Studies indicate that 75% of Small Enterprises (SEs) in the world fail during their first five years of operation. In Kenya, just about 20% grow to the next size category. To this end, scholars have prescribed formal strategic management modes but the SEs continue to, not only fail, but depict informal strategic management modes. However, no study has been done on adoption of the Informal Strategic Management modes (ISMMs) in regards to improving performance of SEs in Kenya. This study sought to examine the ISMMs that could provide better performance of SEs with specific reference to youth-run SEs supported by Youth Enterprise Fund (YEDF) in Kisumu County, Kenya. The specific objectives were to determine the different SMMs employed by the youth-run SEs; establish the factors influencing the choice of these strategies; and establish the relationship between the chosen modes and performance of the enterprises. The study was anchored on Mintzberg and Waters’ theories on deliberate, emergent and reactive strategies with ISMM as the independent variable and performance as the dependent variable. The study adopted both descriptive and correlational research designs. The target population was the 242 small enterprises run by the YEDF, out of which 134 enterprises were sampled using Yamane’s criteria. The study used questionnaire and interview methods as the data collection methods with the questionnaire being tested through content validity index (CVI=.818) and Cronbach Alpha’s internal consistency index ($\alpha \geq .70$) respectively. Weighted means, multiple regressions, and Pearson’s $r$ were used to analyze the objectives. The study found that the SEs employed the reactive strategic management mode most ($N=64, M=2.58$) and that personal, environmental and firm factors influenced the choice of mode ($R=.362, R^2 = .131, P = .000$; $R = .246, R^2 = .71, P = .001$; $R = .246, R^2 = .71, P = .001$). The study also found a positive and significant correlation between the modes and performance (Deliberate: $R = .143, P = .005$; Reactive: $R = .133, P = .008$; Emergent: $R = .133, P = .008$). These imply that the SEs are reactive. Besides, personal factors are key determinants of the choice of ISMM. Further, the informal modes all contribute to performance of the enterprises. The study concludes that the SEs use all the modes of strategic management and the personal, environmental and firm factors play an important role as to the choice of ISMM employed. Moreover, the SEs need exposure to informal modes because they address their situation best. The study, therefore, recommends formalization of elements of reactive ISMMs and the personal entrepreneurial factors in small firm curricula. The study also recommends a blend of both informal and formal strategies for better performance. The study significance is that it has informed policy makers and academia on the correct mix of ISMMs that could help the youth-run SEs attain peak performance.