

RETURNING TO PROFITABILITY THROUGH STRATEGIC MANAGEMENT-  
COMPANY CASE STUDY

By

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**CONFIDENTIALITY CLAUSE**

(If applicable)

**15 September 2003-08-04**

**TO WHOM IT MAY CONCERN**

**RE: CONFIDENTIALITY CLAUSE**

Due to the strategic importance of this research it would be appreciated if the contents remain confidential and not be circulated for a period of five (ten) years.


Sincerely

C. MESIKANO

## DECLARATION

### DECLARATION

This research has not been previously accepted for any degree and is not being currently submitted in candidature for any degree.

Signed.....

Date.....04 SEPTEMBER 2003

STATEMENT

096100

## **ACKNOWLEDGEMENTS**

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Lastly I would like to thank the Graduate School of Business – University of Natal for affording me the opportunity to develop work skills and reinforce it with strategic knowledge and understanding acquired in the Masters of Business Administration Programme.

## ABSTRACT

*Over half of the respondents indicated that they had benefited from the introduction of strategic management at Saybrook. The benefits of strategic management at Saybrook were mainly increased sales and the saving of Saybrook from liquidation. According to the respondents the objectives of changing the way a company is run should be mainly to promote profitability and viability in the business, to improve quality, initiate growth for machines and human resources, the creation of value for stakeholders and improvement of processes. There was positive overall impact on relations between Saybrook and stakeholders as a result of the adoption and implementation of strategic management with the main areas of gain being increased profitability and better quality products. In nutshell the benefits that accrued to Saybrook due to the introduction of strategic management were increased profit, increased efficiency, better customer focus and higher quality products. Saybrook is better performer now than before the introduction of strategic management, increasing productivity and creating a conducive environment for the development of solutions to business problems were also cited as main strength of strategic management. Respondents were of the opinion that strategic management should focus on both management should focus on both management and employees since success of technique depend on teamwork.*

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# **CHAPTER 1**

## **BACKGROUND**

### **1.1 Introduction**

Market- driven firms constantly monitor the environment in which they compete in order to learn the appropriateness of its offerings to its target customers; this provides them with an important basis for building a sustainable competitive advantage. This advantage allows the firm to learn what the buyers want. By doing this, the firm builds and leverages the resources and processes necessary to deliver the value desired by the target market (Narver and Slater, 1990; Slater and Narver, 1994). The firm is also able to adapt the value-generating processes as market conditions change (Slater and Narver, 1995). Furthermore, the market orientated firm looks beyond current customer needs to develop future products that will tap latent needs, thus serving to strengthen the firm's market position overtime (Slater and Narver, 1998).

However, currently, as far as product development is concerned, there is no evidence to suggest that clothing companies in Zimbabwe have adopted the market orientation approach. Product offering in Zimbabwe is standardized to conform to mass requirements. New products targeted at the low and middle premium markets have been introduced into the market. However, product development has always lagged behind market needs due to lack of production skills and appropriate technology as well as administration support systems that are the prerequisites in this industry.

Several traditional distribution channels are used in the marketing of clothing products. These include, exclusive and independent agents, direct sales through company employees, and others. New and "innovative" distribution channels like traditional shops, designers and direct marketing (mail and telemarketing) are beginning to dominate the industry. As a result of this trend, there has been a shift in many markets from a technical and product orientation to a customer and profit orientation (Cowell, 1984). However, currently there is no evidence to suggest that major clothing companies have made great progress as far as workflow is concerned.

There is a greater concern now in Zimbabwe about the need to focus on customer needs and profitability in the clothing industry as competition intensifies and macro-economic conditions continue to deteriorate.

## **1.2 Background of the research**

<b>Implications of Strategic Management on Customer Care</b>
--

Literature is awash with different concepts of customer care programmes, which in the final analysis aims to produce total customer satisfaction. Gerson (1992:p.7) argues, "*Customer service is necessary for success in today's business environment. So is customer satisfaction. However, continued success is based on long-term customer retention.*" The author has therefore focused on the following three factors that are intertwined (refer Figure 1.1 below):

- **Customer Service**
- **Customer Satisfaction**
- **Customer Retention**

**Figure 1.1**

**PATH TO LOYALTY**



**1.2.1 Customer Service**

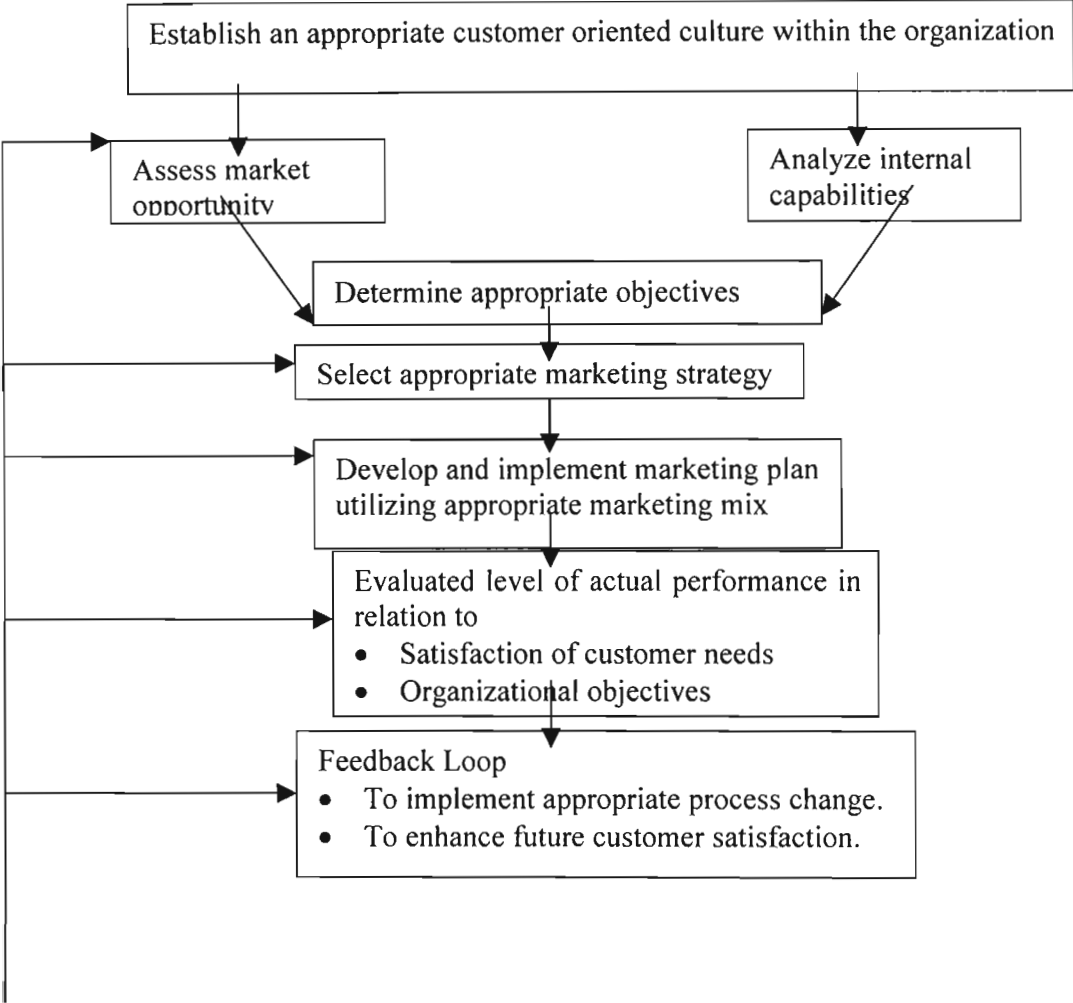
Gerson (1992) defined customer service as all the activities, which the business and employees conduct or perform to satisfy customers. Lovelock (1991:p.263) defined customer service as ‘a task other than proactive selling, that involves interactions with customers in person, by telecommunications or by mail. It is designed, performed and communicated with two goals in mind: operational efficiency and customer satisfaction’. Hayes and Dredge (1998) defined customer service as a way in which an organization handles interaction between itself (in the person of its staff) and its customers. The interaction can be many and varied and can last over years or few moments. Martin (1993) offered a broader perspective of customer service. He suggests that customer service consists of two primary dimensions: procedural and personal.

The procedural dimension consists of established systems and procedures to deliver services. The personal dimension relates to how the personnel, using their attitudes, behavior and verbal skills interact with customers. A balance is required between the two dimensions to ensure customer satisfaction.

Baker (1992) defined customer service as *"a system organized to provide a continuing link between the time that the order is placed and the goods that are received with the object of satisfying customer 's needs on a long-term basis."* Customer service must be viewed as a strategic issue because it has a direct link to profitability through retention of customers. Customer service must involve everyone in an organization more so in service industries (Lovelock 1991; 263). Customer care impacts positively on the bottom line through retention, repurchases and loyalty.

There is need to examine how the organization handles each phase and determines levels of success at every level. Baker (1992 describes elements of the service function, a concept adopted from LaLonde and Zinsser (1996), as the pre-transaction element, the transaction elements and the post transaction element. Customer service can be used as a way of differentiating an organization's product or service from competitors particularly where products are generic. Satisfied customers tend to remain loyal. Chaston (1993; 22) gave an eight-process prescription to effective implementation of customer satisfaction. (Figure 1.2 below).

**Figure 1.2: The process steps to effective implementation of enhanced customer satisfaction.**



**Source – Chaston (1993)**

### 1.2.2 Strategic Management & The Systems View of the Organization

Turning around a company from the doldrums into profitability calls for a systems approach to management. The following table compares how each activity may be configured based on two different generic business strategies.

Activity	Differentiation Strategy	Cost Leadership Strategy
<b>Primary Activities</b>		
Inbound logistics	Manage inbound logistics according to differentiation base i.e. timeliness of supply, quality	Aim for win-win long term relationship with suppliers to manage and benefit from cost reductions
Operations	Manufacturing geared to match product characteristics to customer need, may allow for efficient production of small runs and production of a range of different products from the same plant. Quality management geared to customer expectations	Aim for specialization and economies of scale; exploit new technology to drive costs down.
Outbound Logistics	Organize to meet customer demands, that is, local warehousing to reduce delivery times.	Use technology to manage logistics, ship in bulk, and manage relationship with distributors to keep costs

		low.
Marketing and Sales	Gear to close understanding and responsiveness to individual customer, tailor promotions to meet demands of market segments.	Global/national generic advertising used to keep costs down.
Service	Emphasis on customer relationship	Minimize service demand by quality management programs
<b>Support Activities</b>		
Firm Infrastructure	Decentralized and divisional structures, multi country structures rather than global.	flat structures and simple effective information systems, functional structures may be preferred to divisional
HRM	incentive programs reward staff for performing according to customer expectation. Innovation is rewarded and encouraged. Selection geared to harness creativity and customer knowledge within labour market.	Policies and practices geared to minimizing costs through reduced turnover and flexible employment practices. Training geared to waste minimization and effective utilization of equipment



	Training is geared to achieving technical excellence and customer skills.	
Technology Development	Innovation in product design and support systems for customer service.	Aim to innovate in production processes to find new ways to reduce cost. Centralised systems reduce system management overheads.
Procurement	Quality of source materials takes precedence over cost. Local sources may be preferred if this contributes to company image	source inputs from lowest cost suppliers consistent with quality objectives

**Source: Value Chain Analysis (Michael Porter)**

#### Tips

- This tool is most valuable when synergies and flows of tangibles or information are mapped over the value chain.
- A difficulty in applying this tool is in knowing how far to go in disaggregating activity (level of analysis) Porter suggests (1983, p45) that the following criteria be considered. Isolate and analyse those activities that have:
  - different economics
  - high potential impact of differentiation
  - represent a significant or growing proportion of cost

- As analysis proceeds, it may be necessary to go to finer levels of detail.
- Use the value chain to identify critical functions - these become the activities, which the organisation should seek to benchmark with comparable processes on other organisations.
- Identify linkages between your businesses value chain and that of providers and customers to identify ways of improving the value adding flow through the full productive chain to ultimate end user.
- Do not analyse the organisation in terms of current organisation structure (for example, put all the activities undertaken by the sales section into the Sales category) Activities relating to Porters generic categories may be undertaken in different parts of the organisation. The point is to look at processes and relationships between processes and how these contribute towards producing competitive advantage rather than accommodating current orthodoxies about the way things should be done and tasks differentiated.

**This brings us to the topic of this research:**

**“Returning to profitability through strategic management – company study”**

### **1.3 Motivation for the research**

This project is motivated by the desire to establish the role of strategic management in turning around a company from losses to profitability. This study will address all these key questions and aspects. Conclusions will then be made based on findings and recommendations. This study will also articulate the strategies required in production, marketing, finance and human resources.

### **1.4 Value of the project**

This study seeks to develop a body of knowledge that can be used in the clothing manufacturing and marketing sectors. Both marketing practitioners and academics in Zimbabwe can also use the established facts. Other companies such as those in the FMCG sector will also draw some lessons from the findings of the research. The

research will contribute to the growth of knowledge on the marketing of clothing and related products. Understanding the current market dynamics would also make a significant contribution to the growing body of knowledge on the marketing of clothing products in developing countries like Zimbabwe.

### **1.5 Problem statement**

1. What causes poor organizational performance?
2. Do Strategic Management approaches play a role in organizational performance?
3. What role if at all does strategic management play in organizational performance?

### **1.6 Objectives of the study**

1. To establish the impact of strategic management approaches on overall company performance
2. To assess the impact of strategic management approaches on market share
3. To identify the effect of strategic management approaches on profitability

### **1.7 Research methodology**

The research will be quantitative, with the resultant sample broken down as

- **20 customers (internal)**
- **38 customers (external)**

Data collection procedure will involve face-to-face interviews with each qualifying respondent.

#### **1.7.1 Data Collection**

All interviews will entail the making of appointments followed by visits to the respondent. In the case of companies, qualifying respondents will be senior managers or their assistants. As the study seeks to draw conclusions that will be applied to the

entire clothing supply sector, a random stratified quota system will be employed in order to make the sample representative.

All interviews will be conducted in Harare, as the capital city is the best representation of what happens in the rest of the country. As such there will be no incremental gain to be obtained by making the study nationwide. The face-to-face, one on one interviewing format will be adopted for the research because of its numerous advantages over the other methods of data collection

Having stratified the universe to make the sample random, questionnaires will then be administered to the qualifying respondents by random identification. The targeted sample of 60 is considered adequate by the researcher because it is representative and allows a robust base from which to draw conclusions, and even when cross analyzing by customer type, one would still have a sufficient number of respondents to draw conclusions from.

### **1.7.2 Quality control**

Quality of data is key in any research exercise. As such quality will be ensured at all stages of the research process by putting in place upfront several quality control measures. Besides 100% post check of completed questionnaires, the following further mechanisms will be effected:

- ❖ thorough training and briefing of all people involved in the exercise
- ❖ piloting of survey instruments
- ❖ double punching of data at data processing stage

### **1.7.3 Data Analysis**

Data analysis is an integral part of any research process, such that without the analysis procedure it is impossible to come up with any meaningful findings. The data analysis will be done with a statistical analysis computer package called Statistical Package for Social Sciences (SPSS), which is a leading desktop statistical package. It is available for mainframe and personal computers and can be constantly updated to satisfy user needs. It has a comprehensive range of data manipulation tools.

SPSS has the added advantage of allowing one to score and analyze quantitative data in various ways with the greatest amount of speed. This is a package that is strong on its statistical capabilities and offers one of the best environments in which to do detailed statistical analysis. This is a package that eliminates most of the data limitations found within some of its competitors.

#### **1.7.4 Limitations of SPSS**

- It can only handle a maximum of 500 variables
- Cannot run on a computer with less than 32 mega bites
- The cost of the software is prohibitive

#### **1.8 Limitations of the Study**

This study will be limited to Harare. This means that marginal tendencies may not be picked up in the study. A bigger sample may also produce more stable results but due to time and cost constraints a bigger sample is not feasible.

#### **1.9 Structure of the study**

### **Chapter one: Research problem**

The chapter discusses the general background of the study by outlining the general economic environment in Zimbabwe with specific reference to the clothing.

### **Chapter two: Literature review.**

In this chapter the researcher specifies the nature of literature on strategic management reviewed both in general and specifically with reference to the clothing sector. The chapter will also contain a review of empirical and theoretical literature that underpins strategic management approaches. The literature review will focus on definition as well as implementation issues. Parallels and contradictions drawn from the literature review will be contrasted to the Zimbabwean clothing industry. A summary of specific conclusions directly related to the application of strategic

management will be done. This section will show both pros and cons arguments on certain findings in previous studies on strategic management.

### **Chapter three: Methodology**

The research method selection and the context of the research will be highlighted and discussed. The other issues to be highlighted under the research methodology include: the sampling technique employed and; measures of market orientation as well as the sampling methods used. Chapter three will also include research instrumentation, data collection and data analysis and presentation. Over and above the general information pertaining to the research methodology employed, the chapter will also review the current methodology literature in order to justify their choice.

### **Chapter four: Discussion of results**

The results of the research are discussed and presented systematically. The results will be analyzed in relation to the objectives of the research study. Furthermore, a discussion of the results and the proposition or hypothesis tests conducted will be carried out. The link between the results and the research question will be explored and explained. Lastly, any key points emanating from the results will be summarized.

### **Chapter five: Conclusions and recommendations**

The results will be summarized with emphasis being placed on results that are directly linked or related to answering the research question. The conclusions that can be drawn from the study are presented and discussed in detail. This presentation and discussion will be done with specific reference as to how the conclusions address the objectives, hypotheses and hence the research problem.

1.10 Timetable

The research project shall be executed according to the timetable below.

TASK		DEADLINE DATE
Proposal writing & approval		13.6.3
Questionnaire design & approval		16.6.3
Data collection		30.6.3
Data Processing	Coding and editing	4.7.3
	Data entry	7.7.3
Data analysis & cross-tabulations		11.7.3
Draft report & submission to supervisor		18.7.3
Submission of final report		25.7.3

1.11 Chapter Summary

As far as product development is concerned, there is no evidence to suggest that clothing companies in Zimbabwe have adopted the market orientation approach. Product offerings in Zimbabwe are standardized to conform to mass requirements. New products targeted at the low and middle premium markets have been introduced into the market. However, product development has always lagged behind market needs due to lack of production skills and appropriate technology as well as administration support systems that are the prerequisites in this industry.

# CHAPTER 2

## LITERATURE REVIEW

### 2.1 Introduction

Marketing is the most critical element in every business; it is the catalyst of all other functions although it is not the end to the business since it has to be complimented by the other functions of production, finance, and human resources. Without marketing most of these other functions would not exist. Marketing is often confused with selling by many organizations in that marketing seeks to create customers through understanding of their needs and fulfilling them by providing their requirements at the right time, right place and correct quantities and correct qualities.

P. Kotler (1999), marketing management –Millennium edition, page 7, states that “marketing’s role is to deliver a higher standard of living”, and that “marketing is a solitary process by when individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others. This is interpreted to mean you have to sell what you have, however, not so.

Peter Drucker (1988), the practise of management, page 52, says that marketing is a creative entrepreneurial activity. “There is only one valid definition of business purpose; to create customers, markets are not created by god, nature or economic forces but by businessmen”. He also said on page 9 (P. Kotler 1999 – marketing management), “The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Marketing should result in a customer who is ready to buy”.



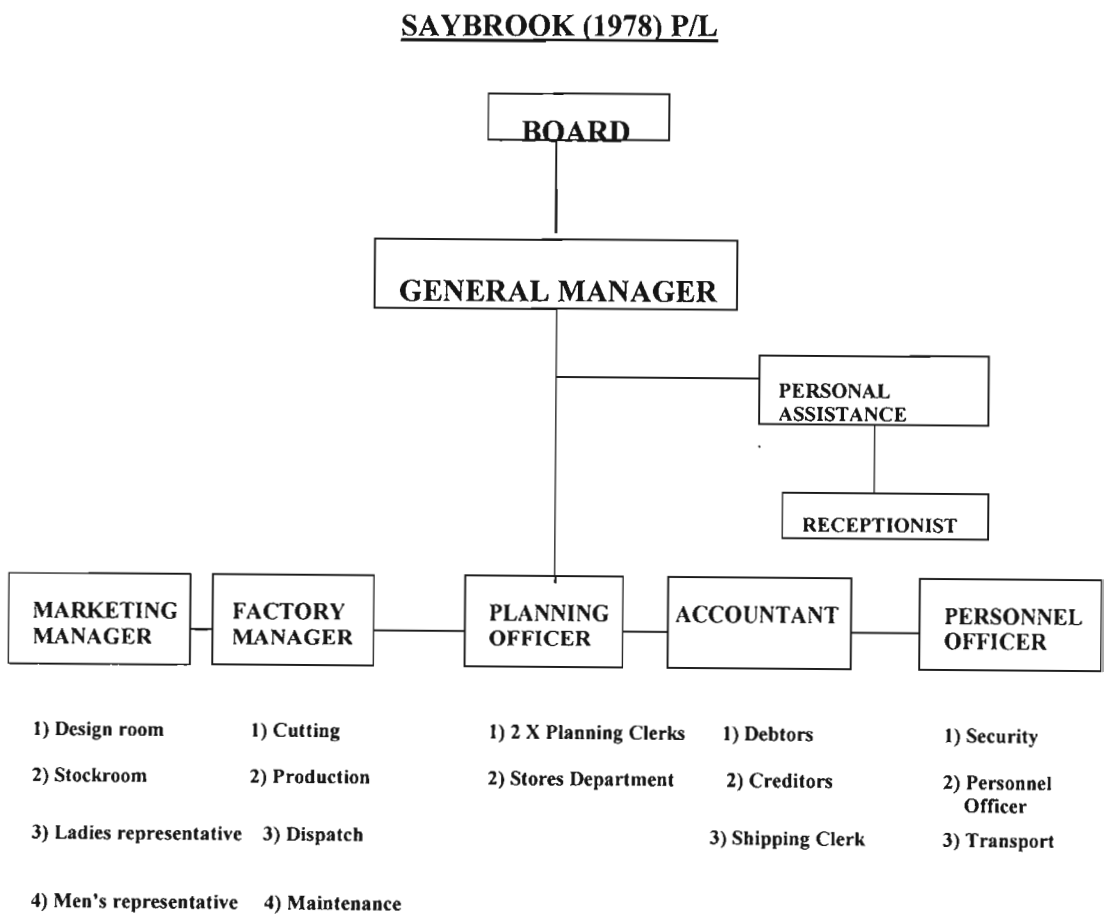
## 2.2 Background to the Company

### Company Profile

Saybrook (1978) Private Limited is a clothing manufacturing company, which produces quality ladies, gents, corporate wear and children's outward. The company supplies both local and exports markets, traditionally exports to Germany, Sweden, France and partly to United Kingdom.

The company was established long back and since 1978 has changed ownership three times to the current owners. The company has a functional organisational structure with the general manager at the top.

(See diagram)



Employees	389		
Products profile	Ladies wear, Gents wear, Corporate wear, Children's wear, Leisurewear,		
Year	1996	1997	1998
Sales profile	\$11.3 m	\$15.1 m	\$37.8 m
Profit before tax	N.A.	n/a	(\$17.4 million)

Since the local markets are mostly consumers of synthetic fibres, while export market consumes national fibres (cotton, etc), almost 95% of the fabric are imported mostly from China, Hong Kong, Indonesia, Japan, Malaysia and South Korea. Since formation ownership and management has changed several times over the years.

### 2.3 Background to the Industry

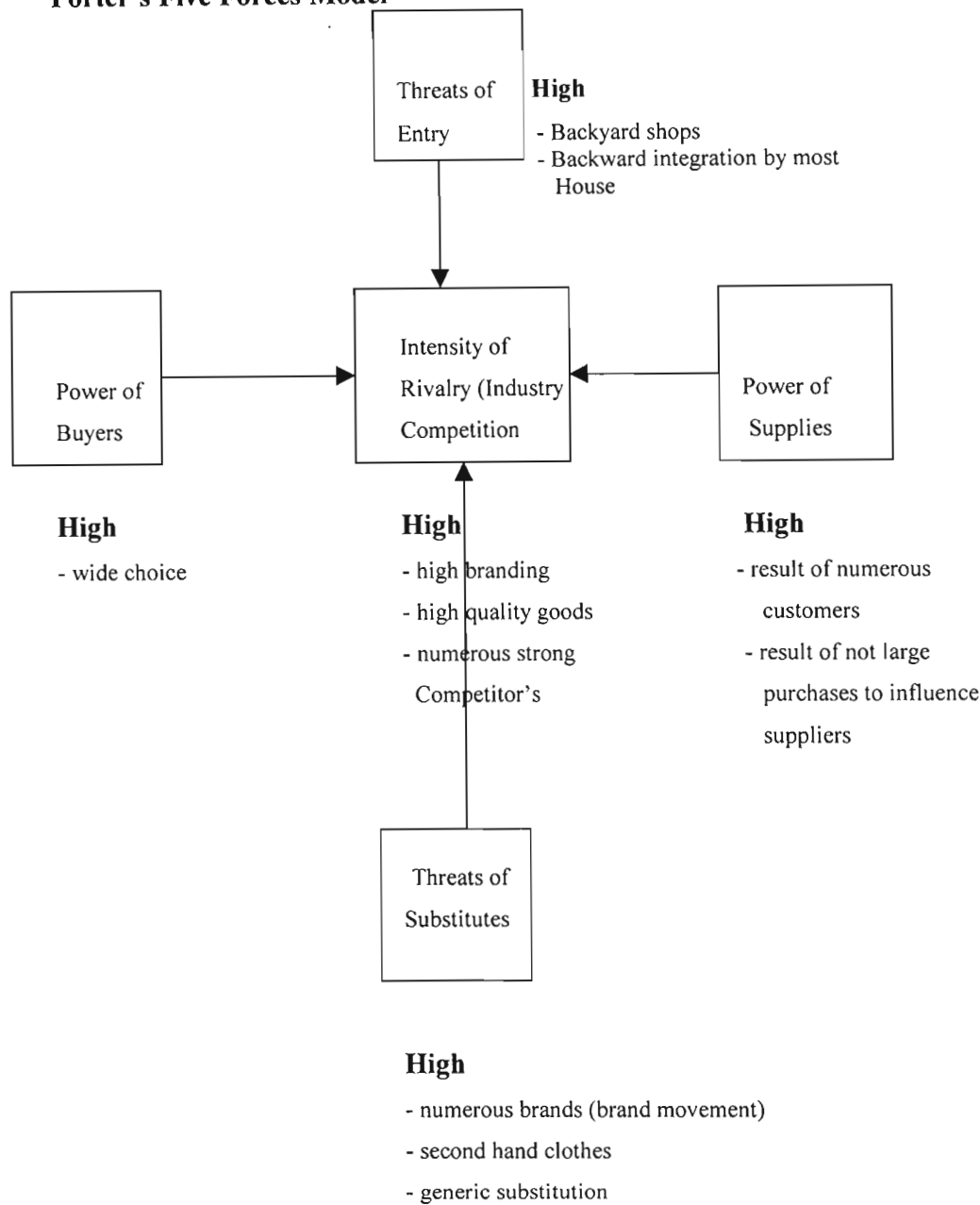
The clothing and textile sector, like all other sectors of the Zimbabwean economy experienced its worst period since the 1992 drought, and during the same period saw the deregulation of trade (under the economic structural adjustment programme – ESAP). This resulted in stiff competition from imports and second hand clothes in particular. This presented problems to the industry with the result of company closures and liquidations of big companies. Other companies like Saybrook was forced to downsize its operations with the results of thousands of workers being redundant. The situation was compounded by the severance of the 1964 bilateral trade agreement with South Africa in 1992, which resulted in almost stopping trade with South Africa. Since 60% of exports in the clothing industry went to South Africa this created a huge problem for Zimbabwe exporters, hence mainland Europe remained the only outlet for exports.

This poses a challenge to local industry to increase productivity through production and marketing innovations to give the company a competitive advantage being labour intensive the industry can attain high levels of productivity otherwise their products will not make it on the highly competitive export market competing with the far east countries very cheap products.

### **Industry Analysis**

Since I have focused the return to profitability of Saybrook on marketing an analysis of the clothing industry's competitiveness at strategic business unit level in terms of M. E. Porters (1995) Five Forces Model reveals the following:

Porter's Five Forces Model



Industry key success factors

Even with the unfavourable economic conditions prevailing in Zimbabwe the competition in the clothing industry is very high and severe with the key success factors (KFS) being:

- Meeting and satisfying customer needs
- Garment quality and construction
- Financial and human resources management
- Financial resources and its administration
- Designing, styling and production
- Price, promotion and place

**Other Areas of Competition are:**

**Automation**

- Low costs
- Productivity
- Consistency of productivity
- Skills of labour force

**Differentiation**

Summary of strengths and weaknesses, opportunities and threats

The company's strengths and weaknesses, clothing industry threats and opportunities, which are shown on appendix 1. In most situations an Entrepreneur must turn threats into opportunities, weaknesses into strengths.

This follows to say that with the declining economic conditions the company has to embark on strategies such as strategic alliances with other companies for product distribution purposes; export drives to take advantage of the declining Zimbabwe dollar and lessen total dependence of local market; automation can be another alternative strategy to lessen and reduce overhead costs and improve product quality and production efficiency. One still has to be very careful with this approach during a period of high unemployment whereby it is easy to get a backlash from the labour union.

## **2.4 Saybrook's Marketing Approach**

Since marketing was taken as a focal point to return to profitability Saybrook an evaluation of the marketing function was conducted and the following were observed:

### **Mission Statement and Philosophy**

The company mission statement and philosophy stated that it was committed to total customer satisfaction. This was contrary to its orientation of producing and making as much sales of what it provided. The marketing concept of producing what the customer required was not practiced; hence lose of sales to competitions therefore no profitability.

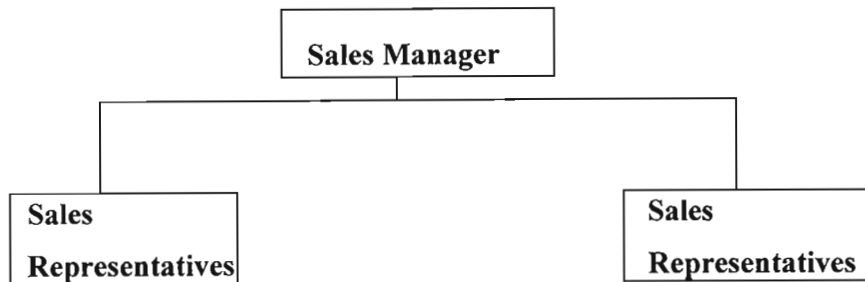
### **Goals**

The company's main goal is to provide its Share Holders with sufficient return on their investment. This was not so since the company has not been profitable the last three years. Returns to shareholders funds can only be achieved once and when the company adopts the marketing concept and is successful in selling the required product by achieving high productivity, high quality product at low cost.

### **Structure**

The marketing department consists of total staff compliment of three people and one would say it is a sales department, the structure being:

### Structure chart



A manager runs the department and is assisted by 2 representatives. Sales responsibility is by product and area and the manager is responsible for selling in the big cities only whilst one representative is responsible for the rural outlets and retailers, the other representative is responsible for men's wear countrywide.

## 2.5 Company Culture

The company designs products and tries to sell as much as possible thus oriented towards sales rather than marketing. No deliberate effort to find out what the end user prefers in terms of design, style and quality.

Peter Drucker's (1995) asserts, "Marketing is so basic that it is the whole business seen from the customer's perspective, and it cannot be considered a separate function". Business success is not determined by the producer but by the customer hence profitability.

## **2.6 Marketing Mix**

To assist me analyse Saybrook's situation, Mccartny's 4 ps as quoted by P. Kotler (1995), are useful tools to determine the company's marketing mix for its products, price, place and promotion and the situation is revealed as follows:

### **Product**

There is a limited range of brand names although it had more than six, only three are in use. However, it manufactures other products for Truworths, Tedco and Edgars under other labels. Saybrook's own labels lack advertising hence not well known in the market.

### **Quality**

Quality is provided by the customer and is reflected in the Company's activities and products; therefore result in customer total satisfaction. During the research some retailers interviewed said the product quality on some goods is poor. It appears as though the company has not correctly identified its customers hence fail to identify its customer needs and satisfy them.

### **Design**

Due to the small skill base in designing and lack of exposure to latest international fashion trends quality garment design may not be as high as expected to cater for what the company perceives to be upper-market segment. Styles/designs are adopted for magazines or from occasional shop visits in town and do not participate in trade fairs or other such activities to follow the latest fashion trends.



Retailers visited showed some products of poor quality product design in the market is very important therefore there is need to be close to customers and follow fashion trends.

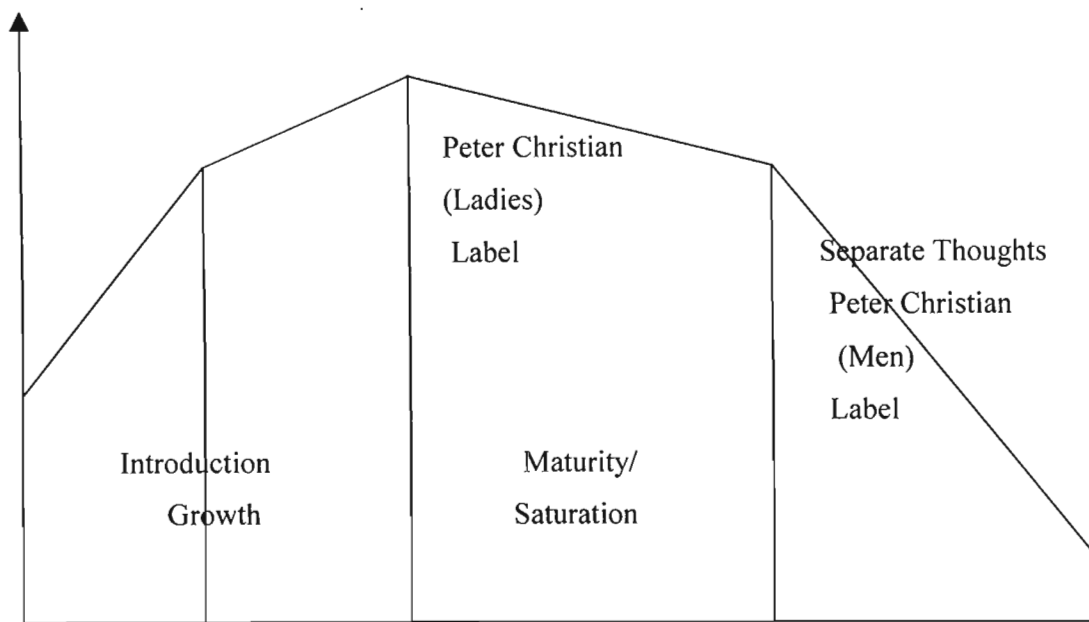
### **Sizes**

Product sizes must confirm to standard set by the industry because deviation results in poor product styling and design. During the research some garments were observed to be of the wrong sizes. The implication being that the garments are returned and this damages the company reputation hence retailers might not place repeat orders due to company's poor size standardisation.

## **2.7 The Product Life Cycle**

According to P. Kotler page 286 of marketing management (1999), companies normally re-formulate their marketing strategies several times during a products life. Economic conditions change, competitors launch new attacks, and products pass through new stages buyer interest and requirements therefore a company must plan strategies according to each stage in the products life.

This is to extend the products' life and profitability keeping in mind that the product will not last forever. A company can effectively differentiate and position its offering to achieve competitive advantage throughout a product life cycle. In terms of the product life cycle model by Johnson and Scholes (1997) the following Saybrook's products showed:



### The Product Life Cycle

Checking the sales data of the last two years labels such as “Saybrook”, “Peter Christian”, ladies wear and “separate thoughts” are respectively in the growth, maturity and declining stages of their lives. Peter Christian is also in the declining stage. It seems the company does not have any production in the introduction stage (see diagram). Therefore the company does not have any other labels to replace those in the decline stage. The company should come up with new labels in order to guarantee continued existence in the clothing market share. Ways to maximise Saybrook brands in the growth stage and extension of life for brands like Peter Christian label for ladies wear is through aggressive advertising and promotion of the labels and joint efforts through strategic alliances in merchandising with retailers.

## Product Portfolio

The company's product portfolio was analysed in terms of its products market share against market growth of industry. The Boston consulting group matrix (BCG) by Johnson and Scholes (1997) page 69, P. Kotler, marketing management (1999), is used to illustrate the company's current scenario to analyse sales growth figures (as a percentage of total sales by brand) for 1999 and 1998.

	1997	1998
Saybrook	54%	73%
Peter Christian (ladies)	6%	6%
Peter Christian (men's)	28%	15%
Separate Thoughts	4%	1%

High			Low
	Star	Question marks	
	Peter Christian (Ladies	Separate thoughts Peter Christian (men)	
	Cash cows	Dogs	Market Growth rate
	Saybrook	Downtown	
Low	Relative market share		

## 2.8 The Boston Consulting Group Matrix

Company products can be classified in terms of sales growth and cash generation into stars, question marks, cash cows and dogs. “Saybrook” label is currently the company’s cash cow, whilst downtown is the dog. “Downtown” should be done away with. “Peter Christian” (ladies) is the star, which needs development while “separate thoughts”, and “Peter Christian” (men) is question marks. These can become dogs if not developed or can be developed into stars.

### Strategic implications

- The customer’s perception of Saybrook’s products and services is that quality must improve. This is because the customer is not satisfied, the company may fail in its marketing efforts therefore profitability is affected.
- Saybrook must pay particular attention to product design, sizes, and styling to enhance product quality, if it is to provide total satisfaction to the customer, hence more sales and ultimately profitability.

### Price

The most important factor to determine market share and profitability in the buyer’s choice is price determination. Due to the harsh economic environment prevailing in Zimbabwe real income is diminishing therefore forcing customers to be price conscious. This puts pressure on retailers to reduce prices and in turn retailers puts pressure on manufactures to reduce prices as well.

The company target is the middle to high-income groups as reflected in the pricing of the product, which is cost, plus basis.

During the research in five out of seven retail shops visited, Saybrook’s products were being sold at a discount price due to slow moving stocks.

This was so because Saybrook thinks its products are for the middle to upper market while many customers think the products fit into lower to middle class market. This affected profitability through losses of customers.

Preview of the company debtor days show collection period in excess of 120 days whilst the company policy stated it sells products for cash or on 30 day credit terms to approved customers. This affected the company's cash flow management therefore profitability.

### **Strategic Implications**

- In order to sell its products to the middle to upper market segments, Saybrook's prices must match the quality of its products.
- Incorrect setting of prices can cause bad reputation and poor sales for market segments vis-à-vis product quality therefore affects company profitability.
- Customer interest is created by product promotion. Promotion is affective provided product quality remains good, however, if product quality is bad it is sold at a discounted price resulting in loss of revenue to the company.

### **Place**

#### **Distribution channel**

Distribution channel ultimately affects all other marketing decisions and channel alternatives must be against economic control and adaptive criteria.

Economic in that distribution channel provides the best returns amongst alternatively providing the manufacturer with product control until to final destination (consumer) and adaptive in that distribution channel strategic partners have commitment to each other for a specific period.

Saybrook distribute to mainly retailers who places orders for the type and quality of products required. The company manufactures these to retailers' indicated orders. At

the time of delivery the retailer may take the order, reduce it or decline to take it at all, although it is rare for retailers to decline the order. It is up to the retailer to sell to consumers once the order is delivered.

### **Coverage**

Saybrook has a sales manager and 2 salesmen who cover all major cities and towns throughout Zimbabwe. They travel with samples for order taking and accept order from retailers. When the products have been manufactured, these are dispatched to their destinations by road, rail or the post. Other retailers collect from the company.

### **Inventory**

Some products are manufactured for stock whilst inventory comprises of finished goods. The stock is sold from a retail shop at the factory premises to walk in customers who may wish to resale goods.

### **Strategic Implication**

- The order – manufacturer – sell cycle means the company runs the risk of manufacturing goods, which might not sell, and this has economic implications to Saybrook.
- Almost all raw material (95%) is imported therefore input costs are high; therefore profitability will be low unless Saybrook also exports its products.

### **Promotion**

Promotion is activities undertaken by the company to communicate and promote its products to target customer (Kotler, P. 1997).

Saybrook designs products according to season ranges and invites customers to choose their styles preferences. A small amount is sold through the factory retail shop.

Promotion is possible once Saybrook has clearly identified its target/niche market, carried out an image analysis and set promotion objectives.

Saybrook does not advertise or promote its products hence its products are not known on the local market.

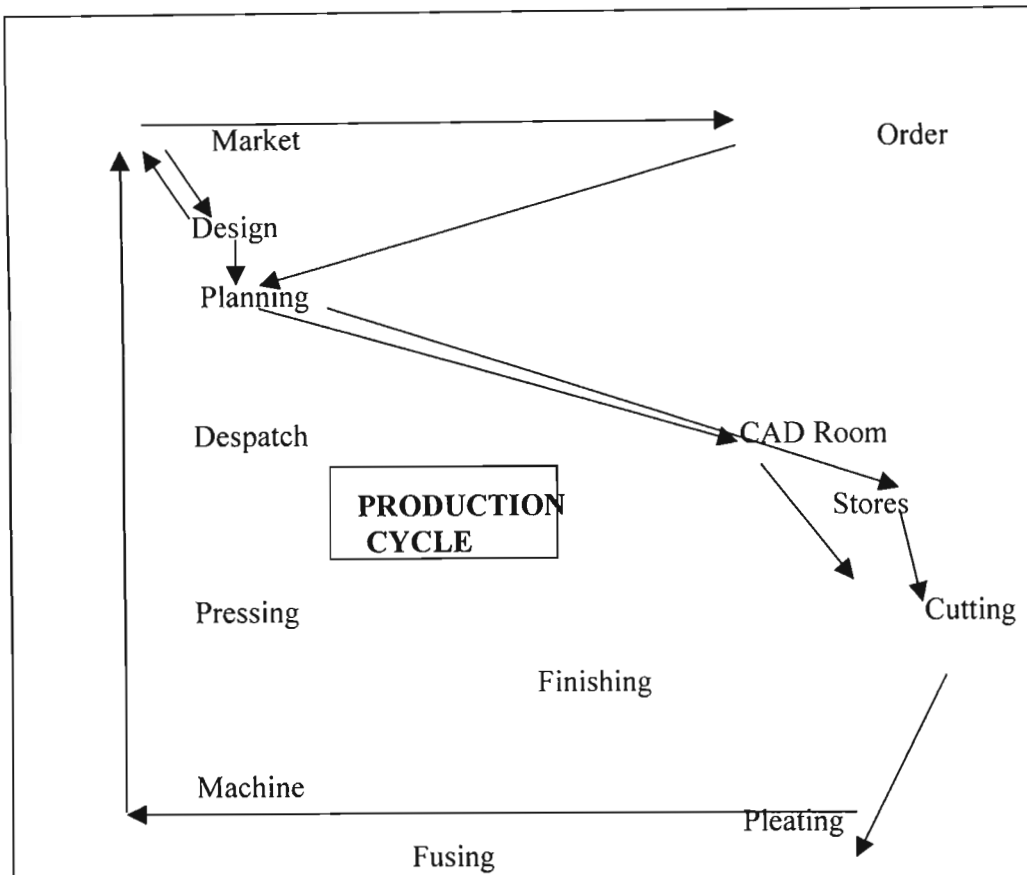
### **Strategic implications**

- The end user need to develop a preference and liking to purchase a product through advertisement exposures

### **Production Processes**

Company competitive advantages can be found in the production processes of products.

As observed the product process flow as per diagram has the following key success factors



**Saybrook Production Process**

- Production structure: - found to be flat- this could adapt easily for marketing demands.
- Quality control: - found in place
- Productivity: - high overheads caused by low productivity due to labour intensive nature of the same operations.
- Quality: - not as high as expected due to lack of systems procedures in final inspection.
- Automation: - lacking in some production stages, for example, laying, cutting.
- Review meetings: - lack of regular production formal meeting to set goals by managers.



## **Implications**

As observed there is need for clear separation of functions within the production process section. The absents of regular meetings would easily give room to some managers to go on dysfunctional behaviour. The state of affairs at Saybrook means the company will not be ready to meet some expected challenges with the new marketing demands.

(See above diagram

## **2.9 Finance**

### **Background**

Examination of the structure and orientation of staff and financial records was conducted and the following was observed:

### **Financial Position**

The company very heavily geared, with interest payable for the year to December 1998 comprising an equivalent of 50% of sales for the period. Due to accounting gap in 19997, there was no balance sheet in place but evidence showed very heavily borrowing by the company thereby rendering it technically insolvent. No evidence of new investments in place therefore one would conclude the inability of Saybrook to deal with new challenges in the fast deterioration of the economic environment.

With cost of sales at 82%, gross profit at 18% and administration overheads standing at 18.2% of sales, this showed a gloomy picture of problems.

The research showed working capital too relaxed with end of February 1999 debtors of 36% being 90 days and over with overall debtors days at 122 days.

Stock management was also relaxed with evidence of slow moving stock turn of only 2.2 times. Stock takes are conducted half yearly. Some creditors having stopped supplying goods, Cash flow management was not sufficient with Cash flow projections being done weekly. The financial reporting and systems not adequately in place thus formalised finance operational procedures in place very limited.

### **Sales Growth**

#### **Sales grew as follows: -**

1997	34%	\$15 million
1998	15%	\$38 million

Quite phenomenal growth but due to Saybrook's overhead base, the company can do better.

Human resources management R.A. Noe, J.R. Nollenbeck, B. Gerhart, P.M. Wright, (July 1999)  
(preface xi)

### **Strategic Implications**

#### **Finances do have implications to the market: -**

- Huge overheads base results in uncompetitive prices hence profitability;
- Lack of funds influences the ability to secure funds for research and development, promotion and advertising hence profitability;

- Lack of research and development result in inability to cope with new trends in the fashion industry;
- Lack of new investment result in product quality decline, product pricing and product mix competitiveness;
- Lack of financial reporting structures result in failing to make timely management decisions.

## **2.10 Human Resources**

Capitalise on human resources as a means to gain competitive advantage questionnaires and interviews with management, employees and workers committee were conducted to gain a view of personnel issues and to understand strategic problems and strategic management. To also ascertain level of profitability problems within the company and staff attitude survey was carried out, observed existing culture, politics and power. This was to establish whether the profitability problem started from human resources.

### **Summary of findings**

- Staff attitude towards the company was positive with 75% indicating that it was good to work for.
- Salaries were echoed as uncompetitive by 60% of the sampled.
- 55% of surveyed indicated a requirement of training.
- Performance appraisal systems not in place.

### **Strategic Implications**

Performance appraisals improve individual performance by viewing agreed objectives against performance and allow company to plan for the future, build on strengths and eliminate weaknesses.

## **2.10 Saybrook Culture, Politics and Power**

During the research it was noted that suggestions to change was not receptive due to staff not easily adaptive but there was a tendency to be orderly and risk avoidance.

The culture at Saybrook currently can only thrive in a stable environment and not in the present changing political, economic and competitive environment hence staff and management must change if to succeed in its marketing effort.

Saybrooks culture exhibits employers in favour of the old bureaucratic system which used to drive the company's profitability in the past without a need for creativity and innovative. It also appears that there is no believe that marketing and designing is central to success.

### **Saybrook's Strengths and Weaknesses**

#### **Strengths**

- Efficient production structure
- Experienced management
- Tight, well knit management structure
- Loyal workforce
- Young and energetic management team
- Relatively strong branding

#### **Weaknesses**

- Weak financial base/ resources
- Skills gap in some areas
- Lack of management continuity
- Limited strategic focus
- Limited knowledge of the market
- Heavy overheads/costs
- Over dependence on local market
- Average garment quality

## Industry Opportunities and Threats

### **Opportunities**

- Export markets
- Automation
- Renewal of 1964 Trade Agreement with South Africa

### **Threats**

- Declining economic conditions;
  - dwindling purchasing power
  - rising inflation (currently 350%)
  - rising interest rates (currently, US\$ 1=Z\$2000)
- Second hand clothing
- Lack of barriers to entry
- Regional political instability
- Growing customer sophistication
- High tariffs on imported fabrics and machinery
- Rising product quality demands in export markets

## **SUMMARY OF CHAPTER**

Marketing is a critical element in every business; it is the catalyst of all other functions although it is not the end to the business since it has to be complimented by the other functions of production, finance, and human resources, among others. Without marketing most of these other functions would not exist. Marketing is often confused with selling by many organizations in that marketing seeks to create customers through understanding of their needs and fulfilling them by providing their requirements at the right time, right place and correct quantities and correct qualities. According to Kotler (1999), marketing's role is to deliver a higher standard of living, and that marketing is a solitary process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section looks at the procedures and techniques adopted for the field research. The main areas of focus are the target population, the sampling procedure and the survey instrument used. A detailed discussion is made regarding the data collection methods adopted and reasons for rejecting other alternatives. The chapter concludes by describing the data analysis procedure, the software used, its strengths and weaknesses.

#### **3.2 Objectives of the study**

The main objective of the study is to establish the impact of strategic management approaches on overall performance of Saybrook. The study also seeks to assess the impact of strategic management approaches on market share and to identify the effect of strategic management approaches on profitability.

#### **3.3 Target Population**

The research was quantitative and targeted a representative sample of 58 respondents comprising of 20 employees and 38 customers. The study was centered in Harare as most of the company's activities are based in Harare. Questionnaires for the employees were distributed within the company while interviewing procedure for customers entailed the making of appointments followed by face-to-face one-on-one discussions.

#### **3.4 Sampling**

Stratified and simple random sampling methods were used. The parent population was composed of layers (strata) of discretely different sizes and within the strata a sample was derived by means of simple randomization process. The qualifying respondents were then randomly selected.

### **3.5 Research Instruments Used**

Interviewing entailed the administration of a structured questionnaire to qualifying respondents. To ensure relevance and reliability of responses, only randomly selected individuals were interviewed. The research instrument used for this research was a questionnaire. Peterson 1992:222 defines a questionnaire as a list of questions that are carefully formulated, constructed and sequenced so as to obtain the most useful data in the most cost-effective manner. The questionnaire was designed with the aim of finding out information set out in the research objectives.

#### **3.5.1 The Self Administered Questionnaire**

The self-completion questionnaire approach could have been adopted for data collection because of its relative ease of administration. It also allows the respondent to answer the questions in their spare time, even after working hours. This approach however was not used due to the nature of the study and the very low response rates that are associated with this method of data collection.

#### **3.5.2 Face-to-face interviews**

Interviewer visits respondent's office, asks the relevant questions and records respondent's answers on a structured questionnaire. This was the approach adopted for the research mainly because of its ability to enable the interviewer to verify facts, including body language on the spot and it is easier for respondent to clarify unclear issues. This technique however brought the problem of time consumption as the researcher could only conduct a maximum of 4 interviews per day. However the researcher got around this problem by starting interviews very early in the morning and finishing late.

#### **3.5.3 Telephone**

Interviews over the telephone are cheaper but in Zimbabwe there is a low incidence of telephones and as such only few people can be reached. Although in the case of this study the target respondents were people with access to phones, the cost of conducting a 30-minute questionnaire would have been prohibitive. Besides, the respondents would not have that much time to speak on the phone, and then each question needed at least a minute of thought before answering. Shortening the questionnaire to suit



telephone interviews would have led to loss of vital information. The method was therefore set aside on the basis of the preferred length of the questionnaire.

#### **3.5.4 Mail (including e-mail)**

This is a cheap method but experience has shown that few people care to fill in questionnaires and to post/send them back, even when return envelope and postage stamp are supplied. The achieved sample, though smaller than the originally intended sample size of 80 is considered statistically adequate. This is because it still allows a robust base from which to draw conclusions, and even when cross analyzing by respondent type, one would still have a reasonably large number of respondents from which to draw conclusions.

#### **3.5.5 The Questionnaire**

One questionnaire was used and this is included in Appendix 1. Semi-structured, structured and open-ended questions were used in the questionnaire to ensure that individual responses were acquired in an easily interpretable manner in support or at variance with the stated research questions. The focus group discussion approach was rejected due to the difficulty of assembling senior officials from the selected organizations. In depth interviews were also rejected due to time constraints.

#### **Open-ended Questions**

The questionnaire had a significant number of open-ended questions to enable respondents to reply freely in their own words. This is the major advantage of this kind of questioning.

#### **Multi-choice questions**

These are simple to administer and analyze although they may bring inaccuracies because they limit options for the respondent. A significant proportion of the questionnaire was multiple choice and the respondents were being limited to choosing from a set of alternatives.

### **Pre-testing of Questionnaires**

The questionnaire was pre-tested before the actual survey and a few corrections/additions were made to improve the comprehension and terminology consensus. The pre-testing observations were

- \* Some respondents were not willing to identify themselves by name on the questionnaires.
- \* Most were not free to answer especially on issues of strategy and finance.
- \* Respondents invariably had busy schedules and they needed much persuasion to participate.

In order to correct these problems in the actual fieldwork, the researcher developed a comprehensive self-introduction in order to make respondents comfortable as they answered even sensitive questions.

### **The Research Question**

A list of research questions, which took into account all the relevant information needs were

Formulated. The questions were pre-tested on a sample of four typical employees and four typical customers. The pilot interviews sought to assess the ability of the respondent to

- a) Understand the questions
- b) Recall data
- c) Answer the questions

Some questions that appeared difficult to understand were re-phrased or re-formatted to make them more understandable and answerable. It was also important to gauge the level of knowledge among respondents to make sure that questions did not cover areas that they had no knowledge of.

### **Question response Format**

As much as possible, closed response questions were used in this study. However in this field of study it maybe necessary to give the respondents a limited open-ended questions in order to unravel salient issues. The major advantage of closed-ended questions is that the responses are structured and uniform, therefore making it easier

to interview and tabulate. The researcher gathered considerable knowledge from the literature review in order to properly pre-specify possible responses.

The Likert scale was used in certain instances to determine opinions on a rating scale. Checklist and multiple-choice questions were also presented to obtain information on strategy, effect on the company and the respondents.

#### Wording of Questions

In an area as diversified as strategic management, the researcher realizes that there may be translation variations of wording. Therefore, where necessary, the wording of questions took into account the researcher preferred definitions implicitly in the same way by all respondents. The following guideline was observed when wording questions.

##### a) **Non-ambiguity wording and specificity**

- Each question on the questionnaire focused on a single issue or topic.
- Unfamiliar words and words that may carry multiple meanings were avoided.

##### b) **Brevity**

Questions presented in the questionnaire were generally short and precise. Redundant and unnecessary words were avoided as much as possible.

##### c) **Relevancy**

All questions focus on the issue under study and they have been specifically formulated to answer same aspects of strategic management.

##### d) **Objectives**

The questionnaire had a number of pre-specified response questions. The wording of such questions was carefully studied to ensure that no leading questions were included. Leading questions may result in answers that the respondents deem are preferred by the researcher.

### Questionnaire Structure

The section approach was used to arrange questions, that is, questions that addressed the same issue were sequenced together. The research objectives were used to define the logical sections or sets. In order to emphasize the sets some questions were broken down into subsets, for example (a) and (b). This allows the respondents to focus on a single issue at a time, thus reducing questionnaire administration time.

### 3.6 Data Gathering

The questionnaires were distributed as indicated in section 3.2. Quality of data is key in any research exercise. As such quality was ensured at all stages of the research process by putting in place, up-front, several quality control measures. Besides 100 percent post check of completed questionnaires, the following further mechanisms were effected;

- piloting of the questionnaire
- emphasizing confidentiality and anonymity to target respondents
- double punching of data at data processing stage to ensure accuracy

The researcher ensured that the data was reliable by correct identification of the respondents to be included in the study. By exhausting all the issues for investigation in the questionnaire, this guaranteed effectiveness and completeness.

### 3.7 Data Analysis

Data analysis is an integral part of any research process, such that without an appropriate analytical procedure it is impossible to come up with meaningful findings. The data analysis was performed with the Statistical Package for Social Sciences (SPSS). The procedure involved the following

- coding (grouping together of similar responses and assigning of codes) of open ended or unstructured questions
- data capturing and cleaning
- program development
- program running to produce statistical tables

This statistical package used has a comprehensive range of data manipulation tools. The complexity and specialization of quantitative data analysis resulted in the seeking of help from statistical specialists on the use of the programme. SPSS has the added advantage of allowing one to score and analyze quantitative data in various ways with the greatest amount of speed. This is a package that is strong on its statistical capabilities. It is a package that offers one of the best environments in which to do detailed statistical analysis on quality related problems. This is a package that eliminates most of the data limitations found within some of its competitors, such as SAS, Minitab, etc.

### **3.7.1 Non response errors**

No follow-up was carried out to determine reasons for non-response mainly because of time constraints and the fact that the response rate was high enough to allow for reasonable deductions.

## **3.8 Summary**

From the above, it can be concluded that there was a very small margin of error because the study was representative and targeted the key stakeholders. The response rate was also high and the achieved sample was representative as each population element was included. This chapter looked at the procedures and techniques adopted for the field research. The main areas of focus were the target population, the sampling procedure and the survey instrument used. A detailed discussion was made regarding the data collection methods adopted and reasons for rejecting other alternatives. The chapter concluded by describing the data analysis procedure, the software used, its strengths and weaknesses. The empirical results are presented and discussed in

Chapter 4.

# CHAPTER 4

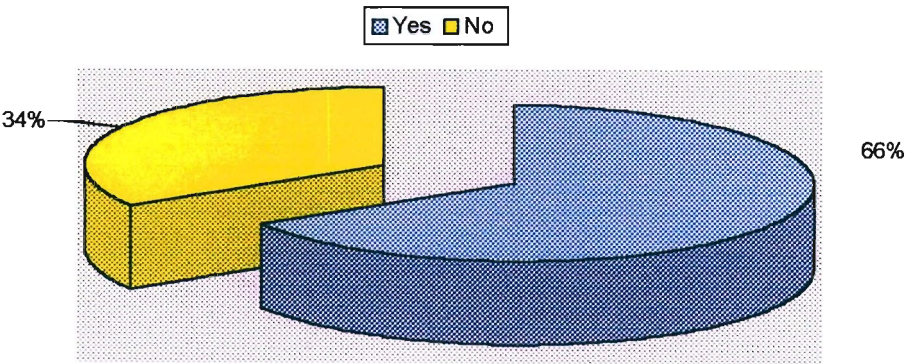
## RESULTS AND DISCUSSION

### 4.1 Introduction

This section looks at the key results from the survey. While the section provides as much detail as possible, more data is in the detailed statistical Tables. These will provide additional information from a variety of perspectives, such as by respondent category. This chapter summarizes the findings from the research and provides details pertaining to the implications of the findings.

### 4.2 Perspectives on strategic management (Tables 1-3)

Over half of the respondents (65.5%) indicated that they had benefited from the introduction of strategic management at Saybrook. The larger number of beneficiaries however was employees (90%), compared to customers (52.6%). While customers are the intended beneficiaries for all company efforts, the results indicate that the impact of strategic management is yet to bear fruit amongst the customers. See Table 4.1



**Figure 4.1: Whether benefits realised from strategic management**

When asked to state the ways in which they had benefited from the adoption of strategic management at Saybrook, various responses were obtained. At the very top were the benefit of increased sales (21%) and the saving of Saybrook from liquidation (21%). Due to strategic management, Saybrook was able to assure its customers of



continuous supplies (16%) and to bring back defected customers (11%). Bonuses were also given to employees as a result (11%).

According to the respondents the objectives of changing the way a company is run should be mainly to promote profitability and viability in the business (45%), to improve quality (24%), initiate growth for both machines and human resources (10%). The creation of value for stakeholders and improvement of processes (both 10%) were also highlighted as critical objectives that should be associated with changes in a company. Overall therefore the adoption of strategic management at Saybrook and the goals therein were well received and appreciated by both staff and customers.

**4.3 Impact of strategic management (Tables 4a-7)**

Respondents were asked to state the impact of strategic management on their relationship with Saybrook concerning some key factors. A point system was adopted and a scale of 1-3 used where

**1=No impact                      2=Not sure**

**3=Major impact**

The higher the mean score above 2.00 the more positive the impact, while the lower the mean score below 2.00 the more negative the impact on stakeholders. Responses to each of the key aspects yielded mean scores as tabulated in Table 4.1 below.

**Table 4.1: Impact of strategic management on business relationship**

	Mean score
Profitability	2.59
Quality of products	2.59
Service quality	2.55
Availability of essential inputs	2.48
Distribution network	2.39

As shown in the table above there was positive overall impact on relations between Saybrook and stakeholders as a result of the adoption and implementation of strategic management. While the main areas of gain were profitability and quality of products (both 2.59), there were relatively less gains in the area of widening the distribution network (2.39).

According to over one third of the respondents, strategic management had brought additional profits to Saybrook in the region of 26-50%. About a quarter stated that the increase in profits was even higher and they put it at between 51 and 75%. Overall therefore there is very high regard for strategic management and clearly it has borne fruit at Saybrook. As a way of cross checking, a different rating scale was then presented to the respondents and they were asked to state the effects of changes in Saybrook management style on the customer’s activities. The following were the results.

**Table 4.2: Impact of strategic management on activities**

Indicator	Mean score
Profitability	3.59
Efficiency	3.93
Competitiveness	3.83
Current ratio	3.54
Financial leverage	3.73
Market growth	3.78
Efficiency ratios	3.46

Once again positive impact was noted not only on Saybrook but also on the activities of the customers and the staff. This is reflected by the very high mean scores on each of the indicators under study with efficiency and competitiveness achieving the highest scores (3.93 and 3.83 respectively). Relatively lower positive scores however were noted on efficiency ratios (3.46 and current ratio (3.54). In a nutshell the benefits that accrued to Saybrook were mainly increased profit (41%), increased efficiency (31%), better customer focus (28%) and higher quality products (21%).

#### 4.4 Pre versus post strategic management era (Tables 7-8h1)

Respondents were asked to look back at the period before the introduction of strategic management at Saybrook and to make a comparison of what is currently happening at the organization (after adoption of strategic management) in contrast to what used to happen. Some key indicators and a point system were presented to the respondents. A 1-5 scale as follows was used

1=very poor    2=poor            3=average

4=good            5=very good



The higher the mean score above 3.00 the more positive the performance of Saybrook during the particular era, while the lower the mean score below 3.00 the less positive the performance in the era. The responses obtained are illustrated in Figure 4.2 below.

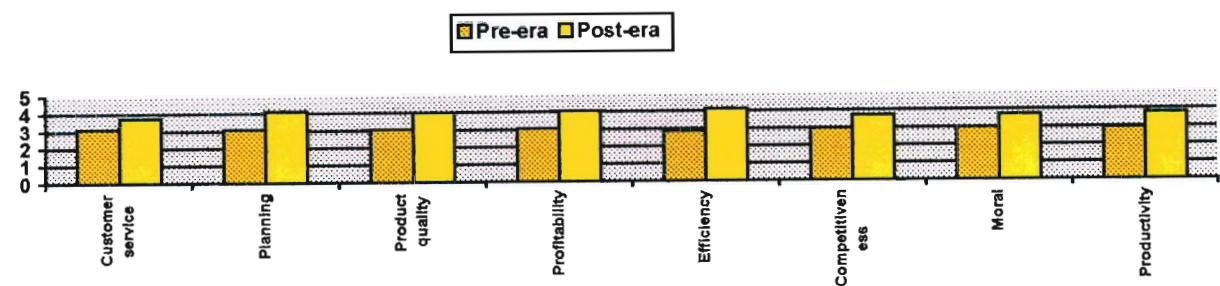


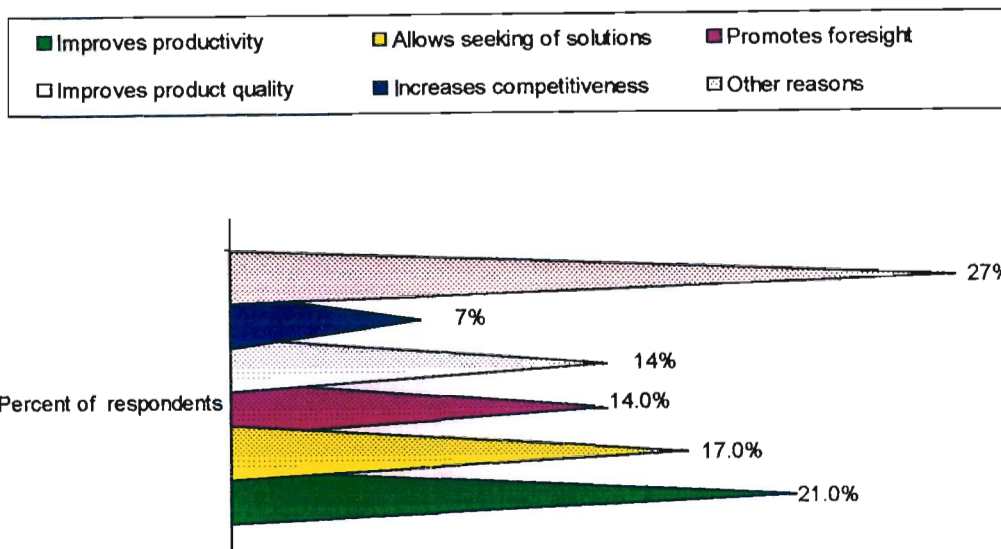
Figure 4.2: Pre versus post strategic management era at Saybrook

Figure 4.2 show that Saybrook has enhanced its performance following the onset of strategic management. The yellow bars stand for the post era while the red ones represent the pre era: it can be seen that the yellow bars are taller than the red ones for all measures and this means that Saybrook is a better performer now than before the introduction of strategic management.

4.5 Business potential of strategic management (Tables 9-14)

There was almost unanimous agreement (89.7%) amongst the respondents that strategic management is indeed an effective instrument for profitability. 100% of the employees and 84.2% of the customers held this view and this shows some reservations on the part of customers mainly because they only came into contact with strategic management at Saybrook indirectly unlike the employees.

When asked to explain why they had such a positive opinion of strategic management and why they viewed it as an effective instrument for profitability, the respondents pointed to a number of reasons. See Figure 4.3



**Figure 4.3: Why strategic management is an effective instrument for profitability**

Increasing productivity as well as creating a conducive environment for the development of solutions to business problems was cited as main strengths of strategic management. Promoting foresight and not being caught unawareness, enhancement of product quality were also other reasons given in favor of strategic management. There was also general agreement (86.2%) that strategic management is capable of improving the fortunes of Saybrook. Once again the employees were more agreeable (100%) compared to the customers (78.9%). The fact that employees are more excited about strategic management is a healthy sign for the company as teamwork is guaranteed which will ultimately create benefits for the customers. The table below illustrates the reasons why strategic management was said to be capable of improving the fortunes of Saybrook

**Table 4.3: Why strategic management is capable of improving the fortunes of Saybrook**

Reason	% of respondents
This technique puts all mechanisms in motion to ensure survival	17
The technique ensures Saybrook operates profitably	17
It encourages planning and growth	17
It improves efficiency in business	10
Offers a chance for injection of new ideas to Saybrook	10
Allows readjustments and focus for company improvement	7
It improves quality of products	7
Other reasons	15

The fact that strategic management summons all of the organizations’ resources for survival was highlighted as the main indicator that the concept could improve Saybrook’s fortunes. The technique was also viewed as being one, which, ensures profitability and was said to pave the way for more efficient operations.

When asked whether strategic management should focus on management only or employees only, the majority (76%) respondents stated that focus should be on both categories of personnel. The reasons why the two groups should be involved is that firstly both have to play their part in order for the technique to work (28%). Secondly, management-staff teamwork boosts up the company (24%). Thirdly a motivated team achieves goals and greater production (21%). Efficiency and success were also cited as direct results of cooperation between management and staff.

The respondents were invited to give any general comments and suggestions regarding strategic management and the main issue that came up was the need for strong management (14%) when ‘imposing’ techniques as a weak management might faint along the way. Another suggestion was that plans and techniques had to be economical (10%) if they were to bring benefits. Minimizing risk and a commitment to long-term focus were other suggestions advanced.



## **CHAPTER 4 SUMMARY**

A significant number of the respondents indicated that they had benefited from the introduction of strategic management at Saybrook. The benefits were mainly increased sales and the saving of Saybrook from liquidation. According to the respondents the objectives of changing the way a company is run should be mainly to promote profitability and viability in the business, to improve quality, initiate growth for machines and human resources, the creation of value for stakeholders and improvement of processes.

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Table 1  
Strategic Management Study  
Q1a: Have you benefited from the changes in the management system of Saybrook?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Yes	Count	38	18	20
	Col %	65.5%	90.0%	52.6%
	Row %	100.0%	47.4%	52.6%
No	Count	20	2	18
	Col %	34.5%	10.0%	47.4%
	Row %	100.0%	10.0%	90.0%

Over half of the respondents (65.5%) indicated that they had benefited from the introduction of strategic management at Saybrook. The larger number of beneficiaries however was employees (90%), compared to customers (52.6%).

Table 2  
Strategic Management Study  
Q1b: In what ways have you benefited from the changes in management system of Saybrook?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00		38	18	20
The improvement of sales	Count	8	2	6
	Col %	21%	11%	30%
	Row %	100%	25%	75%
Saybrook was saved from liquidation/managed to survive	Count	8	4	4
	Col %	21%	22%	20%
	Row %	100%	50%	50%
Assurance of supply to customers	Count	6	2	4
	Col %	16%	11%	20%
	Row %	100%	33%	67%
Our customers are returning to us	Count	4	2	2
	Col %	11%	11%	10%
	Row %	100%	50%	50%
Yearly bonus	Count	4	4	0
	Col %	11%	22%	0%
	Row %	100%	100%	0%
Productivity increased due to better staff moral	Count	4	4	0
	Col %	11%	22%	0%

	Row %	100%	100%	0%
Recruitments and promotions are done by qualifications	Count	4	4	0
	Col %	11%	22%	0%
	Row %	100%	100%	0%
Efficient stock control system	Count	4	2	2
	Col %	11%	11%	10%
	Row %	100%	50%	50%
Improved company efficiency and employee needs	Count	4	2	2
	Col %	11%	11%	10%
	Row %	100%	50%	50%
Improved communication skills/interdepartmental	Count	4	2	2
	Col %	11%	11%	10%
	Row %	100%	50%	50%
Set targets & measuring actual performance against them	Count	4	0	4
	Col %	11%	0%	20%
	Row %	100%	0%	100%
Having a clinic at our work place	Count	2	2	0
	Col %	5%	11%	0%
	Row %	100%	100%	0%
Quality and marketing techniques increased market share	Count	2	2	0
	Col %	5%	11%	0%
	Row %	100%	100%	0%
Shortages easily be traced before delivering orders	Count	2	2	0
	Col %	5%	11%	0%
	Row %	100%	100%	0%
No more unnecessary dismissal of workers	Count	2	2	0
	Col %	5%	11%	0%
	Row %	100%	100%	0%
Internally employees were upgraded	Count	2	2	0
	Col %	5%	11%	0%
	Row %	100%	100%	0%
New employees were recruited	Count	2	2	0
	Col %	5%	11%	0%
	Row %	100%	100%	0%

Product quality maintenance	Count	2	2	0
	Col %	5%	11%	0%
	Row %	100%	100%	0%
Workers participation enables workers manage themselves	Count	2	2	0
	Col %	5%	11%	0%
	Row %	100%	100%	0%
Proper procedures of conducting meetings	Count	2	0	2
	Col %	5%	0%	10%
	Row %	100%	0%	100%
Planning & proper systems of running department in place	Count	2	0	2
	Col %	5%	0%	10%
	Row %	100%	0%	100%
We have managed to retain our good will	Count	2	2	0
	Col %	5%	11%	0%
	Row %	100%	100%	0%

When asked to state the ways in which they had benefited from the adoption of strategic management at Saybrook, various responses were obtained. At the very top were the benefit of increased sales (21%) and the saving of Saybrook from liquidation (21%)



Table 3  
Strategic Management Study  
Q2a: In your opinion what should be the objectives of changes in the way a company is managed?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00		58	20	38
Promote profitability and viability in business	Count	26	8	18
	Col %	45%	40%	47%
	Row %	100%	31%	69%
To improve quality in business	Count	14	2	12
	Col %	24%	10%	32%
	Row %	100%	14%	86%
Growth focus by latest machines/fresher courses/computers	Count	6	4	2
	Col %	10%	20%	5%
	Row %	100%	67%	33%
To operate profitably so as to benefit all stakeholders	Count	6	4	2
	Col %	10%	20%	5%
	Row %	100%	67%	33%
Improve efficiency in business	Count	6	4	2
	Col %	10%	20%	5%
	Row %	100%	67%	33%
Economic survival and growth objectives	Count	6	4	2
	Col %	10%	20%	5%
	Row %	100%	67%	33%
To facilitate effective and efficient communication system	Count	6	2	4
	Col %	10%	10%	11%
	Row %	100%	33%	67%
Should enable organization cope with changing technology	Count	4	4	0
	Col %	7%	20%	0%
	Row %	100%	100%	0%
To improve production to meet local and global demand	Count	4	4	0



	Col %	7%	20%	0%
	Row %	100%	100%	0%
Invoicing and debt collections to be done in time	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Our payments must be done in time	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
To ensure complete adherence of company policies	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Reduce unemployment rate	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Ensure no wastages retards company progress	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%

According to the respondents the objectives of changing the way a company is run should be mainly to promote profitability and viability in the business (45%), to improve quality (24%), initiate growth for both machines and human resources (10%). The creation of value for stakeholders and improvement of processes (both 10%) were also highlighted as critical objectives that should be associated with changes in a company.

Table 4a  
Strategic Management Study  
Q2b: Rating the impact of profitability on management changes on my relationship with Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Major impact	Count	36	12	24
	Col %	62.1%	60.0%	63.2%
	Row %	100.0%	33.3%	66.7%
Not sure	Count	20	8	12
	Col %	34.5%	40.0%	31.6%
	Row %	100.0%	40.0%	60.0%
No impact	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%
Mean		2.59	2.60	2.58

Table 4b  
Strategic Management Study  
Q2b: Rating the impact of Quality of products on my relationship with Saybrook after management changes

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Major impact	Count	36	12	24
	Col %	62.1%	60.0%	63.2%
	Row %	100.0%	33.3%	66.7%
Not sure	Count	20	6	14
	Col %	34.5%	30.0%	36.8%
	Row %	100.0%	30.0%	70.0%
No impact	Count	2	2	0
	Col %	3.4%	10.0%	.0%
	Row %	100.0%	100.0%	.0%
Mean		2.59	2.50	2.63

Table 4c  
Strategic Management Study  
Q2b: Rating the impact of Service quality on my relationship with Saybrook after management changes

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Major impact	Count	36	14	22
	Col %	62.1%	70.0%	57.9%
	Row %	100.0%	38.9%	61.1%
Not sure	Count	18	4	14
	Col %	31.0%	20.0%	36.8%
	Row %	100.0%	22.2%	77.8%
No impact	Count	4	2	2
	Col %	6.9%	10.0%	5.3%
	Row %	100.0%	50.0%	50.0%
Mean		2.55	2.60	2.53

Table 4d  
Strategic Management Study  
Q2b: Rating the impact of availability of essential products on my relationship with Saybrook after management changes

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Major impact	Count	30	14	16
	Col %	51.7%	70.0%	42.1%
	Row %	100.0%	46.7%	53.3%
Not sure	Count	26	4	22
	Col %	44.8%	20.0%	57.9%
	Row %	100.0%	15.4%	84.6%
No impact	Count	2	2	0
	Col %	3.4%	10.0%	.0%
	Row %	100.0%	100.0%	.0%
Mean		2.48	2.60	2.42

Table 4e  
Strategic Management Study  
Q2b: Rating the impact of distribution network on my relationship with Saybrook after  
management changes

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Major impact	Count	28	6	22
	Col %	50.0%	33.3%	57.9%
	Row %	100.0%	21.4%	78.6%
Not sure	Count	22	8	14
	Col %	39.3%	44.4%	36.8%
	Row %	100.0%	36.4%	63.6%
No impact	Count	6	4	2
	Col %	10.7%	22.2%	5.3%
	Row %	100.0%	66.7%	33.3%
Mean		2.39	2.11	2.53

There was positive overall impact on relations between Saybrook and stakeholders as a result of the adoption and implementation of strategic management. While the main areas of gain were profitability and quality of products (both 2.59), there were relatively less gains in the area of widening the distribution network (2.39).

Table 5  
 Strategic Management Study  
 Q3a: In your opinion to what extent have management changes increased profits in Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
26 – 50%	Count	20	0	20
	Col %	34.5%	.0%	52.6%
	Row %	100.0%	.0%	100.0%
51 – 75%	Count	14	4	10
	Col %	24.1%	20.0%	26.3%
	Row %	100.0%	28.6%	71.4%
76 – 100%	Count	10	6	4
	Col %	17.2%	30.0%	10.5%
	Row %	100.0%	60.0%	40.0%
Cant say/Don't know	Count	8	6	2
	Col %	13.8%	30.0%	5.3%
	Row %	100.0%	75.0%	25.0%
Over 100%	Count	4	4	0
	Col %	6.9%	20.0%	.0%
	Row %	100.0%	100.0%	.0%
0 – 25%	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%

According to over one third of the respondents, strategic management had brought additional profits to Saybrook in the region of 26-50%. About a quarter stated that the increase in profits was even higher and they put it at between 51 and 75%.

Table 5a  
 Strategic Management Study  
 Q3a: In your opinion to what extent has profitability increased profits in Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
26 – 50%	Count	20	0	20
	Col %	34.5%	.0%	52.6%
	Row %	100.0%	.0%	100.0%
51 – 75%	Count	14	4	10
	Col %	24.1%	20.0%	26.3%
	Row %	100.0%	28.6%	71.4%
76 – 100%	Count	10	6	4
	Col %	17.2%	30.0%	10.5%
	Row %	100.0%	60.0%	40.0%
98	Count	8	6	2
	Col %	13.8%	30.0%	5.3%
	Row %	100.0%	75.0%	25.0%
Over 100%	Count	4	4	0
	Col %	6.9%	20.0%	.0%
	Row %	100.0%	100.0%	.0%
0 – 25%	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%

Table 5b  
Strategic Management Study  
Q3a: In your opinion to what extent has product quality increased profits in Saybrook?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
26 – 50%	Count	20	0	20
	Col %	34.5%	.0%	52.6%
	Row %	100.0%	.0%	100.0%
51 – 75%	Count	14	4	10
	Col %	24.1%	20.0%	26.3%
	Row %	100.0%	28.6%	71.4%
76 – 100%	Count	10	6	4
	Col %	17.2%	30.0%	10.5%
	Row %	100.0%	60.0%	40.0%
98	Count	8	6	2
	Col %	13.8%	30.0%	5.3%
	Row %	100.0%	75.0%	25.0%
Over 100%	Count	4	4	0
	Col %	6.9%	20.0%	.0%
	Row %	100.0%	100.0%	.0%
0 – 25%	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%

Table 5c  
Strategic Management Study  
Q3a: In your opinion to what extent has service quality increased profits in Saybrook?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
26 – 50%	Count	20	0	20
	Col %	34.5%	.0%	52.6%
	Row %	100.0%	.0%	100.0%
51 – 75%	Count	14	4	10
	Col %	24.1%	20.0%	26.3%
	Row %	100.0%	28.6%	71.4%
76 – 100%	Count	10	6	4
	Col %	17.2%	30.0%	10.5%
	Row %	100.0%	60.0%	40.0%
98	Count	8	6	2
	Col %	13.8%	30.0%	5.3%
	Row %	100.0%	75.0%	25.0%
Over 100%	Count	4	4	0
	Col %	6.9%	20.0%	.0%
	Row %	100.0%	100.0%	.0%
0 – 25%	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%



Table 5d  
Strategic Management Study  
Q3a: In your opinion to what extent has availability of essential products increased profits in Saybrook?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
26 – 50%	Count	20	0	20
	Col %	34.5%	.0%	52.6%
	Row %	100.0%	.0%	100.0%
51 – 75%	Count	14	4	10
	Col %	24.1%	20.0%	26.3%
	Row %	100.0%	28.6%	71.4%
76 – 100%	Count	10	6	4
	Col %	17.2%	30.0%	10.5%
	Row %	100.0%	60.0%	40.0%
98	Count	8	6	2
	Col %	13.8%	30.0%	5.3%
	Row %	100.0%	75.0%	25.0%
Over 100%	Count	4	4	0
	Col %	6.9%	20.0%	.0%
	Row %	100.0%	100.0%	.0%
0 – 25%	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%

Table 5e  
Strategic Management Study  
Q3a: In your opinion to what extent has distribution network increased profits in Saybrook?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	56	18	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	32.1%	67.9%
26 – 50%	Count	20	0	20
	Col %	35.7%	.0%	52.6%
	Row %	100.0%	.0%	100.0%
51 – 75%	Count	14	4	10
	Col %	25.0%	22.2%	26.3%
	Row %	100.0%	28.6%	71.4%
76 – 100%	Count	10	6	4
	Col %	17.9%	33.3%	10.5%
	Row %	100.0%	60.0%	40.0%
Cant say	Count	6	4	2
	Col %	10.7%	22.2%	5.3%
	Row %	100.0%	66.7%	33.3%
Over 100%	Count	4	4	0
	Col %	7.1%	22.2%	.0%
	Row %	100.0%	100.0%	.0%
0 – 25%	Count	2	0	2
	Col %	3.6%	.0%	5.3%
	Row %	100.0%	.0%	100.0%

Table 6a  
Strategic Management Study  
Q3b: Rating profitability on my activities after the management changes at Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Effective	Count	32	12	20
	Col %	55.2%	60.0%	52.6%
	Row %	100.0%	37.5%	62.5%
Not sure	Count	14	4	10
	Col %	24.1%	20.0%	26.3%
	Row %	100.0%	28.6%	71.4%
Very effective	Count	6	2	4
	Col %	10.3%	10.0%	10.5%
	Row %	100.0%	33.3%	66.7%
Very ineffective	Count	4	2	2
	Col %	6.9%	10.0%	5.3%
	Row %	100.0%	50.0%	50.0%
Ineffective	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%
Mean		3.59	3.60	3.58

Table 6b  
Strategic Management Study  
Q3b: Rating efficiency on my activities after the management changes at Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Effective	Count	32	14	18
	Col %	55.2%	70.0%	47.4%
	Row %	100.0%	43.8%	56.3%
Not sure	Count	12	2	10
	Col %	20.7%	10.0%	26.3%
	Row %	100.0%	16.7%	83.3%
Very effective	Count	12	4	8
	Col %	20.7%	20.0%	21.1%
	Row %	100.0%	33.3%	66.7%
Ineffective	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%
Mean		3.93	4.10	3.84

Table 6c  
Strategic Management Study  
Q3b: Rating competitiveness on my activities after the management at Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Effective	Count	28	8	20
	Col %	48.3%	40.0%	52.6%
	Row %	100.0%	28.6%	71.4%
Not sure	Count	20	8	12
	Col %	34.5%	40.0%	31.6%
	Row %	100.0%	40.0%	60.0%
Very effective	Count	10	4	6
	Col %	17.2%	20.0%	15.8%
	Row %	100.0%	40.0%	60.0%
Mean		3.83	3.80	3.84

Table 6d  
Strategic Management Study  
Q3b: Rating current ratio on my activities after the management changes at Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Not sure	Count	30	12	18
	Col %	53.6%	60.0%	50.0%
	Row %	100.0%	40.0%	60.0%
Effective	Count	16	6	10
	Col %	28.6%	30.0%	27.8%
	Row %	100.0%	37.5%	62.5%
Very effective	Count	8	2	6
	Col %	14.3%	10.0%	16.7%
	Row %	100.0%	25.0%	75.0%
Ineffective	Count	2	0	2
	Col %	3.6%	.0%	5.6%
	Row %	100.0%	.0%	100.0%
Mean		3.54	3.50	3.56

Table 6e  
Strategic Management Study  
Q3b: Rating financial leverage on my activities after the management changes at Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Not sure	Count	22	8	14
	Col %	42.3%	50.0%	38.9%
	Row %	100.0%	36.4%	63.6%
Effective	Count	22	6	16
	Col %	42.3%	37.5%	44.4%
	Row %	100.0%	27.3%	72.7%
Very effective	Count	8	2	6
	Col %	15.4%	12.5%	16.7%
	Row %	100.0%	25.0%	75.0%
Mean		3.73	3.63	3.78

Table 6f  
Strategic Management Study  
Q3b: Rating market growth on my activities after the management changes at Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Effective	Count	22	6	16
	Col %	40.7%	37.5%	42.1%
	Row %	100.0%	27.3%	72.7%
Not sure	Count	16	4	12
	Col %	29.6%	25.0%	31.6%
	Row %	100.0%	25.0%	75.0%
Very effective	Count	12	6	6
	Col %	22.2%	37.5%	15.8%
	Row %	100.0%	50.0%	50.0%
Ineffective	Count	4	0	4
	Col %	7.4%	.0%	10.5%
	Row %	100.0%	.0%	100.0%
Mean		3.78	4.13	3.63

Table 6g  
Strategic Management Study  
Q3b: Rating efficiency ratios on my activities after the management changes at Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Effective	Count	22	4	18
	Col %	42.3%	25.0%	50.0%
	Row %	100.0%	18.2%	81.8%
Not sure	Count	20	8	12
	Col %	38.5%	50.0%	33.3%
	Row %	100.0%	40.0%	60.0%
Ineffective	Count	6	2	4
	Col %	11.5%	12.5%	11.1%
	Row %	100.0%	33.3%	66.7%
Very effective	Count	4	2	2
	Col %	7.7%	12.5%	5.6%
	Row %	100.0%	50.0%	50.0%
Mean		3.46	3.38	3.50

Once again positive impact was noted not only on Saybrook but also on the activities of the customers and the staff. This is reflected by the very high mean scores on each of the indicators under study with efficiency and competitiveness achieving the highest scores (3.93 and 3.83 respectively). Relatively lower positive scores however were noted on efficiency ratios (3.46 and current ratio (3.54). In a nutshell the benefits that accrued to Saybrook were mainly increased profit (41%), increased efficiency (31%), better customer focus (28%) and higher quality products (21%).

Table 7  
 Strategic Management Study  
 Q4: The benefits that have accrued to Saybrook as a result of the management changes include

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00		58	20	38
Increased profit	Count	24	8	16
	Col %	41%	40%	42%
	Row %	100%	33%	67%
Increased efficiency	Count	18	2	16
	Col %	31%	10%	42%
	Row %	100%	11%	89%
Better customer focus	Count	16	4	12
	Col %	28%	20%	32%
	Row %	100%	25%	75%
Higher quality products	Count	12	2	10
	Col %	21%	10%	26%
	Row %	100%	17%	83%
No benefit	Count	11	6	5
	Col %	19%	30%	13%
	Row %	100%	55%	45%
Can say/don't know	Count	6	4	2
	Col %	10%	20%	5%
	Row %	100%	67%	33%

Table 8a  
Strategic Management Study  
Q5: Rating Saybrooks performance on Customer service during the pre-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Average	Count	34	10	24
	Col %	63.0%	55.6%	66.7%
	Row %	100.0%	29.4%	70.6%
Good	Count	10	4	6
	Col %	18.5%	22.2%	16.7%
	Row %	100.0%	40.0%	60.0%
Poor	Count	8	2	6
	Col %	14.8%	11.1%	16.7%
	Row %	100.0%	25.0%	75.0%
Very good	Count	2	2	0
	Col %	3.7%	11.1%	.0%
	Row %	100.0%	100.0%	.0%
Mean		3.12	3.38	3.00

Table 8a1  
Strategic Management Study  
Q5: Rating Saybrooks performance on Customer service during the post-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Good	Count	30	8	22
	Col %	51.7%	40.0%	57.9%
	Row %	100.0%	26.7%	73.3%
Average	Count	16	6	10
	Col %	27.6%	30.0%	26.3%
	Row %	100.0%	37.5%	62.5%
Very good	Count	8	2	6
	Col %	13.8%	10.0%	15.8%
	Row %	100.0%	25.0%	75.0%
Poor	Count	4	4	0
	Col %	6.9%	20.0%	.0%
	Row %	100.0%	100.0%	.0%
Mean		3.75	3.44	3.89



Table 8b  
Strategic Management Study  
Q5: Rating Saybrooks performance on Planning during the pre-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Average	Count	36	12	24
	Col %	66.7%	66.7%	66.7%
	Row %	100.0%	33.3%	66.7%
Poor	Count	8	4	4
	Col %	14.8%	22.2%	11.1%
	Row %	100.0%	50.0%	50.0%
Good	Count	8	2	6
	Col %	14.8%	11.1%	16.7%
	Row %	100.0%	25.0%	75.0%
Very good	Count	2	0	2
	Col %	3.7%	.0%	5.6%
	Row %	100.0%	.0%	100.0%
Mean		3.08	2.88	3.17

Table 8b1  
Strategic Management Study  
Q5: Rating Saybrooks performance on Planning during the post-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Good	Count	22	6	16
	Col %	37.9%	30.0%	42.1%
	Row %	100.0%	27.3%	72.7%
Very good	Count	22	8	14
	Col %	37.9%	40.0%	36.8%
	Row %	100.0%	36.4%	63.6%
Average	Count	12	6	6
	Col %	20.7%	30.0%	15.8%
	Row %	100.0%	50.0%	50.0%
Poor	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%
Mean		4.14	4.22	4.11

Table 8c  
Strategic Management Study  
Q5: Rating Saybrooks performance on Quality of products during the pre-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Average	Count	36	14	22
	Col %	66.7%	77.8%	61.1%
	Row %	100.0%	38.9%	61.1%
Good	Count	10	4	6
	Col %	18.5%	22.2%	16.7%
	Row %	100.0%	40.0%	60.0%
Poor	Count	8	0	8
	Col %	14.8%	.0%	22.2%
	Row %	100.0%	.0%	100.0%
Mean		3.04	3.25	2.94

Table 8c1  
Strategic Management Study  
Q5: Rating Saybrooks performance on Quality of products during the post-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Good	Count	32	12	20
	Col %	55.2%	60.0%	52.6%
	Row %	100.0%	37.5%	62.5%
Very good	Count	14	4	10
	Col %	24.1%	20.0%	26.3%
	Row %	100.0%	28.6%	71.4%
Average	Count	10	4	6
	Col %	17.2%	20.0%	15.8%
	Row %	100.0%	40.0%	60.0%
Very poor	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%
Mean		4.00	4.11	3.95

Table 8d  
Strategic Management Study  
Q5: Rating Saybrooks performance on Profitability during the pre-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Average	Count	36	10	26
	Col %	66.7%	55.6%	72.2%
	Row %	100.0%	27.8%	72.2%
Good	Count	8	4	4
	Col %	14.8%	22.2%	11.1%
	Row %	100.0%	50.0%	50.0%
Poor	Count	6	2	4
	Col %	11.1%	11.1%	11.1%
	Row %	100.0%	33.3%	66.7%
Very poor	Count	2	2	0
	Col %	3.7%	11.1%	.0%
	Row %	100.0%	100.0%	.0%
Very good	Count	2	0	2
	Col %	3.7%	.0%	5.6%
	Row %	100.0%	.0%	100.0%
Mean		3.04	2.88	3.11

Table 8d1  
Strategic Management Study  
Q5: Rating Saybrooks performance on Profitability during the post-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Good	Count	22	8	14
	Col %	39.3%	40.0%	38.9%
	Row %	100.0%	36.4%	63.6%
Very good	Count	18	6	12
	Col %	32.1%	30.0%	33.3%
	Row %	100.0%	33.3%	66.7%
Average	Count	14	6	8
	Col %	25.0%	30.0%	22.2%
	Row %	100.0%	42.9%	57.1%
Poor	Count	2	0	2
	Col %	3.6%	.0%	5.6%
	Row %	100.0%	.0%	100.0%
Mean		4.04	4.11	4.00

Table 8e  
Strategic Management Study  
Q5: Rating Saybrooks performance on Efficiency during the pre-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Not sure	Count	28	8	20
	Col %	51.9%	44.4%	55.6%
	Row %	100.0%	28.6%	71.4%
Poor	Count	18	8	10
	Col %	33.3%	44.4%	27.8%
	Row %	100.0%	44.4%	55.6%
Good	Count	6	0	6
	Col %	11.1%	.0%	16.7%
	Row %	100.0%	.0%	100.0%
Very good	Count	2	2	0
	Col %	3.7%	11.1%	.0%
	Row %	100.0%	100.0%	.0%
Mean		2.85	2.75	2.89

Table 8e1  
Strategic Management Study  
Q5: Rating Saybrooks performance on Efficiency during the post-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Good	Count	28	12	16
	Col %	48.3%	60.0%	42.1%
	Row %	100.0%	42.9%	57.1%
Very good	Count	18	2	16
	Col %	31.0%	10.0%	42.1%
	Row %	100.0%	11.1%	88.9%
Average	Count	10	6	4
	Col %	17.2%	30.0%	10.5%
	Row %	100.0%	60.0%	40.0%
Poor	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%
Mean		4.11	3.89	4.21

Table 8f  
Strategic Management Study  
Q5: Rating Saybrooks performance on Competitiveness during the pre-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Average	Count	26	6	20
	Col %	48.1%	33.3%	55.6%
	Row %	100.0%	23.1%	76.9%
Poor	Count	16	6	10
	Col %	29.6%	33.3%	27.8%
	Row %	100.0%	37.5%	62.5%
Good	Count	10	4	6
	Col %	18.5%	22.2%	16.7%
	Row %	100.0%	40.0%	60.0%
Very good	Count	2	2	0
	Col %	3.7%	11.1%	.0%
	Row %	100.0%	100.0%	.0%
Mean		2.96	3.13	2.89

Table 8f1  
Strategic Management Study  
Q5: Rating Saybrooks performance on Competitiveness during the post-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Good	Count	22	8	14
	Col %	37.9%	40.0%	36.8%
	Row %	100.0%	36.4%	63.6%
Average	Count	20	8	12
	Col %	34.5%	40.0%	31.6%
	Row %	100.0%	40.0%	60.0%
Very good	Count	12	2	10
	Col %	20.7%	10.0%	26.3%
	Row %	100.0%	16.7%	83.3%
Very poor	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%
Poor	Count	2	2	0
	Col %	3.4%	10.0%	.0%
	Row %	100.0%	100.0%	.0%
Mean		3.71	3.56	3.79

Table 8g  
Strategic Management Study  
Q5: Rating Saybrooks performance on Moral during the pre-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Average	Count	34	10	24
	Col %	63.0%	55.6%	66.7%
	Row %	100.0%	29.4%	70.6%
Poor	Count	10	2	8
	Col %	18.5%	11.1%	22.2%
	Row %	100.0%	20.0%	80.0%
Good	Count	4	0	4
	Col %	7.4%	.0%	11.1%
	Row %	100.0%	.0%	100.0%
Very good	Count	4	4	0
	Col %	7.4%	22.2%	.0%
	Row %	100.0%	100.0%	.0%
Very poor	Count	2	2	0
	Col %	3.7%	11.1%	.0%
	Row %	100.0%	100.0%	.0%
Mean		2.96	3.13	2.89

Table 8g1  
Strategic Management Study  
Q5: Rating Saybrooks performance on Moral during the post-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Average	Count	22	10	12
	Col %	37.9%	50.0%	31.6%
	Row %	100.0%	45.5%	54.5%
Good	Count	20	6	14
	Col %	34.5%	30.0%	36.8%
	Row %	100.0%	30.0%	70.0%
Very good	Count	12	2	10
	Col %	20.7%	10.0%	26.3%
	Row %	100.0%	16.7%	83.3%
Poor	Count	4	2	2
	Col %	6.9%	10.0%	5.3%
	Row %	100.0%	50.0%	50.0%
Mean		3.71	3.44	3.84

Table 8h  
Strategic Management Study  
Q5: Rating Saybrooks performance on Productivity during the pre-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Average	Count	32	6	26
	Col %	59.3%	33.3%	72.2%
	Row %	100.0%	18.8%	81.3%
Poor	Count	10	4	6
	Col %	18.5%	22.2%	16.7%
	Row %	100.0%	40.0%	60.0%
Good	Count	10	6	4
	Col %	18.5%	33.3%	11.1%
	Row %	100.0%	60.0%	40.0%
Very poor	Count	2	2	0
	Col %	3.7%	11.1%	.0%
	Row %	100.0%	100.0%	.0%
Mean		2.92	2.88	2.94

Table 8h1  
Strategic Management Study  
Q5: Rating Saybrooks performance on Productivity during the post-change era"

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Average	Count	22	8	14
	Col %	37.9%	40.0%	36.8%
	Row %	100.0%	36.4%	63.6%
Good	Count	22	10	12
	Col %	37.9%	50.0%	31.6%
	Row %	100.0%	45.5%	54.5%
Very good	Count	12	2	10
	Col %	20.7%	10.0%	26.3%
	Row %	100.0%	16.7%	83.3%
Poor	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%
Mean		3.79	3.78	3.79

Saybrook has enhanced its performance following the onset of strategic management. The yellow bars stand for the post era while the red ones represent the pre era: it can be seen that the yellow bars are taller than the red ones for all measures and this

means that Saybrook is a better performer now than before the introduction of strategic management

Table 9  
Strategic Management Study  
Q6a: Do you think strategic management is effective as an instrument for profitability?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Yes	Count	52	20	32
	Col %	89.7%	100.0%	84.2%
	Row %	100.0%	38.5%	61.5%
No	Count	6	0	6
	Col %	10.3%	.0%	15.8%
	Row %	100.0%	.0%	100.0%

There was almost unanimous agreement (89.7%) amongst the respondents that strategic management is indeed an effective instrument for profitability. 100% of the employees and 84.2% of the customers held this view and this shows some reservations on the part of customers mainly because they only came into contact with strategic management at Saybrook indirectly unlike the employees.

Table 10  
Strategic Management Study  
Q6b: Reasons for saying strategic management is an effective instrument for profitability

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00		58	20	38
Improves productivity which enhances profitability	Count	12	8	4
	Col %	21%	40%	11%
	Row %	100%	67%	33%
Allows people to seek profitability solutions	Count	10	2	8
	Col %	17%	10%	21%
	Row %	100%	20%	80%
Has foresight of most adequate path for organization	Count	8	2	6
	Col %	14%	10%	16%
	Row %	100%	25%	75%
Improves quality which leads to	Count	8	2	6



profitability and survival				
	Col %	14%	10%	16%
	Row %	100%	25%	75%
Rises competitiveness which enhances profitably & survival	Count	6	6	0
	Col %	10%	30%	0%
	Row %	100%	100%	0%
Promotes proactive against reactionary approach	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
Improves comm, cooperation, production thus profitability	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
Improves maximum use of resources therefore profitability	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
Reduces management personnel and increases profitability	Count	4	0	4
	Col %	7%	0%	11%
	Row %	100%	0%	100%
It saves time/ is efficient and deliver on time	Count	4	4	0
	Col %	7%	20%	0%
	Row %	100%	100%	0%
Bonus and quality improvement promises greater heights	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Widens our market share through luring more customers	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%
It sets organizations in order to achieve there goals	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%

Leads to better customer service	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Imparts proper leadership qualities	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%
Controls targets and measures performance against them	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%
If introduced properly & in the right time it benefits	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%
I have not seen it working	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%
Workers are not taken care of/ no incentives	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%
It is so sudden and unplanned	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%

Increasing productivity as well as creating a conducive environment for the development of solutions to business problems was cited as main strengths of strategic management. Promoting foresight and not being caught unaware, enhancement of product quality was also other reasons given in favor of strategic management. There was also general agreement (86.2%) that strategic management is capable of improving the fortunes of Saybrook

Table 11a  
Strategic Management Study  
Q7a: Other than strategic management price what other options should government employ  
to achieve similar objectives as those for price controls?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00		58	20	38
Cant say /don't know	Count	16	4	12
	Col %	28%	20%	32%
	Row %	100%	25%	75%
Gvt to solve the economic problems to enhance production	Count	8	2	6
	Col %	14%	10%	16%
	Row %	100%	25%	75%
Government should introduce tight monetary policy	Count	6	2	4
	Col %	10%	10%	11%
	Row %	100%	33%	67%
Government to introduce export incentives to gain forex	Count	6	2	4
	Col %	10%	10%	11%
	Row %	100%	33%	67%
Reduce duty paid or put duty free system to avail forex	Count	6	2	4
	Col %	10%	10%	11%
	Row %	100%	33%	67%
Government should subsidize the production of goods	Count	6	6	0
	Col %	10%	30%	0%
	Row %	100%	100%	0%
None	Count	6	0	6
	Col %	10%	0%	16%
	Row %	100%	0%	100%
Government to have shares in mining & manufacturing etc	Count	4	4	0
	Col %	7%	20%	0%
	Row %	100%	100%	0%
Increase product supply on market	Count	4	2	2

& prices will stabilise				
	Col %	7%	10%	5%
	Row %	100%	50%	50%
Government to control exchange on the parallel market	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Government should remove tax on products	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
12	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%

Table 11b  
Strategic Management Study

Q7b: Do you think strategic management is capable of improving the fortunes of Saybrook?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Yes	Count	50	20	30
	Col %	86.2%	100.0%	78.9%
	Row %	100.0%	40.0%	60.0%
No	Count	8	0	8
	Col %	13.8%	.0%	21.1%
	Row %	100.0%	.0%	100.0%

The fact that strategic management summons all of the organizations' resources for survival was highlighted as the main indicator that the concept could improve Saybrook's fortunes. The technique was also viewed as being one, which ensures profitability and was said to pave the way for more efficient operations.

Table 11c  
Strategic Management Study  
Q7c: Reasons for and against saying strategic management is capable of improving the  
fortunes of Saybrook

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00		58	20	38
This technique puts all mechanism to ensure survival	Count	10	6	4
	Col %	17%	30%	11%
	Row %	100%	60%	40%
The technique ensures Saybrook operation profitably	Count	10	4	6
	Col %	17%	20%	16%
	Row %	100%	40%	60%
It encourages planning and growth of Saybrook	Count	10	2	8
	Col %	17%	10%	21%
	Row %	100%	20%	80%
It improves efficiency in business	Count	6	2	4
	Col %	10%	10%	11%
	Row %	100%	33%	67%
Offers a chance for injection of new ideas to Saybrook	Count	6	4	2
	Col %	10%	20%	5%
	Row %	100%	67%	33%
Allows adjustments along as focus for company improvement	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
It improves quality of products	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
If we plan ways to achieve our objectives well	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
It leads the company to maintain its market share	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%

If all people involved understand it and its application	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
I haven't seen their changes yet	Count	4	0	4
	Col %	7%	0%	11%
	Row %	100%	0%	100%
We have the manpower, machinery and skilled labour force	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
If we define our goals first then set targets	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Involves innovations, creativity & analysis by managers	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Worker involvement shows idle ideas & better succession	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
It improves entrepreneurial capacity of future managers	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
It leads the company to employ more people	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%
I don't think so	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%
Implementation has been too quick without consultations	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%

Table 12a  
Strategic Management Study  
Q8a: In you opinion should strategic management focus on workers only, management only or both?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00	Count	58	20	38
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	34.5%	65.5%
Both	Count	44	20	24
	Col %	75.9%	100.0%	63.2%
	Row %	100.0%	45.5%	54.5%
Management only	Count	12	0	12
	Col %	20.7%	.0%	31.6%
	Row %	100.0%	.0%	100.0%
Workers only	Count	2	0	2
	Col %	3.4%	.0%	5.3%
	Row %	100.0%	.0%	100.0%

When asked whether strategic management should focus on management only or employees only, the majority (76%) respondents stated that focus should be on both categories of personnel. The reasons why the two groups should be involved is that firstly both have to play their part in order for the technique to work (28%). Secondly, management-staff teamwork boosts up the company (24%). Thirdly a motivated team achieves goals and greater production (21%). Efficiency and success were also cited as direct results of cooperation between management and staff.

Table 12b  
Strategic Management Study  
Q8b: Reasons why strategic management should focus on both management and workers

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00		58	20	38
They should all play their roles for it to succeed	Count	16	8	8
	Col %	28%	40%	21%
	Row %	100%	50%	50%
Teamwork of managers and workers boosts the company	Count	14	2	12
	Col %	24%	10%	32%
	Row %	100%	14%	86%
A motivated workforce team achieves goals and production	Count	12	4	8
	Col %	21%	20%	21%
	Row %	100%	33%	67%
Good relation for managers & workers improve	Count	6	4	2

efficiency				
	Col %	10%	20%	5%
	Row %	100%	67%	33%
Cooperation of management and workers improve efficiency	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
Teamwork improves profitability and company success	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
Because they are the opinion leaders	Count	4	0	4
	Col %	7%	0%	11%
	Row %	100%	0%	100%
Low worker moral lead to low productivity & profitability	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%

Table 13  
Strategic Management Study

Q9: What general comments do you have regarding the issue of strategic management?

		1.00	DEMOGRAPHICS	
			Internal customer	External customer
1.00		58	20	38
Should be strong & effective on imposing strategy & plans	Count	8	2	6
	Col %	14%	10%	16%
	Row %	100%	25%	75%
Goals to be achieved by most efficient economical means	Count	6	2	4
	Col %	10%	10%	11%
	Row %	100%	33%	67%
Goals should be pre-set or have things ready in place	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
It seeks to promote pro-activeness that minimize risks	Count	4	2	2
	Col %	7%	10%	5%



	Row %	100%	50%	50%
It sets long term focus which increases profitability	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
Produces the best result for the organizations prosperity	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
We need leadership development	Count	4	0	4
	Col %	7%	0%	11%
	Row %	100%	0%	100%
We need motivated personal	Count	4	0	4
	Col %	7%	0%	11%
	Row %	100%	0%	100%
Used to forecast, shape & enhance goal/object achievement	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
Ensures survival depending on business & its environment	Count	4	4	0
	Col %	7%	20%	0%
	Row %	100%	100%	0%
Encourages total participation from all workers	Count	4	2	2
	Col %	7%	10%	5%
	Row %	100%	50%	50%
Puts interest of clients at heart	Count	4	0	4
	Col %	7%	0%	11%
	Row %	100%	0%	100%
System to be in stretch of time to allow plan adjustments	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
System is essential for profitability & growth of economy	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
It becomes effective if applied in every department	Count	2	0	2
	Col %	3%	0%	5%

	Row %	100%	0%	100%
Its a yardstick of entrepreneur management performance	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Enables achievement of goals e.g profit & more employment	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
To be implemented for our survival in these hard times	Count	2	2	0
	Col %	3%	10%	0%
	Row %	100%	100%	0%
Must be planned and organized by management only	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%
None	Count	2	0	2
	Col %	3%	0%	5%
	Row %	100%	0%	100%

The respondents were invited to give any general comments and suggestions regarding strategic management and the main issue that came up was the need for strong management (14%) when ‘imposing’ techniques as a weak management might faint along the way. Another suggestion was that plans and techniques had to be economical (10%) if they were to bring benefits. Minimizing risk and a commitment to long-term focus were other suggestions advanced.

Table 14  
Strategic Management Study  
Respondent Category

		1.00	External customer	Internal customer
1.00	Count	58	38	20
	Col %	100.0%	100.0%	100.0%
	Row %	100.0%	100.0%	100.0%
External customer	Count	38	38	0
	Col %	100.0%	100.0%	.0%
	Row %	100.0%	100.0%	.0%
Internal customer	Count	20	0	20
	Col %	100.0%	.0%	100.0%
	Row %	100.0%	.0%	100.0%

## **CHAPTER 5**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The study has revealed that the adoption and implementation of strategic management brought positive results not only to Saybrook but also to its employees and customers. Overall there was greater embracing of the technique by the employees compared to customers.

#### **5.2 Conclusion**

Based on the findings and discussions the following conclusion is made

- Over half of the respondents indicated that they had benefited from the introduction of strategic management at Saybrook
- The benefits of strategic management at Saybrook were mainly increased sales and the saving of Saybrook from liquidation
- According to the respondents the objectives of changing the way a company is run should be mainly to promote profitability and viability in the business, to improve quality, initiate growth for both machines and human resources, the creation of value for stakeholders and improvement of processes
- There was positive overall impact on relations between Saybrook and stakeholders as a result of the adoption and implementation of strategic management with the main areas of gain being increased profitability and better quality products
- In a nutshell the benefits that accrued to Saybrook due to the introduction of strategic management were increased profit, increased efficiency, better customer focus and higher quality products
- Saybrook is a better performer now than before the introduction of strategic management
- Increasing productivity and creating a conducive environment for the development of solutions to business problems were also cited as main strengths of strategic management

- Respondents were of the opinion that strategic management should focus on both management and employees since success of the technique depends on teamwork.

### **5.3 Recommendations**

Taking all the above into consideration the researcher recommends that

- ✓ The company should proceed with the implementation of strategic management principles as the concept has been very well received by both internal and external customers
- ✓ Saybrook should launch a promotion campaign to inform its customers of the adoption of strategic management and to emphasize that the sole purpose of the change is improved customer focus
- ✓ Saybrook should channel resources towards correcting the weaknesses highlighted by the respondents. Problems were noted concerning poor distribution network, failure to raise efficiency ratios through strategic management and low competitiveness both before and after the introduction of strategic management.

### **5.4 Suggestions for Further Research**

It is suggested that three months after launching the promotion campaign mentioned in the recommendations further research be conducted in the form of tracking studies targeted at external customers. This will enable the company to measure the exact impact of strategic management on the customers, as they are the ultimate targets for all company activities.

# **APPENDIX I**

## **Questionnaire**

**GRADUATE SCHOOL OF BUSINESS**  
**UNIVERSITY OF NATAL**

**Questionnaire**

RETURNING TO PROFITABILITY THROUGH STRATEGIC MANAGEMENT-  
COMPANY CASE STUDY

**June 2003**

My name is Christopher Mesikano, an MBA Third Year Student in the Graduate School of Business, University of Natal. I am currently conducting a Dissertation Research Study to evaluate the impact of strategic management on the profitability of a company.

I would be most grateful if you could spare some time to answer this questionnaire. There are no wrong or right answers it is only your factual response that matters. All the information and views you give will be treated in strict confidence. Thank you in advance for your time and cooperation.

Q.1a Over the past year, Saybrook introduced some changes in the way the company is managed. Have you benefited from this change?

1 = No      2 = Yes      ☐

**IF YES ASK**

Q.1b In what ways have you benefited from the changes?


Q.2a In your opinion, what should be the objectives of changes in the way a company is managed?




Q.2b Looking back at your relationship with Saybrook before and after the changes in its management approach, what has been the impact of the changes in terms of each of the following, using the following scale. *(Tick appropriate)*

- 1=No Impact
- 2=Not Sure
- 3=Major Impact

	No Impact	Not Sure	Major Impact
Profitability	1	2	3
Quality of products	1	2	3
Service quality	1	2	3
Availability of essential inputs	1	2	3
Distribution network	1	2	3
Others (specify)	1	2	3

Q.3a It is widely believed that such changes in management increase profits wherever they are introduced. In your opinion to what extent have these changes increased profits in Saybrook?

Extent	Code
0-25%	1
26-50%	2
51-75%	3
100%	4
Over 100%	5

Q.3b Using the following performance indicators, please indicate by way of a tick (✓) the effects on your activities of these changes in management style at saybrook 1=**very ineffective** 2=**ineffective** 3=**not sure** 4=**effective** 5=**very ineffective**.

Indicator	1	2	3	4	5
Profitability					
Efficiency					
Competitiveness					
Current ratio					
Financial leverage					
Market growth					
Efficiency ratios					

Q4 The benefits that have accrued to Saybrook as a result of the management changes include:

Nature of benefit	<i>Tick appropriate</i>
No benefit	1
Increased profit	2
Better customer focus	3
Increased efficiency	4
Higher quality products	5
Others (specify)	6

Q.5 Comparing Saybrook’s performance in the pre-change era with the current performance after the introduction of strategic management, how do you rate the current performance on the following indicators? Please use the following scale **1=very poor 2=poor 3=average 4=good 5=very good**

	Pre-change era					Post-change era				
Indicator	VP	P	A	G	VG	VP	P	A	G	VG
Customer service	1	2	3	4	5	1	2	3	4	5
Planning	1	2	3	4	5	1	2	3	4	5
Quality of products	1	2	3	4	5	1	2	3	4	5
Profitability	1	2	3	4	5	1	2	3	4	5
Efficiency	1	2	3	4	5	1	2	3	4	5
Competitiveness	1	2	3	4	5	1	2	3	4	5
Moral	1	2	3	4	5	1	2	3	4	5
Productivity	1	2	3	4	5	1	2	3	4	5

Q.6a Do you think strategic management is effective as an instrument for profitability?

1 = No ☐      2 = Yes ☐

Q.6b Explain your answer


Q7a Other than strategic management price what other options should government employ to achieve similar objectives as those for price controls?


Q.7b Do you think strategic management is capable of improving the fortunes of Saybrook?

1 = No      2 = Yes      ☐

Q.7c Explain your answer


Q.8a In your opinion should strategic management focus on workers only, management only or both?

1 = workers only      2 =management only    3=both

Q.8b Explain your answer


Q.9 Finally, what general comments do you have regarding the issue of strategic management?


DEMOGRAPHICS

RESPONDENT NAME & ADDRESS.....  
.....

RESPONDENT CATEGORY

Internal customer	1
External customer	2

THANK YOU FOR YOUR TIME