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Bwosi, R. N., & Ombui, K.

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Bwosi, R. N.,[*1] & Ombui, K.[2]
[*1] MBA Scholar, Jomo Kenya University of Agriculture & Technology [JKUAT], Nairobi, Kenya
[2] Ph.D, Lecturer, Jomo Kenya University of Agriculture & Technology [JKUAT], Nairobi, Kenya

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ABSTRACT
The dynamics in rapid changing of economic environment and market for accounting services in Kenya has continued to pose major challenges on the operation of the small and medium sized practices (SMPs) accounting firms in Kenya. A few of accounting firms continues to dominate the market space resulting to oligopoly situations and SMPs suffocation hence poor national economic growth. Therefore, the purpose of this study was to determine the effect of competitive strategies on achievement of competitive edge among accounting firms in Kenya. The study specific objectives included: To establish the effect of differentiation strategy on achievement of competitive edge among the accounting firms and to determining the effect of diversification strategy on achievement of competitive edge among accounting firms in Kenya. The study adopted a descriptive survey study design. The study target population comprised of a total of 200 persons who were employees and in supervisory positions drawn from 20 top accounting firms in Kenya; Purposive Stratified random sampling technique was used which enabled the researcher to draw a sample size for the study. The sample size of the study constituted 20% of each of the twenty study targeted top accounting firms 'stratum; thus making it a total of 40 respondents of which the study collected data from by use of questionnaire respectively. Data was analyzed and presented by use of descriptive statistics. The results of the study showed that the majority of the study top target accounting firms had adopted, differentiation and diversification strategies and these strategies were core lead strategies that has made them to achieve a competitive edge hence assuming a huge market dominancy resulting to oligopoly which in turn has negatively affected the small and medium accounting firms in Kenya.

Key Words; *differentiation strategy, diversification strategy, achievement, competitive edge*

INTRODUCTION

Steven Bragg (2010) competitive edge or edge is the ability of an organization to gain a material edge over its competitors. Having such an advantage can result in above-average profits or high levels of customer loyalty. There are many types of competitive edge that a business can take advantage of, such as the following: Having a supply of unusually inexpensive materials, Having access to a low-cost labor force, Owning a patent that is key to a product category, Having a large field servicing operation that can maintain products on short notice, Having a large chain of retail stores through which goods can be sold, Having a highly-regarded Internet store that experiences a large number of return visits, Having a design team that routinely produces leading-edge designs, Having a short product development cycle that pushes new products into the marketplace faster than what competitors can achieve Kathryn Haynes (2010) An example of how a core competency is used is to leverage a strong field service operation by noting the company's 24-hour response time when pitching a prospective sale to a customer.

Another example is being able to offer a commodity product to a customer at an unusually low price, since the seller's workforce is located overseas, where labor costs are reduced by more than half. Competitive edge can be taken away by a determined competitor in one of two ways: Match and then exceed the advantage offered by the company; or Undermine the company's position by developing an entirely new competitive edge that is highly prized by customers. Gerard Hanlon (2010) It is essential to maintain a competitive edge, in order to sustain long-term profitability. This means that management must be aware of the advantage and continually reinforce it with ongoing investments in the targeted area. Small- and medium-sized practices (SMPs) Accounting firms are a critically important part of the profession: they constitute the vast majority of accountancy practices worldwide and, in many areas of the world, are believed to employ the majority of professional accountants working in practice. Furthermore, SMPs typically serve small- and medium-sized entities (SMEs), commonly referred to as engines of growth and innovation. It is well recognized that professional accountants are often the preferred source of advice for SMEs, typically forming long-term relationships founded on trust. SMPs can provide a range of high-quality professional services to their SME clients, including audit and assurance and expert business advisory services.

Suhail Doshi (2011) states that in order to compete, you need to stay in the game and all its takes is a couple of wrong moves with devastating financial consequences to boot you out. Reports containing the right information help you to make decision based on facts, not instinct. Suhail Doshi (2013) Gerard Hanlon (2011) great reports are really the end products of all the other mechanisms within your finance departments.

Thompson & Strickland, 2002).states that UK chattered firms aims to provide businesses and individuals with an exceptional service, forming long-term working relationships valued by all parties. As tax legislation and the business environment continues to evolve – making the UK one of the most complex places in the world to be in business – the vast majority engage an accountant for peace of mind that their accounts and tax returns will be filed on time and prepared in accordance with generally accepted accounting principle.

Pearce and Robinson (2012) states that its critical to Recognize that every client is unique, helps to configure our services accordingly to fulfill individual requirements. A ‘one size fits all’ approach simply does not work and is not in keeping with our ethos. We are always happy to meet for a free, no obligation discussion to identify ways in which we can help you and your business grow. The practice was founded by Andrew Rand in(2001), known originally as ‘Stanes Rand’ Andrew’s determination to build a practice based entirely on the 3 simple principles of offering sound business development advice, responding to clients' needs in a timely manner and saving clients as much tax as is legally possible, served the firm well and with the support of a talented and enthusiastic team, accelerated growth beyond its original scope.

Pearce and Robinson (2003), reveal that London has become a global force to be reckoned with. Added to this, the general commercial interplay – particularly the flow of investment funds – between London and Cambridge continues to grow giving credence to the idea of joining together firms based in these two prime locations. Thompson Taraz Rand have chosen to partner with Xerone of the UK's leading on-line accounting systems, designed specifically for small businesses. Xero is hosted entirely 'in the cloud', meaning that wherever you have an internet connection you can log in to your Xero account. Conveniently, it also means we can access your current up-to-date file enabling us to make adjustments and assist you when necessary in real time and without the need to physically send data back and forth. Kwanji Fx is an international trade and payments company which aim to reduce the cost of conducting international business, starting with foreign currency payments. Kwanji is an independent and free online service which gives any sized business or individual easy access to multiple market leading foreign exchange providers and the best deals around – all in one place.

Rob Nixon (2016) report which focused on accounting, auditing, bookkeeping and tax advisory sector indicated that all inclusive accountancy services are valued at R28bn in 2015. According to the South African Institute of Chartered Accountants (SAICA) 2016, revealed that there is an existence of between 32,000 and 33,000 Chartered Accountants (CAs), a few thousand bookkeepers and accounting technicians, as well as 45,000 support staff are employed in the professional financial services industry. Pearce and Robinson (2003), South Africa is considered the world leader when it comes to the strength of auditing and reporting standards and local firms have acted as pioneers of modern accounting principles and integrated reporting. Though; the sector is dominated by the so-called "Big Four", the locally-owned operations of the largest accounting and accounting firms in the world, PricewaterhouseCoopers (PwC), Deloitte Touche Tohmatsu (Deloitte), Ernst & Young (EY), and KPMG. , Pearce and Robinson (2010), while the Big Four account for the majority of market demand, particularly in the lucrative audit of publicly traded companies, they have some meaningful competition in the form of a dozen or so medium-sized South African accounting firms. In particular, the firms SizweNtsaluba Gobdo (SNG) and Grant Thornton have been vying for the title of fifth-largest South African firm for some years. There are also a relatively large number of small and very small firms that primarily engage themselves in general financial accounting and bookkeeping as opposed to auditing.

In Kenya the accounting industry has undergone substantial changes in the recent years. The changes in the global economic environment1 and the global market for accounting services have greatly impacted on the operations of the accounting industry. Koploy.M.ed (2012)The rapid advances in technology, the globalization trends, the shift from traditional accounting services to non-accounting services such as advisory and consultancy, the strategic alliances in accounting industry as well as new competitive strategies other than Gathogo .H. (2011) three generic competitive strategies employed by accounting firms are among the recent major changes in the accounting industry operations (Lombardi et al.,(2014); Ryan et al, (2009).Accounting firms play a vital role in the overall functioning of a sound and efficient economy both for developed and developing countries Deloitte(2012). Accounting firms are instrumental in promoting integrity in financial reporting, building confidence in the economy, reducing market transaction costs, contributing to the allocation of capital in productive investments and such fuel economic growth. At the global stage, accounting industry is largely dominated by the 'a few' accounting network firms in spite of the rapidly changing global economic and business environment. The 'few 'accounting firms typically provide three main types of services: accounting (or assurance), tax and consultancy (advisory services). Of all the service lines, the advisory services have been the fastest growing service line in the recent years. In 2014, advisory services accounted for 34 %of the total revenue in all the Big Four network firms globally. The growth revenue generation in advisory services implied an impressive and accelerated revenue growth of 9.9% in 2014after growing 6.8% from 2012 to 2013(Deloitte, 2014).

According to ICPAK (2014) there are over accounting firms in Kenya.20 firms Of the 700 accounting firms in Kenya, assume top positions and dominate the accounting industry in Kenya. According to Ngo'oo (2012), accounting firms virtually provide accounting services to the listed companies and the government. The economic and market environment in Kenya has been dynamic and rapidly changing. The dynamism in the economic and business environment has not been at par with the changes in the positioning of accounting firm in Kenya. According to ICPAK 2010 and 2015 list of top 20 accounting firms in Kenya that have international affiliation, no major changes have been seen in the accounting firms positioning. The consistent dominance of the above 20 accounting firms in the accounting industry in Kenya begs an empirical investigation on the competitive strategies adopted by the internationally affiliated accounting firms to retain their positions. This study therefore sought to fill this knowledge gap by establishing the competitive strategies adopted on achievement of competitive edge by accounting firms in Kenya.

Statement of the Problem

The dynamic, rapid changing economic environment and market for accounting services in Kenya has posed a major challenge on the operation of the Small and Medium Sized Practices (SMP's) accounting firms in Kenya. A few of the accounting firms in Kenya has been dominating the market space hence suffocating many of the upcoming small and medium accounting firms resulting to oligopoly situation which in turn has hampered national economic growth. There are over seven hundred accounting firms (ICPAK 2018) in Kenya. The Big four accounting firms have a combined annual revenue of Kenya shillings 10.6 billion (IAB survey 2017), this represents a combined turnover of over fifty other small and medium practices according to the same survey.

This depicts high level of dominance of some accounting firms over other SMPs. World Bank has sought to determine ways of building capacities of the SMP's in Kenya with the view of enabling the SMP's to cope with the dynamism of the Kenyan economy. Several studies have been conducted to establish the competitive strategy practices of various organizations in Kenya. Matilu (2010) conducted a survey of the competitive strategy practices adopted by insurance companies in Kenya and found out that most insurance companies are embroiled in pricing wars. She recommends a paradigm shift to product innovations as a means to attaining a sustainable competitive edge in the insurance industry. Kimari (2010) investigated the sources of a sustainable competitive edge in the Kenyan mobile telephone sector and found out that a wider product range and network coverage were key in ensuring competitive edge of the players in the sector. There is no standard definition of what constitutes an SMEs, but Edinburgh group research estimates indicates that more than 95% of enterprises across the world are SMEs, accounting for approximately 60% of private sector employment and contributes significantly to countries gross domestic products (GDP).SMEs are crucial to the health, stability and sustainable economic growth of both developed and developing economic.

According to Mpungu (2003) and Waweru (2002) found out that in order to ensure survival, small firms adjust their strategic variables depending on their uniqueness. A good number of accounting firms find it hard to survive the new turn of events. Those, that are still surviving have had to adopt urgent measures in form of competitive strategies. However, there is no particular study that has attempted to study the factors that influence the competitive edge among auditing firms in Kenya. This constitutes a knowledge gap in the accounting industry in Kenya and justifies the need for further research. It is for this reason that the current study will seek to address this knowledge gap by studying the effects of competitive strategies on the competitive edge of accounting firms in Kenya. Therefore the focus for this study was to evaluate the effects of competitive strategies on the achievements of competitive edge among the accounting firms in Kenya specifically the twenty accounting firms that have international affiliations. The guding specific objectives were;

- To determine the effect of differentiation strategy on achievement of competitive edge among accounting firms in Kenya.
- To establish the effect of diversification strategy on achievement of competitive edge among accounting firms in Kenya.

Theoretical Review

Servqual Theory (Service Quality Theory)

Servqualis a multi-item scale developed to assess customer perceptions of service quality in service and retail businesses (Parasuraman et. al., 1988). The scale decomposes the notion of service quality into five constructs as follows: Tangibles - physical facilities, equipment, staff appearance, etc.Reliabilityability to perform service dependably and accurately, Responsiveness - willingness to help and respond to customer need, Assurance - ability of staff to inspire confidence and trust, Empathy - the extent to which caring individualized service is given. Servqualrepresents service quality as the discrepancy between a customer's expectations for a service offering and the customer's perceptions of the service received, requiring respondents to answer questions about both their expectations and their perceptions Parasuraman et. al.,(1988). The use of perceived as opposed to actual service received makes the Servqualmeasure an attitude measure that is related to, but not the same as, satisfaction. (1991) presented some revisions to the original servqual measure to remedy problems with high means and standard deviations found on some questions and to obtain a direct measure of the importance of each construct to the customer. Kettinger and Lee (1994) and Pitt et. al. (1995) were among the early adapters of Servqual to the IS context. Their work sought to use servqual to measure the service quality of the IS function. Since this time concerns have been raised regarding the suitability ofservqualto the international standards (IS) context

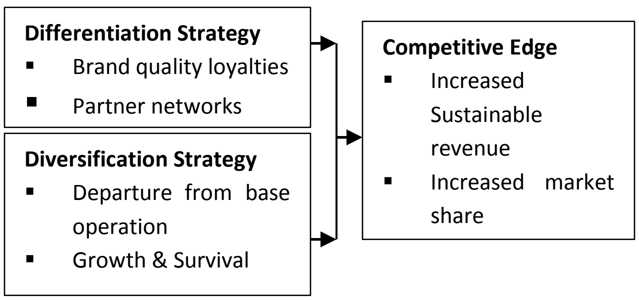
Capability Based View Theory

The Capability Based view (CBV) argues that capabilities are the source of competitive edgewhile resources are the source of capabilities. Grant(1991) suggested that resources do not contribute to sustainable competitive edges for a firm, but its capabilities do. He defines the capabilities as the firm’s capacity to deploy resources, usually in combination using organizational processes and affect a desired end.Teece et al. (1997) define dynamic capabilities as, “The firm’s ability to integrate, build and reconfigure internal and external and external competencies to address the rapidly changing environments”. Dynamic capabilities approach endeavors to analyses the sources of wealth creation and capture by firms. Dynamic capabilities thus reflect an organization’s ability to achieve new and innovative forms of competitive edgegiven path dependencies and market positions; LeonardB(1993).

Knowledge Based View Theory

The Knowledge Based View suggest that knowledge has a special characteristics that make it the most important and valuable resource. Hamel (1994) argue that technical know-how, intellectual assets and competencies are the main drivers of superior performance in the information age. Evans (2003) pointed out that material resources decrease when used in the firm, while knowledge assets increase with use. Technology, capital , market share or product sources are easy to copy by other firms while knowledge is the only resource that is difficult to imitate, hence leading to the increased poaching of key managers from the competition to transfer the experience and knowledge to the new company.

Conceptual Framework



Independent Variables Dependent Variable

Figure 1: Conceptual Framework

Source: Author (2018)

Literature Review

Differentiation Strategy

Kanpur's (2007) contends that from a managerial point of view, firms can develop successful strategies through focusing not only on the product building block but extending their strategies for conveying their meanings also through other building blocks like by partner network, distribution channels, suppliers and customers relationships. This can reinforce the meaning itself by conveying it through different means conveying the meaning, addressing the language not only to customers, but also to other different stakeholders (suppliers, politicians, other companies of the same ecosystem, citizens, etc.). This calls for a differentiation of strategies and languages, customized for different users.

Sensing the environment and understanding the signs, weak signals in order to imagine scenarios in advance. The managers need to imagine the future meanings and to study a strategy to assist in conveying them through building blocks. Fourth is by drawing the current meaning or rather building a block matrix. This helps the manager to understand the structure of its company in terms of design and languages shown to the stakeholders. Fifth is by deciding the action to be taken as regards these relationships. This assists the strategy manager to focus on the uncovered building blocks and the less-represented meanings which assures the organization of a competitive edgein the industry, (Kiema, 2015).

Kapner 2007) Differentiation strategy is one in which a firm offers products or services with unique features that customers value. The value added by the uniqueness lets the firm command a premium price. The key characteristic of differentiation strategy is perceived quality, Short J.C (2010). This may be through superior product design, technology, customer service, dealernetwork or other dimensions. The edgeof differentiation is that perceived quality andbrand loyalty insulates company from threats from any of the five forces that determine thestate of competition in an industry.

Ketchen & Short (2010), Price increases from powerful suppliers can be passed on to customers who are willing topay. Buyers have only one source of supply. Brand loyalty protects from substitutes. Brand-loyalty is also a barrier to new entrants. Githae (2004) implies that in differentiating, accounting firms have to broaden their services. They have to embrace various disciplines crucial toworld of business, charting what one may describe as new frontiers. Firms that succeed in a differentiation strategy often have the following internal strengths (Porter, 1996).

Diversification Strategy

Due to the vulnerability of the specialized firm to the fast and unexpected changes in the environment, diversification has been an essential basis for growth and survival of firms in the second half of the twentieth century (Penrose 2005, Marris, 2000). This increased relevance of diversification in explaining the changing profile of firms and industries led to the development of a vast body of research in various fields of socials social science Chandler,(2007). In business history, the seminal work of Alfred Chandler in Strategy and Structure: Chapter in the History of the Greatest American Enterprise (2010) created interest in this topic. In international business, MarkCarson and Peter Buckley's"Internalization" Theory" later developed by Carson in a "System View" also explored this issue of growth of diversified firms, though placing greater emphasis on the determinant role of the global environment. Based on the statistical analysis of the world's largest multinationals in the early 2000s, Robert Pearce introduced the concept ofdouble diversification. Simply put, diversification refers to the increase by a firm in the kinds of businesses which it operates, that diversity being either related to products, geographical markets or knowledge ; Lopes, (2007). Diversification is one of the twelve principal grand strategies that a firm can adopt as a basis for achieving major long-term objectives of a single business. Grand strategies, which are often called master or business strategies are intended to provide basic direction for strategic action. Thus, they are seen as basis of coordinated and sustainable efforts directed toward achieving long-term objectives (Pearce 2002). According to Pearce (2002) strategies indicates how long-range objectives will be achieved. Thus a grand strategy can be defined as a comprehensive general approach that guides major action. Grand strategies involving diversification represent distinctive departures from a firm's existing base of operations, typically the acquisition or internal generation (spin-off) of a separate business with synergetic possibilities counterbalancing the two businesses' strengths and weaknesses.

On the hand also it has been revealed that many Companies implements related diversification strategies in order to achieve and exploit economies of scope and build a competitive edgeby building on existing resources, capabilities, and core competencies. For companies that operate in multiple industries or product markets, economies of scope represent cost savings attributed to entering an additional business using capabilities and core competencies developed in another business that can be transferred to a new business without significant additional costs. In other words, companies that successfully transfer core competencies from one business to another without incurring significant additional costs will realize economies of scope.

Competitive Edge

Steven Bragg (2010) competitive edge is the ability of an organization to again a material edge over its competitors. Having such an advantage can result in above –average profits or high levels of customer loyalty. There are many types of competitive edge that a business can take advantage of, such as the following: Having a supply of unusually inexpensive materials, having access to a low - cost labor force, owning a patent that is key to product category, having a large field servicing operation that can maintain products on short notice, Having a large chain of retail stores through which goods can be sold ,having a highly –regarded internet store that experiences a large number of return visits ,Having a design team that routinely produces leading - edge designs ,Having a short product developed cycle that pushes new products into the market place faster than what competitors can achieve .

Kathryn Haynes (2010) an example of how a core competency is used is to leverage on a strong field service operation by noting the company s 24-hours response time when pitching a prospective sale to customer. Another example is being able to offer a commodity product to customer at an unusually low price, since the sellers workforce is located overseas, where labor costs are reduced by more than half. Competitive edge can be taken away by a determined competitor in one of the two ways: Match and then exceed the advantage offered by the company; or Undermine the company's position by developing an entire new competitive edge that is highly prized by customers.

Dave Robinson (2010) the term "competitive edge"might trigger thoughts of a company with defensible market position, best products,lowest price (and cost),superior customers services or consistent client outcomes. But the truth is, there are many sources of competitive edge within an unexpected area of your finance department.

Those reports your finance team hands you each months are goldmines of information. Almost any decision you are considering for your business can be guided with the right collection of reports. For example, If you want to acquire a new piece of equipment, reports present comparisons of generated income to the monthly payments can reveal whether you can afford the purchase and when the break –even point is achieved. If you are thinking of adding a service, reports expose whether the addition will be profitable or need to stay in the game and all it takes is a couple of wrong moves with devastating financial consequences to boot you out. Reports containing the right information help you to make decisions on facts, not based on instincts. As data analysts Gerald Hanlon (2011) insists that great reports are really the end products of all the other mechanisms within your finance department. The accounting firms' staffs, processes, control and technology/tools are potential sources of competitive edge. With proper management ,all these facets of your finance function work together to give you the answer to critical questions hence attaining competitive edge among companies resulting to increase in revenue and sustainable market share for your business functions.

METHODOLOGY

The study adopted descriptive survey research design to enable it achieve its intended objectives. The study target population was 200 persons from twenty accounting firms. This study used purposive stratified random sampling technique. Based on the study sample frame, the researcher assumed 20% of each target population stratum which yielded a sample size of forty (40) target respondents in majorly non managerial and supervisory positions. The primary data was mainly collected through self-administered questionnaire. The data was entered on computer using the SPSS version 23.0 package. Analysis was used to obtain descriptive statistics such as frequency counts charts, graphs, tables, figures and percentages.

FINDINGS AND DISCUSSION

Table 1: Differentiation strategy and achievement of competitive edge

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The firm has built partnership blocks through networking, distribution channels and suppliers and customers relationships by who they share same ecosystem.	21	16	1	0	2
The firm has effective managers with strategic and powerful imaginative strengthen hence able to figure out the future clearly and their block matrix they are trading in.	20	17	3	0	0
The firm has well-structured decision making	20	19	0	1	0

channels hence appropriate actions which enhance competitive edgeand position retention					
The accounting firm offers products and services with unique features that clients value	24	14	2	0	0
The accounting firm has a perceived quality design and brand loyalty	18	20	2	0	0

Majority strongly agree by 60% that their accounting firms offers products and services with unique features, that their accounting firms had built strong partnership blocks through networking ,distribution channels (52%) that their firms have effective managers with strategic and powerful imaginative strengths to figure out clear the future of the business environment and its dynamisms (50%), that their accounting firms had a strong well-structured decision making channel which has always enhanced their appropriate action(50%).

The study results precisely revealed by majority strongly agreeing that differentiation strategy has categorically supported their efforts to their achieved and retained competitive edge in the midst of stiff existing competition. The study findings clearly indicated that their accounting firms had built partnership blocks through networking, distribution channels, suppliers and customers relationship by whom they share same ecosystems and these segmentation has enabled them to narrow down to each individuals needs hence able to design service that precisely address their needs respectively resulting brand loyalty which in turn has continued their competitive edge among the top accounting firms in Kenya.

The respondents continued to reveal that through segmentation and categorizing of the target customers of the accounting firms; the firm leadership has been able to design products with correct communication languages for their different users.

The majority of respondents further revealed that for the accounting firms to achieve a competitive edge; they should have effective mangers that have strategic and powerful imaginative strengths that can help to figure out the future of the business dynamisms; concurring with Kanpur (2007 who says that managers needs to be able to sense the environment and understanding the signs, weak signals in order to imagine scenarios in advance and designs services and products to address that. Moreso, the study results from the study respondents revealed that the top accounting firms have well-structured decision making channels that constitutes facts from all levels of employees which has helped in robust designs of products and services that encompass unique features hence commanding a huge market share and revenue returns.

Table 2: Diversification strategy on achievement of competitive edge

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Diversification strategy has been essential for our growth and survival in the ever changing environment of accounting services delivery	26	13	1	0	0
Diversification strategy has kept our products ahead of other firms through our consistent	30	64	4	0	0

market research					
Diversification strategy gives our firm maximized stable and sustainable profitmargin and therefore we 100% recommend it.	32	6	2	0	0
Diversification strategy provides a firms a clear and distinctive departure from our firms existing base of operation synergies hence sustainable service counterbalance	36	5	3	0	0
Diversification strategy has successfully assisted us in transfer of competencies from one business to another without incurring significant additional costs of	28	10	2	0	0

Majority of the respondents strongly agreed by 80% that diversification strategy has given their accounting firms a maximized stable and sustainable profit margin and therefore would recommend it 100% to other accounting firms that would want to achieve a competitive edge in the present era, 80% that diversification strategy provides their firm a clear and distinctive departure from their existing base operation synergies hence achievement of sustainable services counter balance and further resulting to achievement of competitive edge among competitors, 75% that diversification strategy has kept their services and products ahead of their competitors, 70% that diversification strategy has successfully assisted their accounting firms in transfer of competencies from one business to another without incurring significant additional costs and 65% that diversification strategy has been essential for their growth and survival in the ever changing dynamics in the accounting business and services delivery.

Due to inevitable vulnerability of specialized firms to the fast and unexpected changes in the business world, diversification strategy continues to be an essential basis and ingredient for growth and survival; Penrose (2005).In all parameters, the above statements clearly reflects the study findings and results from the respondents which indicated that majority strongly agreed that for their accounting firms to achieve and retain the competitive edge, diversification strategy has been essential for their growth and survival and this has functioned well within an organization that is embodied with leadership that easily empresses flexibility in their operations. According to Pearce (2002)companies adopt and implement diversification strategy in order to achieve and exploit economies scope and build a competitive edge and further assists the same companies to transfer competencies from one business to another an element that majority of the study strongly agree with.

Table 3: Competitive Edge

Statement	S A	A	N	D	S D
Our competitive edge is earned strategically through ethical means	27	12	0	1	0
Competitive edge has increased our company revenue sustainably	28	6	4	2	0
There is sustainable competitive quality service provision	30	5	3	2	0

Visible innovation and brand loyalty hence a maintained market share	27	12	0	1	0
Differentiation and diversification forms our core lead strategies for our competitive edge	26	13	0	1	0

Majority of the respondents as shown by 70% strongly agreed b that achieving competitive edge had increased the firm's revenue sustainably, 75% that there were sustainable competitive quality services and products provision and this has made the target study firms to achieve their remarkable competitive edge among their competitors, 67% that their competitive edge was earned strategically through ethically proven means and this continues to put them above the rest of their competitors and hence good returns on their service delivery, 67% that there are visible elements of innovations and brand loyalty hence stable market share and 65% that service leadership, differentiation, globalization and diversification strategies formed their core lead operation strategies that has seen them achieve competitive edge among the competing accounting firms in Kenya.

CONCLUSION

The study also concluded that it would be prudent for the small and medium practices to adopt differentiation strategy would help them to build partnership blocks and affiliation through networking, distribution channels, suppliers and customers relationship by whom they share same ecosystems and these segmentation may enabled them to narrow down to each individuals needs hence able to design service that precisely address their customers' needs respectively resulting brand loyalty which in turn will continue to enhance their firm profile and finally achievement of competitive edge and earn a business space or market share among the top accounting firms in Kenya.

On diversification strategy it was found out that due to inevitable vulnerability of specialized firms to the fast and unexpected changes in the business world, diversification strategy continues to be an essential basis and ingredient for growth and survival, and this has functioned well within an organization that is embodied with leadership that easily empresses flexibility in their operations. And the study further concludes that SMPs to achieve competitive edge should be able to adopt this strategy for its benefits i.e increase in firm innovation and objective based services to their esteemed customers, its assistance to the firms to spread the business risks and in turn maximizing their profit margins, a clear and distinctive base for departure from firms existing operation synergies hence sustainable services that counter balances the business strengths and weakness resulting to a visible competitive edge and exploit economies scope and build a competitive edge and further assists them to transfer competencies from one business to another an element that majority of the study strongly agree with as major strategy for their achieved competitive edge.

RECOMMENDATION

The study recommended that managers and owners of Small and Medium accounting firms to carryout rapid business environmental assessment which help them to develop and adopt appropriate competitive strategies that would help them achieve the dire needed competitive edge. Firms should establish clear and effective methods of business data collection, management and analysis hence proper channels of dissemination to various firm departments and stakeholders.

Suggestion for Further Studies

The study was focused on accounting firms found in Nairobi city only. The reason for this was that, it was most convenient for the researcher. Despite the fact that Nairobi contains a high concentration of top accounting firms in the country, a research needs to be carried out on other geographical areas apart from Nairobi. The study would want to suggest for further research to on impact of the big four on the accounting industry and service in Kenya.

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