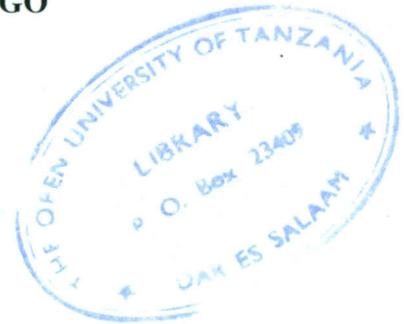


**UNDERSTANDING THE STRENGTHS AND WEAKNESSES OF
COMPETITORS AS A CRITICAL SUCCESS FACTOR IN
BUSINESS**

An Empirical Study of Small and Medium Enterprises in Dar es Salaam

By

SOSTHENES W. KIBWENGO



**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT FOR THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION IN THE OPEN UNIVERSITY OF TANZANIA**

THE OPEN UNIVERSITY OF TANZANIA

2006

ABSTRACT

The aim of the study was to get an understanding of how small and medium business enterprises (SMEs) appreciate the importance of investigating and understanding the strengths and weaknesses of their business competitors. It was also to identify the means applied by SMEs to get the information on competitors and how that information is utilized for the betterment of the concerned enterprises. No such study has ever been done in Tanzania. The role of the SMEs in the social/economic development of developing countries is highly appreciated. But these enterprises have inadequate capital and are subjected to harsh business competition caused partly by free market economy and partly by globalization. Eight cases comprised of four small business enterprises (SBEs) and four medium enterprises (MEs) were selected for this study. It was established that SBEs are run with no apparent strategies on growth but focus rather on survival and provision of daily bread. On the other hand, MEs are vigorously involved in searching for information on strengths and weaknesses of competitors. MEs got information through customers, published information (leaflets, brochures, radio and TV advertisements) and through competitors' former employees. The information was used to formulate business strategies which gave the firm competitive edge over rivals, increased performance and enhanced growth of the enterprises. SBEs were known to engage in intelligence gathering. This provided them with ammunition and means not only to survive but also to excel in business in this competitive environment.