

Effect of Strategic Innovation on Performance of Firms in Kenya: A Case Study
of Seven Seas Technologies

by

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APPROVAL

EFFECT OF STRATEGIC INNOVATION ON PERFORMANCE OF FIRMS IN
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In accordance with Daystar University policies, this thesis is accepted in partial fulfillment of requirements for the Master of Business Administration degree.

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DECLARATION

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I declare that this thesis is my original work and has not been submitted to any other college or university for academic credit.

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LIST OF ABBREVIATIONS AND ACRONYMS

ICT	Information Communication Technology
IDT	Innovation Diffusion Theory
IT	Information Technology
KBV	Knowledge Base View
NSE	Nairobi Stock Exchange
R & D	Research and Development
RBV	Resource Based View

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ABSTRACT

The study focused to analyze the effect of strategic innovation on performance of firms in Kenya; a case study of Seven Seas Technologies. Its objectives were to assess the strategic innovations used at Seven Seas Technologies, to establish the determinants of firm performance at Seven Seas Technologies, and finally to assess the effect of strategic innovations on firm performance at Seven Seas Technologies. The study adopted descriptive research design because it enabled the researcher to identify and describe the population under study and analyze Seven Seas Technologies, in terms of strategic innovations and how they have affected its performance. In this study the research was conducted at Seven Seas Technologies, Nairobi, which had a target population of 96 employees. The census approach was used to select the respondents of the study. This study used primary data, which was collected through questionnaires. Data analysis methods involved quantitative procedures that included descriptive statistical methods such as means and frequencies. The findings showed that the organization had integrated various process innovations, product innovations and market innovations which positively enhanced the organizational performance in terms customer satisfaction, reduction in market transactions costs and establishments of feedback channels to capture customer information to further improve organization performance. Based on the findings, the study concluded that organization in this modern business environment rely significantly on strategic innovations at various level in their value chain to enhance their performance. The study recommends that any firms that seeks to enhance their performance should focus on integrating latest and relevant innovation in their sectors in various value chains in their organization. Innovations reduce operation costs and enhance performance of firms.

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