

Influence of Strategic Planning On the Performance of Selected Small and Medium Enterprises in Nairobi, Kenya

by

Margaret Njihia

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APPROVAL

INFLUENCE OF STRATEGIC PLANNING ON THE PERFORMANCE OF SELECTED
SMALL AND MEDIUM ENTERPRISES IN NAIROBI, KENYA

by

Margaret Njihia

In accordance with Daystar University policies, this thesis is accepted in partial fulfillment of the requirements for the Masters of Business Administration Degree

Duncan Irungu, PhD,
1st Supervisor

Moriasi Maranga, MBA,
2nd Supervisor

Thomas Koiyer Msc, BA,
HOD, Commerce Department

Evans Amata, MFC,
Dean, School of Business and Economics

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DECLARATION

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I declare that this is my original work and has not been presented in any academic institution.

Signed _____
Margaret Njihia
(14-0319)

Date _____

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LIST OF ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
EU	European Commission
GDP	Gross Domestic Product
MESPT	Micro Enterprises Support Program Trust
SMEs	Small and Medium Enterprises
SPSS	Statistical Packages for Social Sciences
SWOT	Strengths, Weaknesses, Opportunities and Opportunities

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ABSTRACT

This study sought to examine the influence of strategic planning on the performance of selected Small and Medium Enterprises (SME's) in Nairobi, Kenya.. The objectives for the study were to examine the relationship between strategic planning process and performance of SMEs, to establish the existence of strategic planning in SME's in Nairobi Kenya and to determine challenges faced by SMEs engaged in strategic planning. Descriptive research design was employed. The total population for this study was 563, and the total number of all manufacturing SMEs in Nairobi. The target population was all food industries in the category of manufacturing SMEs, which total to 71. Stratified sampling technique was employed to select the study sample while questionnaires were used as data collection instruments. Descriptive and inferential statistics were used to analyze the data, SPSS Version 22 was used. Similarly, frequency distribution tables, means and standard deviations as well as inferential statistical tables were used to present the data and also show comparison. The study concluded that SME`s in Nairobi have adopted various strategic planning activities. The study found that the adoption of strategic planning improved on the current level of sales. In addition, this positively influenced SME performance. The study looked into SME's and their involvement in strategic planning components which include; and vision statement, mission statement, core values and formulate well thought of organizational objectives. One recommendation would be that SME`s need to readily adopt and embrace strategic planning completely if they are to remain competitive in the current business world. SME`s need to adopt democratic leadership styles in order to consider employees input in policy formulation. In addition, SME`s need to improve their communication systems to facilitate feedback on adopted strategies.

DEDICATION

I dedicate this work to my parents whose love for education has been my greatest inspiration, and to my daughter Imani who I wish would pursue her education further than I have done.

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