PROGRAMME: MBA MANAGEMENT STRATEGY

TITLE: ANALYSIS OF FINANCE BANK ZAMBIA

MODULE TITLE: MBS 6061

STUDENT NAME: CHRISTOPHER PILIWE

LECTURER: DR COLLINS KACHAKA

CHAPTER ONE

1.1 Background

Finance Bank Zambia Plc (FBZ) was incorporated on September 23 1986, and was licensed to provide commercial banking services by the Bank of Zambia in that year. Its founder is Dr. Rajan Mahtani, a Zambian businessman of Indian origin. Finance Bank Zambia Plc is a registered commercial bank and was incorporated on 23rd September 1986 as Leasing Finance Bank Limited. On 15th July 1988 the name changed to Finance Bank Zambia Plc. Being one of the commercial banks operating in Zambia, licensed by Bank of Zambia, the national regulator, FBZ offers a relatively full range of banking products to the private sectors including international investors, multi-national organizations, development and aid agencies, non-government organizations, major local corporations, government and its agencies and other financial institutions. Amongst the banking products on offered by FBZ are savings accounts, current accounts, student pride accounts, senior citizens accounts, fixed deposit accounts, pensioner accounts and money transfer via Money Gram services.

As one of the large local financial institutions in Zambia, FBZ is one of the leading commercial banks that leverages on a strong nationwide presence to deliver a broad range of core banking and tailor made financial services to retail, SME and corporate customers. The operations of the FBZ commenced in 1987 with just two branches, one in Ndola and another in Lusaka. The number of branches has since increased over the years of which seven were acquired from Standard Chartered and four from Barclays. A total of 19 commercial banks currently operate in Zambia. All commercial banks offer the same range of standard facilities you would expect to find anywhere in the world. Selected banks also offer specialized unique accounts such as VIP, students or children’s accounts and electronic banking platforms.

Since Finance Bank Zambia has been operational for thirty one (31) years now, I have elected to use only ten (10) years divided into two periods when there had been significant challenges in the company. These two periods are after the bank had experienced massive growth and are separated by the infamous event of seizure of the bank by Bank of Zambia and subsequent reversal by new government. In the two periods different strategies were pursued in the bank some of which worked while some did not work.

This document will therefore analyze the reasons why some of these strategies worked and why the others failed to work. This analysis shall be done by the application of various management and corporate strategy tools. It shall conclude by providing strategic recommendations which should lift the company from where it is currently.

CHAPTER TWO

2.0 FINANCE BANK PHASE ONE [2008 to 2011]

FBZ experienced significant growth up to 2006 before significantly slowing down eventually making loss in 2010. In 2008 everyone experienced the global credit crunch and financial sector meltdown the effects were still impacting many markets and economies around the globe up to 2009, it was anticipated that 2010 would be a boom year for FBZ. During this period, FBZ launched new products such as Visa cards, mobile banking and internet banking. The objective for FBZ was to are growth through clear focus and protection of the business already at hand through its REAP strategy i.e. Retention, Efficiency, Acquisition and Penetration.

Selected financial performance for FBZ for three years 2008, 2009 and 2010 in million Zambian kwacha unrebased is as below;

	2008	2009	2010
Net interest income	116,848	108,329	76,190
Profit (loss) after tax	45,681	67,568	(3,193)
Deposits	1,214,773	1,127,605	1,139,781
Loans and advances	649,508	755,850	405,428
Return on equity	26.3%	32.8%	-9.3%
Capital adequacy ratio	11.2%	13.6%	2.4%

As mentioned above, the performance of the bank slowed down in 2007-8 followed by negative growth in 2009 and 2010. The reasons for substantial lower growth and indeed negative growth and eventual loss in 2010 could be attributed to the slowing of the copper market and the general economic downturn of the banking market. However, internal matters also contributed to the poor performance of the bank during this period like the prevalence of related party transactions which were discovered and purported illegal activity by the bank's shareholders, directors, management and senior staff. As at 31 December 2010, FBZ was ranked the 7th by deposit base and 5th by the level of loans and advances as shown in the table below.

Name of Bank	Rank By Deposit	Rank By Loans And Advances
Access Bank Zambia	10	10
Africa Banking Corporation Zambia	14	9
Bank of China	5	14
Barclays Bank Zambia	1	2
Cavmont Capital Bank	13	16
Citibank Zambia	8	8
Ecobank Zambia	16	13
Finance Bank Zambia	7	5
First Alliance Bank Zambia	12	11
First National Bank Zambia	11	12
Indo-Zambia Bank	6	7
Intermarket Banking Corporation	15	15
International Commercial Bank Zambia	18	18
Investrust Bank	9	6
Standard Chartered Bank plc	2	4
Stanbic Bank Zambia	4	3
United Bank for Africa Zambia	17	17
Zambia National Commercial Bank	3	1

On 10 December 2010, the Bank of Zambia took possession of FBZ citing contravention of the BFSA by its shareholders, directors, management and senior staff. In announcing the takeover, BoZ Governor Dr Caleb Fundanga, said the central bank had conducted an inspection on Finance Bank between October 2009 and October 2010 and found a number of “serious breaches” of the law. During its investigation of FBZ, BoZ concluded that in its opinion the bank was failing and would have continued and would have continued to fail to conduct its business in accordance with the law and in a manner that was unsafe and unsound. The action by BoZ to take possession of FBZ was also deemed necessary to protect the interest of depositors and other creditors of the bank and to ensure the stability of the banking sector in Zambia. On 22 December 2010 the national

regulator removed FBZ's board of directors and entire management team and appointed First Rand Bank of South Africa to temporary provide ongoing management services with the opportunity to present an offer to buy the bank.

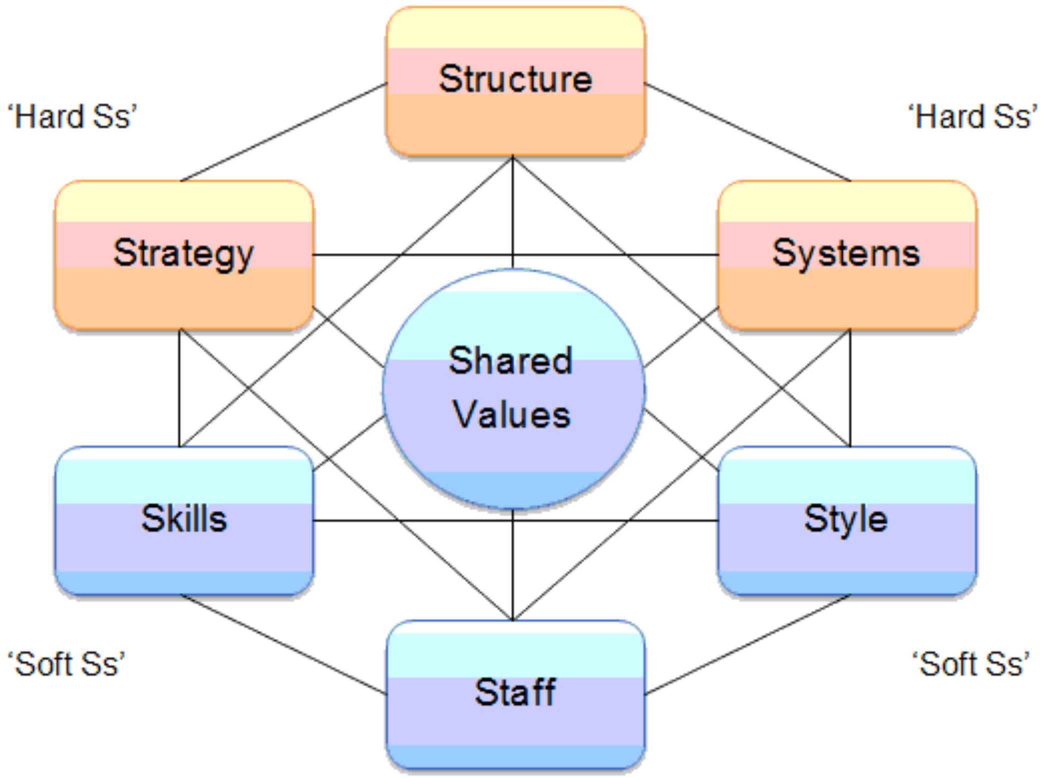
In October 2011, following the election of a new President in Zambia and his selection of a new cabinet of ministers, President Michael Sata reversed the sale of Finance Bank Zambia to First National Bank (FNB) and ordered that the bank be returned to the original owners. From that time, the bank has continued to receive negative feedback from its customer, lost its market share and its operational processes have continued to be bureaucratic.

2.1 INTERNAL ANALYSIS OF FINANCE BANK ZAMBIA

Internal analysis is the process of looking at the internal factors of an organization so as to assess the critical strengths and weaknesses that are likely to determine if the firm will be strong enough to take advantage of opportunities while avoiding threats. There are several tools that are used for internal analysis of an organization and these are Value Chain Analysis, McKinsey 7S Model, Resources/Capabilities Analysis and 5Ms Analysis.

In order to understand the internal factors that affected the operations of FBZ during the period 2008 to 2011, I shall deploy the McKinsey 7S Model. The basic premise of the model is that there are seven internal aspects of an organization that need to be aligned in order to make it successful.

In McKinsey model, the seven areas of organization are divided into the 'soft' and 'hard' areas. Strategy, structure and systems are hard elements that are much easier to identify and manage when compared to soft elements. On the other hand, soft areas, although harder to manage, are the foundation of the organization and are more likely to create the sustained competitive advantage. Figure 1:



2.2 APPLICATION OF THE MCKINSEY 7S MODEL TO FINANCE BANK ZAMBIA

1. Strategy

Strategy is a plan developed by a firm to achieve sustained competitive advantage and successfully compete in the market. A sound strategy is the one that is clearly articulated, is long-term, helps to achieve competitive advantage and is reinforced by strong vision, mission and values. Formal strategic planning is present in FBZ and during this period FBZ clearly articulated yearly strategic plans to guide the bank through the challenging economy. FBZ management agreed that all outstanding items for the yearly strategic commitments would be carried forward into the plans for the next year as management believed that they remain central to the delivery of the modern customer-centric banking experience which management aimed to deliver at Finance Bank Zambia.

2. Structure

Structure represents the way business divisions and units are organized and includes the information of who is accountable to whom. In other words, structure is the organizational chart of the firm. It is also one of the most visible and easy to change elements of the framework. The structure of FBZ was well organized into distinct relevant departments with different roles and responsibilities. The structure was designed to meet the objectives of the bank.

3. Systems

Systems are the processes and procedures of the company, which reveal business' daily activities and how decisions are made. Systems are the area of the firm that determines how business is done and it should be the main focus for managers during organizational change. FBZ had weak operational processes and procedures which were a source of dissatisfaction from both customers and employees. The operational business processes were bureaucratic and lacking uniform work standards and best work practice.

4. Skills

Skills are the abilities that firm's employees perform very well. They also include capabilities and competences. During organizational change, the question often arises of what skills the company will really need to reinforce its new strategy or new structure. FBZ employees enough skilled well qualified employees and it strived to develop strategies to enhance the skills of its employees.

5. Staff

Staff element is concerned with what type and how many employees an organization will need and how they will be recruited, trained, motivated and rewarded. During this period FBZ had adequate number of employees ranging from 600 to over 1,000. The 'what type' and 'how many employees' aspect of staff was well covered by FBZ but the how will be trained, motivated and especially rewarded aspect of staff was a big problem for the bank. The bank continued to lose staff because it was not proactive and were perceived poor payers and had not established staff retention strategies e.g. Career development, staff rotation and succession.

6. Style

Style represents the way the company is managed by top-level managers, how they interact, what actions do they take and their symbolic value. In other words, it is the management style of company's leaders. By far, this was the biggest weakness of the bank, decisions were made solely by a few top people in the company and the rest of the personnel were simply informed. FBZ was seized by BoZ in December 2010 because of illegal activities by the bank's shareholders, directors, management and senior staff. Zambian Reports, an online media news platform revealed that the bank had staggering debt liabilities and rampant insider borrowing practices overseen by FBZ chairman and shareholder, Dr. Mahtani, which created an illusion of a thriving financial institution when in fact the bank had suffered a -107% drop in profits in 2010 i.e. from profit of ZMK67.568billion in 2009 to loss of ZMK3.193billion in 2010.

7. Shared Values

Shared values are at the core of McKinsey 7s model. They are the norms and standards that guide employee behavior and company actions and thus, are the foundation of every organization. Shared values refers to the overarching goals or purpose of the organization as a whole, in other words the mission, vision and objectives that form the organizational purpose. Shared values are placed at the centre of the 7s model because all other elements should support these (Johnson et al, 2014). Looking at the other elements especially the style of leadership, staff and systems it could be argued that FBZ had weak shared values because these elements seemed not to support the mission, vision and objectives of the bank.

2.3 EXTERNAL ANALYSIS OF FINANCE BANK ZAMBIA

External analysis involves an assessment of the external forces that affect an organizations' ability to develop successful strategies to be able to accomplish their objectives. The tools for external analysis include PEST/PESTEL Analysis, Porter's Five Forces Model, Stakeholder Analysis and Benchmarking.

2.4 Application of Porter's Five Forces Model to Finance Bank Zambia

Porter (1979) developed his model popularly known as Porter's Five Forces Model that is considered as a main framework of strategic planning for business organizations. This model helps in evaluating the company`s environment and understanding its competitive position that extends beyond the current rivalry threat. Porter's Five Forces model also helps identify the attractiveness of an industry in terms of competitive forces. There are five important forces that determine competitive power in a business environment and these are competitive rivalry, supplier power, buyer power, threat of new entrants and substitute products. The strength of each of the five forces is inversely proportional to the price and profits such that a weak competitive force may serve as an opportunity, while a strong one, may serve as a threat (Hill & Jones, 2007).

Competitive Rivalry

At the centre of five forces analysis is the rivalry between the existing organizations in an industry. The more competitive rivalry there is, the worse it is for incumbents. Competitive rivals are organizations with similar products and services aimed at the same customer group. The competitor is the first to be dealt with in competitive environment (Bateman & Snell, 2004).

There were 18 commercial banks operating in Zambian during the period under review and the banking market was dominated by four major banks namely Barclays, Zanaco, Standard Chartered and Stanbic. These four banks accounted for in excess of 65% of the market while FBZ was one of the largest of the remaining relatively fragmented operators.

Threat of New Entrants

How easy it is to enter the industry influences the degree of competition. The greater the threat of entry, the worse it is for incumbents in an industry. An attractive industry has high barriers to entry in order to reduce the threat of new competitors. Barriers to entry are the factors that need to be overcome by new entrants if they are to compete in an industry. The threat of new entrants was weak owing to the major barrier to entry which is stringent regulation e.g. high minimum capital requirement (Hill & Jones, 2007).

Threat of Substitutes Products and Services

Substitutes are products or services that offer a similar benefit to an industry's products or services, but have a different nature. Managers often focus on their competitors in their own industry, and neglect the threat posed by substitutes. Identifying substitute products involves searching for other products or services that can perform the same function as the industry's products (Riley, 2012). In the Zambian banking industry the threat of substitutes is relatively strong and is from non-bank financial institutions, these include NATSAVE, Bayport Financial Services and Izwe Loans Zambia. These offer various products and services which are direct substitutes for FBZ and other bank product and services.

Bargaining Power of Buyers

Buyers are the organization's immediate customers, not necessarily the ultimate consumers. If buyers are powerful, then they can demand cheap prices or product or service improvements liable to reduce profits. The power of each buyer group depends on the attributes of the market situation and the importance of purchases from that group compared with the overall business (Alkhafaji, 2003).

FBZ had few key customers that contributed to a large proportion of the bank's income, for example, income from the top three customers accounted for 47% of total income in 2010. These were Food Reserve Agency, NAPSA and PTA. From this it is evident that the bargaining power of customers is very high for two main reasons, firstly, the named customers are large and can demand concessions and secondly, their volumes were large and important to the bank.

Bargaining Power of Suppliers

Suppliers are those who supply the organization with what it needs to produce the product or service. Examples of such items include labor, fuel, core banking system, equipment, security services, printing services, IT consultancy services and internet service

The bargaining power of suppliers to FBZ and other banks is medium owing to the fact that some suppliers of core inputs have high bargaining power whilst others have low bargaining power. For example, there a number of internet service provider operating in Zambia as such the bank is able to change service provides in case that significantly increase their fees. However, there is only one service provider of clearing cheques, ZECHL, as such it is able to exert bargaining power over banks.

2.5 SITUATIONAL ANALYSIS OF FINANCE BANK ZAMBIA

From the above internal and external analyses I have come up with a Situation Analysis of FBZ which summarizes the Strengths, Weaknesses, Opportunities and Threats. The situation analysis is also known as SWOT Analysis.

It can be helpful to summarize the key issues arising from an analysis of internal analysis and the analysis of the business environment to gain an overall picture of an organization's strategic position. SWOT provides a general summary of the Strengths and Weaknesses arising from internal analysis and the Opportunities and Threats arising from analysis of the business environment.

Internal Strengths (S)	External Opportunities (O)
• Local bank with a recognised brand • Wide footprint with flexible operating hours • Visible organizational structure • Loyal clientele • Formal strategic planning is present • Skilled and experienced management team	• Stable economic environment • Significant potential for financial market growth • Growing SMEs • Emergence of a middle class • Exploiting the improvement in technology • Increased literacy levels in financial behaviour

Internal Weakness (W)	**External Threats (T)**
• Centralized decision making • Limited training opportunities • Poor state of infrastructure • Limited IT capability • Lack of a clear succession plan • Dissatisfied staff leading to poor customer service • Local bank thereby affecting the Bank's ability to attract locally based foreign corporate.	• Unpredictable policy environment • Increased competition in banking and non-banking financial markets • Reliance on very few customers

CHAPTER THREE

3.0 FINANCE BANK PHASE TWO [2012 to 2017]

After the reversal of sale of FBZ to First Rand Bank of South Africa by the newly elected government of Zambia and ordering that the bank be returned to the original owners in 2011, the bank has continued to receive negative feedback from its customers through the monthly customer feedback questionnaire. In addition, the bank has lost its market share through massive customer exodus to other banks and FBZ's operational processes continued to be bureaucratic.

3.1 STRATEGIC ATTEMPT TO REVIVE FINANCE BANK

In order to recover from the set back of 2011, the bank embanked on strategies to revive the performance of the bank by taking advantage of its perceived strengths of local recognized brand, flexible operating hours and youthful work force in its country-wide presence through 34 branches and 19 agencies and 72 ATMs. The bank developed a five-year plan that focused on repositioning FBZ by transforming the challenges arising from the emerging competitive era into ultimate opportunities for exploitation.

In May 2012, there were several reports in the local press that FBZ was considering opening a subsidiary in neighboring Malawi. In August 2014, Mr. Mahtani said that he would raise $250 million before the end of the year on the Lusaka Stock Exchange by listing Finance Bank, and would also list on the Johannesburg Stock Exchange (JSE), Nairobi Stock Exchange (NSE), and the London Stock Exchange's Alternative Investment Market (AIM). The $250 million represented 25% of the total stock that Mr. Mahtani held implying that the bank was worthy around $1 billion.

3.2 SALE OF FINANCE BANK ZAMBIA TO ATLAS MARA

On 2nd June 2015, Mahtani stepped down as Chairman of Finance Bank after almost 30years in charge to face his criminal charges. Finance Bank has in the past run into regulatory problems which prevented its long promised initial public offering, and was seized by the Bank of Zambia in 2010 for violating the maximum individual shareholder provision. Atlas Mara, the sub-Sahara African financial services group announced on 6th July 2016 completion of its acquisition of FBZ on 30th June 30 2016. Atlas Mara also announced that it would start the process of integrating FBZ and its existing Zambian subsidiary BancABC the company also announced the appointment of a new FBZ Managing Director taking over from the long serving incumbent. Atlas Mara acquired of 100% of FBZ, including all 63 branches and 800 employees, for \$60 million. The merged bank will be one of the largest bank in terms of balance sheet size and branch footprint in Zambia with the physical presence increasing from 23 branches to 65 branches, a total of 176 ATMs and 23 agencies.

3.3 APPLICATION OF GRAND STRATEGIES FINANCE BANK

Corporate strategic decisions are usually based on the methods through which an organization could leverage its existing competitive advantage in promoting value and ensuring growth (Lynch, 2009), while sustainable competitive advantage depends largely on how well a company performs these actions (Porter, 2008). The need for companies to grow and expand has been known to drive product and marketing innovation, which in turn prompts them into adopting different organizational strategies, based on the products they sell and markets they target (Ansoff, 1984).

Ansoff Growth Matrix

The Ansoff Matrix, developed by Igor Ansoff in 1957 highlights four major strategic options (Figure 2) through which an organization could adapt its new or existing products into a new or existing marketplace. The matrix is employed by businesses in decision-making processes surrounding product offerings and market growth strategies. The major strategic options available, as depicted in Figure 1, are for an organization to penetrate its existing market, develop its market, develop its products or diversity completely with a new product into a new market.

	Current Products	New
Current Markets	Market Penetration	Product Development
New Markets	Market Development	Diversification

Ansoff matrix

Figure 2: Ansoff Matrix. Source: Ansoff (1957), adapted from Lynch (2009)

1. Market Penetration

This is a strategic option for an organization seeking to expand its market share in an existing market, with an existing product. Mercer (1996) states that the growth strategy inherent in the

Market Penetration option is for an organization seeking to maintain or increase share of its existing products within the market place, gain market leadership, change competitive processes within a matured market, or increase awareness amongst existing consumers. According to Hooley et al (2004), the option to penetrate deeper within the marketplace is a low risk option that makes use of existing resources.

FBZ has been using this strategy from inception and still uses market penetration strategy and the strategy is ever present in the bank's strategic plans. For example, in 2010, the bank's strategy was to grow market share by 12.5% using its existing product and services in its existing markets. Another good example is reflected in the 2013 to 2017 Strategic Plan, the bank planned to grow its customer base by 20% year on year. FBZ strategy was to grow its deposits and credit by using appropriate customer segmentation and effective relationship banking management in the bank's chosen market.

2. Market Development

The option to develop a market is recommended by Ansoff to organizations that aim to offer an existing product into a new market. The various alternatives available would be to leverage an existing product into a new geographical region, using different product dimensions, distributing the products through new channels, or adopting different pricing strategies (Proctor, 2000). The major goal of market development would be to attract a new customer segment, using a slightly different strategy, into consuming an existing product (Ansoff, 1984). The risk associated with this strategy has been depicted by Watts et al (1998) to be moderate, due to the risks associated with entering a new market.

When FBZ started operating back in 1986 it was only present in two regions of Zambia, Copperbelt and Lusaka provinces. The bank through this strategy, were able to enter different market segments in Zambia using its existing array of products and services. As of December 2010, FBZ had expanded into all the provinces of the country and was the only one present in the areas of Chinsali, Isoka, Kapombo, Kaoma, Kasumbalesa, Katete, Mwinilunga, Samfya, Serenje and Sesheke. This market growth was mostly experienced up to 2006. This strategy was employed using existing products such as Visa cards, internet banking and deployment of ATMs. The bank was able to leverage its existing products and services to develop new markets within the country (Collis and

Montgomery, 2008). The bank also planned to expand into neighboring countries such as Malawi, Zimbabwe and Democratic Republic of Congo but this ever materialized.

3. Product Development

The product development strategy is directed at organizations seeking to offer a new product into an existing market. This definition entails any new or modified product aimed at an existing market. Lynch (2009) asserts that the decisions to develop the product prior to delivery into the market is based on the company's intention to exploit new technology, protect market share by introducing innovative products and also to utilize excess production capacity. This strategy entails a moderately high risk due to the level of product development and research required to develop a new product for a market that is already used to an existing product (Watts et al, 1998).

FinScope (2009) after their survey concluded that the expansion of the banking market in Zambia had been driven by new bank products and services on offer which were improving service delivery to existing customers. The ratio of the number of services offered by banks had increased from an average of two products per person in 2005 to three products per person in 2009. Like many banks in Zambia, FBZ has been introducing new products and services to meet the needs of different customer segments and needs. Over the years products such was as SME account, Senior Citizen account, Visa debit card, mobile banking, internet banking, Point of Sale machines and Cub account just to mention a few.

4. Diversification

The final quadrant in the Ansoff's Matrix is a diversification strategy. Such a strategy entails offering a new product in a new market and is often used when a market has become saturated and profits are limited (Lynch, 2009). Diversification entails has a generally high risk due the fact that the company would be offering an entirely new product in a new market.

FBZ has been diversifying by acquiring and investing in other companies, subsidiaries that the bank has owned partly or fully include Zambezi Portland Cement, Finance Building Society, Micro Finance Zambia and Leasing Finance Zambia Ltd. FBZ chairman, Dr. Mahtani, had been accused of using his powers as a majority shareholder of the bank to issue unsustainable levels of debt to some companies with the aim of stealing control of them. Dr. Mahtani eventually lost control of Zambia Portland Cement.

CHAPTER FOUR

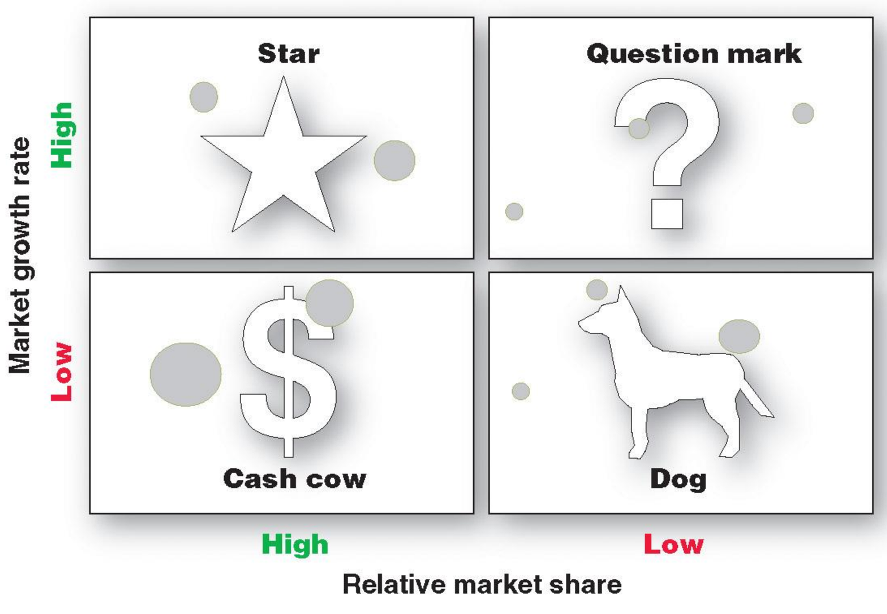
4.0 RECOMMENDED STRATEGIES FOR FINANCE BANK ZAMBIA

An organization must have the right strategies in order to achieve the desired objectives. The environment turbulences greatly affect the operations of an organization and require strategic thinking in order to cope with the dynamic environmental factors. Successful formulation and implementation of brilliant strategies is a recipe for an organization to achieve its desired objectives. According to Pearson & Robinson (1997), in order for an organization to achieve their goals and objectives, it is necessary for them to adjust to their environment.

As mentioned in the last chapter, FBZ is now 100% owned by Atlas Mara who also own BancABC and its objective is to create Zambia's largest bank by merging the two banks. In order to achieve its main objective, the right strategies needed to be formulated and implement. I will use the Boston Consulting Group (BCG) Matrix in order to recommend strategies for FBZ.

BCG Matrix involves plotting a company's business according to;

- Market Growth rate; - which provides an indicator of the relative attractiveness of the markets served by each business unit in the company's portfolio.
- Relative Market Share;- ratio of a business's market share divided by the market share of the largest competitor in that market.



BCG Matrix Cell Characteristics

1. Stars – these are business in rapidly growing markets with large market shares. Stars require a lot of investment to maintain their dominant position.
2. Cash Cows – these are high market share businesses in maturing, low growth markets. They generate excess cash that can be used to support other businesses.
3. Question Markets – these have good prospects because of their high growth rate but present questionable profit potential because of low market share. FBZ falls into this category, it low market share in a high growth rate market and because of shake recent past and the fact that it was sold for US $60miilion dollars when the chairman claimed that FBZ was worth atleast US $250million. The strategy for a question mark is to build its market share and are they generally cash guzzlers because the heavy investment they need to be built.
4. Dogs – these are businesses that have low market share and low market growth. They are in saturated mature markets with intense competition and low profit margins.

Managing Change in Finance Bank Zambia

FBZ is currently going through a change process, it been acquired by another organization and will be merged with BancABC. In any change process there is usually resistance to change, the key at this stage is to management change with appropriate strategies. Kotter and Schlesinger (1979) identified six main methods of dealing with resistance, I will only discuss four methods because the other two may raise ethical and legal problems.

1. Education and communication. This strategy is appropriate when there is a lack of information about the need for change and how the people will be affected by the proposed change. FBZ employees need to be educated about the whole change process in order to persuade them to help with implementation of the strategy. The implications of the change must be communicated to all that will be affected by the change in FBZ.
2. Participation and involvement. FBZ can use this strategy to increase the probability that employees will be committed to implementing the change.
3. Facilitation and support. This strategy involves the use of techniques such as training, counselling and group discussions. FBZ can use this strategy to reduce and anxiety among those affected by the change.
4. Negotiation and agreement. Since some people stand to lose out as a result of pending merge between FBZ and BancABC, this strategy is necessary to ensure that there is a win-

win situation between the company and those that will lose their employment. This will involve negotiating with the trade union, Zufiaw, which represents unionized employees in the financial sector in Zambia.

References

Ansoff, I. H. (1957) *Strategies for Diversification*. Harvard Business Review, Vol. 35 (5), pp.113-124

Ansoff, H. I. (1984) *Implanting Strategic Management*. Prentice-Hall: NJ, 455pp

Bateman, T. S. and Snell, S. A. (2004). *Management*. *The new competitive landscape*. Sixth edition. New York: McGraw-Hill.

Collis, D. and Montgomery, C. A. (2008) *Competing on Resources*. *Harvard Business Review*, Jul-Aug p140-150

Finscope (2019). *Finscope Zambia 2009*. Retrieved from: http://www.boz.zm/Publishing/77/77_FSD_Zambia_Final%20II.pdf

Hill, C. W. L and Jones, G. R. (2007). Strategic Management Theory: An integrated approach. Seventh edition. New York: Houghton Mifflin Company.

Hooley, G. J., Saunders, J. A. and Piercy, N. (2004) *Marketing Strategy and Competitive Positioning*. 3rd Ed. Pearson Education: London, 622pp

International Journal of Management, Accounting and Economics Vol. 1, No. 3, October, 2014

Johnson, G., Scholes, K. and Whittington, R. (2008*) Exploring corporate strategy: text & cases*. 8th Ed. Pearson Education Limited: Essex, UK. 878pp

Lynch, R. (2009). *Corporate Strategy*, 2nd Edition. New Jersey: Prentice Hall

Lynch, R. L. (2009) *Strategic management*. 5th ed, Pearson Education Limited: UK, 826 pp

Kotter, J.P. and Schlesinger, L.A. (1979). *Organization: Text, Cases, and Readings on the Management of Organizational Design and Change*. Homewood, III: R.D. Irwin.

Mercer, D. (1996) *Marketing*. 2nd edition. Oxford: Blackwell Publishing Ltd.

Pearce, J.A. and Robinson, R.B. (1997). *Strategic Management: Formulation, Implementation and Control*. Boston, USA: Irwin McGraw-Hill.

Porter, M. E. (2008) *The Five Competitive Forces That Shape Strategy*. Harvard Business Review, Jan, Vol. 86 (1), p78-93

Proctor, T. (2000) *Strategic Marketing: An Introduction*. London: Routledge.

Riley, J. (2012). *Porter's Five Forces Model: analysing industry structure*. Retrieved September 26, 2017 from http://www.tutor2u.net/business/strategy/porter_five_forces.htm.