

Coping with the African business environment Strategic response under institutional uncertainty in the Tanzanian food processing industry

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Infant industry structures, weak institutions, wide spread market failures and lack of trust permeate the Tanzanian business environment. Nevertheless, some local enterprises succeed in overcoming these challenges. This paper seeks to understand the strategies of these enterprises. Drawing on case studies of Tanzanian enterprises in the food processing industry, we identify six generic coping strategies which contrast markedly with the kind of strategies conventional strategic management thinking would prescribe: Instead of focus strategies, Tanzanian enterprises diversify across industries and value chain functions; Instead of competitive strategies, Tanzanian enterprises embark on network and political strategies; And instead of internationalizing based on home-market strengths, Tanzanian enterprises internationalize in response to home-market weaknesses. We characterize the strategies adopted by Tanzanian enterprises and discuss implications for the strategic management literature.

Key words: African business, Environment