



ANNUAL CONFERENCE FOR EDUCATION/TRAINING INSTITUTIONS

Theme: Prudent Financial Management for Sustainability

Venue: Diani Reef Hotel - Ukunda, South Coast

Overcoming Competition: Exploring Available Options for Education Institutions

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- ☐ Realigning Strategy
- ☐ Up to date with External Environment
- ☐ Improve on what you have
- ☐ Evaluation of Options that are available

1. Introduction



Higher education institutions exist in a complex and changing environment with an increasing need for fast and effective strategic responses to external pressures. This section considers several ways to deal with these pressures including competition.

2. Realigning Strategy



HE have to review their strategies

Our Vision, Mission, Goals and Core Values



2. Realigning Strategy



Our Vision

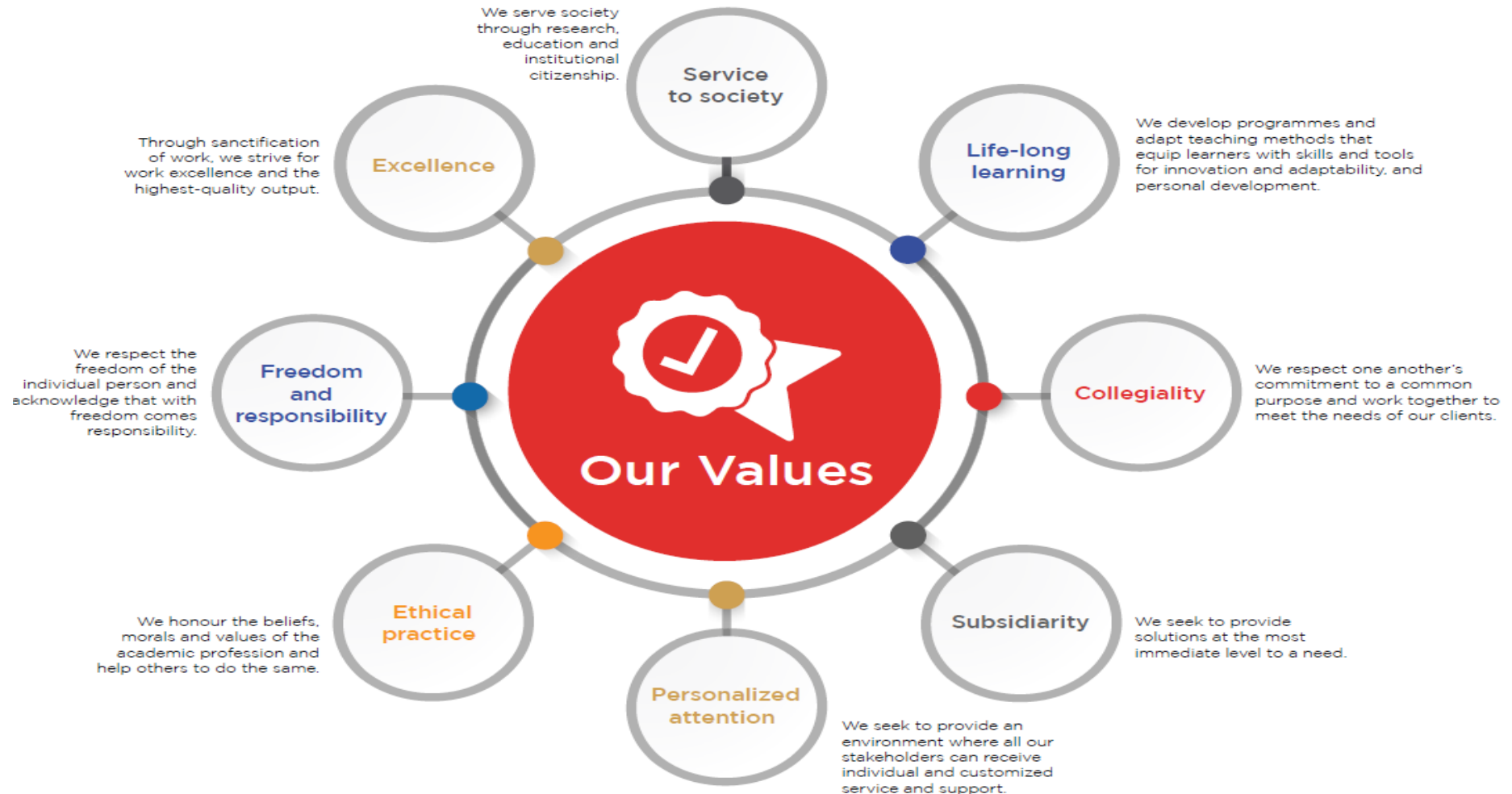
To become a leading out-come driven entrepreneurial research University by translating our excellence into a major contribution to culture, economic well-being and quality of life.



Our Mission

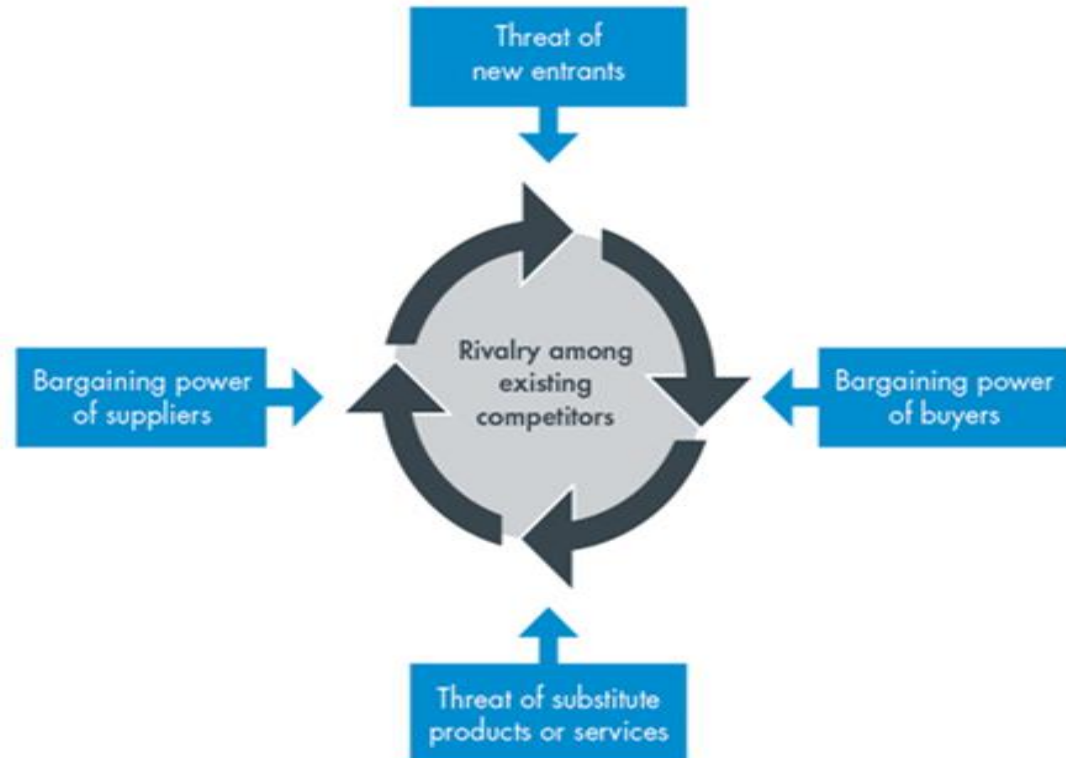
To provide all-round quality education in an atmosphere of freedom and responsibility excellence in teaching, research and scholarship, ethical and social development and service to society.

2. Realigning Strategy



3. External Environment

HE must be real time about external Environment



3. External Environment



Competitive landscape:

In Kenya today, there are 60 chartered universities, and another 14 institutions that are operating with letters of interim authority granted by the Commission for Universities (CUE), the body mandated to manage universities by the constitution. (www.cue.or.ke). With the establishment of Kenya Universities and Colleges Central Placement Service (KUCCPS) competition is likely to continue to intensify. Competition is also emerging from non-traditional sources. Large consultancy firms such as PriceWaterhouse Coopers (PwC) and others have established consulting arms that now offer executive education in aspects of Finance, Accounting and others. Foreign universities and even Ivy League schools, such as Stanford University, are increasingly seeking to begin different programmes for the region. Nairobi, being a well-connected hub in the region, becomes an easy choice from an infrastructure perspective.

Undergraduate grades entry criteria to university programmes:

Since 2016, the government through its examining body, Kenya National Examination Council, put in place stringent examination measures that saw a decrease in the number of candidates attaining the minimum grade to join University degree programmes. Consequently, in 2017, 87 percent of those who sat for the Kenya Certificate Secondary Education (KCSE) failed to attain the minimum required cut off mark of C+ and above to join a public or private University of their choice. Moreover, 314,035, candidates who scored grade D and below were unable to advance to tertiary institutions.

4. Improve on what we have



Manpower

- People required to deliver the work

Money

- The available or required budget

Materials

- Software or other materials

Management

- Senior sponsor to support the project

Minutes

- The timeframe needed to deliver the work

Measurement

- The consistent KPIs or metrics used

Method

- Approaches being used and if out-sourcing is needed

Machines

- Computers or other equipment needed

Mother nature

- Environmental factors that may need to be considered

4. Improve on what we have



Human/Intellectual Capital

- 1,014 staff
- 42 million invested in professional staff development
- 15 staff on flexi time for nursing mothers

Social/Responsibility Capital

- 5732 students
- 18 parent forums
- 3 student career fairs

Natural Capital

- 50 acres of land
- 600kW solar energy provided to Strathmore University

Manufacturing Capital

- Property and equipment 2.7 billion
- IT infrastructure

Intellectual Capital

- 385 faculty
- 66 co-authored publications

Financial Capital

- Student Fees – 2.2 billion
- Research funds – Kshs 169.4 million
- Consultancy fees – 228.6 million

5. So what options are available – Going Global



Type of Entry

Characteristics

Exporting

High cost, low control

Licensing

Low cost, low risk, little control, low returns

Strategic alliances

Shared costs, shared resources, shared risks, problems of integration

Acquisition

Quick access to new market, high cost, complex negotiations, problems of merging with domestic operations

New wholly owned subsidiary

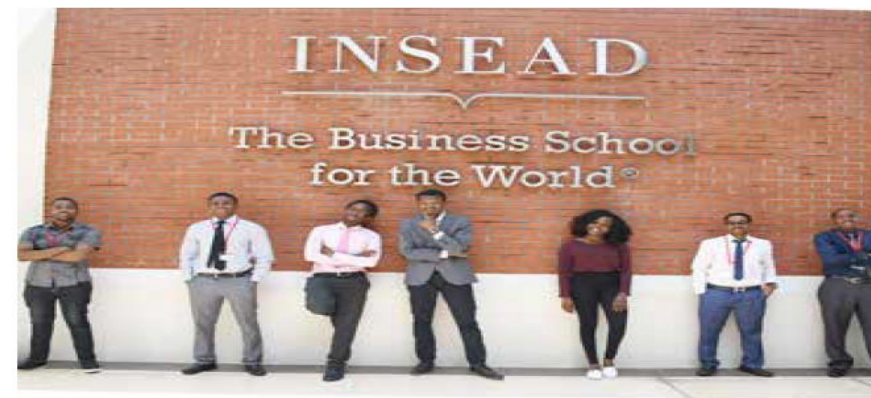
Complex, often costly, time consuming, high risk, maximum control, potential above-average returns

5. So what options are available – Going Global



Internationalisation

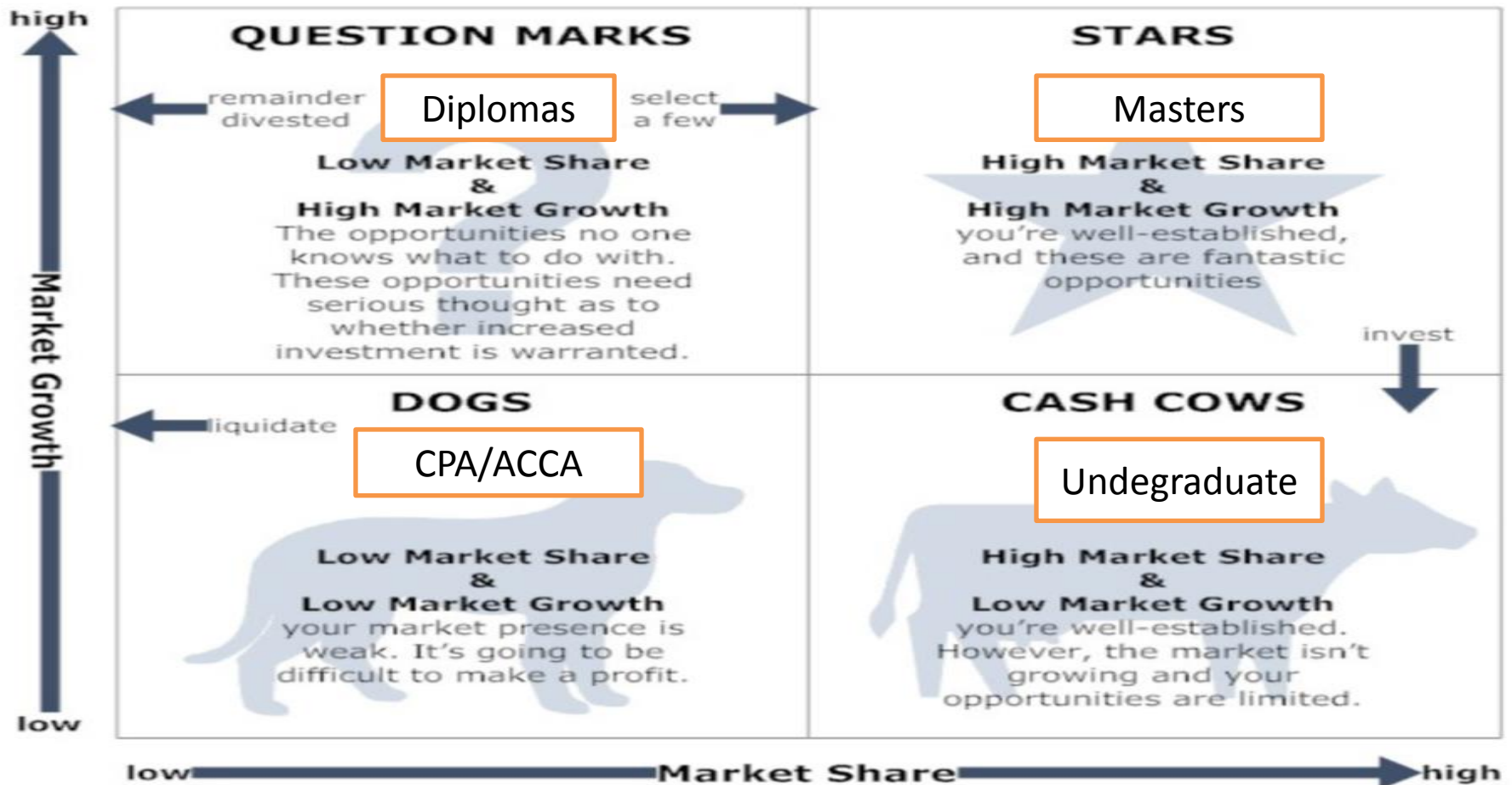
International engagement is an important focus for the University, and is a key factor in our brand profile. Through the concerted efforts of the Admissions Services Office, 2017 saw an increase in the enrolment of international students for undergraduate and graduate programmes. At the same time, we also provided exposure to global practices for hundreds of our undergraduate students through academic trips organised by all schools. Strong partnerships continue to be at the heart of our international engagement approach. In 2017, Strathmore signed ten Memorandums of Understanding (MoUs) with different partners, adding to the current on-going linkages with seven international universities.



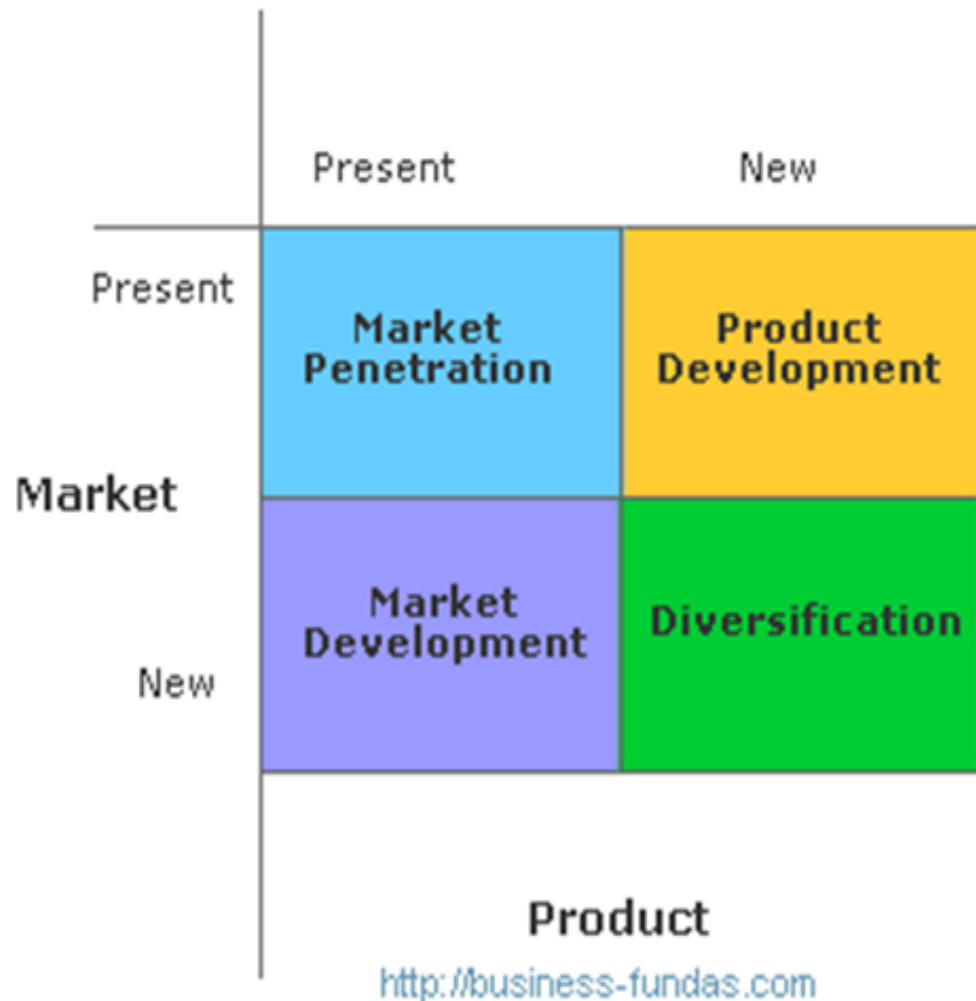
5. So what options are available – Corporate



BCG Matrix



5. So what options are available – Products/markets



Ansoff identified four courses of action.

Market Penetration

Selling existing products to existing markets. Increase quality, productivity, marketing. Consider collaboration.

Market Development

Extending existing products to new markets. New sales areas, segments, uses. Consider exporting, buying competitors, or licensing.

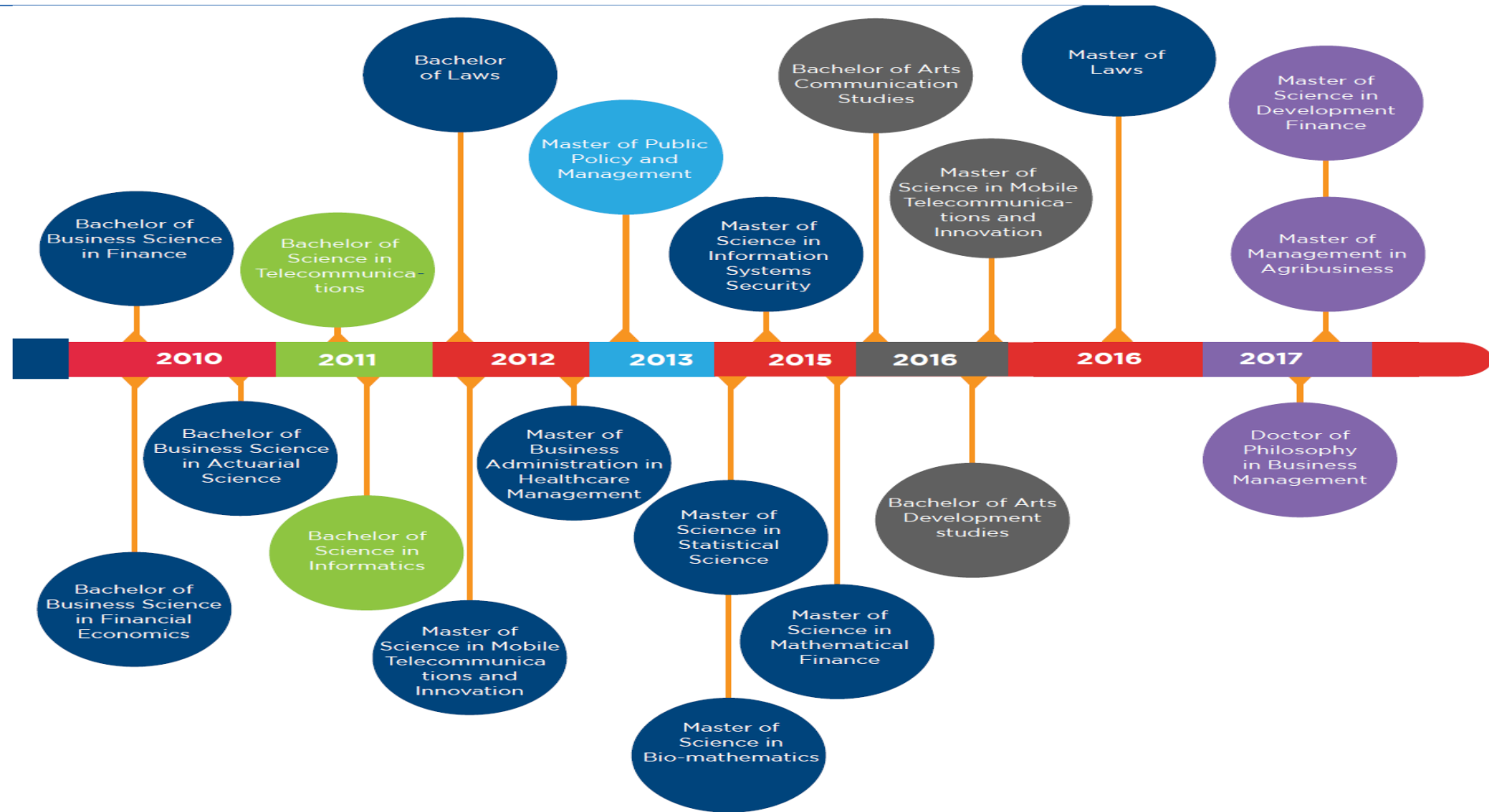
Product development

Developing new products for existing markets. Invest in R&D, Modifications or extensions. Buy-in products.

Diversification

Developing new products for new markets. Switch internal focus. Create new business units. Buy subsidiaries. Technology share. Consortiums.

5. So what options are available – Products/markets



5. So what options are available – Cost/leadership



Forces affecting the Industry Structure	GENERIC STRATEGIES AS DEVELOPED BY MICHAEL PORTER		
	Cost Leadership	Differentiation	Focus
Entry Barriers	Ability to cut price deters potential entrants	Customer loyalty hinders potential entrants	Development of core inimitable competencies
Buyer power	Ability to offer even lower price to more important buyers	Even large buyers have less power to negotiate due to differentiation	Large buyers have less power to negotiate from core competency
Supplier Power	Better insulation from powerful suppliers	Better position if supplier's price increase	Supplier's price may not have effect at all
Threat of Substitutes	Use a low price to ward off substitutes	Customer's attachment to differentiating attributes wards threats	Specialized attributes and core competencies ward off substitutes
Competitive Rivalry	Better competitiveness on price, unmet by competition	Brand loyalty can hinder switching to competitors	Rivals cannot meet differentiation developed for customer
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5. So what options are available – Cost/leadership



5. So what options are available – Cost/leadership

