerable (Lamberg, Tikkanen, Nokelainen, & Suur-Inkeroinen, 2009). In studying the common environment, recognition of threats and opportunities is an imperative objective. Scholars (Ireland, *et al*, 2013) argue that understanding the threats and opportunities in the organization‟s environment can present a circumstances that would allow the firm reach a fit between internal capabilities and external possibilities.

2.4.5.1 Scanning

Environmental scanning is the attainment and employ of information about trends, events and relationships in a company‟s external environment (Latshaw & Choi, 2011). The authors asserted that organizations take part in environmental scanning with the intention of understand the outside forces of change so that they may create effective responses which improve or secure their position in the future. Organizations take part in this exercise in order to, identify threats and opportunities, achieve competitive advantage, advance long and short term planning and avoid surprises. According to Hofer and Schendel (2013), the reason for an environmental scan is to first sense scientific, economic, technical, social and political trends; second is to predict out the future potential opportunities, threats and changes for organizations; third to promote an orientation in the thinking of subordinates and leaders and finally to caution of management interactions and trends.

Markides (2009) argues that a scanning activity enhances strategic intelligence as a tool to establish organizational strategies. Morrison further asserts that the results of the scanning activity is to promote an apprehension of the effectiveness of change in organization, to help forecasting, and to bring prospects of changes that bear on decision making process. According to Gunasekaran *et al* (2011), environmental scanning enhances a company‟s ability to deal with a quickly changing environment in the following ways; providing an early on signal of looming problems and sensitizing an organization to the changing requirements and wishes of the customers, aiding an organization take advantage of early opportunities, providing a foundation of objective qualitative information about the environment, providing rational stimulation to strategies in their decision making and it enhances the image of an organization with the public by demonstrating that it is sensitive to its environment and responsive to it.

2.4.5.2 Monitoring

Ireland *et al* (2013) find that analysts observe environmental changes to see if an essential trend is up-and-coming from among the changes noticed during scanning. The organization‟s ability to sense meaning in environmental trends and events is important to successful monitoring. According to Dean (2011), effective monitoring needs the organization to identify key stakeholders and understand its reputation among these stakeholders as the base for serving their unique needs. Leiblein and Madsen (2009) note that for an organization competing in an industry with high technological improbability, scanning and monitoring is very vital. Scanning and monitoring can offer an organization with that much required information; they also serve up as a means of importing knowledge about markets and also how to effectively commercialize new technologies and products developed by the organization (Randaccio & Veugelers, 2014).

2.4.5.3 Forecasting

While environmental scanning, monitoring and competitive intelligence are imperative considerations for analyzing the external environment, they conversely remain useless if they do not offer raw material that is reliable to aid managers make precise forecasts (Ireland, *et al.*, 2013). The authors add that environmental forecasting entails the development of reasonable projections about the direction, scope, speed and intensity of the environmental change.

According to Si, *et al*. (2008), correct forecasts permit a firm to offer high levels of customer service. When demand can be precisely predicted, it can be met in an efficient and timely manner, keeping both channel partners and end customers satisfied. At the bottom line, the consequence of precise forecasts can be profound. Raw materials and component parts can be obtained much more cost-effectively when last minute, spot market purchases can be avoided (Sueyoshi & Goto, 2011). According to Suikki *et al*. (2012) forecasting looks at how hidden currents in the present signal likely changes in direction for organizations, societies or the world at large. Saffo maintains that the basic goal is to recognize the full range of possibilities.

2.4.5.4 Assessing

The goal of assessing the external environment is to establish the significance and the timing of the impacts of environmental trends and changes that have been identified (Sueyoshi & Goto, 2011). While through scanning, monitoring and forecasting, analysts are capable of understand the general environment, the intention of assessment is to state the implications of that understanding. Devoid of assessment the organization is left with data that may be fascinating but of unknown competitive significance (Ireland, *et al*., 2013). In as much as gathering and organizing information is imperative, right interpretation of market intelligence to determine if an identified trend in the external environment is an threat or opportunity is vital (Gerwin, 2012).

2.5 Chapter Summary

The study in this chapter was about the competitive advantage practices used by Sameer Africa Limited in business operations. The study has discussed the competitive advantages used by Sameer Africa Limited in its business practices, how Sameer Africa is using its competitive advantage to respond to turbulent environment and how Sameer Africa is ensuring its competitive advantage is sustainable. The next chapter, research methodology, explores the best methodology the research will adopt to reach to the solution of the problem.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The research methodology and procedures that will be used to carry out the study is described in this chapter. In this chapter, the population and sampling design are also described. Below sampling design the: sampling frame, sampling technique, sample size and research procedures are defined. Described also in the chapter are data collection and analysis techniques to be employed.

3.2 Research Design

This provides the framework to be used as a guide in collecting and analyzing data (Coopers & Schindler, 2008). The research design employed in this study is descriptive in nature. Descriptive studies describe features associated with the subject population Schindler (2000). Descriptive design aids in measuring and finding out the relationships among variables. From the study, the descriptive research design was used to collect in depth information about the population under study and thus provide recommendations that are specific and relevant.

3.3 Population and Sampling Design

3.3.1 Population

Population according to Schindler (2008), is total collection of elements upon which deductions can be made. The larger set of observation is the population while the smaller set is called the sample. This study therefore focused on the executive and management of Sameer Africa Limited.

Table 3.1: Population Distribution

Sameer Africa Limited	DISTRIBUTION	
Population	**No.**	**Percentage**
Executives	8	5
Management	164	95
Total	**172**	**100**

Source: Source: Sameer Africa Limited, (2015).

3.3.2 Sampling Design

A group from the population that represents the population is referred to as a sample (Coopers & Schindler, 2008). Sampling design is a procedure used in selecting a balanced representation from the total sample size which is the population under study. Sampling enables: increased speed of data collection, lower cost, and accuracy of results and availability of population elements. The study used a stratified random sampling procedure to get a representative sample size.

3.3.3 Sampling Frame

According to Cooper and Schindler (2008) sampling frame is a record of elements from which the sample is in fact drawn and it is closely interrelated to the population under study. The list could be of institutions, individuals, geographical areas, or other units (Churchill & Brown, 2007). In this study the list came from Sameer Africa Limited.

3.3.4 Sampling Technique

According to Collins and Hussey (2006) sampling technique is process used in selecting elements from the population that stands for the population. Simple random sampling technique was used to collect the data from executive and management of Sameer Africa Limited. Whether a particular technique is of simple random type or different type, it depends on a variety of factors such as object, scope and nature of the study and amount of money for the purpose (Hyers, 2006).

3.3.5 Sample Size

A sample size is a number of units (persons, animals, patients, specified circumstances, etc.) in a population to be studied (Schindler & Cooper, 2003). According to Mugenda and Mugenda (2003), a sample size of between 10 to 30 percent is a good representation of the target population and hence the 30% is adequate for analysis. A sample size for this research was therefore 60 respondents from both the management and non-management staff of Sameer Africa limited. This was determined by the availability of a population of 172 employees who gave their consent to participate in the study. The sampling size for this study was distributed as follows:

Table 3.2: Sample Size

Sameer Africa limited	**DIST RIBUTION**	
Population	**No.**	**Percentage**
Executive	8	13
Management	52	87
Total	**60**	**100**

Source: Sameer Africa Limited (2015)

3.4 Data Collection Methods

Data observed or collected from firsthand experience is referred to as primary data (Cooper & Schindler, 2008). Data was collected from primary sources using questionnaires. The questionnaire was designed to capture the essential information needed for analysis. It captured respondents‟ general information and specific information arising from the various objectives.

The questionnaire contains both unstructured and structured questions. The researcher assisted the respondents, where required to understand the implication of the study and make sure that the response is compatible with the objective of the study. The questionnaire was attached with a letter to the respondents informing them of confidentiality and use of the information they would disseminate.

3.5 Research Procedure

A pilot study was conducted using five respondents to ascertain the suitability of the tool (questionnaire) before administering it in the study. Pre-testing enabled the researcher to modify the questionnaire and improve the objectivity and effectiveness. The questionnaire took 15-20 minutes to complete. Accompanying the questionnaire was a letter of introduction that assures confidentiality to the respondent.

3.6 Data Analysis Methods

Data analysis is a research method for the objective, systematic and qualitative description of the noticeable content of a communication. In order for research quality in this study, quantitative technique of data analysis was used (Cooper & Schneider, 2008).

According to Denscombe (2006) descriptive statistics entails a process of converting a mass of raw data into charts, tables, with frequency distribution and percentages, which are very important part of making sense of the data. The research data was analyzed using Statistical Package for Social Sciences (SPSS) program and presented using tables to give a clear image of the research findings at a glance.

Descriptive statistics were the key among the quantitative tools that were employed, which include measures of central tendencies, such as means, Standard deviation, median, mode, cross-tabulations, percentages and frequencies. These tools of analysis were used for example to determine views of deviations from commonality and commonality.

Another useful statistic that described the degree of relationship between variables and was used in the study is correlation. The study also utilized measures of central tendency.

3.7 Chapter Summary

Chapter three has described the methodology and procedures that was used to carry out the study. It started with a brief introduction highlighting the general methodology and structure of the chapter. The chapter also highlighted the method that was used to conduct the research and its use justified. The population was defined and the sampling technique, technique, and sample size described. Finally, the data collection techniques and research procedures to be used have been discussed. The next chapter to follow is Chapter 4 which discusses the Results and Findings of the study.

CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the findings of the study, data analysis and interpretation. The purpose of the study is to find out competitive advantage practices used by Sameer Africa Limited in business operations and was guided by the following research questions; what are the competitive advantages used by Sameer Africa Limited in its business practices?, how is Sameer Africa using its competitive advantage to respond to turbulent environment?, how is Sameer Africa ensuring its competitive advantage is sustainable?

4.2 Response Rate

The target population comprised of 60 respondents from both the management and nonmanagement staff of Sameer Africa limited. Table 4.1 indicates that out of the 60 questionnaires administered, 31 responded, which gave a response rate of 60%. According to Mugenda and Mugenda (2003) the statistically significant response rate for analysis should be at least 50%.

Table 4.1: Response Rate

Response rate	Sample size	Percentage (%)
Returned questionnaires	36	60
Un-returned questionnaires	24	40
Total	**60**	**100**

4.3 General and Demographic Information

This section includes the general demographic information. Respondents were asked about their Gender, age and level of college education attained.

4.3.1 Gender

The study sought to establish the gender of the respondents. The findings were as indicted in Figure 4.1

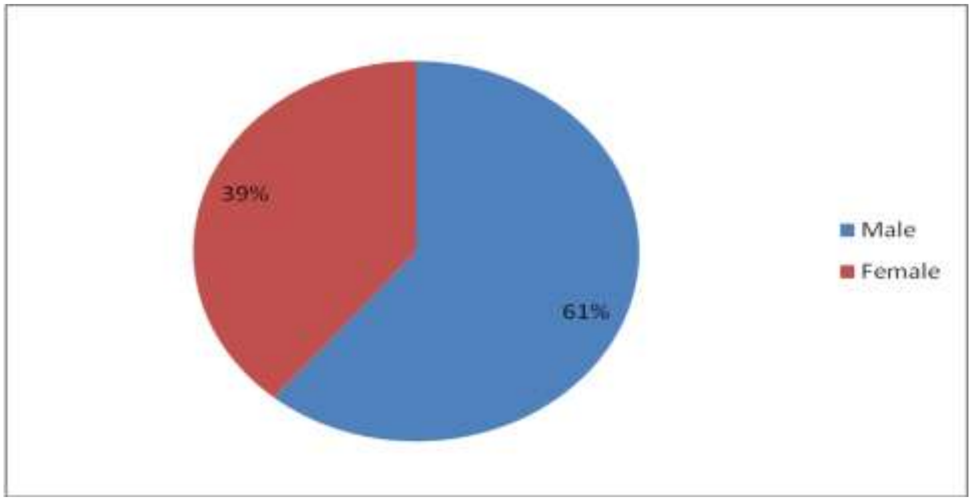

Figure 4.1 Gender of the respondents.

61% of the respondents were male while 39% were female. The above finding reveals that the respondents were both male and female though majority of the respondents were male.

4.3.2 Age of the Respondents

The study sought to establish the age of the respondents. The findings were as shown in Figure 4.2

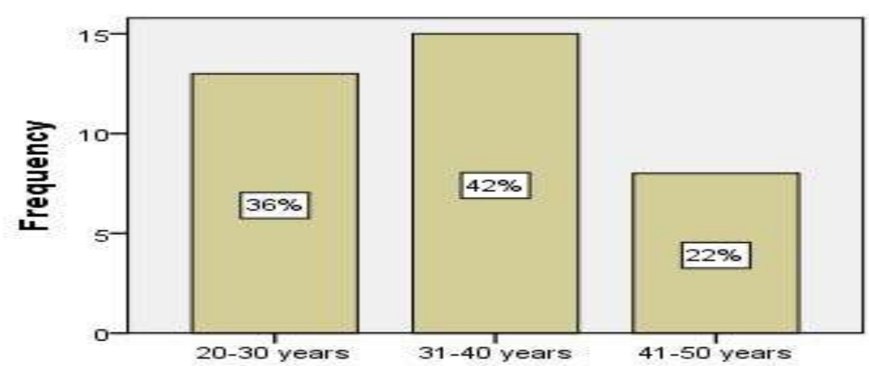

Figure 4.2 Age of the respondents.

The study established that 36% of the respondents were between 20-30 years of the age, 42% of the respondents were between 31-40 years and 22% were above 41-50 years of age. The finding indicates that all the respondents were mature enough to give valid responses on the research study.

4.3.3 Level of Education Attained

The respondents were asked to indicate the highest level of education, the finding were indicated of Figure 4.3

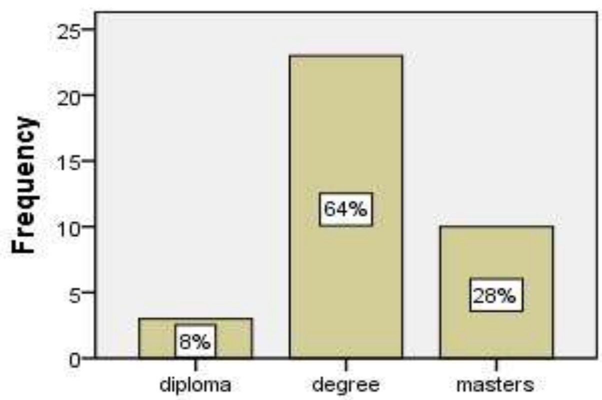

Figure 4.3 Level of Education

The findings indicate that majority of the respondents 64 % had pursued bachelor"s degree, 28% had master"s degree and 8% had diploma qualifications. The finding highlights that respondents were well educated, thus they had vast information on competitive advantage practices used by Sameer Africa Limited.

4.3.4 Department

The study sought to find out the department the respondents were working in, Table 4.2 indicates that most of the respondents 47% were in sales and marketing and were followed by the respondents (11%) working in production section .

Table 4.2 Department

Department	Frequency	Percent
Sales and Marketing	17	47
Risk and Compliance	2	6
ICT	1	3
Quality assistance	2	6
Production	4	11
Technical Service	1	3
Procurement	2	6
Logistics	2	6
Warehouse and Distribution	1	3
Accounting	4	11
Total	**36**	**100**

4.4 Principal Component Analysis and Reliability

The study‟s construct measures were initially purified using exploratory factor analysis (EFA) and tested for reliability analysis. The raw measures were purified and tested for validity and reliability by running a series of tests. Exploratory factor analysis was performed to achieve measure purification and refine the variables into the most effective number of factors. Reliability analysis was then conducted.

Each of the constructs was refined by utilising principal component analysis on the initial items comprising each construct. Each principal component analysis extracted factors, and factor loadings greater than 0.5 were retained for each principal component extracted (Hair *et al.*, 2010). To assess the factorability of items, the researcher examined three indicators (i.e.

Kaiser Meyer-Olin Measure of Sampling Adequacy, Barlett‟s Test of Sphericity and communalities). For every EFA, it was found that manifest variables have KMO Measures of Sampling Adequacy above the threshold of 0.6 (Kaiser, 1974), as well as p values for Barlett‟s test of Sphericity (Barlett, 1954) below 0.05. Communalities were also found well above 0.5 suggesting satisfactory factorability for all items. When applying EFA, the results showed a clear factor structure with an acceptable level of cross loadings.

Table 4.3 Principal Component Analysis and Reliability

Construct	Kaiser Meyer Olin (KMO)	Bartlett's Test of Sphericity	p-value
Competitive advantages used in business practices	0.602	153.08	0.000
Competitive advantage response to turbulent environment	0.607	133.68	0.000
Sustainable competitive advantage	0.733	169.136	0.000

Additionally, the reliability and internal consistency of the items constituting each construct was estimated. Scale refinement was assessed using item to total correlations analysis, with indictors with an item to total correlation threshold of 0.3 and higher being maintained (Hair *et al.*, 2006).

4.5 Analysis of Study Variables

4.5.1 Competitive advantages used in business practices

Table 4.4 Reliability and communalities of Competitive advantages

Competitive advantages	mean	Std. Deviation	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Communalities
Competitive advantage in business practices: developing competitive advantage in considered a critical success factor for a small new and emerging business venture	4.53	0.696	0.356	0.758	0.698
Proper resource allocation is a key issue in providing					

efficient usage of resources in business process execution	4.44	0.607	0.365	0.751	0.795
When service or product provide greater customer value pricing at the high end is an effective market strategy	3.47	0.941	0.332	0.752	0.651
Firm resources can only be a source of competitive advantage when they are valuable	3.92	0.937	0.4	0.745	0.8
Resources are valuable when they enable a firm to implement strategies that improve its efficiency and effectiveness	4.53	0.654	0.312	0.761	0.655
The price if component is easily controlled by the entrepreneur	2.86	1.125	0.333	0.755	0.565
To achieve competitive advantages a firm's resources should be rare among a firm's resources , firm's current and potential competition	2.92	1.296	0.689	0.705	0.767
To achieve competitive advantage, a firm resources should be imperfectly imitable	3.06	1.12	0.675	0.71	0.799
To achieve competitive advantage a firm's resources there should not be strategically equivalent substitutes for the resource	2.92	1.052	0.373	0.749	0.557
Type of organisational leadership also determines organizational competitiveness	4.69	0.525	0.312	0.755	0.4
The level of technology deployed in an organization impacts the overall strategic planning process	4.31	0.624	0.319	0.76	0.709
Organizational culture help bring effectiveness and competitive advantage to organizations	4.08	0.841	0.381	0.747	0.655
Competitive priorities are the crucial decisive variables to manage manufacturing operations	3.92	0.77	0.322	0.753	0.784
Culture is perspective might be useful for understanding innovation process in organizations	3.89	0.854	0.395	0.755	0.796
Overall Cronbach's Alpha =0.762					

Table 4.4 indicates that the item mean scores ranged from 2.92 to 4.69. The lowest rating was for the item "to achieve competitive advantages a firm's resources should be rare among a firm's resources, firm's current and potential competition" with a mean of 2.92 (SD=1.296) and the highest score was for the item "Type of organisational leadership also determines organizational competitiveness" with a mean of 4.69 (SD=0.525).The item to total correlations

ranged from .312 to .689 which was acceptable. The Cronbach"s alpha for Competitive advantages used in business practices scale was 0.762 which is good reliability.

Table 4.5 Pattern Matrix of Competitive advantages used in business practices

Competitive advantages used in business practices			Factors
Competitive advantage in business practices: developing competitive advantage in considered a critical success factor for a small new and emerging business venture	0.799	4	
Proper resource allocation is a key issue in providing efficient usage of resources in business process execution	0.896	4	
When service or product provide greater customer value pricing at the high end is an effective market strategy	0.792	2	
Firm resources can only be a source of competitive advantage when they are valuable	0.8	2	
Resources are valuable when they enable a firm to implement strategies that improve its efficiency and effectiveness	0.735	2	
The price if component is easily controlled by the entrepreneur	0.645	1	
To achieve competitive advantages a firm's resources should be rare among a firm's resources ,firm's current and potential competition	0.602	1	
To achieve competitive advantage, a firm resources should be imperfectly imitable	0.803	1	
To achieve competitive advantage a firm's resources there should not be strategically equivalent substitutes for the resource	0.789	1	
Type of organisational leadership also determines organizational competitiveness	0.584	3	
The level of technology deployed in an organization impacts the overall strategic planning process	0.876	3	
Organizational culture help bring effectiveness and competitive advantage to organizations	0.656	3	
Competitive priorities are the crucial decisive variables to manage manufacturing operations	0.851	5	
Culture is perspective might be useful for understanding innovation process in organizations	0.787	5	
Extraction Method: Principal Component Analysis.			
Rotation Method: Promax with Kaiser Normalization.			
a. Rotation converged in 6 iterations.			

Table 4.5 shows the loading for the measurement model. The coefficients ranged between 0.584 and 0 .896, indicating that the variables are almost perfectly related to factor pattern and clear factor structure with an acceptable level of cross loadings.

Table 4.6 Total Variance Explained for Competitive advantages

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	3.516	25.116	25.116	3.516	25.116	25.116	2.781
2	1.91	13.64	38.756	1.91	13.64	38.756	2.305
3	1.822	13.014	51.771	1.822	13.014	51.771	2.22
4	1.246	8.901	60.672	1.246	8.901	60.672	2
5	1.136	8.111	68.783	1.136	8.111	68.783	1.831
6	0.922	6.587	75.37				
7	0.843	6.019	81.389				
8	0.735	5.248	86.637				
9	0.455	3.252	89.889				
10	0.435	3.107	92.996				
11	0.347	2.476	95.472				
12	0.293	2.093	97.564				
13	0.202	1.445	99.009				
14	0.139	0.991	100				
Extraction Method: Principal Component Analysis.							
a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.							

Based on Kaiser‟s criterion, five (5) factors out of fourteen (14) factors were imputed. In this case, five (5) factors in the initial solution had Eigen values greater than 1.00 and together, they accounted for 68.783% of the variability in the original variableswith one variable emerging dominant and accounted for 25.116% of the variance in the original variables data as indicated in table 4.6

4.5.2 Competitive advantage response to turbulent environment

Table 4.7 Reliability and communality for response to turbulent environment

	Mean	Std. Deviation	Corrected Item Total Correlation	Cronbach's Alpha if Item Deleted	Communalities
Differentiation	2.42	0.692	0.312	0.637	0.712
Diversification	2.42	0.604	0.404	0.635	0.669
Vertical Integration	2.14	0.593	0.326	0.603	0.783
Horizontal integration	2.06	0.63	0.357	0.595	0.816
Collaborative strategy in terms of strategic alliances	2.39	0.688	0.45	0.633	0.726
Collaborative strategy in terms of merges and acquisitions	2.39	0.688	0.493	0.56	0.832
Collaborative strategy in terms licensing	1.92	0.649	0.379	0.59	0.685
Collaborative strategy in terms of franchising	2.28	0.615	0.335	0.622	0.643
Distribution channel	2.58	0.604	0.345	0.599	0.554
Research and development	2.56	0.652	0.407	0.583	0.849
Employee training	2.39	0.599	0.473	0.644	0.707

Overall Reliability=0.702

The item mean scores ranged from 1.92 to 2.58. The lowest rating for **Competitive advantage response to turbulent environment** was the item "Collaborative strategy in terms licensing" with a mean of 1.92 (SD=0.649) and the highest score was for the item "Distribution channel" with a mean of 2.58 (SD=0.604) as indicted in table 4.7.

The item to total correlations ranged from .312 to .493 which was acceptable. The Cronbach"s alpha for Competitive advantage response to turbulent environment scale was 0.702 which is good reliability.

Table 4.8 Pattern Matrix for response to turbulent environment

Pattern Matrix	Factors			
	1	2	3	4
Differentiation				0.829
Diversification				0.779
Vertical integration			0.781	
Horizontal integration			0.803	
Collaborative strategy in terms of strategic alliances	0.867			
Collaborative strategy in terms of merges and acquisitions	0.87			
Collaborative strategy in terms licensing	0.662			
Collaborative strategy in terms of franchising	0.79			
Distribution channel		0.72		
Research and development		0.893		
Employee training		0.819		
Extraction Method: Principal Component Analysis.				
Rotation Method: Promax with Kaiser Normalization.				
a. Rotation converged in 6 iterations.				

Table 4.8 shows the loading for the measurement model. The coefficients ranged between 0.662 and 0.893, indicating that the variables are almost perfectly related to factor pattern and clear factor structure with an acceptable level of cross loadings.

Based on Kaiser‟s criterion, four (4) factors out of eleven (11) factors were imputed. In this case, four (4) factors in the initial solution had Eigen values greater than 1.00 and together, they accounted for 72.502% of the variability in the original variables with one variable emerging dominant and accounted for 27.297% of the variance in the original variables data as indicated in table 4.9.

Table 4.9 Total Variance Explained for response to turbulent environment

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	3.003	27.297	27.297	3.003	27.297	27.297	2.894
2	2.341	21.278	48.575	2.341	21.278	48.575	2.296
3	1.458	13.256	61.831	1.458	13.256	61.831	1.702
4	1.174	10.671	72.502	1.174	10.671	72.502	1.417
5	0.854	7.761	80.263				
6	0.609	5.532	85.795				
7	0.505	4.593	90.388				
8	0.394	3.578	93.966				
9	0.257	2.336	96.302				
10	0.251	2.281	98.583				
11	0.156	1.417	100				
Extraction Method: Principal Component Analysis.							
a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.							

4.5.3 Sustainable competitive advantage

The item mean scores ranged from 3.00 to 4.42. The lowest rating for **Sustainable competitive advantage** was the item "During times of relatively high turbulences, an organization must consider relegating formal business and marketing plans to the background" with a mean of 3.00 (SD=1.512) and the highest score was for the item "The level of turbulence will determine the type of response an organization must make to survive" with a mean of 4.42 (SD=0.874).

The item to total correlations ranged from .321 to .670 which was acceptable. The Cronbach‟s alpha for Competitive advantages used in business practices scale was 0.810 which is good reliability. Details of the Sustainable competitive advantage scale are provided in Table 4.10.

Table 4.10 Reliability and communalities Sustainable competitive advantage

Sustainable competitive advantage	Mean	Std. Deviation	Corrected Item Total Correlation	Cronbach's Alpha if Item Deleted	communalities
Strategic diagnosis identifies whether a firm needs to change its strategic behaviour to be sure of success in the future environment	4.22	0.76	0.321	0.791	0.765
Strategic diagnosis shows how to determine the firm's strategic response which will assure success	4.14	0.683	0.493	0.784	0.73
Scanning is the identifying early signals of environment changes and trends	4.11	0.622	0.67	0.753	0.743
A firm's performance potential is optimum when the aggressiveness of the firm's behaviour match the turbulence of its environment	4.33	0.676	0.408	0.774	0.472
A firm's performance potential is optimum when the responsiveness of the firm's capability matches the aggressiveness of its strategy	4.08	0.841	0.67	0.744	0.664
A firm's performance potential is optimum when the components of the firm's capability must be supportive of one another	4.19	0.786	0.642	0.749	0.647
During times of relatively high turbulences, an organization must consider relegating formal business and marketing plans to the background	3	1.512	0.383	0.801	0.515
Organizations increasingly face a Multitude of risks that, if not identified and integrated into an overall business strategy, may result in loss revenues or business failure	4.36	0.931	0.477	0.766	0.483
Monitoring is the detecting meaning through ongoing observations of environment changes and trends	4.11	0.708	0.577	0.661	0.748
The level of turbulence will determine the type of response an organization must make to survive	4.42	0.874	0.552	0.757	0.683
Forecasting is the developing projections of anticipated outcomes based on monitored changes and trends	4.17	0.655	0.553	0.762	0.685
As environmental turbulence increases, strategic issues emerge more frequently than the way an organization formulate and implement strategy	4.17	0.775	0.382	0.786	0.64

Overall Cronbach's Alpha=0.810

Table 4.11 Pattern Matrix for Sustainable competitive advantage

	Component		
	1	2	3
Strategic diagnosis identifies whether a firm needs to change its strategic behaviour to be sure of success in the future environment			0.903
Strategic diagnosis shows how to determine the firm's strategic response which will assure success			0.902
scanning is the identifying early signals of environment changes and trends			0.636
A firm's performance potential is optimum when the aggressiveness of the firm's behaviour match the turbulence of its environment	0.761		
A firm's performance potential is optimum when the responsiveness of the firm's capability matches the aggressiveness of its strategy	0.723		
A firm's performance potential is optimum when the components of the firm's capability must be supportive of one another	0.733		
during times of relatively high turbulences, an Organization must consider relegating formal business and marketing plans to the background	0.778		
Organizations increasingly face a multitude of risks that, if not identified and integrated into an overall business strategy, may result in loss revenues or business failure	0.677		
Monitoring is the detecting meaning through ongoing observations of environment changes and trends		0.823	
the level of turbulence will determine the type of response an organization must make to survive		0.749	
Forecasting is the developing projections of anticipated outcomes based on monitored changes and trends		0.689	
As environmental turbulence increases, strategic issues emerge more frequently than the way an organization formulate and implement strategy		0.915	
Extraction Method: Principal Component Analysis.			
Rotation Method: Promax with Kaiser Normalization.[a]			
a. Rotation converged in 5 iterations.			

Table 4.11 shows the loading for the measurement model. The coefficients ranged between .636 to .915, indicating that the variables are almost perfectly related to factor pattern and clear factor structure with an acceptable level of cross loadings.

Table 4.12 Total Variance Explained for Sustainable competitive advantage

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	4.439	36.989	36.989	4.439	36.989	36.989	3.568
2	1.896	15.796	52.785	1.896	15.796	52.785	3.488
3	1.441	12.008	64.794	1.441	12.008	64.794	2.772
4	.929	7.741	72.535				
5	.729	6.072	78.607				
6	.658	5.482	84.088				
7	.479	3.989	88.077				
8	.393	3.274	91.351				
9	.349	2.908	94.259				
10	.328	2.735	96.994				
11	.211	1.758	98.752				
12	.150	1.248	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

Based on Kaiser‟s criterion, three (3) factors out of twelve (12) factors were imputed. In this case, three (3) factors in the initial solution had eigen values greater than 1.00 and together, they accounted for 64.794% of the variability in the original variables with one variable emerging dominant and accounted for 36.989% of the variance in the original variables data as indicted in table 4.12.

4.6 Inferential Analysis

4.6.1 Correlation

Table 4.13 Correlations

		Sustainable competitive advantage	competitive advantageused	Response to turbulent environment
Sustainable competitive advantage	Pearson Correlation	1	.687**	.494**
	Sig. (2-tailed)		.000	.006
	N	29	29	29
competitive advantageused	Pearson Correlation	.687**	1	.163
	Sig. (2-tailed)	.000		.397
	N	29	29	29
Responseto turbulent environment	Pearson Correlation	.494**	.163	1
	Sig. (2-tailed)	.006	.397	
	N	29	29	29

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

Competitive advantages used was found to be positive and significantly related to Sustainable competitive advantage(r = 0.687, p-value = 0.000). Response to turbulent environment was found to be positively related to Sustainable competitive advantage (r =

0.494, p-value = 0.006) at 0.05 levels of significance as indicated in table 4.13. **4.6.2**

Regression Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788[a]	.621	.592	.55839

a. Predictors: (Constant), Response to turbulent environment, Competitive advantagesused

b. Dependent Variable: Sustainable competitive advantage

The model analysis of regression is shown in the table above. Regression indicates the strength of the relationship between the independent variables (Response to turbulent environment, Competitive advantagesused) and the dependent variable (Sustainable competitive advantage). The R square value in this case is 0.621 which clearly suggests that there is a strong relationship between Sustainable competitive advantageand Response to turbulent environment, Competitive advantagesused. This indicates that Response to turbulent environment, Competitive advantages used share a variation of 62.1 % of Sustainable competitive advantage.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.298	2	6.649	21.325	.000[b]
	Residual	8.107	26	.312		
	Total	21.405	28			

a. Dependent Variable: Sustainable competitive advantage

b. Predictors: (Constant), Response to turbulent environment, Competitive advantagesused

The Anova table indicates that the overall model was a good fit since (F-value=21.325 and pvalue=0.000<0.05).

Coefficients[a]

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.

		B	Std. Error	Beta		
1	(Constant)	.247	.104		2.367	.026
	Competitive advantagesused	.527	.104	.623	5.089	.000
	Response to turbulent environment	.391	.122	.392	3.206	.004

a. Dependent Variable: Sustainable competitive advantage

The model becomes

$$\text{Sustainable CA} = 0.247 + 0.527_{CA\ used} + 0.329_{Response} + \varepsilon$$

Competitive advantages used was found to have a positive linearly significant influence on Sustainable competitive advantage$(\beta = 0.527, p = 0.000 < 0.05)$. Here one unit change in Competitive advantages used results in 0.527 unit increase in Sustainable competitive advantage.

Response to turbulent environment was found to have a positive linearly significant influence on Sustainable competitive advantage$(\beta = 0.391, p = 0.004 < 0.05)$. Here one unit change in Response to turbulent environment results in 0.391 unit increase in Sustainable competitive advantage.

The beta coefficients indicate the relative importance of each independent variable (Response to turbulent environment, Competitive advantagesused) in influencing the dependent variable (Sustainable competitive advantage). Competitive advantages used is the most important in influencing Sustainable competitive advantagesince it has the highest beta value (beta= 0.623). Then followed by Response to turbulent environment with a beta value (beta= 0.392).

4.7 Chapter Summary

This chapter has provided the results and findings with respect to the data given out by the respondents from Sameer Africa Company. The chapter provided analysis on the response rate, background information, competitive advantages used by Sameer Africa, use of competitive advantages to respond to turbulent business environment and best practices to ensure sustainability of Sameer Africa‟s competitive advantages. The next chapter provides the summary, discussions, conclusions and recommendations.

CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion, conclusions and recommendations of the study. In part 5.2, the summary of the study is presented. The discussion and conclusion of the study is in part 5.3 and 5.4 respectively. Part 5.5 demonstrates the recommendations.

5.2 Summary

The purpose of the study was to determine competitive advantage practices used by Sameer Africa Limited in business operations. The study aimed at assessing the competitive advantages used by Sameer Africa Limited in its business practices, how Sameer Africa uses its competitive advantage to respond to turbulent environment and how Sameer Africa ensures its competitive advantage is sustainable.

The study adopted a descriptive research method in gathering, analyzing, interpretation, and presentation of information. The descriptive research design helped in focusing at the strength of relationship between competitive advantages and turbulent business environment. The study employed the use of questionnaires to obtain relevant information from respondents. The study focused on 172 executive and management of Sameer Africa Limited. Probability sampling technique was used to determine the sample size (60 respondents) and collect data from the sample. The study adopted a descriptive and inferential statistics in data analysis and presentation.

The study analyzed and determined the competitive advantages used by Sameer Africa Limited. It was found that organizational leadership is very critical in determining the organizational competitiveness. To enhance organizational competitiveness, transformational leaders of Sameer Africa Limited stimulate and inspire followers to both achieve extraordinary outcomes and develop their own leadership capacity. The study found that good leadership in an organization enhances technological deployment in an organization that impacts overall strategic planning process. Improvements in transformational leadership based competencies should lead to marketplace positional advantages through competitive strategies.

The study established that Sameer Africa Limited uses competitive advantages to respond to turbulent business environment. The study found that Sameer Africa Limited uses different respond strategies like; market and product development, vertical integration, research and development, price fluctuations among others to respond to turbulent business environment. The study revealed that market and product development highly helps Sameer Africa to respond to turbulent business environment. When for instance there is high competition in the market, Sameer Africa Limited would develop a market or product counter the completion. Research and development helps the company in discovering new products and new ways of offering services to the customers hence enhancing the competitive edge of the company.

Ensuring sustainability of competitive advantages is a vital factor of Sameer Africa Limited. The study found that to enhance sustainability of competitive advantages, Sameer Africa Limited need to be doing continuous scanning of the business environment. Environment scanning helps to identify early signals of changes and trends. Enterprise risk management is also an important factor as it involves the establishment of well-defined controls to mitigate risks in line with the risk profile and culture of the organization. It was found out that strategic diagnosis helps in ensuring sustainability of competitive advantages as it identifies whether a firm needs to change its strategic behavior to be sure of success in the future business environment. Monitoring is crucial as it helps in detecting meaning through ongoing observations of environmental changes and trends. The study also found that strategic issue processing techniques can help managers to identify issues and plan appropriate actions that address high priorities.

5.3 Discussion

5.3.1 Competitive Advantages used by Sameer Africa

The study analyzed factors of competitive advantages used by Sameer Africa Limited. From the study, it was found that leadership type is very important to the operations of Sameer Africa Limited. The study revealed that Sameer Africa uses transformational leadership whereby leaders stimulate and inspires followers to both achieve extraordinary outcomes and develop own leadership capacity. Menguc *et al*, (2013) support the findings of this study. They found transformational leadership as a process where leaders and followers engage in a mutual process of raising one another to higher levels of morality and motivation. Miller (2011) found transformational leadership as more effective than transactional leadership where the appeal is to more selfish concerns. Box and Miller, (2011) support this argument by asserting that transformational leaders help their subordinates to learn and develop as individual by encouraging and motivating them with a resourceful range of behavioral and decision making capability.

The study found that improvements in transformational leadership based competencies leads to marketplace positional advantages through competitive strategies. Menguc *et al*, (2013), confirms that manufacturing strategy is one of the important factors that makes an organization gain marketplace positional advantages, transformational leadership should not be forgotten as the essential factor in improving overall competitiveness. Peters (2010) on the other hand confirms that effectiveness of transformational leadership has benefits in terms of leadership and the training of leaders.

The study showed that the level of technology deployed in Sameer Africa Limited impacts the overall strategic planning process. In support of the findings of the study, Timmons and Spinelli, (2014) argue that technology has been taken into more and more connections with operations strategies. The authors found that organizations must formulate strategic plans that are consistent with the use of manufacturing technology to be successful in the globally competitive and rapidly changing environment. Pilling (2012) in his study argued that the level of technology deployed by an organization impact the overall strategic planning process and its main drivers like leadership and organizational culture resulting in different level of corporate performance.

From the study, it is well demonstrated that resources are valuable when they enable a firm to implement strategies that improve its efficiency and effectiveness. This is done through proper resource allocation. The found that resource allocation is a key issue in providing efficient usage of resources in business process execution. Perrot (2011) supports the study by asserting that firm resources can only be a source of competitive advantage when they are valuable. Dean (2011) believes that firms resources may be sources of competitive advantages when they are for example rare, inimitable, and non-substitutable. These attributes, according to the latter author, only become resources when they exploit opportunities or neutralize threats in a firm"s business environment.

The study reveals that manufacturing strategies contribute to the long-term competitiveness and performance of the business. Menguc *et al*, (2013) argue that even though manufacturing strategy is important to the competitiveness of a firm, since 1970s the competitive strategies in manufacturing have changed dramatically from focused to multi-focused competitive priorities. According to Si *et al* (2012), Competitive priorities are the crucial decisive variables to manage manufacturing operations in a global context and indicate strategies emphasizing the development of certain manufacturing capabilities that improve operational competitiveness.

Organizational culture, according to the study, help bring effectiveness and competitive advantage to organizations. Culture is considered to be an important determinant of innovation. The study found that cultural perspective might be useful for understanding innovation process in organizations. Latshaw and Choi (2011) confirm that the organizational culture evolves and develops to appreciate the novel approach of employees of the organization mature within the new culture. By doing this, the organization finds new things to measure and monitor progress.

5.3.2 Using Competitive Advantage to Respond to Turbulent Environment

The study established that Sameer Africa Limited uses competitive advantages to respond to turbulent business environment. According to the study, market and product development is an important factor in responding to turbulent business environment. Timmons and Speinelli (2014) confirm that market development is a situation whereby a firm markets its products in new areas whereas product development involves the substantial modification of existing products or the creation of new but related products that can be marketed to current customers through established channels. Zhang (2011) asserts that firms adopt market/product development strategy to prolong the life cycle of current products or to take advantage of a favorite reputation or band name.

The study found that vertical integration is a vital factor in responding to turbulent business environment. Latshaw (2011) found that vertical integration is when a firm acquires businesses that supply it with inputs such as raw materials or are customers for its outputs such as warehouses for finished products.

From the study, research and development is very much crucial in helping Sameer Africa Limited sustain its competitive advantages in the market. Hills and Jones (2014) confirm that superior research and development helps a company to achieve greater efficiency and a lower cost structure. The authors found that research and development can also help a company achieve lower costs structure by pioneering process innovations. A process innovation is an innovation in the way production processes operate that improves their efficiency.

The study reveals that a price fluctuation is a strategy that helps organizations deal with unexpected business environment. Turkson (2012) argue that businesses could find the greatest likelihood for business success by competing with high price, offering customers better value.

For instance, offering customers "more value" could be provided with increased levels of customer service, superior product knowledge, or developing key locations (including going to the customer).

From the study, it is found that that a typical mistake when marketing high value-added items and services commonly focuses on under pricing, in some cases by up to 20 percent. Ireland *et al*(2013) affirm that an effective market-entry strategy for a new business venture might be pricing at the high end, especially when the customer perceives the product or service to provide greater customer value. Contrary, Winer (2010) argues that experience often shows that customers will often pay significantly higher prices for better service, better quality, preferred brand or image, and customer convenience.

The study reveals that a firm"s profitability is not only determined by the attractiveness of the industry in which it operates but also its positioning in the industry. A firm positions itself by leveraging its strengths. Hayes and Wheelwright (2012) assert that these strengths can either be applied in a broad or narrow scope resulting to the three generic competitive strategies: cost leadership, differentiation and focus. Cost leadership aims at being efficient in production and operations to reduce costs by having controls to this effect.

From the study, diversification is an important component in responding to turbulent business environment. Hayes and Wheelwright (2012) found that diversification is changes in products, markets or functions that can be done internally or externally, horizontally or vertically; and it can involve related and unrelated changes. In diversification, a firm shifts away from its current markets or products or competences and decides to make new products for new markets.

The turnaround strategies, according to the study, are critical to the survival of many firms. Pearce and Robinson (2008) confirm that turnaround strategies involve decisions made by management in a bid to ensure a firm survives and eventually recover if concerted efforts are made over a few years to fortify its distinctive competences. The decision is made when a firm finds itself with declining profits as a result of economic recessions, production efficiencies and innovative breakthroughs by competitors. The efforts include cost reduction through downsizing, leasing, dropping off some products from production and discontinuing low-margin customers; and asset reduction through sale of land, buildings and equipments not essential to the running of the firm.

5.3.3 Ensuring Sustainability of Competitive Advantages

The study confirms that ensuring sustainability of competitive advantages is a vital factor of Sameer Africa Limited. The study found that scanning the business environment is very important and it helps in identifying early signals of environmental changes and trends. Ansoff and McDonnell (1990) found in their study that during times of high turbulence, an organization must consider relegating formal business and marketing plans to the background. Markides (2009) affirms that decision-makers focus on strategic issue management by scanning the relevant sections of the environment, sorting and prioritizing issues as they emerge, then mobilizing resources and projects that address critical issues.

From the study, enterprise risk management is a critical concept that involves establishing well-defined controls to mitigate risks in line with the risk profile and culture of the particular organization. Burnaby and Hass (2012) found that organizations increasingly face a multitude of risks that, if not identified and integrated into an overall business strategy, may result in lost revenues or business failure. Hughes (2009) confirms that enterprise risk management (ERM) systems typically provides the ability to catalogue risks within categories, give them weights and measures and associate them with business functions that have methods and the authority to control them. Hughes found that there are various approaches to managing risks including avoiding risk, transferring risk, mitigating risk, and finally accepting risk within certain limitations.

The study found that successful strategic diagnosis is vital in ensuring the sustainability of competitive advantages. Strategic diagnosis identifies whether a firm needs to change its strategic behavior to be sure of success in the future environment. It shows how to determine the firm‟s strategic response which will assure success. Ansoff and McDonnell (1990) found that strategic diagnosis is a tailored approach which determines the nature of a firm‟s strategic problem. Strategic diagnosis answers to the future environmental challenges which will confront the firm and how to determine the firm‟s strategic response which will assure success. From the study, it was confirmed that monitoring is the detecting meaning through ongoing observations of environmental changes and trends. Palese and Crane (2012) found out that for companies entering a period of turbulence, monitoring and management of priority issues are imperative for corporate survival. The study also found that a firm‟s performance potential is optimum when the aggressiveness of the firm‟s behavior matches the turbulence of its environment.

From the study, it is well shon that as environmental turbulence increases, strategic issues emerge more frequently that challenge the way an organization formulate and implement strategy. Assessing the business environment is the determining the timing and importance of environmental changes and trend for firm‟s strategies and their management. Gersick, *et al*, (2009) on the other hand confim that the level of turbulence will determine the type of response an organization must make to survive. Sueyoshi and Goto (2011) affirm that the goal of assessing the external environment is to determine the timing and the significance of the effects of environmental changes and trends that have been identified.

The study found that accurate forecasts allow a company to provide high levels of customer service. Si, *et al*. (2008) found that when demand can be accurately predicted, it can be met in a timely and efficient manner, keeping both channel partners and final customers satisfied. At the bottom line, the effect of accurate forecasts can be profound. Suikki *et al*. (2012) on the other hand found out in their study that forecasting looks at how hidden currents in the present signal possible changes in direction for companies, societies or the world at large.

The study maintains that the fundamental goal is to identify the full range of possibilities.

5.4 Conclusions

5.4.1 Competitive Advantages used by Sameer Africa

The study concludes that the type of organizational leadership determines the competitiveness of Sameer Africa Limited. Transformational leaders are those who stimulate and inspire followers to both achieve extraordinary outcomes and develop their own leadership capacity. Improvements in transformational-leadership-based competencies lead to marketplace positional advantages through competitive strategies. The study concludes that the level of technology deployed in an organization impacts the overall strategic planning process. The study also concludes that proper resource allocation is a key issue in providing efficient usage of resources in business process execution. Organizational culture help bring effectiveness and competitive advantage to organizations. Cultural perspective might be useful for understanding innovation process in organizations. It is concluded from the study that manufacturing strategies contribute to the long-term competitiveness and performance of the business.

5.4.2 Using Competitive Advantage to Respond to Turbulent Environment

The study concludes that Sameer Africa Limited uses competitive advantages to respond to turbulent business environment. The study confirms that Sameer Africa Limited uses different respond strategies like; market and product development, vertical integration, research and development, price fluctuations among others to respond to turbulent business environment. The study revealed that market and product development highly helps Sameer Africa to respond to turbulent business environment. When for instance there is high competition in the market, Sameer Africa Limited would develop a market or product counter the completion. Research and development helps the company in discovering new products and new ways of offering services to the customers hence enhancing the competitive edge of the company.

5.4.3 Ensuring Sustainability of Competitive Advantages

The study concludes that scanning of the business environment if important in ensuring that competitive advantages are sustainable. The Enterprise Risk Management (ERM) is important in establishing well-defined controls to mitigate risks in line with the risk profile and culture of the particular organization. The study also concludes that Strategic diagnosis is important in identifying whether a firm needs to change its strategic behavior to be sure of success in the future environment. The study found that strategic diagnosis shows how to determine the firm‟s strategic response which assures success. Strategic-issue-processing techniques can help managers to identify issues and plan appropriate actions that address high priorities. The study concludes that as environmental turbulence increases, strategic issues emerge more frequently that challenge the way an organization formulate and implement strategy. Assessing business environment is critical as it helps to determine the timing and importance of environmental changes and trend for firm‟s strategies and their management.

5.5 Recommendation

5.5.1 Recommendation for Improvement

5.5.1.1 Competitive Advantages used by Sameer Africa

The study recommends the executive and management of Sameer Africa emulate more of transformational leadership style. The study found that transformational leaders at Sameer Africa are very important as they stimulate and inspire other employees to both achieve extraordinary outcomes and develop their own leadership capacity. The study recommends transformational leadership because improvements in transformational leadership based competencies leads to marketplace positional advantages through competitive strategies. The study also recommends the technological enhancement because it was found in the study that the level of technology deployed in an organization impacts the overall strategic planning process. From the study, it was found out that resources are valuables and they enable a firm to implement strategies that improve its efficiency and effectiveness. The study hence recommends the proper resource allocation as it is a key issue in providing efficient usage of resources in business process execution. The found that organizational culture help bring effectiveness and competitive advantage to organizations hence it recommends Sameer Africa to consider cultural perspectives in their company as it is an important determinant of innovation.

5.5.1.2 Using Competitive Advantage to Respond to Turbulent Environment

The study found that market and product development is very important for seamier Africa in responding to turbulent business environment. The study recommends the management of Sameer Africa Limited to implement this strategy as it would help the company to prolong the life cycle of current product or take advantage of a favorite reputation. The study found diversification as changes in products, markets or functions that can be done internally or externally, horizontally or vertically; and it can involve related and unrelated changes. Due to this, the study recommends the management to adopt this strategy as it will help the firm to diversify into new markets and new products by exploring the current competencies, creation of genuinely new markets and development of new competence for new market opportunities. The study also recommends a proper implementation of research and development strategy. The study found out that better research and development helps a company to achieve greater efficiency and a lower cost structure. From the study, the function of the research and development enables efficiency by designing products that are easy to manufacture. The study revealed that a marketing strategy is a process that allows an organization to concentrate on its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. The study hence recommends the adoption of marketing strategy as it helps in pricing, promotion, advertising, product design and distribution.

5.5.1.3 Ensuring Sustainability of Competitive Advantages

The study found out that scanning of business environment is very important to Sameer Africa Limited. The study recommends scanning or business environment as it helps in identifying early signals of business environmental changes and trends. Strategic diagnosis, according to the study, identifies whether a firm needs to change its strategic behavior to be sure of success in the future business environment. The study recommends the adoption of strategic diagnosis approach as it shows how to determine the firm‟s strategic response which assures success. The study recommends Sameer Africa Limited to enhance enterprise risk management concept. The concept aids in establishing well defined controls to mitigate risks in line with the risk profile and culture of the particular organization. From the study, as environmental turbulence increases, strategic issues emerge more frequently that challenge the way an organization formulate and implement strategy. Due to the latter, organizational assessment is vital as it helps in determining the timing and importance of environmental changes and trend for firm‟s strategies and their management.

5.5.2 Recommendation for Further Research

The study aimed at assessing the competitive advantage practices used by Sameer Africa Limited in the business operations.

As the external environment continues to be very turbulent and dynamic, there are several areas in which research can be conducted:

1. The relationship between choice of strategy and the overall performance of the firm.

2. The effects of promotion and advertising on the company‟s profitability.

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APPENDICES

APPENDIX I: INTRODUCTION LETTER

Dear Sir/Madam,

<u>RE: RESEARCH INFORMATION</u>

I am a postgraduate research student at the United States International University, School of Business. As part of my Masters of Business Administration (MBA) course requirements, I am undertaking a research project that seeks to ***FIND OUT COMPETITIVE ADVANTAGE PRACTICES USED BY SAMEER AFRICA LIMITED IN BUSINESS OPERATIONS.***

For this reason, I intend to collect primary data from you, by way of a questionnaire. The information requested is needed for purely academic purposes and will be treated in strict confidence, and will not be used for any other purpose than for this research.

Kindly, fill the attached questionnaire as accurately as possible.

Thank you in advance for your assistance.

Yours sincerely

Mr. Gitonga Peter

APPENDIX II: QUESTIONAIRE

Section 1: Demographic Information

Tick according to your description

a. Gender :

- Female ☐ ☐ Male ☐

b. Age

- 20 – 30 Years ☐ 31- ☐ 40 years ☐
- 41-50 years ☐ 51-60 ☐ years ☐
- Over 60 years ☐

c. Education background

- Certificate ☐ ☐ Diploma ☐
- Degree ☐ Masters ☐ ☐ Doctorate ☐ Others ☐

(Specify)________________ ☐

d. Year of experience in Sameer Africa Limited

- 0 – 1 years ▯ 8 – ▭ 10 years ▭
- 2 – 4 years ▯ ▭ Above 10 years ▭
- 5 – 7 years ▭

e. Which department do you work in

____

f. Designation/title

____

Section 2: Competitive Advantage in Business Practices

On a rate of five point‟s scale: **(1) Highly Disagree, (2) Disagree (3) Neutral, (4) Agree and (5) Highly Agree**; indicate the degree of your agreement and disagreement of the competitive advantages in business practices:

		1	**2**	**3**	**4**	**5**
1.	Developing competitive advantage is considered a critical success factor for a small, new and emerging business venture					
2.	The Price component is easily controlled by the entrepreneur					
3.	When service or product provide greater customer value, pricing at the high end is an effective market strategy					
4.	The brand and image of a company will determine the price of the services or products produced					
5.	Firm resources can only be a source of competitive advantage when they are valuable					
6.	Resources are valuable when they enable a firm to implement strategies that improve its efficiency and effectiveness					
7.	To achieve competitive advantage, a firm‟s resources should be rare among a firm‟s current and potential competition					
8.	To achieve competitive advantage, a firm‟s resources should be imperfectly imitable					

9.	To achieve competitive advantage, a firm‟s resources there should not be strategically equivalent substitutes for the resource					
10.	Competitive priorities are the crucial decisive variables to manage manufacturing operations					
11.	Manufacturing strategies contribute to the long-term competitiveness and performance of the business					
12.	Type of organizational leadership also determines organizational competitiveness					
13.	Transformational leaders are those who stimulate and inspire followers to both achieve extraordinary outcomes and develop their own leadership capacity					
14.	Improvements in transformational-leadership-based competencies should lead to marketplace positional advantages through competitive strategies					
15.	Transformational leadership appeals to social values thus encourages people to collaborate and work towards achieving the competitiveness of an organization					
16.	The level of technology deployed in an organization impacts the overall strategic planning process					
17.	Proper resource allocation is a key issue in providing efficient usage of resources in business process execution					
18.	Organizational culture help bring effectiveness and competitive advantage to organizations					
19.	Culture is considered to be an important determinant of innovation					
20.	Cultural perspective might be useful for understanding innovation process in organizations					

21. In your opinion, which other competitive business strategy enhance business practices?

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Section 3: Using Competitive Advantage to Respond to Turbulent Environment

On a scale of 3: **(1) Low, (2) Moderate and (3) High**; indicate level at which the competitive advantages respond to turbulent environment:

		Low	Moderate	High
22.	Market and product development			
23.	Organizational positioning			
24.	Cost leadership			
25.	Differentiation			
26.	Focus strategy			
27.	Diversification			
28.	Vertical integration			
29.	Horizontal integration			
30.	Cost reduction through downsizing			
31.	Cost reduction through leasing			
32.	Cost reduction through dropping off some products from production			
33.	Collaborative strategy in terms of strategic alliances			
34.	Collaborative strategy in terms of mergers and acquisitions			
35.	Collaborative strategy in terms of licensing			
36.	Collaborative strategy in terms of franchising			
37.	Price fluctuations			
38.	Pricing			
39.	Promotion			
40.	Advertising			
41.	product design			
42.	Distribution channel			
43.	Research and development (R&D)			
44.	Employee training			
45.	Production and operation strategies			

46. In your opinion, list other competitive advantages that Sameer Africa Limited should use to respond to turbulent business environment

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Section 5: Ensuring Competitive Advantages are Sustainable

A. Please indicate whether you agree or disagree with the following statements by inserting a tick on the appropriate response. Use: **(1) Highly Disagree, (2) Disagree (3) Neutral, (4) Agree and (5) Highly Agree**

		1	2	3	4	5
47.	Strategic diagnosis is a systematic approach to determining the changes that have to be made to a firm‟s strategy in order to assure the firm‟s success in its future environment					
48.	Strategic diagnosis shows how to diagnose the future environmental challenges which will confront the firm					
49.	Strategic diagnosis identifies whether a firm needs to change its strategic behavior to be sure of success in the future environment					
50.	Strategic diagnosis shows how to determine the firm‟s strategic response which will assure success					
51.	A firm‟s performance potential is optimum when the aggressiveness of the firm‟s behavior match the turbulence of its environment					
52.	A firm‟s performance potential is optimum when the responsiveness of the firm‟s capability matches the aggressiveness of its strategy					
53.	A firm‟s performance potential is optimum when the components of the firm‟s capability must be supportive of one another					
54.	As environmental turbulence increases, strategic issues emerge more frequently that challenge the way an organization formulate					
	and implement strategy					
55.	The level of turbulence will determine the type of response an organization must make to survive					
56.	Strategic-issue-processing techniques can help managers to identify issues and plan appropriate actions that address high priorities					
57.	During times of relatively high turbulence, an organization must consider relegating formal business and marketing plans to the background					

58.	Organizations increasingly face a multitude of risks that, if not identified and integrated into an overall business strategy, may result in lost revenues or business failure					
59.	The Enterprise Risk Management concept involves establishing well-defined controls to mitigate risks in line with the risk profile and culture of the particular organization					
60.	The balanced scorecard is a management control system that enables companies to clarify their strategies, translate them into action and provide quantitative feedback					
61.	External environment analysis includes scanning, monitoring, forecasting and assessing					
62.	Scanning is the identifying early signals of environmental changes and trends					
63.	Monitoring is the detecting meaning through ongoing observations of environmental changes and trends					
64.	Forecasting is the developing projections of anticipated outcomes based on monitored changes and trends					
65.	Assessing is the determining the timing and importance of environmental changes and trend for firm"s strategies and their management					

66. Explain any other ways Sameer Africa can ensure that it achieve sustainable competitive advantage

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THANK YOU

In-Depth-Interview: Executive/Management

Dear respondent,

I am a graduate student at the United States International University, undertaking my masters in business administration – strategic management degree. In order to fulfill the requirements of the degree, I am currently undertaking a research study entitled "**COMPETITIVE ADVANTAGE IN TURBULENT BUSINESS ENVIRONMENT: A CASE OF SAMEER AFRICA LIMITED**".

This study targets executives and managers of Sameer Africa limited. Information from this will shade so much light on the importance of competitive advantages in turbulent business environment. It will inform the executives/managers, policy makers and corporate world who will use this information to better achieve their goal.

Based on the above, I hereby kindly request you to spare time from your busy schedule and complete the attached questionnaire. This should take about 20 minutes of your time. Your participation will immensely contribute to my successful completion of this program.

Any information herewith provided shall strictly be for academic purposes and will be treated with utmost confidentiality. Thank you for your assistance on the stated matter.

Yours Sincerely,

Peter Gitonga

Part one: Competitive advantage in business practices

1. Do you believe that competitive advantage is a critical success factor for Sameer Africa limited? ---
2. What according to you are elements of competitive advantage for Sameer Africa? --
3. Is Sameer Africa using price element as a competitive advantage? ---
4. What determines the prices of Sameer Africa‟s products? --

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5. Do you think that Sameer Africa‟s resources are source of competitive advantages? And how does it form competitive advantage for the company? -----------------------------------
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6. Has leadership type been part of the competitive advantages? ---------------------------------
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7. What kind of leadership style do you practice? --

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8. Does your organizational culture give way to innovation? ------------------------------------
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9. How does technology enhance your competitive advantage? ----------------------------------
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10. Is resource allocation an important element in enhancing the competitiveness of the company? --
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11. Why did you develop and enhance competitive advantage? ----------------------------------
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Part two: Strategic responses employed by Sameer Africa limited to cope with the changing business environment.

12. Diversification

Have there been any additions of business acquisition to the company‟s operations distinct from the known traditional operations?

To what extent have the objectives of the acquisition been met?

Very Large Extent	Large Extent	Has not changed	Small Extent	Very Small Extent

What was the effect of the acquisition to the operation of the company?

____

13. Market development

Has there been any market development for the company‟s products/services?

To what extent have the objectives of the market development been met?

Very Large Extent	Large Extent	Not at all	Small Extent	Very Small Extent

What was the impact of market development to the company?
____

14. Product development

Has there been any product development for the company‟s products?

Yes ( ) No ( )

To what extent has the objectives of the product development been met?

Very Large Extent	Large Extent	Not at all	Small Extent	Very Small Extent

What has been the contribution of product development to the operation of the company?

____

15. Restructuring

Have there been any corporate restructuring of the business units?

Yes ( ) No ( )

(iv) To what extent have the objectives of the restructuring been met?

Very Large Extent	Large Extent	Not at all	Small Extent	Very Small Extent

(iii) What were the objectives of the restructure?

____

16. Have you undertaken any of the following activities in the recent times?

	Yes	No
Product development		
Divestment		
Downsizing		
Licensing		
Leasing		
Differentiation		

17. From the statement below tick one strategy that best describes your institution.

a) We strive to achieve low cost leadership ( )
b) We strive to achieve market uniqueness about products and services ( )
c) We focus on specific group of a specific market segment ( )

Please state any other strategy that best describes your institution
……………………………………………………………………………………..

18. Have you undertaken any of the following collaborative strategies in the last 10 years?

	Yes	No
Entered a strategic alliance		
Entered into a merger		
Acquired a company		
Licensing and franchising		
Leasing		
Differentiation		

Other ____
If yes please describe the nature of the strategies

Part Three: Ensuring Sustainability of Competitive Advantages
How do you ensure the sustainability of the competitive advantages you have achieved?
Strategic audit
Strategic issue management
Enterprise risk management
Balance scorecard
External environment assessment

Thank you very much for and your time your participation. Your knowledge and opinions are highly appreciated.