THE INTERNATIONAL JOURNAL OF
BUSINESS & MANAGEMENT

Turnaround Strategies and Performance of Dairy Companies in Kenya: Case of New Kenya Cooperative Cremeries Limited

Kinuthia Eunice W
Student, Kenyatta University School of Business, Kenya
Dr. Samuel Maina
Lecturer, Kenyatta University School of Business, Kenya

Abstract:
This study sought to establish the effects of turnaround strategies on performance of New Kenya Cooperative Creameries. Specifically, the study sought to assess the effect of financial restructuring strategy, reorganization strategy, repositioning strategy and market redefinition strategy on performance of New Kenya Co-operative Creameries. The study was anchored on Verifier Determinant Theory, Stage Theory of Successful Turnaround and The Market-Based View (MBV) Theory. The study adopted a descriptive research design. The target population for this study was 150 employees of New Kenya Cooperative Creameries at their head office. The sample size of the study was 108 employees. The study used stratified random sampling in selection of 108 employees. Data was collected using questionnaire. Questionnaires were administered to the respondents by the researcher. Questionnaires were pretested and validated using pilot study. Analysis of quantitative data was done using descriptive statistics using SPSS (Version, 23) and presentation was by use of percentages, means, standard deviations and frequencies. Qualitative data that was collected using open ended questions was tested using content analysis. Correlation analysis was done to determine the level of association between predictor and response variables. Multiple regressions were done to investigate the effects of turnaround strategies on performance of New Kenya Cooperative Creameries. The study found that financial restructuring strategy had a positive relationship with performance of the Dairy Companies in Kenya; reorganization strategy had a positive relationship with performance of the Dairy Companies in Kenya; repositioning strategy had a positive relationship with performance of the Dairy Companies in Kenya; and market redefinition strategy had a positive relationship with performance of the Dairy Companies in Kenya. the study recommends dairy companies in Kenya to adopt the financial restructuring strategies such as restructuring company debt into a single loan this will enable the management of the company to plan for the future growth of the business; the company should also have equity finance on board his will ensure that they have internal source of finance; the company should also ensure that they have equity financing as this will enable the management to have a breathing space by ensuring they do not have fixed obligation of paying dividends; the company should also consider mergers because they broaden the financing option of the company and provide more capital than simply relying on existing cash.

Keywords: *Consumer engagement, debt restructuring, equity restructuring, financial restructuring strategy, market repositioning and turnaround strategy*

1. Introduction

The dairy industry in Kenya has been growing with yields of 564 kilograms per year as at 2015, with the growth being attributed to increased yield per cow, though its yields remain significantly lower than international standards; “South Africa and Argentina have yields ranging between 2500 and 3500 kilograms per year, while the USA stands at 9000 kilograms per year” (Techno Serve, 2017). The role that has been played by New KCC in Economic Revival Strategy is very significant for the country and this was the main reason why the government bought it back from KCC Holdings, attempt a turnaround which had a positive impact in the dairy sector in Kenya. New KCC’s entry into the dairy sector revived interest in dairying by offering improved prices for milk which have shot up from Sh.8 a liter in 2002 before stabilizing to the current Sh.34 (Daily Nation, 2016). This study seeks to investigate the effects of turnaround strategies on performance of the Dairy Companies in Kenya, with special focus on New Kenya Cooperative Creameries. Most organizations shrink because of various factors such as failure in sales, profitability and the main reason is reduced demand. Company’s demand might reduce because of different reasons (Richard et al., 2011). When it comes to strategic management, performance of the Organization and its improvement are the themes that dominate. There are several substitutes that come up and they are usually of great quality, customers can also reduce their consumption or stop using the product, needs of customers might change, living style, and style which results to reduction in demand.

Efficiency-oriented strategies are very important in order for a firm to attain turnaround by re-investing their processes to unsure that they are operating with efficiency. This will result to reduction in costs which could have affected profitability negatively. Pearce and Robinson (2010) argued that the relationship that existed was between the efficiency–oriented moves and successful turnaround. They insisted that embracing recovery strategies that are efficiency-oriented is very important in ensuring that turnaround is successful. Restructuring of the company improves the prospects for improving how companies perform (Hoskisson & Turk, 2012) via financial restructuring, reorganization, repositioning and market redefinition. Additionally, it provides a chance of transferring assets to those users of high value therefore attaining competitive advantage which has been dissipated because of being greatly diversified and being focused on the strategies that are the core of the company which will probably lead to increased profits.

Smith and Graves (2015) explained that turnaround strategies are classified as efficiency and entrepreneurial strategies respectively. Since there is no standard definition for turnaround, with many authors depending instead on the readers' general understanding, Pretorius (2013) for example proposes that turnaround occurs when a venture recovers from a decline means operating under distress, that is, where the business experiences decreasing resource slack it is recovering from a decline which was a threat to its existence to start operating normally and achieving performance that its shareholders accept by; "re-orientation of positioning, strategy, structure, control systems and power distribution".

Pearce and Robinson (2011) noted the existence of effective turnaround strategies and among them include the "financial turnaround strategy" referring to restructuring of finances with the purpose of providing finances. Peace and Robinson (2011) also pointed singled out reorganization strategy that entail changes to the leadership team and which also is concerned about the problems that people go through in their companies. This may be summarized as: "restructuring, re-staffing, re-skilling and turnaround leadership revitalization that yield improved leadership, management, organizational structure, organizational alignment and culture." On the other hand, Modern, et al. (2014) identified strategic repositioning turnaround strategy as another effective strategy that aims at improving effectiveness and efficiency by basing on the opportunities of business domain as well as the value proposition of the business. The mission of the distresses firm can be changed and the value orientation of its clients by changing "what products are offered to what markets and in which fashion which may in turn change the revenue, cost, asset structure of the business, yielding improved profitability and return on capital employed." This can be achieved by "growing, shrinking or refocusing the business." Repositioning is also another strategy that can be used and the major techniques that can be used here include retrenchment, repositioning, replacement, and renewal.

While each case is unique, the turnaround process involves processes and the first one is normally management change where consultants are called to manage the firm, this is followed by situation analysis which is performed to evaluate the prospects of survival and a raft of turnaround strategies that may be adopted. In view of supporting the propositions from other related studies, Beeri (2015) points out that turnaround strategy enactments in any particular company is focused at returning the company back to making profits and lowering the amount of debts and are expected to take a particular period of time such that if the company is to be considered as being financially stable and independent on its own for 2 years then the turnaround plan will be said to be complete. Turnaround strategies refer to mechanisms that can be used to reverse the existing negative trend and among others; they include retrenchment to improve internal efficiency, diversification, and liquidation.

Ongeti (2014) indicated that the performance of a firm is related to aspects such as "efficiency", "effectiveness", "financial stability" and also "relevance of the firm". The way an organization performs can be said to be its ability to attain its goals through the use of resources in an efficient and effective manner. When a company is able to provide products that meet the needs of their client then it is said to be effective; on the other hand, the way the company uses the resources they have with the intention of attaining its goals is referred to as efficiency. Ekawati (2014) indicated that organizational performance measures are usually applied to include how productive and effective a company is and the ratings of the company. In his study he used the case of General Electric to provide an illustration of measurements applying the use of "profitability, market position, productivity, product leadership, personnel development, employees' attitude and social responsibility".

Gittell (2015) explained that "leadership", "culture strategy" and "coordination" are the main factors that will lead to a successful performance in an organization. According to Kaplan and Norton (2012) "balanced score card" is another tool that can be used in measuring performance and "it is a set of measures that give top management a fast but comprehensive view of the business." It's inclusive of measurements of financial status while explaining outcome of strategies that were previously implemented and other measurements complementing financial measures on "customer satisfaction", "internal processes" and the "organization's innovation and improvement activities". In today's world managing an organization is complicated and therefore it is important that managers be able to consider performance in various areas simultaneously. The business is looked at in 4 perspectives which include "customer perspective; internal processes; innovation and learning and financial perspective" (Kaplan & Norton, 2012).

For slightly over five years now, New KCC has been at the heart of the country's dairy sector vibrancy. New KCC has contributed immensely to improving the fortunes of dairy farmers over this period. However, the firm's genesis stretches many decades back. KCC, the precursor of New KCC was established during the colonial era in 1925 by the white settlers around Naivasha. KCC operated as a settler's organisation for many years. According to the New KCC chairman Matu Wamae, Africans were not allowed to handle milk. They could not produce milk for themselves or for their neighbors (Kenya Dairy Board, 2010). In the year 1931 registration of KCC took place and its initial starting capital was Ksh 70 million. In the year 1998 the company collapsed because of issues with flow of cash and poor management. After a decade of loss-making, KCC was sold in 2000 to a group of private investors at a throwaway price of Kshs 447 million, a huge discount from a Sh2 billion valuation. This change of ownership, however, failed to jumpstart the dairy firm. When NARC administration took over the reins in 2003, the government bought KCC in year 2000 for Sh547 million (Kenya Dairy Board, 2010). New KCC Ltd has grown from strength to strength to register profits in otherwise very turbulent and complex dairy sector. New KCC Ltd registered a profit non-tax of Ksh half a billion in 2007 financial year from a Ksh 8 million loss before tax posted in 2005/06 financial year. New KCC Ltd posted a profit of Kshs 500 million in the financial year ended 30th June 2008 against Kshs 384 million posted for the previous trading period. In 2013 KCC recorded farm level earnings of KSh.922, 313,000 and 172% increase in processing capacity Kenya Dairy Board, 2010).

1.1. Statement of the Problem

Organization failure is a big problem for many organizations since many of them collapse within a span of 5 years. Moreover, other companies could fall victims of circumstances and in spite of great potential they possess; the result is constant decline in their performance. This decline could be because of some situations that are specific to the organization or the environment they are operating in. In cases where companies that possess great potential and discover ways of turning around their misfortunes and become profitable, strategies of turnaround could be applied to assist in stabilising its operations which will positively influence parameters of performance. Success of turnaround is based on the strategies that are undertaken by the leadership of the organization (Scherrer, 2011).

In Kenya, dairy companies are growing at a very fast rate. The Kenya Dairy Board in their report indicated that, "the annual volume of milk going to the milk processing plants has increased to 664 million litres in 2017 as compared to 238 million litres in 2010." The company also is a source of income for most Kenyans and its contribution to the GDP of the country is about 12%. Because of the fast expansion of dairy sector, all companies in the dairy sector need to come up and implement turnaround strategies that are sound for the purpose of having acceptable performance in the competitive market. The market share of New KCC is about 30% with increased competitiveness from private processors like Brookside, Aspendo dairies limited, uplands dairies limited, Githunguri and a number of small operators (Kenya Dairy Board, 2010). With stiff competition faced by New KCC within the dairy industry, there is need to adopt turnaround strategies to enhance performance and also ensure that new KCC remain competitive.

Empirical studies done include, Kibui (2017) who studied on factors which have effect on the results of turnaround strategies which have been embraced by Uchumi Supermarkets in Kenya. This study focused on turnaround strategies adopted by Uchumi Supermarkets. Okello (2017) did a study on "relationship between turnaround strategies and performance of small and medium enterprises in Kenya." This study focused on turnaround strategies and performance of SMEs. Kinyanjui and Ngugi (2014) carried out a study on the "influence of turnaround strategy on performance of consolidated bank Kenya limited." This study focused on turnaround strategy in the banking industry. Birir, et al. (2014) carried out a study on "the effect of turnaround strategies on performance of public corporations in Kenya." Over the years, research on turnaround strategies has gained momentum mainly because of its association with the organizational performance. It is evident from empirical studies that the studies were conducted in different organizations. To the researcher knowledge there were few empirical studies that concentrated on how performance of dairy firms in Kenya is affected by the strategies of turnaround. This study sought to fill the existing knowledge gap by establishing the effects of turnaround strategies on performance of New Kenya Cooperative Creameries.

1.2. Objective of the Study

1.2.1. General Objective

The general objective of the study was to investigate the effect of turnaround strategies on performance of the Dairy Companies in Kenya, with special focus on New Kenya Cooperative Creameries.

1.2.2. Specific Objectives

The study was guided by the following specific objectives

- To assess the effect of financial restructuring strategy on the performance of New Kenya Co-operative Creameries
- To assess the effect of reorganization strategy on the performance of New Kenya Co-operative Creameries
- To establish the effect of repositioning strategy on performance of New Kenya Co-operative Creameries
- To assess the effect of market redefinition strategy on performance of New Kenya Co-operative Creameries

1.3. Theoretical Review

In this part of the research study, various theories that are of relevance to the study; Verifier Determinant Theory, Stage Theory of Successful Turnaround and The Market-Based View (MBV) Theory.

1.4. Verifier Determinant Theory

Verifier Determinant Theory is guided by (Holtzhauzen, 2010). According to Pretorius (2012), the situations of turnaround are complicated, and several vagaries are contained in them and they significantly affect the process of making decision. Frameworks sourced from literature can help in cases of reaching decisions and to strategize is only but a guideline; they need to be interpreted and applied in situations since turnarounds have distinct (Pretorius, 2013). Verifiers are applied in confirming whether there exists a problem in a business since the units that are meant to scan do not respond to what Ansoff (1975) referred to as "weak signals". Stubbart (1982) reached a conclusion that there are a number of areas that can be looked at but there are very few theories on the significance of change in the environment that can be related with plans of business. The use of verifier determinants is essential when attempting to classify the warning signs used in the enormous array of business applications. If verifiers are used as prolonged activity in the business, they can help in daily monitoring of the business (Pretorius & Holtzhauzen, 2015). As Holtzhauzen (2011) had put it that verifier determinant correctly identifies the reason for declined business activities by applying "early warning sign theory" since it is greatly important in dealing in an effective manner with the question of whether to keep on using turnaround strategy or do away with it. Holtzhauzen (2011) further gave a suggestion that in the process of turnaround, turnaround decision is the first step.

1.5. Stage Theory of Successful Turnaround

There are several researches that have been done on the concept of corporate turnarounds where they are focused on distinguishing companies that are able to survive a very critical decline in performance and triumph once again from those who were no able to recover. The stage theory of successful turnaround by Manimala (2011) provides 4 crucial stages in turnarounds that are successful: "arresting sickness, focusing on core business, expansion and growth, and institutionalization through culture building." It emphasizes that manager of turnaround needs to embrace stage wise processes when they are trying to implement their strategies. The stage theory viewpoint explains how and why a chronology of events interacts overtime and eventually leads to organizational survival or failure. On the other hand, Smith and Graves' (2015) model greatly contributed that it is accepted for the execution of the two phases to be done simultaneously depending on the circumstances of the company. The theory was formed under the foundation of case observations, where observations made on actions of turnaround established that their executions were done in a simultaneous manner.

1.6. The Market-Based View (MBV) Theory

MBV theory argues that the main factors that determine how a company will perform are the industrial factors and orientation of the external market (Bain 1968; Caves & Porter1977; Peteraf & Bergen, 2003; Porter 1980, 1985, 1996). Bain's (1968) "Structure-Conduct-Performance" (SCP) framework and Porter's (1980) "five forces model" (whose foundation is SCP framework) are the most famous theories of this category. The value of a company lies in its competitive situation which is characterized by the position of its end products**.** Those unique activities by company which differ from those of their competitors are referred to as the company's strategic position. The strategic position of a company is the way the company will carry out in a different way those activities that resemble those of their competitors. The five forces being considered are: "barriers to entry, threat of substitutes, bargaining power of suppliers, bargaining power of buyers and rivalry among competitors" (Porter, 1985). Therefore, in this context, the source of market power for a company is its performance. There are other sources of market share and they are: "monopoly, barriers to entry and bargaining power" (Grant, 1991).

2. Conceptual Framework

A conceptual framework refers to presentation of association that exists between the response and predictor variables in diagrammatic form. Figure 1 is the figurative presentation of the variables being considered in this study.

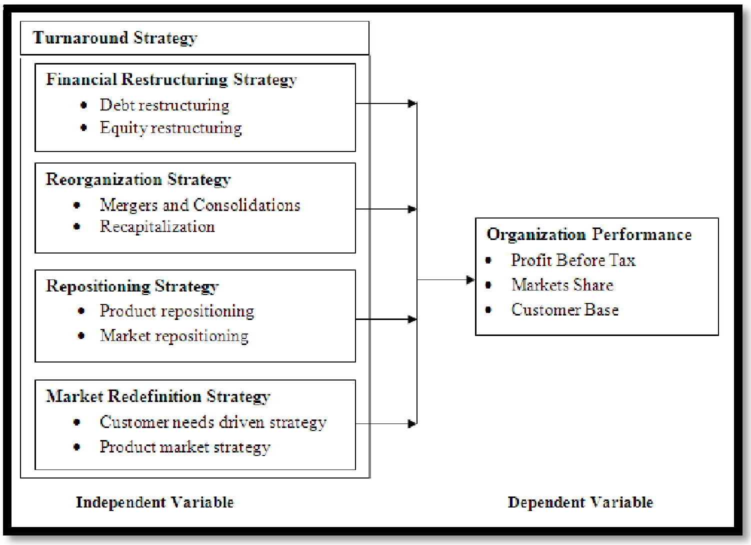

Figure 1: Conceptual Framework

3. Research Methodology

The research design that was adopted in this study is descriptive research design. Target population need to meet some specification set by the researcher and the population should not be heterogeneous. In the case of this study, the target population was individuals employed at New Kenya Cooperative Creameries. 150 individuals employed at the headquarters of the New Kenya Cooperative Creameries formed the study's population; they were from different managerial positions. The study used the Krejcie and Morgan's sample size determination table to arrive at the sample size. From the table the sample size of the study was 108 employees. The study's sample size was 108 employees, representing 72% of study's population. The selected sample, which is 108 respondents, was grouped into 4 strata.

Category	Population	Sample Size
Top Level Management	8	6
Middle Level Management	18	13
Low Level Management	50	36
Non-management	74	53
Total	150	108

Table 1: Sample Size

Data to be used in the study was collected using questionnaires. The research assistant helped in administering the questionnaires. Pretesting and validation of the questionnaire was done by conducting a pilot study. The study applied the use of Cronbach's alpha whose basis is internal consistency. Cronbach's Alpha was applied in evaluating reliability of the questionnaire. SPSS was used to calculate reliability. The value of alpha coefficient ranges from 0-1 and this is what was used to explain reliability. When the alpha coefficient value is high it implies that the scales are highly reliable. According to Cooper and Schindler (2008) the accepted reliability coefficient is threshold value of 0.7. The findings as shown in Table 2 indicated that financial restructuring strategy, as an alpha of 0.792, reorganization strategy as an alpha of 0.887, repositioning strategy as an alpha of 0.798 and market redefinition strategy an alpha of 0.892. This shows that all the variables are reliable.

Scale	Cronbach's Alpha	Number of Items
Financial restructuring strategy	0.792	7
Reorganization strategy	0.887	7
Repositioning strategy	0.798	6
Market redefinition strategy	0.892	7

Table 2: Reliability Analysis

Analysis of quantitative data gathered was done using descriptive statistics with the use of SPSS (Version, 23) and presentation was done using: "percentages, means, standard deviations and frequencies." Qualitative data which was gathered using open ended questions was tested using Content analysis. Correlation analysis was performed to establish the level of association between predictor and response variables. Multiple regressions were performed to investigate the effects of turnaround strategies on performance of New Kenya Cooperative Creameries.

4. Research Findings and Discussions

The sample used in the study was a total of 108 respondents out of which 90 were filled and returned forming a response rate of 83.3%. The rate of response was regarded representative and satisfactory in making conclusion. Mugenda and Mugenda (1999), indicated that a response rate of 50% is considered to be adequate, a response rate of 60% is good and that of 70% and above is considered to be excellent. From this assertion, our rate of response was excellent was considered adequate to make inference.

Category	Frequency	Percent
Response	90	83.3
Non-Response	18	16.7
Total	108	100.0

Table 3: Response Rate

4.1. Descriptive Statistics

4.1.1. Financial Restructuring

Statement	Mean	Std. Dev.
Debt Restructuring helps to reduce the number of monthly loan repayments by consolidating them into one payment,	4.422	1.234
Restructuring company debt into a single loan allows the management to make plans for business's future growth	4.211	1.085
Debt Restructuring could mean that the organization pays a lower interest rate overall, reducing the cost of finance	4.300	1.090
Restructuring debts enables the organization to make lower repayments each month	4.078	0.982
Because of absence in monthly payments related to financing of equity, the company has more to invest in expanding and developing the business.	4.322	1.191
Through equity financing mode, managements get a breathing space by not having fixed obligation of paying dividends.	4.100	0.992
By having equity finance, a company id able to develop internal finance sources	4.267	1.082
Aggregate Mean Score	4.243	1.094

Table 4: Effects of Financial Restructuring

As shown in table 4, the respondents indicated that the effects of debt restructuring are to a great extent. They indicated that debt Restructuring could mean that the organization pays a lower interest rate overall, reducing the cost of finance as shown by a mean of 4.300, Debt Restructuring helps to reduce the number of monthly loan repayments by consolidating them into one payment, as shown by a mean of 4.422, Restructuring company debt into a single loan allows the management to make plans for business's future growth as shown by a mean of 4.211, and Restructuring debts enables the organization to make lower repayments each month as shown by a mean of 4.078. These findings concur with Erkki, (2011) who did a study on the impacts of actions to reorganize on financial performance of small enterprises in Finland and established that performance was positively affected by Debt restructuring. Sulaiman (2012) who did a study on whether restructuring improves performance; the study established that restructuring significantly affected profitability, liquidity and solvency of the companies. Additionally, it was established that after restructuring, the performance of the company improved.

The respondents indicated that the extent of the effects of equity restructuring is great. The respondents indicated because of absence in monthly payments related to financing of equity, the company has more to invest in expanding and developing the business as shown by a mean of 4.322, by having equity finance, a company ids able to develop internal finance sources as shown by a mean of 4.267, and through equity financing mode, managements get a breathing space by not having fixed obligation of paying dividends as shown by a mean of 4.100. The aggregate mean score was 4.243 which is an indication that the respondents agreed on effects of Financial Restructuring on performance of the organization. Osoro (2013) studied how financial restructuring affects the way commercial banks in Kenya perform financially and established that financial restructuring positively affects financial performance of commercial banks.

4.2. Reorganization Turnaround Strategy

Statement	Mean	Std. Dev.
Redundancies in operations are reduced by having consolidation and also, they eliminate superfluous employees and functions of administration.	4.133	1.075
The company's market share is increased through organizational consolidation which in return leads to high profitability and sales	4.200	1.071
The number of competitors reduces once a company purchases its rival company	4.044	0.915
Mergers broadens organization financing options and provides additional capital other than just rely on available cash/liquidity	4.167	1.077
Tailoring of recapitalization can be done to fit the requirements and meet various objectives liquidity	4.000	1.031
Through recapitalization a company is able to expand its ability to borrow and therefore attain sustainable growth.	4.078	0.984
Through recapitalization structures that are more tax efficient and cost effective are provided which is better that the use of new common equity	4.100	0.990
Aggregate Mean Score	4.102	1.020

Table 5: Reorganization Turnaround Strategy

As shown in table 5 the respondents indicated that the extent of the effect of reorganization turnaround strategy is great. Regarding Mergers and Consolidations the indicate that the company's market share is increased through organizational consolidation which in return leads to high profitability and sales as shown by a mean of 4.200, mergers broadens organization financing options and provides additional capital other than just rely on available cash/liquidity as shown by a mean of 4.167, redundancies in operations are reduced by having consolidation and also they eliminate superfluous employees and functions of administration as shown by a mean of 4.133, and the number of competitors reduces once a company purchases its rival company as shown by a mean of 4.044. The findings concur with the findings of Sije, Omwenga, and Iravo (2016) who studied the association between reorganization turnaround strategy and how SMEs in Kenya performed and established that turnaround strategy and the way SMEs performed were significantly and positively associated.

Regarding recapitalization the respondents indicated that they had great effects. They indicated that Through recapitalization structures that are more tax efficient and cost effective are provided which is better that the use of new common equity by a mean of 4.100, Through recapitalization a company is able to expand its ability to borrow and therefore attain sustainable growth as shown by a mean of 4.078, and tailoring of recapitalization can be done to fit the requirements and meet various objectives liquidity as shown by a mean of 4.000. The aggregate mean score was 4.103 which showed that the generally respondents agreed on the effects of reorganization turnaround strategy on performance of the organization. The findings agree with the findings of Erkki, (2011) who did a study on the impacts of actions to reorganize on financial performance of small enterprises in Finland and established that compatibility of reorganization actions with the confirmed reorganization plan had a positive effect on how the companies performed.

4.3. Repositioning Turnaround Strategy

Statement	Mean	Std. Dev.
Plans of marketing that are effective should have a clear indication of how products and services of a company are different from rivals'	4.344	1.137
Through positioning of products, marketers consider how what they offer differs from other options customers can choose from.	4.367	1.133
Product positioning impacts the ultimate purchase decision	4.356	1.145
Marketing research informs the choices on shifting position such that it improves perception of the market regarding the product and or service	4.267	1.073
Market repositioning helps to change the perception of customers on a brand in relation to the competitor brand	4.322	1.134
Market repositioning helps the organization to change the perception of target market on major benefits of a product and their features in relation to what is offered by competitors	4.367	1.141
Aggregate Mean Score	4.337	1.127

Table 6: Repositioning Turnaround Strategy

As shown in table 6 the respondents indicated that the extent of the effects of repositioning turnaround strategy is great. Regarding product repositioning they indicated that Through positioning of products, marketers consider how what they offer differs from other options customers can choose from as shown by a mean of 4.367, product positioning impacts the ultimate purchase decision as shown by a mean of 4.356, and Plans of marketing that are effective should have a clear indication of how products and services of a company are different from rivals' as shown by a mean of 4.344. These agree with Blankson and Crawford (2012) on their study on the effect of strategies applied in positioning affect how companies that deal with service provisions perform, they established that branding, service, value for money and, reliability and attractiveness were the dominating strategies. Further, when companies employed the positioning strategies, it enabled them to attain their target sales and also proper perception from its customers. Also, it was established that desired profits ROI and market share were related with positioning strategies.

Regarding market repositioning the respondents also indicated that its effect was to a great extent. They indicated that Market repositioning helps the organization to change the perception of target market on major benefits of a product and their features in relation to what is offered by competitors as shown by a mean of 4.367, Market repositioning helps to change the perception of customers on a brand in relation to the competitor brand as shown by a mean of 4.322, and Marketing research informs the choices on shifting position such that it improves perception of the market regarding the product and or service as shown by a mean of 4.267. The aggregate mean score was 4.337 which is an indication that the respondents agreed on the effects of repositioning turnaround strategy on organizational performance. Seamans and Zhub (2017) did an evaluation on how repositioning and cost-cutting affects platform strategies and established that failing to have the right design for the responses will affect viability of the competitiveness also repositioning helps in attaining competitiveness. Munene (2013) in his research established that differentiation strategy, costing and promotion, perceived quality of service and pricing strategy were applied by the firms for the purpose of improving their performance.

4.4. Market Redefinition Turnaround Strategy

Statement	Mean	Std. Dev.
Customer-driven strategy helps in attracting and retaining customers will long-term profits be obtained	4.322	1.134
A specific segment of the market is targeted by marketing strategy that is driven by the customer.	4.133	0.988
The focus of marketing strategy that is driven by customer aims to meet the needs to the customer and also examines how the needs can be met by particular products and services.	4.211	1.042
Loyalty is built through Customer-driven marketing and the result is repeated sales and referrals	4.089	0.957
Application of feedback from clients in making changes or improvements with the aim of meeting clients' future needs is facilitated by strategies of product marketing.	4.278	1.108
Product marketing strategy encourages the existing customers to market the business so as to gain new customer	4.178	0.998
Increase in sales volume and profitability are some advantages of having marketing strategies that are well planned.	3.856	0.803
Aggregate Mean Score	4.152	1.004

Table 7: Market Redefinition Turnaround Strategy

As shown in table 7, the respondents indicated that the extent of the effects of market redefinition turnaround strategy is great. Regarding customer needs driven strategies, the respondents indicated that customer-driven strategy helps in attracting and retaining customers will long-term profits be obtained as shown by a mean of 4.322, The focus of marketing strategy that is driven by customer aims to meet the needs to the customer and also examines how the needs can be met by particular products and services as shown by a mean of 4.211, A specific segment of the market is targeted by marketing strategy that is driven by the customer. as shown by a mean of 4.133, and Loyalty is built through Customer-driven marketing and the result is repeated sales and referrals as shown by a mean of 4.089. These concur with Nguru, Ombui and Iravo (2016) who evaluated the effects of marketing strategies on the performance that strategies of marketing considered i.e. customer relationship management and customer satisfaction are positively associated with performance.

Regarding product market strategy, the respondents indicated that the extent of their effect is great. They indicated that Application of feedback from clients in making changes or improvements with the aim of meeting clients' future needs is facilitated by strategies of product marketing as shown by a mean of 4.278, product marketing strategy encourages the existing customers to market the business so as to gain new customer as shown by a mean of 4.178, and Increase in sales volume and profitability are some advantages of having marketing strategies that are well planned as shown by a mean of 3.856. The aggregate mean score was 4.152 which is an indication that the respondents agreed on the various statements on the effect of market redefinition turnaround strategy. The findings concur with Odhiambo (2015) who established that the strategies used were product strategy, pricing strategy, physical evidence strategy. Product strategy enabled the retail stores to offer broad product line, stock products for different customer clusters, ensures that quality and reliability of the product offerings gain importance, utilize product design and technology in product development and that utilize early adopters for new product ideas and feedback. The use of marketing strategies resulted in increased sales, enhance purchase of products and increase market penetration of retail outlet.

4.5. Performance of New Kenya Co-operative Creameries

Statement	2015	2016	2017
Average Pre-tax Profits	23.1	23,7	93.9
Return on Assets (ROA)	23,5	41,8	152.0
Employment Growth	12%	7%	17%
Number of Products	5	12	19
Market Share	17%	23%	35%
Sales Turnover	3490	3782	3864

Table 8: Performance of New Kenya Co-operative Creameries

As shown in Table 8, Average Pre-tax Profits grew from 23.1 in 2015 to 93.9 in 2017, Return on Assets (ROA) grew from 23,5 in 2015 to 152 in 2017, growth of employment grew from 12% in 2015 to 17% in 2017. The number of products produced by the company grew to 19 in 2017 from 5 in 2015, their share in the market also grew from 17% in 2015 to 35% in 2017. The company also witnessed growth in sales turnover from 3490 in 2015 to 3864 in 2017. This showed that the company witness an overall improvement in its performance in various sectors.

4.6. Inferential Statistics

4.6.1. Correlation Analysis

The association between independent and dependent variables is analysed using correlation analysis. The study used PMC analysis (Pearson Moment Correlation analysis) to determine the relationship between the variables under study. Table 9 illustrates the results.

		Performance	Financial Restructuring	Reorganization	Repositioning	Market Redefinition
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	90				
Financial restructuring strategy	Pearson Correlation	.872**	1			
	Sig. (2-tailed)	.000				
	N	90	90			
Reorganization strategy	Pearson Correlation	.888**	.279**	1		
	Sig. (2-tailed)	.000	.000			
	N	90	90	90		
Repositioning strategy	Pearson Correlation	.884**	.272**	.289**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	90	90	90	90	
Market redefinition strategy	Pearson Correlation	.880**	.263**	.279**	.249**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	90	90	90	90	90

Table 9: Correlations Coefficients

The results established a strong positive correlation existed financial restructuring strategy and performance of the Dairy Companies in Kenya, as shown by r= 0.872, reorganization strategy and performance of the Dairy Companies in Kenya are strongly and positively correlated as shown by r = 0.888; repositioning strategy and performance of the Dairy Companies in Kenya are strongly and positively correlated as shown by r = 0.884; market redefinition strategy and performance of the Dairy Companies were strongly and positively correlated in Kenya as shown by r = 0.880. This implies that financial restructuring strategy, reorganization strategy, repositioning strategy, and market redefinition strategy with performance of the Dairy Companies in Kenya are related.

4.7. Multiple Regression Analysis

4.7.1. Model Summary

The variation in the response variable as a result of change in the predictor variables are analyzed using model summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.890[a]	.792	.781	.16286

Table 10: Model Summary

The association between the variables under study is shown by R which is correlation coefficient. From the findings, results of correlation analysis indicate a strong positive relationship between the predictor variables and financial performance (r= 0.890). The adjusted r-square indicates that there was 78.1% variation of performance attributed to: financial restructuring strategy, reorganization strategy, repositioning strategy, and market redefinition strategy. The remaining 20.8% implies that there are other factors that affect performance of Dairy Companies in Kenya which were not discussed in the study.

4.7.2. Analysis of Variance

To determine whether the model overall is a good fit the analysis of variance ANOVA is used.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.032	4	5.258	40.417	.001[b]
	Residual	11.058	85	0.130		
	Total	32.09	89			

Table 11: ANOVA

From the p-value (p=0.001) in table 11 above, we find that the model overall was a good fit. Hence, financial restructuring strategy, reorganization strategy, repositioning strategy, and market redefinition strategy significantly and collectively explain changes in performance of the Dairy Companies in Kenya.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.514	.060		8.567	.000
	Financial restructuring	.062	.054	.064	1.148	.003
	Reorganization strategy	.257	.095	.491	2.705	.000
	Repositioning strategy	.219	.091	.192	2.407	.017
	Market redefinition	.270	.064	.250	4.219	.000

Table 12: Coefficients

In view of the results in table 12 above, a regression function is extracted as presented below.

$Y = 0.514 + 0.062 X_1 + 0.257 X_2 + 0.219 X_3 + 0.270 X_4$

The equation above revealed that holding financial restructuring strategy, reorganization strategy, repositioning strategy, and market redefinition strategy variables to a constant zero, will significantly influence performance of the Dairy Companies in Kenya as shown by constant =0.514. The study documents findings on each specific independent variable and its effect performance of New Kenya Co-operative Creameries singly.

Performance of the Dairy Companies in Kenya is statistically and significantly explained by strategy of financial restructuring as shown by ($\beta = 0.062$, $P = 0.003$). It indicates that financial restructuring strategy positively relate with performance of the Dairy Companies in Kenya. Therefore, increasing financial restructuring strategy by a single unit would lead to an increase in performance of the Dairy Companies in Kenya by 0.062 units. Performance of the Dairy Companies in Kenya is statistically and significantly explained by strategy of reorganization as shown by ($\beta = 0.257$, $P = 0.000$). Reorganization strategy positively relate with performance of the Dairy Companies in Kenya. Therefore, increasing reorganization strategy by a single unit would lead to an increase in performance of the Dairy Companies in Kenya by 0.257.

Performance of the Dairy Companies in Kenya is statistically and significantly explained by strategy of repositioning as shown by (β = 0.219, P = 0.017). Repositioning strategy had a positively relate with performance of the Dairy Companies in Kenya. Therefore, increasing repositioning strategy by a single unit would lead to an increase in performance of the Dairy Companies in Kenya by 0.219. Performance of the Dairy Companies in Kenya is statistically and significantly explained by strategy of market redefinition as shown by (β = 0.270, P = 0.000). Market redefinition strategy positively relate with performance of the Dairy Companies in Kenya. Therefore, increasing market redefinition strategy by a single unit would lead to an increase in performance of the Dairy Companies in Kenya by 0.270.

5. Conclusion

From the findings of the study, financial restructuring strategy is statistically and significantly explaining performance of the Dairy Companies in Kenya. The study further established that financial restructuring strategy positively relate with performance of the Dairy Companies in Kenya. Therefore, increasing financial restructuring strategy by a single unit results to an increase in performance of the Dairy Companies in Kenya.

Through consolidation, the company has the ability of increasing its share in the market, which in turn leads to higher sales and profit, mergers broadens organization financing options and provides more capital than simply relying on existing cash/liquidity. The study found that reorganization strategy statistically and significantly explains performance of the Dairy Companies in Kenya. The study also established that is reorganization strategy positively relates with performance of the Dairy Companies in Kenya. Based on the findings of the study, the study concludes that increasing reorganization strategy results to an increase in performance of the Dairy Companies in Kenya.

Positioning strategies enables a company to attain their target sales and also proper perception from its customers. The study also found that repositioning strategy statistically and significantly explains performance of the Dairy Companies in Kenya. The study further established that repositioning strategy positively relate with performance of the Dairy Companies in Kenya. From the findings of the study, it is concluded increasing repositioning strategy results to an increase in performance of the Dairy Companies in Kenya.

The study found that customer-driven strategy helps in attracting and retaining customers. Also, Market redefinition strategy statistically and significantly explains performance of the Dairy Companies in Kenya. The study further established that market redefinition strategy positively relates with performance of the Dairy Companies in Kenya. From the findings, it is concluded that increasing market redefinition strategy results to an increase in performance of the Dairy Companies in Kenya.

6. Recommendations

The study found that financial restructuring strategy had a positive relationship with performance of the Dairy Companies in Kenya. The study recommends that the dairy companies in Kenya should adopt the financial restructuring strategies such as restructuring company debt into a single loan this will enable the management of the company to plan for the future growth of the business. The company should also have equity finance on board his will ensure that they have internal source of finance. The company should also ensure that they have equity financing as this will enable the management to have a breathing space by ensuring they do not have fixed obligation of paying dividends.

The study revealed that reorganization strategy had a positive relationship with performance of the Dairy Companies in Kenya. The study recommends that the organization should consider organizational consolidation because they increase the size of a company's market which in turn leads to higher sales and profit it also reduces operational redundancies and eliminates superfluous staff. The company should also consider mergers because they broaden the financing option of the company and provide more capital than simply relying on existing cash.

The study found that repositioning strategy positively relate with performance of the Dairy Companies in Kenya. The study recommends that the organization should adopt repositioning strategies. The company should carry out thorough market research to gain information on choices on shift positioning this will ensure that there is improved perception of product, service and the brand. Lastly, the study revealed that market redefinition strategy had a positive relationship with performance of the Dairy Companies in Kenya. The study recommends that the company should embrace customer-driven strategy this will ensure that the company attracts and retains customers. The company should also develop strategies that focus on meeting the needs of customers this will ensure increased levels of customer loyalty. The company should also adopt well-planned product marketing strategy this will ensure that the existing customers market the business this will increase customer base which in turn increases sales and profits.

6.1. Recommendations for Further Studies

This study investigated the effects of turnaround strategies on performance of the Dairy Companies in Kenya, with special focus on New Kenya Cooperative Creameries. The study did not exhaust all the factors that affect performance of Dairy Companies in Kenya. The study therefore recommends further studies to be done on other factors affecting performance of Dairy Companies in Kenya. The study focused on New Kenya Cooperative Creameries. The study recommends replication of the study in other dairy companies in the country.

7. References

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