ANALYSIS OF BUSINESS GROWTH STRATEGIES AND THEIR CONTRIBUTION TO
BUSINESS GROWTH: A TANZANIA CASE STUDY

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Abstract
Growth is the most frequently used corporate strategy. It means increasing sales, assets, net profits and a chance to take advantage of the experience curve to reduce the per unit cost of products sold and thereby increasing profits. Business growth can be realized through several different indicators. The indicators can be grouped under four categories namely; business outcomes, business outputs, capacity and qualitative indicators. In most recent years it has been argued that most of Tanzanian companies have been experienced a slanted growth the situation which is reflected in few companies being listed in the country’s stock exchange company, the Dar es Salaam stock exchange (DSE). Among the reason sought for few companies listed on DSE are most of the companies failing to grow in terms of profit for three consecutive years which is one of the conditions for a company to be listed and inability of most of company managers to execute growth strategies effectively.

Limited studies have been done to explore the application of growth strategies for Tanzania companies. This paper analyses the application and implementation of different business growth strategies in Tanzania context. It highlights how different businesses have benefited from these growth strategies.

Keywords: Growth, Strategies, Tanzania

INTRODUCTION
Background
“The term growth means increase in size, or an improvement in quality as a result of a process of development in which an interacting series of internal changes leads to increases in size accompanied by changes in the characteristics in the growing object” (Penrose 1959). Growth is
the most frequently used corporate strategy. It means increasing sales, assets, net profits and a chance to take advantage of the experience curve to reduce the per unit cost of products sold and thereby increase profits. The cost reduction is very crucial if a firm's industry is growing quickly and competitors are engaged in price wards in attempts to increase their market shares. Those firms which do not gain the necessary economy of large scale productions normally face large loses unless they can find and fill a small but profitable niche where higher prices can be offset by special product or service features.

Not every growth strategy is appropriate for every business. The key to finding the right growth strategy is properly matching it to your company and its specific marketplace. Since the wrong strategy can devastate your business, it's important to determine whether you are selling new or emerging products in a new or existing market.

**Indicators of business growth**

Before we discuss different growth strategies which can be formulated by the business strategists, it's important to elaborate the indicators through which one can realize whether the business is growing or not. This is important because it is through these indicators the managers can assess the effectiveness and efficiency of their growth strategies. The indicators can be grouped under four categories namely; business outcomes, business outputs, capacity and qualitative indicators.

Outcome indicators: profit, the difference between revenues and costs is a common target of all private businesses and has to be achieved in order for any other objective to be sustainably realized. The amount of profit that a business makes is a function of revenues generated as well as the level of efficiency in the business. Increase in profit thus signifies an increase in sales and increase in efficiency. So generally one can observe his/her business growth through the increment of these aspects.

Output indicators: the main outputs of the business are the products and or sales. Production level can be a reasonable indicator of the business size because it's likely to reflect both the capacity of the business and its potentiality for profit. The value of goods produced is not readily available to the outsiders, so sales value is most widely used growth indicator. When amount of products produced by the business increases it implies that the business is growing (Olomi 2004).

Capacity indicators: these reflect the potentials of the business to produce outputs and outcomes. They include value of assets, capital invested, production capacity and workforce size. The managers can realize their business growth by observing an increase in assets and production capacity without forgetting the capital invested and the increase in number of employees.
Qualitative indicators: these include business structure, management practices, degree of formalization. When the structure of the business is expanded to allow decentralization and when management practices increase and become more complicated and the degree of formalization increases, then the business is growing (Olomi, 2004).

Generally these are some important indicators which can be used to assess the business growth. It is important for the strategists to understand whether the business is growing or not and at what rate is it growing. Under this knowledge the strategists will be in a position to choose the best growth strategy for their business at a particular time.

THE ROLE OF GROWTH STRATEGIES TO THE BUSINESS SUCCESS

While the need for firms to develop generic strategies is still unresolved debate, strategists agree about the critical role of the growth strategies. Growth strategies are often called the master business strategies; they provide the basic direction for strategic actions. They are the basis of the coordinated and sustained efforts directed towards achieving long term business objectives. (Mital, Robinson Jr, Pearce II, 2008).

The growth strategies have been playing the central role in the expansion, development, stability and finally success of the business. These grand strategies have enabled organizations to increase their market shares, develop new markets, and develop new products and services. There are several different growth strategies to be applied by the business strategists but there are four of them which are the result of product or market or both product and market changes. These strategies have been elaborated into the figure below:

![Figure 1: Product/Market Expansion](source: Kotler, 1999)

Figure 1: Product/Market Expansion

<table>
<thead>
<tr>
<th>Existing Market</th>
<th>Existing Product</th>
<th>New Product</th>
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<tbody>
<tr>
<td></td>
<td>Market Penetration</td>
<td>Product Development</td>
</tr>
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<td></td>
<td>Market Development</td>
<td>Diversification</td>
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However there are other growth strategies apart from the four on the figure above, joint venture, concentric diversification, conglomerate diversification, horizontal and vertical integrations and mergers and acquisitions. Generally the role of each of the growth strategies has been discussed below with vivid examples.
Market Penetration (Existing Products/Existing Markets)

Businesses that find themselves in a situation that involves neither new markets nor new products are forced to grow through a market penetration strategy, a strategy that is designed to give the business a greater percentage of market shares. This type of strategy usually seeks to gain a competitive edge through pricing, marketing, or other initiatives. Additionally, market penetration can be achieved by increasing customer usage through loyalty programs and incentives targeting your existing customer base. Market penetration occurs when a company enters/penetrates a market with current products. The best way to achieve this is by gaining competitors’ customers (part of their market share). Other ways include attracting non-users of your product or convincing current clients to use more of your product (by advertising etc).

Tigo Telecommunication Company market penetration strategy

To understand more about this strategy lets take Tigo Telecommunication Company. The company evolved from Mobitel through Buzz to Tigo, when it was Mobitel and Buzz there was no any significant performance noted and actually had not seriously applied the growth strategies. Then Buzz was changed to Tigo and the Tigo management decided to use market penetration as their growth strategy. They targeted on providing the same service in an existing market. At this time Tigo had about 4% market share. Then they acutely lowered the price and subjected their service to high promotion, this strategy enabled Tigo to penetrate the market by raising their market share to 25% which is equivalent to 19.6 million mobile subscribers in Tanzania currently. Through this strategy the company has managed to attract people who were non users of the mobile communication to join Tigo and also has attracted some customers who were customers of competitor companies to join Tigo. Nowadays Tigo Telecommunication Company is the Tanzania’s fastest-growing mobile network operator.

Market Development (Existing Products/New Market)

A more common strategy is one in which a business attempts to develop a new market for their existing products and services. The new market can be geographical (e.g. foreign export) or an untapped segment of a domestic market. It’s even possible to develop a new market for existing products by adjusting the product’s packaging or expanding the product’s distribution channels. In any event, a market development growth strategy requires a working knowledge of existing markets and the ability to identify gaps in the marketplace that can be exploited to the business’ advantage. If the marketing skills are not up to the task, the business will need the assistance of a skilled marketing professional to achieve growth in the new market.
Mzumbe University market development strategy
To understand thoroughly this strategy, Mzumbe University should be taken into account. Mzumbe University provides both undergraduate and postgraduate studies. Previously Mzumbe provided only full time Masters Programs, its market was only the graduates who wanted to study Masters full time without other binding activities such as jobs, business etc. but then Mzumbe University decided to add new market for its existing product (Masters courses), they established MBA Executive program which targeted a new market of people who wanted to study Masters while at the same time doing other non academic activities.

Product Development (New Products/Existing Market)
A growth strategy based on product development is the mirror image of a market development strategy. Instead of pioneering a new market with existing products, the business attempt to roll out a new product in a market with which the firm is already familiar. Many business owners are more comfortable working in this kind of scenario because they already possess an awareness of prevailing market conditions. However, a product development strategy can be just as challenging as a market development strategy because it often requires the business to develop new abilities and continuously adapt the products until they achieve marketplace success (Kotler, 1999).

Pepsi Cola Company Product development strategy
Take an example of Pepsi Cola Company which is one of the largest beverage producers in the world. The company has employed different growth strategies since its existence, however one of the strategy the company has put into application recently is product development. Pepsi has changed its product strategy by creating new products to follow the industry movement away from mass branding. This new movement was designed to attract a younger, hipper customer segment. Pepsi’s new products include a version of Mountain Dew, called Code Red and new Pepsi brands called Pepsi Twist and Pepsi blue. (Louis, Yazijian and Harvey 1980).

Diversification (New Products/New Market)
Companies diversify for a host of reasons. In some cases, it's a survival strategy. For instance, if the company makes the bulk of its sales at a particular time of year, it makes sense to consider diversification. By extending the company portfolio of products or services you can ensure a regular revenue stream from January through to December. However, there are plenty of other good reasons for diversification, not least by extending the company’s range of goods or services it can either sell more products to its existing customers or reach out to new
markets. This can supercharge company’s growth prospects. And perhaps the biggest reason for doing it is to extend a brand reputation into other markets, making the business bigger than one ever imagined. Take an example of General Electric Company.

**General Electric Company Diversification strategy**

General Electric the fourth most innovative company in the world (Bloomberg business week; The World's 50 Most Innovative Companies Special Report, 2007) is one of the vibrant strong companies in the world which primarily was a manufacturer of electric parts. Then in order to expand and grow their business the company moved into financing and financial services, which in 2005 accounted for about 45% of the company's net earnings. General Electric also owns a majority share of NBC Universal, which owns the NBC television network and several cable networks (Mital, Robinson Jr, Pearce II, 2008). It's not advisable to consider diversification until the core business is stable and profitable. If the business is still struggling to win orders and build a sales time for the core product, there is a real danger that diversification will take its eye of the ball. The catalyst to diversify business is often the realization that growth in the core business is either slowing or set to slow, often because the market for a particular product is becoming saturated. Diversification can put a company on the fast track to growth but if the strategy fails it can also burn up money. Diversification strategy can be categorized into two types: concentric diversification where there is addition of new but related products to the business and conglomerate diversification where there is addition of new but unrelated products to the business.

**Concentric diversification**

It is the addition to a corporation of related products or divisions. The corporation’s lines of business still poses some common thread that serves to relate them in some manner. The common thread may be similar technology, customer usage, distribution, managerial skills or product similarity. This type of diversification is appropriate for companies wishing to take advantage of their competitive position strategies.

**Vodacom Tanzania and concentric diversification strategy.**

Vodacom Tanzania has been repositioning itself to become a total communications solutions provider, offering customers quality and meaningful services and products. Vodacom maintains its stature of being “Tanzanians Leading Cellular Network” by introducing new products and services that target each and every Vodacom customer. The company has employed the concentric diversification strategy to maintain and improve its performance. In this strategy Vodacom Tanzania has introduced new products for the new market but these products are
highly related. The company has introduced the M-Pesa services and internet services, these services are highly related to the primary product the voice communication. M-PESA is an innovative money transfer solution that enables customers to send money to any mobile customer in Tanzania and also pay various bills via a simple phone transaction.

**Conglomerate diversification**

A conglomerate is a combination of two or more corporations engaged in entirely different businesses together into one corporate structure, usually involving a parent company and several subsidiaries. Often, a conglomerate is a multi-industry company. Conglomerates are often large and multinational. In other cases, conglomerates are formed for genuine interests of diversification rather than manipulation of paper ROI. Companies with this orientation would only make acquisitions or start new branches in other sectors when they believe this will increase profitability or stability. A good example here is Bakhresa group of companies

**Bakhresa Group of Companies: Successful Conglomerate**

Bakhresa Group of companies is one of the leading Industrial Houses in Tanzania and East Africa. Started in a humble manner with a small restaurant in Dar Es Salaam in mid seventies, it has now emerged as a respected business group in the Region. The Group has its operations spread in Tanzania, Zanzibar, Uganda, Kenya, Malawi, Zambia and most recently in Mozambique. The group now boasts of a turnover of more than Three Hundred Million United Sates Dollars and is a proud employer of more than two thousand employees associated directly. Bakhresa Group had primarily been specialized in food processing and it was a single company called Bakhresa Food Products Ltd, and then the conglomerate strategy was put into application by introducing the other subsidiaries in different industries like Grain Milling & Storage, Bakery Division, sports, Distribution, Specialty Packing, PET Recycling Project, Logistics & Transport, Telecommunications and Real Estate. In these industries Bakhresa has established subsidiary companies like Said Salim Bakhresa & Co Ltd, Azam Bakeries Company Ltd, Azam Football Club, Bakhresa Food Products (Z) Limited, Omar Packaging Industries Ltd, Azam Marine Company Ltd, Satafrik Tanzania Ltd and Reliable Property Developers Ltd (www.bakhresa.com).

**Mergers**

A merger happens when two firms agree to go forward as a single new company rather than remain separately owned and operated. This kind of action is more precisely referred to as a merger of equals. The firms are often of about the same size. Both companies’ stocks are
surrendered and new company stock is issued in its place. In practice, however, actual mergers of equals don't happen very often. Usually, one company will buy another and, as part of the deal's terms, simply allow the acquired firm to proclaim that the action is a merger of equals, even if it is technically an acquisition. Being bought out often carries negative connotations, therefore, by describing the deal euphemistically as a merger, deal makers and top managers try to make the takeover more palatable. A purchase deal will also be called a merger when both CEOs agree that joining together is in the best interest of both of their companies. But when the deal is unfriendly i.e. when the target company does not want to be purchased, it is always regarded as an acquisition.

Vodafone Airtouch Plc and Verizon Wireless: good examples of mergers.

Vodafone Group plc is a global telecommunications company headquartered in Newbury, United Kingdom. It is the world's largest mobile telecommunications company measured by revenues and the world's second-largest measured by subscribers behind China Mobile, with around 332 million proportionate subscribers as of 30 September 2010. It operates networks in over 30 countries and has partner networks in over 40 additional countries. It owns 45% of Verizon Wireless, the largest mobile telecommunications company in the United States measured by subscribers. In 1999, Vodafone group plc merged with AirTouch Communications, Inc. and changed its name to Vodafone Airtouch plc. Trading of the new company commenced on 30 June 1999. Vodafone group plc had also merged with Bell Atlantic Corp to form Verizon Wireless. However Vodafone Airtouch plc merger did not last very long it broke in the year 2000 and the name Vodafone group plc was revived. The Verizon wireless merger is successful and Vodafone group plc owns 45% of its shares (www.electronista.com).

Acquisition

An acquisition is the purchase of one company by another company. An acquisition may be private or public, depending on whether the acquiree is or isn't listed in public markets. An acquisition may be friendly or hostile. Whether a purchase is perceived as a friendly or hostile depends on how it is communicated to and received by the target company's board of directors, employees and shareholders. It is quite normal for acquisition deal communications to take place under confidentiality situation whereby information flows are restricted due to confidentiality agreements (Harwood, 2005).

In the case of a friendly transaction, the companies cooperate in negotiations while in the case of a hostile deal, the takeover target is unwilling to be bought or the target's board has no prior knowledge of the offer. Acquisition usually refers to a purchase of a smaller firm by a larger one. Sometimes, however, a smaller firm will acquire management control of a larger or longer
established company and keep its name for the combined entity. This is known as a reverse takeover.

The Bhart Airtel International acquisition of Zain Africa

Among the most recent acquisitions done in telecommunication industry is that of Bhart Airtel International purchasing Zain Africa. The transaction of Bhart Airtel International purchasing Zain Africa was approved on 27th April 2010. The transaction included the sales and purchase of shares. The Bhart Airtel International completed the acquisition of Zain Africa by paying Zain Kuwait the total of 10.7 billion USD, making the Indian company the fifth largest telecom phone company in the world. This acquisition strategy has undeniably expanded the Bhart Airtel International which now has increased its number of its subscribers to 180 million subscribers (www.ibtimes.com). Below is the list of acquisitions from the year 2006 to 2010 as listed and approved by the fair competition commission.

Table 1: List of Approved Acquisitions for the period 2006-2010

<table>
<thead>
<tr>
<th>Application date</th>
<th>Acquiring Firm</th>
<th>Target Firm</th>
<th>Approved date</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/08/2007</td>
<td>Highland Tea Company Limited</td>
<td>Kibena Tea Limited</td>
<td>06/08/2007</td>
</tr>
<tr>
<td>06/11/2007</td>
<td>ATMT(Holdings) Limited</td>
<td>Simbanet (T) Limited</td>
<td>18/01/2008</td>
</tr>
<tr>
<td>25/02/2008</td>
<td>Shelly's Pharmaceutical International Limited</td>
<td>Biolands International Ltd</td>
<td>01/04/2008</td>
</tr>
<tr>
<td>12/06/2008</td>
<td>Synovate (Holdings) Limited</td>
<td>Steadman Group (T) Limited</td>
<td>25/06/2008</td>
</tr>
<tr>
<td>17/06/2008</td>
<td>Crystal Limited</td>
<td>Chai Bora Limited/ Tanzania Tea Packers Limited</td>
<td>20/06/2008</td>
</tr>
<tr>
<td>30/06/2008</td>
<td>Simba Plastics Limited</td>
<td>Simba Plastics Company Ltd</td>
<td>15/08/2008</td>
</tr>
<tr>
<td>14/08/2008</td>
<td>Vodafone Group Pty</td>
<td>Gateway Telecommunications PLC</td>
<td>22/10/2008</td>
</tr>
<tr>
<td>13/11/2008</td>
<td>Vodafone Group PLC</td>
<td>Telkom SA Ltd</td>
<td>21/11/2008</td>
</tr>
<tr>
<td>05/12/2008</td>
<td>Eagle Africa Insurance Brokers (Kenya) Limited</td>
<td>Eagle Africa Insurance Brokers (T) Limited</td>
<td>23/12/2008</td>
</tr>
<tr>
<td>13/01/2009</td>
<td>Telkom International Limited</td>
<td>M-Web Africa Limited</td>
<td>24/02/2009</td>
</tr>
<tr>
<td>24/02/2009</td>
<td>Mountainside Investment Limited</td>
<td>Mountainside Farms Company</td>
<td>20/03/2009</td>
</tr>
<tr>
<td>05/03/2009</td>
<td>NIC Bank Limited</td>
<td>Savings and Finance Commercial Bank Limited</td>
<td>24/03/2009</td>
</tr>
<tr>
<td>18/08/2009</td>
<td>Aspen Pharmacare Limited (Aspen)</td>
<td>GlaxoSmithKline Export</td>
<td>02/03/2010</td>
</tr>
</tbody>
</table>

Source: Fair competition Commission Tanzania (2011)
The Joint-Venture

A Joint Venture on a continuing basis is the normal business undertaking. The term Joint venture refers to the purpose of the entity and not to a type of entity. Therefore, a joint venture may be a corporation, a limited liability enterprise, a partnership or other legal structure, depending on a number of considerations such as tax and tort liability. Joint Ventures are normally formed both inside one’s own country and between firms belonging to different countries. Joint Ventures are usually formed in order to combine strengths or to bypass legal restrictions within a country. Some Joint Ventures are also formed because the law of a country allows dispute settlement, should it occur, in a third country. They are also formed to minimize business, tax and political risks. The Joint Venture is an alternative to the parent-subsidiary business partnership in emerging countries, discouraged, on account of ignoring national objectives, slow-growth, parental control of funds and disallowing competition. Joint Ventures can be in the manufacture of goods, services, travel space, banking, insurance, web-hosting business, etc. Today, the term ‘Joint Venture’ applies to more occasions than the choice of Joint Venture partners; for example, an individual normally cannot legally carry out business without finding a national partner to form a Joint Venture as in many Arab countries. Also, the Joint Venture may be an easier first-step to franchising, as McDonald’s and other fast foods found out in China in the early difficult stage of development. Other reasons for forming a Joint Venture are: reducing entry risks by using the local partner’s assets, inadequate knowledge of local institutional or legal environment, access to local borrowing powers, perception that the goodwill of the local partner is carried forward. In strategic sectors, the county’s laws may not permit foreign nationals to operate alone, access to local resources through participation of national partner and influence of local partners on government officials (Mital, Robinson Jr, Pearce II, 2008).

Resolute Ltd, Ashanti Goldfields in joint venture with AngloGold, Barrick Gold Corp

The vivid examples of joint venture in Tanzania are those in mining industry: The Resolute Ltd; Ashanti Goldfields in joint venture with AngloGold; Barrick Gold Corp; and the other joint venture is between Placer Dome Inc; Meremeta Ltd; and Pangea Goldfields Inc in joint venture with Miniere du Nord. The joint venture AngloGold Ashanti owns 50% of the Geita mine in Tanzania. The mine which started production in August 2000 produced a record 661,045 oz at a cash operating cost of US$170/oz in 2003, compared with 579,043 oz at US$163/oz in 2002. the joint venture has increased sales and profits to the parts in the joint venture. Without joint venture neither part could be in a position to secure the mining project alone. (www.tanzaniagold.com)

Concentration
Concentration is the growth strategy which emphasizes a single product or product line, single market or single technology. It allows a firm to put more time, energy and resources into the development of attractive industry. Regarding a product line, market or technology a business can opt to grow by either acquiring or merging with the competitor in the market or acquiring the supplier, distributor or both of them. There are two concentration strategies; horizontal and vertical growth.

**Horizontal integration**
The term horizontal integration is a strategy used by a business or corporation that seeks to sell a type of product in numerous markets. Horizontal integration in marketing is much more common than vertical integration is in production. Horizontal integration occurs when a firm is being taken over by, or merged with, another firm which is in the same industry and in the same stage of production as the merged firm, e.g. a car manufacturer merging with another car manufacturer. In this case both the companies are in the same stage of production and also in the same industry. This process is also known as a buy out or take-over (David and Henry, 2003). A term that is closely related with horizontal integration is horizontal expansion. This is the expansion of a firm within an industry in which it is already active for the purpose of increasing its share of the market for a particular product or service. The strategy is appropriate for a firm with average competitive position wishing to increase its presence in an attractive industry. The firm spreads into other segments of its current market or into other geographic areas. The aim is to increase the sales and profits of the firm’s current business, through larger economies of scale in production and marketing, and at the same time reduce current or potential competition for customers and supplies. A firm can grow horizontal through internal or external means. External horizontal growth is called horizontal integration and is the acquisition by one corporation of another corporation or business unit in the same industry.

**Deutsche Telekom horizontal integration strategy**
A good example in this strategy is Deutsche Telekom. The company is based in Germany and it is a wireless service provider. Deutsche Telekom was a dominant player in the European wireless services market, but however it was not present in the fast growing US market by the year 2000. Now to correct this limitation, Deutsche Telekom horizontally integrated by purchasing the American firm Voice – Stream Wireless, a company that was growing faster than most domestic rivals and that owned spectrum licenses providing access to 220 million potential customers (Mital, Robinson Jr, Pearce II, 2008).
Vertical integration
Vertical growth strategy: it is commonly called vertical integration. It happens when a corporation enters one or more businesses that provide goods or services necessary to the manufacture and distribution of its own products but which were previously purchased from other companies. These can range from obtaining of raw materials to the merchandising of the product (Folsom, Burton, 2007). In other ways Vertical integration is the degree to which a firm owns its upstream suppliers and its downstream buyers. Vertical integration is typified by one firm engaged in different parts of production e.g. growing raw materials, manufacturing, transporting, marketing, and/or retailing. There are three varieties: backward (upstream) vertical integration, forward (downstream) vertical integration, and balanced (both upstream and downstream) vertical integration. A company exhibits backward vertical integration when it controls subsidiaries that produce some of the inputs used in the production of its products. For example, an automobile company may own a tire company, a glass company, and a metal company. Control of these three subsidiaries is intended to create a stable supply of inputs and ensure a consistent quality in their final product.

Suzlon Energy Limited, the backward vertically integrating company
The best example of the growth through backward vertical integration strategy is the Suzlon Energy Limited. This company was primarily a textile company and it was incurring huge costs due to dependence on the unpredictable power supply. To solve this problem the company decided to undergo backward vertical integration strategy by purchasing two windmills for power production. This strategy showed up undeniable improved performance by increasing company sales, profit and assets. Having encouraged with the performance the company decided to vertically integrate more in backward way. In the year 1995 it purchased the technology for manufacturing Wind Turbine Generators from the Germany Company called Sudwind GmbH Windkraftanlagen. After purchasing this technology the Suzlon Energy Limited started manufacturing and selling windmills. By the end of the year 2006, Suzlon Energy Limited become India’s leading manufacturer of Wind Turbine Generators and the fastest growing company in Asia (Mital, Robinson Jr, Pearce II, 2008).

A company tends to exhibit **forward vertical integration** when it controls distribution centers and retailers. This is very common when the business wants to expand in the market where there are strong distributors. See how Mohamed Enterprises Ltd applied this strategy in their domain.
Mohamed Enterprises Tanzania Ltd (METL) was founded as a trading business which continues to be a crucial core sector for the Group. Specifically, METL primarily was dealing with import business, and even exportation. The trading business had not performed with flying colors until when METL embarked on vertical integration strategy. After employing the vertical integration strategy, the METL's trading business has grown exponentially. METL has undergone forward vertical integration by introducing distribution services. To make sure the company perform better in distribution business, it introduced 15 Relationship Sales Executives (RSEs) catering to the needs of wholesalers in Dar es Salaam and preferred customers in upcountry locations. On the other hand it has a convoy of 30 vehicles that carry out sales rounds in Dar es Salaam every day of the month. Currently METL is one of the very few companies in Tanzania to have a comprehensive vehicle fleet as large as 450 vehicles. Such forward vertical integration has expanded the business and improved the competitiveness of the trading business along with good performance in distribution business leading to to rapid growth of the METL group of companies in terms of sales, assets, profits and number of customers. (www.metl.net)

**Balanced vertical integration** means a firm controls all of these components, from raw materials to final delivery. So METL can still stand as the best example of this strategy. METL has employed both backward and forward vertical integration. While the above explanation shows how the company integrated vertically forward wise, still METL Group embarked backward vertical integration strategy as well. It entered the manufacturing field in late 1990’s with a view to process locally available raw materials like cotton, maize, rice, edible oils, sisal etc and to strengthen the manufacturing of processed products within the country together with agriculture. The strategic vertical integration programme was designed to complement METL’s core trading business and wide range of products from beverages to bicycles. The company’s culture within the sector is to produce quality products that are affordable and meet the needs of about 40 million Tanzanians. Major projects in the pipeline include development of a complete supply chain for textiles, including cotton farming, ginning and expansion of capacities in the spinning, weaving and processing sections (www.metl.net).

**CONCLUDING REMARKS**
Not every growth strategy is appropriate for every business, so the challenge to find which right growth strategy is properly matching to the company and its specific marketplace can only be overcome by innovative strategists in the business. Since the wrong strategy can devastate the business, it’s important to determine whether the business is selling new or emerging products.
in a new or existing market. On the other hand not all the time business needs growth strategies, sometimes the business might require other strategies to survive. It might be in need of stability, retrenchment and any other strategies, to decide which strategy is better for the business at the particular time requires innovative people.

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