International Journal of Humanities and Social Science Invention (IJHSSI)
ISSN (Online): 2319 – 7722, ISSN (Print): 2319 – 7714
www.ijhssi.org ||Volume 13 Issue 8|| August 2024 || PP. 66-73

Adah Business Strategy: A Case Study of Veka Limited

Polycarp Ouko[1]
Dr John N Kamau[2]
[1]*PhD student, Africa Nazarene University School of Buisness*
[2] *Lecturer Africa Nazarene University School of Business*

Abstract
The Adah business strategy examines the application of innovation in Veka Limited (pseudo name) and enhances its business value. This paper examines Adah's business strategy and its tenets to improve the different aspects of Veka Business. Adah strategy underscores the value of innovation in the various business chains within the horticulture sector from production, storage, value addition, marketing and exportation of the agricultural products. The Adah strategy defines innovation, the application of innovation to improve Veka's market access, competitiveness as the number one exporter of fresh and quality vegetable products in various international markets. Adah strategy provides a tailored solution to the various challenges bedeviling the production, exportation and marketing of Veka Agricultural products. Through evaluating the five-point innovative strategic plan, Adah strategy explores the key strategies for Veka to increase its efficiency, effectiveness and adaptability in the competitive Agricultural market and make it the hub and main exporter of Fresh vegetable produce in Africa. The Adah strategy uses the log frame approach to define the scope, timelines, activities and impact it will have on Veka Limited.

Date of Submission: 06-08-2024 Date of Acceptance: 18-08-2024

I. Background of the Study

Agriculture is the backbone of Kenya's economy, and the horticulture and vegetable industries contribute significantly to the country's GDP, mostly through fresh produce exports to international markets (RSA report, 2015). The horticultural sub-sector creates job opportunities for farmers, traders, agro-processors and other vital players along the value chain. The horticulture sector contributes immensely to food security and household incomes for the majority of Kenyan farmers who carry out varied forms of horticultural production and it employs over six million Kenyans both directly and indirectly thus improving their source of livelihood (Ministry of Agriculture, 2010a). In 2015, the industry contributed 1.45% of the national GDP. Small-scale farmers of less than 10 acres produce the majority of these crops, accounting for 50-60% of total production. Approximately 95% of horticultural produce is sold domestically, with the remaining 5% exported. In the same year, the value of domestic horticulture was Ksh 211 billion (2.1 billion USD), with a total production area of 719,158 ha. The horticulture business is the country's second-largest foreign exchange earner after tourism, accounting for around Ksh 90 billion in 2015. The horticulture sector is also a critical source of food for many people in rural and town areas and contributes significantly to eradication of poverty. The major horticultural fresh-produce exports to Europe include cut flowers, fruits, vegetables, medicinal and aromatic plants. Cut flower exports include roses, statice, carnations, gypsophila, chrysanthemums and mixed flowers, among others, and they are the bulk of horticultural exports.

The sector has developed extensively over the last two decades becoming one of the major foreign exchange earners, employing many as well as being a key food basket for both the local and international markets. KHES report (2005) reveals that majority of the horticultural companies in Kenya are predominantly export-oriented, manufacturing and processing both vegetables and fruits having their own farms in Lake Naivasha, Central Kenya and Kiambu county. Nevertheless, the majority of the enterprises have their administrative and operational activities in Nairobi, with roughly 23 vegetable and fruit companies, including Frigoken Ltd, East African Growers Limited, Wilham (K) Ltd, and East African Growers Limited, among others. According to KHEA (2015), there are also roughly 37 cut flower companies in Kenya horticulture, with fifteen located in Nairobi, including Magana Flowers, Beverly Flowers Limited, and Redhill Flowers Limited, among others. Exports enables various firms to become less dependent on the domestic market by diversifying their markets. By supplying new consumers abroad, businesses may frequently realize economies of scale and cut production costs while producing more effectively (Kariuki, 2014). Firms may also leverage overseas experience to improve their domestic competitiveness. Furthermore, operating overseas allows enterprises to learn from worldwide

competition, eventually exploring new foreign markets and getting involved in additional international operations such as licensing, franchising, joint ventures, or direct investment abroad.

Horticultural export growth has declined in recent years. The quality of output has deteriorated as exporters' role in supporting small-scale farmer production has decreased. This has lowered Kenya's competitiveness in the horticulture export market, which is under greater competition from other producer nations. The revision of the European Union Common Agricultural Policy (CAP) and other new difficulties in the ongoing World Trade Organization (WTO) discussions on the Agreement on Agriculture (AOA) raise additional worries about increasing export horticulture (Bruinsma, 2015).

Trade in fresh horticultural products has become increasingly global. The trade is vertically integrated through contracts rather than through control and ownership of the various means of production. This study explores the various ways through which horticultural export can be improved using a new strategy.

1.2 Veka Limited

Veka is at the forefront of the growing, packing and exporting of diverse ranges of vegetables from Kenya to both UK and European consumers. Specializing and thriving in exporting prepared vegetables, the firm has been a prominent supplier to the UK prepared category since the late 90's.

After over thirty years' experience of export industry, Veka is the leading exporter of fresh quality organic fruits and vegetables, (Veka website, 2024). Over 1 million retail packets in various sizes are exported weekly, totaling over 200 tones.

Veka's additional strength is its large-scale farm operations, which propels them to achieve better quality and service standards and to support the more complex cropping range required to produce stir-fries and prepared vegetable mixtures. Currently, Veka boasts of over 4,000 permanent workers.

Today, Veka has a land bank of 1,300 hectares in Kenya across its six vegetable farms with eighty percent of Veka's raw materials being grown on its farms which is critical to the success of the firm.

However, small-scale farmers continue to play a vital role in the production of Asian vegetables and pea crops. Veka has several smallholder schemes, which are carefully managed to develop and ensure regular supply, quality and food safety. Since 2010, Veka has been working on soft fruit development which has resulted in an intriguing new soft fruit offer, which is currently commercially available with raspberries, strawberries, and blueberries.

Veka Vision

To be a world-class, innovative, international agribusiness which creates wealth and enhances lives.

Core Values

We strive for excellence in all that we do and to be of value to all our customers and to the community around us.

Veka Corner Stones

To be one of the respected agribusinesses in Africa through quality, innovation, and corporate responsibility.

Veka has also been significantly affected by the various challenges in the Horticultural sector. High post-harvest losses due to poor infrastructure in both storage and transport have led to high cost of operation costs and degradation in both the quantity and quality of horticultural products. In addition, Veka has also been affected by a lack of adequate extension services, unfavorable markets and stiff competition from rival organizations and other countries.

Post-harvest management has also been a critical challenge in their exportation of fresh produce over frozen ones. The challenge is creating and optimizing storage solutions to preserve the premium quality of the produce. The company has a weekly estimate of over 4 tones of food waste due post-harvest management challenges.

1.3 ADAH STRATEGY

Adah is derived from the Hebrew word meaning ornament/ beautiful/fancy. It finds its root meaning from the two words ('adad) which describes a repeated passing by or over and (w'ad) describe the concept of a future era advancing upon the now. The Greek component defines is as to beautify to make fancy or to improve the ornamental value.

Ada strategy focuses on innovation as a key tenant to improve the current business model. Adah reviews the current business settings, the environmental factors and outlines how each component of the business can be 'beautified' to enhance business value and improve the overall business environment and create opportunities for business growth.

Technological innovation contributes to greater yields; farmers can now predict and adapt to climate change-related changes, resulting in more reliable food security, profitability, and sustainability (Ozor, 2013). In addition, innovation technology effectively addresses challenges in the agricultural sector, such as weak market links, poor information management, low output levels, low income, and limited diversity. There are various conditions for innovation technology to work in the agricultural sector including, technological infrastructure, connectivity, network, access to technological training capacity and financial capital.

Adah strategy through its innovation model is therefore the requisite solution as to improve the multifaceted aspects within the Agricultural sector with Veka being the case study for its implementation. This paper therefore explores how the Adah model will be instrumental in reviving and improving the Veka limited from agricultural production, storage, processing and exporting of the vegetable products. The overall goal is to improve the value chain and review how Adah strategy aligns with Veka's business model and the overall improvement and projected business profit if implemented accordingly. For Adah's strategy to work efficiently and achieve its desired goal, Veka must follow the log frame approach described in Figure 2.2.

1.4 Innovation

Innovation has the potential to significantly contribute to the social and economic development of an organization. To attain the targeted developmental goals, organizations need to create strategies to building, growing and sustaining vibrant innovation ecosystems. The Science, Technology and Innovation Act of 2013 clarifies what constitutes such a creation.

This includes;

1. A technovation model, utility model or industrial design within the meaning of the Industrial Property Act, 2001 (Cap. 509)
2. A product, process, service or idea which is novel
3. An improved use of a new product, service or method in industry, business or society
4. Indigenous or traditional knowledge by community of beneficial properties of land, natural resources, including plant and animal resources and the environment
5. Any other non-patentable creations or improvements which may be deemed as deserving promotion and protection or sui generis intellectual property rights and "innovator" shall be construed accordingly

The development for innovation and technological investments in agriculture is a key driver in improving the agricultural products and the export potentials for many organizations. According to FAO (2016), Agricultural Innovation is at the heart of improving agricultural outputs though adopting new production technologies and processes, raise its competitiveness and develop new markets.

2.1 Adah Innovation Plan

See below the Adah strategic plan as described through Veka organization lenses.

2.2 Vision

To make Veka a hub and main exporter of Fresh vegetable produce in Africa.

2.3 Innovation Objectives

The overall aim of the innovation plan is to improve the market access, competitiveness as number one exporter of fresh and quality vegetable produces in various markets and enhance incomes for the farmers and value chain actors.

The strategic objectives include:

1. Improve the compliance to Agricultural produce and standards.
2. Develop sustainable supply of fresh vegetable produces and products that meet market standards.
3. Enhance the market access through innovative use of artificial intelligence and technology.
4. Develop robust database.
5. Enhance and maintain market position and competitiveness of Agricultural produce and products in new and established markets.

2.4 Core values

a) Innovation
b) Transparency and Accountability
c) Ownership
d) Transformation
e) Efficiency

3.1 Strategic Objectives Alignment with Business Goals

The following innovative objectives have been aligned with the five organization objective strategies.

Innovation 1: Improve the compliance to Agricultural produce and standards.

Objective 1: Have a modern infrastructure and facilities.

Develop more robust infrastructures that support collection of produce in various strategic counties of choice that act as collection/pick-up points. This will also enhance easy accessibility to vegetable produce in interior locations. These facilities should be equipped with cold rooms and should meet the requirements of various agricultural produce and products standards.

The current facilities should also deploy technology that has data points to monitor the volumes of products, temperatures, nature and variety of the available vegetable produce for storage. The integration of AI, fused with technological advancements such as IoT, Cloud computing, and Blockchain, has the potential to transform the conventional functioning of cold storage. This convergence enables managers to make proactive decisions, resulting in improved operational efficiency.

The organization competitiveness can also be hampered by increased interception rates tied to various variables such as immature crop harvesting, poor postharvest management, diseases and pest control, and hygiene concerns. To solve these challenges and improve agricultural practices, the application of AI technologies, including computer vision techniques, can help alleviate these cases. The AI. Farm tech is essential to ensure that only mature crops are harvested, help in disease detection and control pests within the farms.

Computer vision techniques are used to sort and grade fresh produce. The computer vision algorithms can automatically sort, and grade fruits and vegetables based on their size, shape, and color as they move through processing lines. Implementing this technology makes it feasible to reduce food waste by guaranteeing that only the highest quality products are retailed to consumers.

AI can forecast harvest yields by analyzing historical and contemporary data on climate, soil, water consumption, and the amount and type of fertilizers used. It may also utilize satellite images to identify problems such as diseases, pests, or water stress in crops, predicting yield and quality based on plant health. Farmers may select how much and when to plant based on expected yields and production quality, as well as arrange the best harvest timings

Blockchain technology can also be used to revolutionizing the traceability of fresh produce. Creating a transparent and immutable record of the journey from farm to table, blockchain enhances accountability and traceability in the supply chain. This technology makes it easier to track the origin of produce, manage recalls efficiently, and boost consumer confidence in food safety and enhances accountability.

The organization will also review the current standards, promote adoption of standards among value chain actors through awareness creation and capacity building of value chain actors.

Innovation 2: To enhance sustainable supply of fresh vegetable produce & products that meet the market standards.

Objective 2: Continually Supply fresh vegetable produce and products

The organization should scope for produce to avoid any shortages as a result of sporadic weather or drought. This entails registering more farmers and farms that produce the fresh vegetable produce and creating a database to ensure they are available all year long. The organization should also promote contract farming between producers and themselves.

Develop and implement Fresh vegetable produce Market Information System to monitor and disseminate information on seasonal variation of produce and products availability and pricing.

Drones, remote sensors, satellites and smart farm equipment data can provide farmers with valuable real-time information on soil, crop health, and meteorological conditions. This has been utilized to provide intelligence to aid farmers in making informed decisions on where to grow crops, how to optimize crop rotations, and when to sow, compost, and harvest them. Some Agri-tech solutions have been utilized to analyze images and predict when the fruit is ready to be plucked.

Innovation 3: Improve Market through scoping in the Eastern and Asia Frontier

Objective 3: To maintain and enhance the current market

Develop user-friendly apps where customers can browse and purchase fresh vegetables(referrals). This can provide detailed information about the produce, including origin, nutritional value, and recipes, enhancing customer engagement.

Veka can leverage predictive analytics powered by AI to forecast market demand, anticipate consumer trends, and optimize inventory management and supply chain operations. By accurately predicting future demand for fresh vegetable produce, the organization can ensure that the right products are accessible at the right time, reducing stockouts and increasing sales opportunities (Ogutu, 2014).

Collaboration and Partnerships: Navigating this technological transformation is not a solo and easy journey. Collaborating with tech companies, research institutions, and other stakeholders in the industry can provide

valuable insights and resources. This will further strengthen ties and open new markets. Such partnerships will lead to innovative solutions tailored to the specific needs of the fresh produce industry. Veka can be funded World Bank Group to support its expansion into Ghana and other West African countries. This will enable the cooperation expand into a new market allowing for sustainable land development while also creating jobs and creating a supply chain that includes small-scale farmers. The Veka Group will use IFC's investment establish a 1,070-ha farm in Ghana, boosting the company's vegetable production and meeting increased demand from existing clients in Europe.

Utilizing social media platforms such as Instagram, Facebook, and Twitter to advertise fresh vegetable produce. Diversify to new and emerging markets to expand the export markets. The target is to venture into 10 new markets through partnerships.

Innovation 4: Increase market access through Innovative use of A.I and Technology

Objective 4: To improve marketing

The current market information collection and dissemination is limited in scope, leaving out vital market data and information such as local and international market produce demand, produce quality and safety (Ogada, 2010). This is due to low prioritization and limited funding for research. In cases where research information exists, there is low utilization of these research findings for decision-making.

To enhance the market, the organization should deploy technology in its production and marketing strategy. The organization should increase budgetary allocation to agricultural market research and intelligence. Develop standard operation procedures for data collection and management.

The organization should deploy Augmented Reality (AR) and Virtual Reality (VR)technologies to develop immersive shopping experiences that allow consumers to explore products virtually, visualize how they would look or fit in real-world situations and make better purchasing decisions. Through providing interactive and engaging experiences, the businesses will attract new customers and differentiate themselves in the market.

The organization should implement Natural Language Processing (NLP) technologies in analyzing and interpreting customer reviews, comments, and social media conversations related to their vegetable products and brands. This can help the businesses gain critical insights into customer needs and desires, identify areas for improvement, and act promptly to consumer feedback, ultimately enhancing brand reputation and market access.

The organization should Integrate AI-powered chatbots and virtual assistants into its website, mobile app and social media platforms to provide real-time customer support, answer inquiries, and assist with purchasing decisions. These automated systems can enhance customer engagement, streamline the sales process, and provide round-the-clock assistance to users, thereby increasing market accessibility.

Veka can become a marketing operations expert by deploying descriptive analysis methodologies and other statistical analysis to gain data insights. This can be accomplished by deploying models based on Douyin live broadcasting and WeChat and Weibo video blog advertising. Using consumer preference and behavioral analysis in tandem with operational analysis, Veka can create agricultural products and live broadcasting activities for individuals and market consumption. The marketing department can explore using statistical methodologies, primarily hypothesis testing to evaluate whether the products are meeting expectations, time series analysis to forecast the sales of agricultural products and regression analysis to guide the farming industry's production, inventory, and management decisions. A comprehensive analysis can be studied in affiliate marketing. Descriptive analysis can be used to generate daily traffic channels, in-demand products, slow-moving products and inventory warnings which should be as specific as possible. Through the use of We-media and 5G technology, Veka can visualize agriculture and stream agricultural processes online to project activities such as processing, production, harvesting, and distribution of agricultural products.

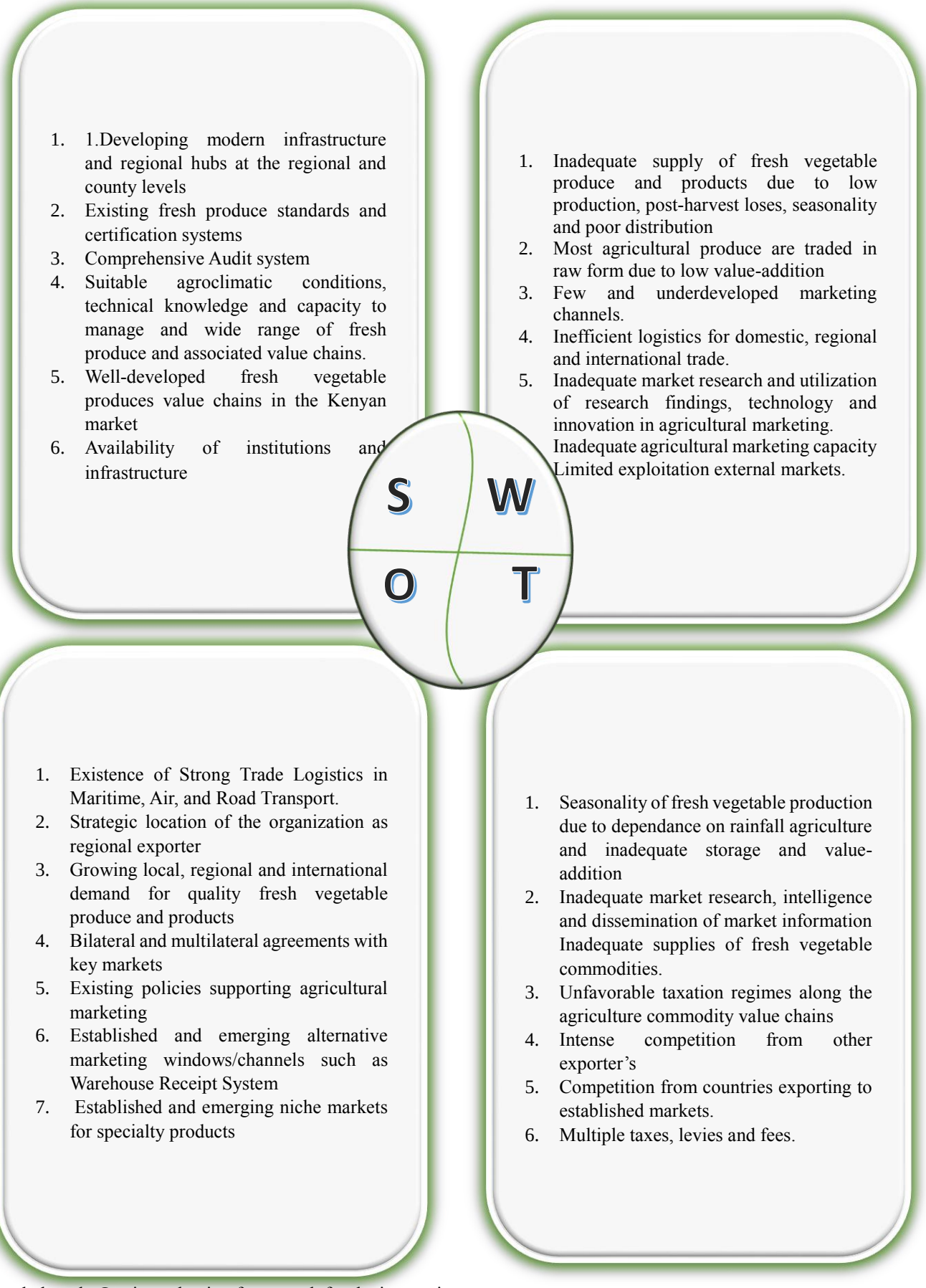
By leveraging AI and technology in these innovative ways, the organization can increase market access, drive sales growth, and gain competitive edge in today's competitive, dynamic and rapidly evolving market.

4.1 Innovation Portfolio Management

We will use the slow and steady innovation approach(incremental) as we improve the current infrastructure, technology and human resources.

Incremental innovation can be defined as the process of making small improvements and enhancements to existing products, services, or processes. Rather than introducing entirely new or groundbreaking ideas, incremental innovation focuses on refining and optimizing existing solutions to enhance their performance, functionality, or user experience.

We conducted a SWOT analysis to understand the baseline data before launching the innovation plan. We reviewed the current strengths, weakness, Threats and opportunities as shown below.



See below the Logic evaluation framework for the innovation.

Figure 2.2 Logic Framework

	Summary	Measurement Indicators	Assumption
Goal	1.To increase export to 2 million per week 2. Employ more than 6,000 people by 2028 3.New markets for Exports 4. Build new regional hubs in Kenya	1. Export growth rate of vegetable produce by 20% each year 2. Increase employee workforce by 5% each year 3. Acquire at least 2 new Markets each year. 4. Build at least 2 new hubs each year	
Outcomes	Improved quality of the fresh vegetable products Increased yields Reduction of wastages of Agricultural products Increased profit margins Better efficiency within the organization Improved decision making because of availability of data	What is the quality feedback from clients on the fresh vegetable products 20% reduction in the overall waste 30% increase in the profit margins each year Overall improvement performance of the company	The organization will thrive in the business.
Output	Coordination between M&E team, value chain actors and fieldwork implementation team Improved orientation of agricultural innovation activities on concrete, measurable results. Improved performance of the marketing department. Educational qualifications and on-the-jobs skills of staff Fresh vegetables research and extension Infrastructure rehabilitated and expanded. Acquisition of A.I knowledge and technology Improved data retention to predict, analyze market trends Development of new infrastructures	Has the M&E and innovation team been formed and their mandate How many data points are being collected monthly How many new leads are we getting in the international market The number of new employees added to the database The number of rehabilitated and newly built infrastructure The technical skills and A.I experts within the organization	The innovation factors, such as macro-economic stability, infrastructure, export facilities, and regulatory frameworks, are conducive to the uptake of innovations by all stakeholders. There is ownership of the innovation plan
Input	Produces an annual M&E report, which monitors the implementation of the innovation strategy, and discusses the findings and recommendations of the report with all stakeholder Partner with counties to develop new hubs Establishment of an innovation project portfolio management unit, handling tasks such as the market selection process, project budgeting and administration, and M&E. Production of a semi-annual, consolidated progress report of all fresh vegetable innovation projects (starting mid-2025 Develop a robust database system to incorporate all the innovation data. Increase the budget for Marketing department Attend European and Asian Expo and conference Develop a database for potential employees with requisite skillset Develop the research department Develop a database for the value chain actors Capacity building for farmers Capacity building for employees to embrace Technology.		There will be sufficient expert resource to lead the teams. Buy in from all the organizational departments. There is sufficient resources and budget Available Technology to enhance innovation.

Figure 2.3 Resource Plan

Intervention	**Activities**	**Time period**	**Resources**	**Responsible unit**
Establishment of an innovation project portfolio management unit	Establishment of the innovation project portfolio management unit.	Completed by the end of 2024	Consultant & Staff	Veka Management
	Portfolio management unit (PMU) regularly meet (at least four times a year, but more often if needed)	Annually, from 2024 onwards	Staff	Portfolio unit
	PMU share annual M&E reports, which monitor the implementation of the innovation	Yearly, first report to be produced by February 2024	Staff & Consultant	PMU unit

	strategy, and discuss the findings and recommendations of the report with all stakeholders.			
	PMU organizes innovation conference every two years and engages all the departments and partners showcasing various developments within the vegetable industry	2026	Staff time + consultant(s) + event costs	PMU unit
Introduction of the innovation system	The development of an operations manual for the innovation system	April-July 2024	Staff & Consultant	Veka Management & Operations & PMU Unit
	Training of Veka staff in innovation and its application	April-May 2024	Staff & Consultant	Veka Management & PMU Unit
	Production of a half-yearly, consolidated progress report of all funded fresh vegetables innovation projects	Annually starting mid 2025	PMU staff	PMU Unit
	Development of Data system	Starting 2025	PMU staff	PMU Unit
HRM Plan	Appointment of the committee within the HR department to focus on recruitment drive	Starting April 2024	HR staff	HR department
	Implementation of HRM plan	2024-2028	HR staff	HR department
International Linkages	Developing linkages & partnerships with European markets	2024-2028	Marketing staff	Veka Management & Marketing department
	Attending Symposiums and Vegetable conferences	3 Conferences and 2 symposiums and Expos yearly	Veka Managers	Veka Management

Figure 2.4 Budget Estimate

Activity	Total Cost $
PMU unit Development	500000
HR Plan Drive	8000
International Linkages & Conference	50000
Capacity Building	15000
Marketing drive	40000
M&E reports	5000
Research & Development	10000
Data systems Set Up	30000
Consultancy	18000
Total	676000

REFERENCES

[1]. Bruinsma, T. (2015). Export Horticulture and Poverty in Kenya. Institute of Development Studies Working Paper 174. Sussex, U.K.
[2]. FAO. (2016). Agricultural Mechanization: A Key Input for Sub-Saharan Africa Smallholders.Int. Crop. Management, 23. Industrial Property Act, 2001 (Cap. 509)
[3]. Kariuki, I. (2014). Codes of Conduct and Marketing Strategies in Kenya's Horticultural Sector. European Journal of Business and Management. Vol.6, No.33.
[4]. Ogada, Maurice & Nyangena, Wilfred & Yesuf, Mahmud. (2010). Production risk and farm technology adoption in the rain-fed semi-arid lands of Kenya. Journal of Cooperatives. Volume 04.
[5]. Ogutu, S., Okello, J., & Otieno, D. (2014). Impact of Information and Communication Technology-based Market Information Services on Smallholder Farm Input Use and Productivity: The case of Kenya. World Development, 64, 311-321.
[6]. Ozor, N., & Urama, K. (2013). The Role of Technology in Ensuring Adequate Food Security in Africa. Society for International Development, 56 (2), 266 – 273.
[7]. Research Solutions Africa (RSA) Ltd. Report of a Study on Fresh Vegetables Market in Kenya; Desk Review; Research Solutions Africa: Nairobi, Kenya, 2015.
[8]. The Science, Technology and Innovation Act 2013.
[9]. Veka website. https://www.Veka-group.com/group-companies/Veka-kenya-ltd/