

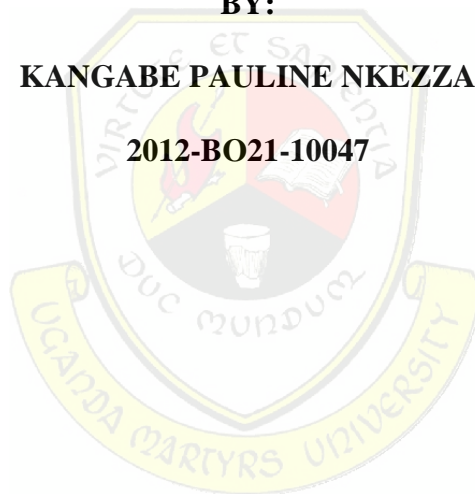
**THE EFFECT OF MANAGEMENT OF SUPPLIERS ON ORGANIZATION
EFFICIENCY**

**A CASE STUDY OF TURSKYS SUPERMARKET
(NTINDA BRANCH)**

BY:

KANGABE PAULINE NKEZZA

2012-BO21-10047



UGANDA MARTYRS UNIVERSITY

APRIL, 2015

**THE EFFECT OF MANAGEMENT OF SUPPLIERS ON ORGANIZATION
EFFICIENCY**

**A CASE STUDY OF TURSKYS SUPERMARKET
(NTINDA BRANCH)**

BY:

KANGABE PAULINE NKEZZA

2012-BO21-10047

**A DISERTATION SUBMITTED TO
THE FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE AWARD OF THE DEGREE OF BUSINESS
ADMINISTRATION AND MANAGEMENT
UGANDA MARTYRS UNIVERSITY**

APRIL, 2015

DEDICATION

This work is dedicated to my dear Parents Mr. Nkezza Angello and Mrs. Nkezza Annunciata including my entire family especially Nkezza Angelina, Mutamba Thomas and Rukundo Fortunate for all the sincere care, understanding and support, I love you all and may God continue to bless you and fill your hearts with everlasting joy.

ACKNOWLEDGEMENT

I thank the Almighty God the provider of knowledge and wisdom for seeing me through my studies and for enabling me to undertake my research successfully, without His grace I would not have made it.

I extend my deep appreciation to my supervisor Sr. Dr. Prisca Kobusingye for the guidance and advice provided during the study that made it possible for me to successfully complete this report.

Special thanks go my lecturers, my friends Mutamba Thomas, Nabanja Regina, Nabukeera Brenda, Lwanga Judith, Natukunda Racheal, Twikyirize Babra, Uwera Julian and Nansubuga Jane.

I wish to express my sincere gratitude to all those who made tremendous contributions to this study: my family- Mr Nkezza Angello and Mrs Nkezza Annunciata and all my brothers and sisters especially Nkezza Angelina, and Rukundo Fortunate I appreciate your encouragement and moral support.

May the Almighty Lord bless you abundantly!!

TABLE OF CONTENTS

| | |
|--|-----------|
| DECLARATION | i |
| APPROVAL | ii |
| DEDICATION | iii |
| TABLE OF CONTENTS | v |
| LIST OF TABLES | viii |
| LIST OF FIGURES | ix |
| LIST OF ABBREVIATIONS | x |
| ABSTRACT | xi |
| | |
| CHAPTER ONE: INTRODUCTION | 1 |
| 1.0 Introduction..... | 1 |
| 1.1 Background | 2 |
| 1.2 Statement of the Problem..... | 6 |
| 1.3 Objectives of the Study..... | 6 |
| 1.3.1 General Objective | 6 |
| 1.3.2 Specific Objectives | 6 |
| 1.4 Research Questions | 7 |
| 1.5 Scope of the Study | 7 |
| 1.5.1 Geographical Scope | 7 |
| 1.5.2 Subject Scope..... | 7 |
| 1.5.3 Time Scope | 7 |
| 1.6 Significance of the Study | 7 |
| 1.7 Justification of the study | 8 |
| 1.8 Definition of Terms..... | 8 |
| 1.9 Conceptual Framework..... | 9 |
| 1.10 Conclusion | 11 |
| | |
| CHAPTER TWO: LITERATURE REVIEW..... | 12 |
| 2.0 Introduction..... | 12 |
| 2.1 Effects of Supplier Selection on Organizational Efficiency | 12 |
| 2.2 Effects of Supplier Optimization on Organizational Efficiency..... | 18 |
| 2.3 Effects of Supplier Automation on Organizational Efficiency..... | 22 |
| 2.4 Conclusion | 26 |

| | |
|--|-----------|
| CHAPTER THREE: METHODOLOGY | 27 |
| 3.0 Introduction..... | 27 |
| 3.1 Research Design..... | 27 |
| 3.2 Study Area | 28 |
| 3.3 Study Population..... | 28 |
| 3.4 Sampling techniques and procedures..... | 28 |
| 3.4.1 Sample Size..... | 28 |
| 3.4.2 Sampling Technique | 29 |
| 3.5 Data Sources | 29 |
| 3.6 Data Collection instruments..... | 30 |
| 3.6.1 Questionnaire | 30 |
| 3.7 Quality assurance: Validity & Reliability of instruments..... | 30 |
| 3.8.7 Reliability..... | 30 |
| 3.7.2 Validity | 31 |
| 3.8 Measurement of Variables | 31 |
| 3.9 Data Analysis | 32 |
| 3.11 Limitations of the Study..... | 32 |
| 3.12 Conclusion | 33 |
| | |
| CHAPTER FOUR..... | 34 |
| DATA ANALYSIS, RESULTS PRESENTATION, AND DISCUSSION OF FINDINGS.. | 34 |
| 4.0 Introduction..... | 34 |
| 4.1 Demographic Characteristics of the Respondents | 34 |
| 4.1.1 Age group of the Respondents..... | 34 |
| 4.1.2 Category of the Respondent..... | 35 |
| 4.1.3 Gender of the Respondents | 36 |
| 4.1.4 Level of Education of the Respondents | 36 |
| 4.1.5 Years Spent by the Respondent with the Supermarket..... | 37 |
| 4.3 Effects of Supplier Optimization on Organizational Efficiency..... | 42 |
| 4.4 Effects of Supplier Automation on Organizational Efficiency..... | 45 |
| 4.5 Conclusion | 48 |
| | |
| CHAPTER FIVE: | 49 |
| SUMMARY, CONCLUSIONS AND RECOMMENDATIONS | 49 |
| 5.0 Introduction..... | 49 |
| 5.1 Summary of the findings..... | 49 |
| 5.1.1 How supplier selection affects organizational efficiency | 49 |

| | |
|--|----|
| 5.1.2 To establish how supplies optimization affects organizational efficiency | 50 |
| 5.1.3 To investigate how Supplies Automation affects Organizational Efficiency..... | 50 |
| 5.2 Conclusions..... | 51 |
| 5.4 Recommendations..... | 52 |
| 5.5 Areas for further study | 52 |
| | |
| REFERENCES | 54 |
| APPENDICES | 57 |
| APPENDIX I | 57 |
| APPENDIX II..... | 62 |
| APPENDIX III: INTRODUCTORY LETTER | 63 |

LIST OF TABLES

| | |
|--|----|
| Table 4.1: Age group of the Respondents..... | 34 |
| Table 4. 2: Gender of the Respondents | 36 |
| Table 4.3: Years Spent by the Respondent with the Supermarket..... | 38 |
| Table 4.4: Showing the Effect of Supplier Selection on Organizational Efficiency | 39 |
| Table 4.5: Effects of Supplier Optimization on Organizational Efficiency..... | 43 |

LIST OF FIGURES

| | |
|--|----|
| Figure 1.1: Conceptual Framework showing the effect of management of suppliers on organizational efficiency..... | 10 |
| Figure 4. 1: Category of the Respondent | 35 |
| Figure 4.2: Level of Education of the Respondents..... | 37 |
| Figure 4.3: Showing the Effects of Supplier Automation on Organizational Efficiency..... | 46 |

LIST OF ABBREVIATIONS

SPSS: Statistical Package for Social Sciences

ABSTRACT

The main purpose of the study was to assess the effect of management of suppliers on organizational efficiency. The study was guided by the following objectives: To assess how supplier selection affects organizational efficiency; establish how supplies optimization affects organizational efficiency and investigate how supplies automation affects organizational efficiency.

The study was carried on using a detailed literature review thereby analyzing what various authors have written about the topic. This was done by looking into different books. Data was collected using a self-administered questionnaire, and face to face interviews. The study was conducted using 70 respondents including the management and employees of Turskys Supermarket.

The results from the findings indicated that majority of the respondents were females in and were in the age group between 21 – 30 years and had diplomas. The findings revealed that supplier selection helped to achieve organization's core processes requirements, to gain efficiency and enhance supply chain cost-effectiveness and gave the best prices in the market. Supplier optimization was also one of the organizations top priorities which increased effectiveness, the supermarket used logistic modeling software as a planning tool, recent distribution procedures. Further supplier automation allowed the organization to operate higher levels of efficiency, save purchasing staff even more time by allowing end-users shop directly, provided a scalable solution that was able to handle a variety of inventory types. More to the above supplier automation improved performance that was as result of leveraging information from the supply and demand chain.

Finally, a number of recommendations were suggested such as organizations should take into consideration the need to improve organizational efficiency, reduce waste, overcome supply chain risk, and achieve competitive position through consideration of environmental issues from a competitive view point. The organization management should also consider better supplier selection approaches in order to attain the goals of low cost, consistent high quality, flexibility and quick customer response thus improving the organization performance.

In conclusion, supplier selection, supplies optimization and supplies automation are important factors of management of suppliers that can improve the efficiency of organizations by ensuring Productivity, Sales volume and efficiency

CHAPTER ONE: INTRODUCTION

1.0 Introduction

The study was conducted to examine the effect of management of suppliers on organization efficiency.

In today's uncertain and competitive environment, the operative supplier management practices are crucial in satisfying customers' changing needs. Owing to the impact of globalization, the supply chain has to be responsive in providing prompt and reliable delivery of high-quality products and services at the least cost. This is an essential cornerstone for the organizations to develop a sustainable competitive advantage and to remain at the forefront of excellence in a level playing market field. Responsiveness of the supply chain does not depend solely on the single organization's performance but on the suppliers' performance as well (Wong and Wong, 2008). Hence, it is important to consider the issue of supplier's management practices. Supplier management practices encompass planning, implementing, developing, and monitoring the company's relationship with current and potential suppliers. To manage the suppliers in your supply chain provides organizations with the ability to better manage risk; performance and compliance.

Global success for all Fortune 500 companies has been largely attributed to improved management of supply chains. The big international organizations all constantly strive to improve leanness and value across their supply chain. In simple terms; an organization can never truly manage value throughout its supply chain if it fails to actively monitor suppliers. This chapter contains the background of the study, statement of the problem, broad objectives, specific objectives, research questions, significance, justification of the study, study scope, and the conceptual framework.

1.1 Background

The organizations efficiency service offering helps organizations respond to competitive pressures by restructuring their organizations to achieve greater cost efficiency in their business. This approach is grounded in the realization that firms must cut costs to grow stronger. It helps the firms recognize which capabilities enable their market place differentiation and warrant “growing stronger” and which should be more efficiency focused. It helps firms establish functional capabilities that outperform the competition by adopting a lean headquarters model, setting up in addition to optimizing shared services, leveraging the benefits of outsourcing and off shoring models and redesigning end to end business processes. Also the organization’s efficiency service helps the firms’ benchmark efficiency and effectiveness of their support functions, set up and optimize global shared services, redefine their corporate operating models, design sustainable outsourcing and off shoring models and streamline business processes (Leenders, 2009).

The initial focus of many firms may well be on negotiating the right price and other elements of the purchase agreement. However, in the longer term, strong relationships and a collaborative approach can have more impact on the overall success of the firm’s supplier management. Since it is a key source of competitive advantage suppliers should be selected on sound commercial principles that recognizes amongst other factors, the quality of the goods, materials and services offered, relevant experience plus reputation, the ability to deliver on time and financial stability. Supplier management is best described as an ongoing process that minimizes the risks associated with buying goods, materials and services. It makes sure that products and services are more likely to meet agreed requirements from the point of first delivery and continues to do so during their life for operation. In the not likely event that the product or service does not perform to its agreed requirements then corrective action can be implemented promptly (Chopra, 2007).

Supply managers have always helped their organizations cut costs by negotiating favorable rates for procuring goods and services. In order to survive and thrive in the coming years, cutting costs alone cannot be not enough in most companies. Supply managers are expected to contribute to revenue generation, collaboration, innovation and technology application and strategic management. Therefore, should also become smart at packing up their households, since taking positions in widespread locations around the world becomes part of their job description.

According to Ell ram (1995) firms faced with problems of deficient supplier performance and capabilities usually implement a wide range of supplier development practice, that can be deployed to upgrade the capabilities of suppliers purported to be the weak link in the firm's supply chain. Furthermore, firms can achieve efficiency through risk sharing within the supply chain (Hadfield *et al.*, 2000). This has encouraged firms to increase investment in their supplier's skills and competence so as to be able to achieve a world class supply chain (Liker & Wu, 2000).

According to Lambert and Cooper (2000) strategic plans are developed with suppliers to support the manufacturing flow management process and development of new products. Suppliers are classified based on several dimensions, such as their contribution and critically to the organization. In companies where operations extend worldwide, sourcing should be managed on a global basis.

Long-term strategic alliances are developed with a small core group of suppliers. The required outcome is a win-win relationships, in that both parties benefit .This is a change from the traditional bid-and-buy system to involving a key supplier early in the design cycle which can lead to dramatic reduction in product development and required coordination between engineering, purchasing, and the supplier prior to design finalization.

The purchasing function develops rapid communication mechanisms such as electronic data interchange and internet linkages to quickly transfer requirements. These rapid communication tools provide a means to reduce time and cost spent on the transaction portion of the purchase. Purchasers can focus their efforts on managing suppliers as opposed to placing orders and expediting. This also has implications for the role of the sales force when orders are not placed through the sales person.

Many suppliers are attracted to Vendor Managed Inventory because it mitigates uncertainty of demand infrequent large orders from consuming organizations force manufacturers to maintain surplus capacity or excess finished goods, that are very expensive solutions, to ensure responsive customer service. Vendor Managed Inventory helps dampen the peaks and valleys of production, thus allowing smaller shields of capacity and inventory. The management of inventory by the supplier continues to draw attention in many industries. (Davis ,2001)

According to (Kawasaki, and Pattern 2002) when items are received, the receiving officer counterchecks the item description quantities, price, and expiry dates, and manufacturer names and labels with the local purchase order in the computer. If the order is of small quantity, all cartons are opened at this time and inspected, matching the inside items with the outside information. If the order is of large quantity, one carton is opened at the receiving point and quantities are checked, along with batch numbers, expiry dates, and manufacturer names and labels. Similarly, one sample is brought to the Quality Assurance Supermarkets office for physical inspection. If the supply item does not satisfy the Local Purchase Order conditions, the items are sent back to the suppliers to replace or refund.

In addition to monitoring supplier activity at the receiving point, a conduct is made on sample spot-checking. Item quality, label condition, batch number and expiry date are checked at the

sample stocktaking point. Once per week the computer randomly selects 10 items and the supermarket storekeeper opens all the items to assure the inside information and information on the carton is the same. This checking also identifies stock control mistakes.

Measuring supplier performance is an important means of modifying managerial behavior, and aligning the relationship with strategic and operational goals of the buyer firm (Paul, 2008). Performance measures provide the information necessary for decision makers to plan, control and direct the activities of the organization. They allow the managers to measure performance, to signal and educate suppliers on the important dimensions of performance, to direct upgrading activities by identifying deviations from standards. Many well-known frameworks have been developed to aid in the three goals, including the balanced scorecard. (Aplan, and Norton, 1992)

Paul et al (2008) explains that for purchasing managers, the evaluation & monitoring of supplier's performance is also a critical responsibility. Price has been traditionally considered as the single most important factor in evaluating and monitoring suppliers. The Changes in competitive priorities have also seen other dimensions of performance, including quantity, delivery and flexibility become increasingly important.

Chris, and Adam, (2007) on the other hand argued that convenient performance measurement structure for suppliers is encompassed in the concept of the perfect order. The perfect order consists of three elements; delivery of the complete order; on time Many supermarkets extend the concept to include; delivery to the correct address, the merchandise being undamaged & conformance to quality standards. To achieve these six customers focused targets the supplier will need to measure a wide range of other related internal aspects.

1.2 Statement of the Problem

Management of suppliers of great importance to every organization and if not handled with care the organization, will face numerous problems. The efficiency of an organization is heavily influenced by the operations of the procurement department since it is the key in sourcing for products and services that are used for generating of revenue. It is therefore imperative that organizations lay down procedures to take care of their suppliers. Tusky's supermarket however has been reported by a recent economic survey by Sheraton (2012) on SMEs to have the highest complaints resulting from delayed products, lack of vast majority of commodities in the shelves and lack of variety of products. All these have been attributed to inefficiencies of the management of suppliers therefore the study sought to investigate how management of the supplier relations affects organizational efficiency.

1.3 Objectives of the Study

1.3.1 General Objective

To find determine the Effect of management of suppliers on organizational efficiency.

1.3.2 Specific Objectives

The research was guided by the following objectives;

- i. To assess how supplier selection affects organizational efficiency in Tusky's Supermarket.
- ii. To establish how supplies optimization affects organizational efficiency in Tusky's Supermarket.
- iii. To investigate how supplies automation affects organizational efficiency in Tusky's Supermarket.

1.4 Research Questions

This research was guided by the following questions;

- i. How does supplier selection affect organizational efficiency in Tuskys Supermarket?
- ii. To what extent does supplier optimization affect organizational efficiency in Tuskys Supermarket?
- iii. What is the effect of supplier automation on organizational efficiency in Tuskys Supermarket?

1.5 Scope of the Study

1.5.1 Geographical Scope

This study was limited to the Tusky's supermarket located at Ntinda. The branch serves the people of Ntinda and its environs.

1.5.2 Subject Scope

This study was meant to investigate the effects of management of supplier on organizational efficiency in the supermarket. This study interacted with the employees in the supermarket.

1.5.3 Time Scope

The research was conducted for a period of three months. The first three months were for collecting data and analyzing it. The third was for report writing and presentation.

1.6 Significance of the Study

Following the findings of this study, the management of the Tusky's supermarket will be in position to appreciate the impact of supplier management on organization efficiency. This will drive them into adopting practices like proper supplier selection, supplier optimization

and supplier automation which will in turn reduce costs of stock outs, delayed deliveries and over stocking.

This study will benefit other supermarket managers. They will be able to embrace the importance of supplier management which in return will boost the efficiency of their organizations. This will lead to economic growth in this sector and the whole country and region as a whole.

This study will also help scholars and future researchers to acquire baseline information on the impact of supplier management on organization efficiency hence closing the knowledge gap in this field.

The study will help the researcher get a better understanding of how managing of suppliers helps an organization achieve efficiency.

1.7 Justification of the study

Tursky' s Supermarket boasts of a large supplier base, however, they have received numerous complaints from customers about the lack of a variety of products in the shelves, delayed product deliveries and stock outs. It is not the large number of suppliers that leads to efficiency but rather the management of a few good suppliers. Sheraton, (2012) Therefore this research is needed to establish the effects of supplier management on the organization's efficiency.

1.8 Definition of Terms

Constraints: It is the element factor or a subsystem that works as a bottleneck. It restricts an entity, project, or system (such as a manufacturing or decision making process) from achieving its potential (or higher level of output) with reference to its goal.

Management of Suppliers- The discipline of strategically planning for, and managing, all interactions with third party organizations that supply goods and/or services to an organization in order to maximize the value of those interactions

Organizational efficiency- Refers to the capacity of an organization, institution, or business to produce desired results with a minimum expenditure of energy, time, money, personnel, materiel, etc.

Supplier selection- Process by which firms identify, evaluate, and contract with suppliers. The supplier selection process deploys a tremendous amount of a firm's financial resources

Supplies optimization- This is the application of processes and tools that ensure optimal operation of manufacturing and distribution in a firm. This includes the optimal placement of inventory within the supply chain, minimizing operating costs (including manufacturing costs, transportation costs, and distribution costs)

Supplies automation- Is an all-inclusive approach to managing the affairs and interactions with the organizations that supply your company with goods and services.

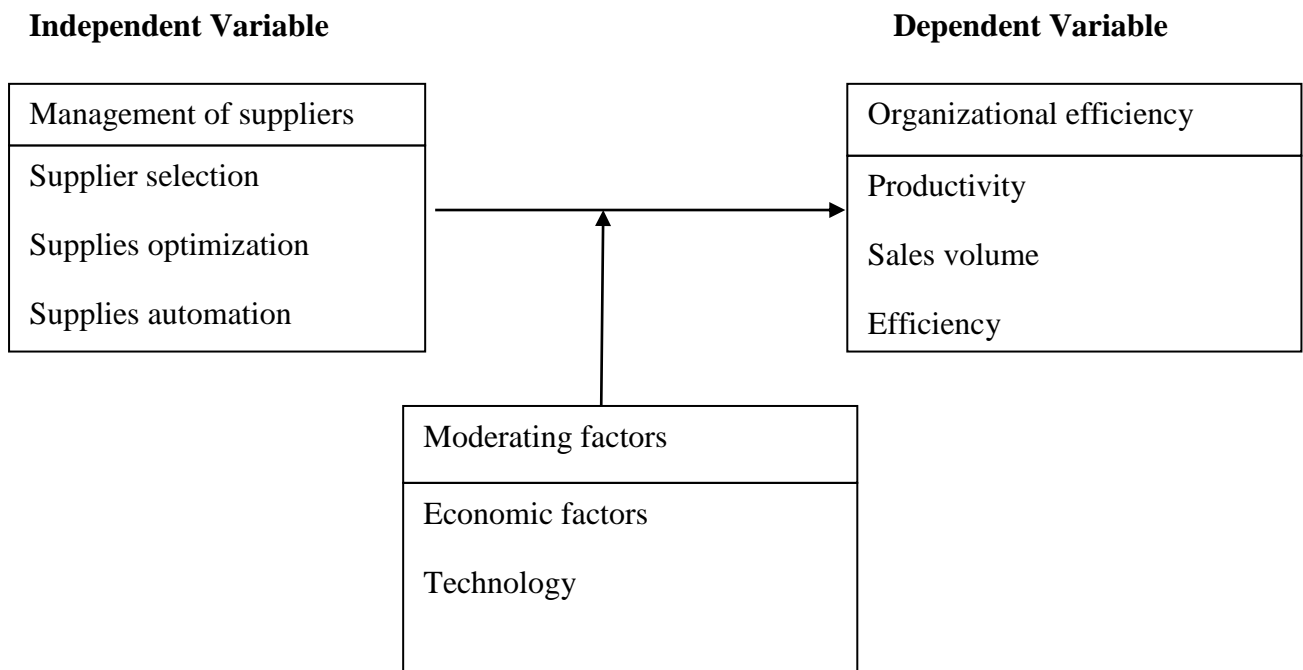
This includes communications, business practices, negotiations, methodologies and software that is used to establish and maintain a relationship with suppliers.

1.9 Conceptual Framework

This framework conceptualizes management of supplies as independent variable while organizational efficiency as dependent variable. Managing of suppliers in an organization is very important since it enhances the suppliers to supply goods to its customers at the right time and at the right place in order to increase efficiency of the organization and also the management makes sure the suppliers help them to know the preferences of its customers in

order to satisfy their needs. The procurement management makes sure that there is good relation between supplier customer relations in order to retain its customers.

Figure 1.1: Conceptual Framework showing the effect of management of suppliers on organizational efficiency.



Source: (Arthor, 2012)

Economic factors such as scarcity of resources will lead to unreliability of suppliers forcing the organization to look for other suppliers who may be supplying there products at a higher cost and this affects the sales volume of the organization. In this case the organization does not achieve the intended goals thus less profits.

With regards to technology, once an organization does not design a database to help them check when the different suppliers are to supply the different products, this therefore affects the productivity of the organization since some of the departments might lack some materials to use in production hence low output.

When an organization pays their suppliers in time, it motivates the suppliers to supply the necessary products required by the organization in time and thus maintaining a good relationship with their suppliers, the same payment motivates the suppliers to keep on supplying products to the organization. This therefore keeps the sales volume of the organization high.

1.10 Conclusion

In conclusion effective management of suppliers is an essential cornerstone for the organizations to develop a sustainable competitive advantage and maintain a good operational efficiency. Thus study therefore, continues to investigate how supplier selection affects organizational efficiency, how supplies optimization affects organizational efficiency and also how supplies automation affects organizational efficiency.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter reviews literature sources relating to how supplier selection affects organizational efficiency, how supplies optimization affects organizational efficiency, how supplies automation affects organizational efficiency and the constraints affecting supplies management. Literature was collected from journals, books, articles, thesis and newspapers.

2.1 Effects of Supplier Selection on Organizational Efficiency

Supplier selection is a process of selecting key suppliers based on a pre-established set criteria; it is a useful and an objective way of deciding the right members to deal with in the supply chains. An organization may use Standardized selection criteria or any criteria arising from the organization's core processes requirements. Standard selection criteria generally intend to cover issues like quality, services, capacity in terms of finance, and equipment, quantity, responsiveness, and others. There has been an increasing concern for sustainable economic development all over the world. Governments are trying to adjust legislations and social pressure through individual activists, NGOS, and international institutions is also growing to express public mandate against the negative impacts of business activities on environment. Internally, the need for improving organizational efficiency, reduces waste, overcome supply chain risk, and achieves competitive position has made companies to start considering environmental issues from a competitive view point (Simpson, 2008).

Quality and reliability; Selecting suppliers that provide exceptional quality and reliability will provide products that conform to the firm's requirements not only on the first delivery, but on every delivery as long as the relationship endures. Therefore this conformance saves the time and money associated with counting items at the receiving dock and inspecting items for quality. It therefore provides vendors with the ability to deliver directly to the manufacturing

surface. Quality is particularly significant in a JIT system because the system is so firmly run. If a vendor ships a batch of substandard parts, it is likely the buyer will run out of materials before a corrected order can be received, thus causing a backlog. The assurance of quality minimizes the chance that defective material will initiate such a negative chain reaction. In addition, sellers who assure quality reduce the time and expense associated with returning materials (Handfield, 1998)

Companies with reactive responses tend to use end of supplies intending to comply with regulations and avoid penalties by the government because of public and customers' pressure while those with proactive responses believe that supplier management is a part of the company's quality and sustainability management. The reactive organizations focus mostly on their internal functions and their responses vary from resistant adaptation (to avoid penalties and public pressure), through receptive adjustment of the current processes, to constructive responses which are more efficiency based but with secondary advantages.

Purchasing function in relation with other functions has a greater role to play in supplier management performance of an organization (Humphreys 2003, Geng 2001), argues that purchasers are key personnel for ensuring supplier preferable decisions in supplier selection and that they are best placed and best qualified to adopt a more friendly purchasing practice. In his study of large and medium sized state-owned enterprises in China, he also acknowledge that a centralized purchasing establishes a foundation for overcoming the failure of senior management to integrate understanding of green purchasing into supply chains in most such organizations. Purchasing can impact many areas including materials used in product design, product design processes, supplier processes, evaluation and selection, and materials delivery. Having seen the significance of collaborative supply chain and centralized purchasing in management performance it is now obvious that deciding

which suppliers to collaborate with and how to select suppliers is a very crucial decision for the organization efficiency (Walton, 2008).

Fair price; selection the right suppliers offering a fair price provide the benefit of cost reduction to the buying firm, while also providing themselves with a rational profit. A mutually valuable price allows suppliers to remain profitable and continue business. Firms that earn extremely low profit margins relative to their competitors are likely to either cut corners on quality or to exit the relationship. There are also other benefits related to price. If buyers and suppliers share pricing information, whereby the elements of both company's profit margins are revealed, both can reap benefits. Engineers in the buying firm can assist suppliers by making cost driving processes more efficient. Likewise, engineers in the supplying firm can also assist buyers by developing a lower cost design (Handfield, 1998)

Evaluating and selecting supplies are critical activities in the process of purchasing and supplying materials. A lot of manufacturing and service organizations operate in a constantly changing business environment and occasionally have to reconsider their steps in terms of supplier selection. Manufacturing and service organizations contract with external suppliers for the products or services which they market. These may be raw material, finished products or service suppliers. Selecting the right supplier is a complex decision made by companies and organizations, with potentially significant impact on the organization's ongoing performance. Many studies have indicated that finding the right suppliers is essential for business organizations and crucial to their success (Simpson, 2008).

It affects critical areas along the organization's supply chain, such as production, transportation, inventory, and quality. By selecting the right suppliers, the organization can gain in efficiency and enhance supply chain cost-effectiveness. On the other hand, failing to select the right suppliers could compromise the organization in economic/financial terms or

in terms of service quality and reputation. Companies in order to attain the goals of low cost, consistent high quality, flexibility and quick response have increasingly considered better supplier selection approaches. These approaches normally require cooperation in sharing costs, benefits, expertise and in attempting to understand one another's strengths and weaknesses, which in turn leads to single sourcing and long-term partnerships. A key tool in supplier selection is supplier ranking, which is a central aspect of the quality management field, and is attracting growing attention nowadays. One of the key characteristics of the business environment in which most organizations currently operate is its dynamics (Humphreys, 2003).

Selecting responsive suppliers results in benefits when issues arise. If a supplier knows a buyer's order, has the level of expertise necessary to resolve its particular issues and is responsible for the buyer's account, there will be a quick follow through and response to problems. In addition, buyers that know who to call how to contact them may save time when time is of extreme importance (Pullman, 2000).

These dynamics are a significant and decisive aspect of business environmental uncertainty. Environmental dynamics are governed by several factors, including consumer behavior, and predictable or unpredictable events in the local or global business environment. Today's customers are typically more sensitive to quality, exposed to competition and thus more demanding in terms of requiring higher quality standards and better value for money. The intense competition enables them to demand quicker and more customized response, which directly impacts the dynamics of the business environment. Another important factor is the rapid advances in information technology which allow for cost reduction, shorter supply times, informational reliability and accelerated manufacturing and procurement processes, along with more streamlined integration of operational processes with marketing and customer service approaches (Geng, 2001).

Purchase decision process of organizational buyers has become increasingly a complex, multidimensional and multifunctional activity as the traditional role of the purchasing has significantly changed over the past few years as organizations increasingly globalize their sourcing activities. Financial parameters also affect the dynamics of the business environments. For example, in a dynamic business environment manufacturing or service organizations contract with suppliers from many different countries, contracts affected by exchange rate fluctuations. Another important financial factor is changes in interest rates, which may affect inventory maintenance costs. The changes often affect supplier selection considerations, since the cost of products or services provided by the supplier is related to the interest rate (Walton, 2008).

Before selecting suppliers, a firm must decide whether to use single sourcing or multiple suppliers. The selection of suppliers is done using a variety of mechanisms including offline complete bids, reverse auctions, or direct negotiations. Regardless of what mechanism is used, the selection should be based on the total cost of using a supplier and not just the purchase price. (Ghodsypour and O'Brien, 2001) points out that supplier selection is one of the most important decision making problems, since selecting the right suppliers significantly reduces the purchasing costs and improves corporate competitiveness. However, supplier selection decision-making problem involves tradeoffs among multiple criteria that involve both quantitative and qualitative factors, which may be conflicting. Buyer supplier relationships based on only the price factor has not been appropriate in supply chain management recently. Considerations have been given also to the other important strategic and operational factors such as quality, delivery, flexibility. Supplier selection decisions must include strategic and operational factors as well as tangible and intangible factors in the analysis. (Ferhan and demet, 2003)

(Rainer and Christian, 2005) explained that an ideal supplier is defined by the procuring enterprise which fixes the ideal scores of every relevant criteria. The rating team should consist of several departments of the enterprise. He also agrees that the best suppliers should be selected on the main criteria of price, quality, quantity logistics and service. In accordance with the relevant logistics literature, these criteria are of great importance for supplier selection. The offer price including discounts and payment terms.

Flexibility is also enhanced from supplier selection. Suppliers offering order flexibility provide value to firms by giving them the ability to seize opportunities or avert crises due to last minute changes. Last minute changes are sometimes unavoidable and flexibility is the key to surviving such changes

Supplier selection enhances financial and business stability. Selecting firms with financial and business stability increases the likelihood that the partnership will survive through tough times. Firms that are financially stable are likely to offer long-term relationships, quality products and development services (Stanley and Gregory, 2001).

Suppliers' need competent technical ability to provide high quality product or service, ensure future improvements in performance and promote successful development efforts. Especially, this is very important when the firm's strategy included development of a new product or technology or access to proprietary technology. These technical criteria insist company to shift into the global market place. This factor has been measured on the basis of the importance of the following technical dimensions: compliance with quantity, compliance with due date, compliance with packaging standard, production planning systems of suppliers, and maintenance activities of suppliers, plant layout and material. The production facilities and ability of the supplier to increase its capacity should also be taken into account to Judge the best one. The potential production capability of each supplier should be analyzed

to meet a specified Production plan and also to develop a new product according to the market demand (Harps, 2000).

The ease of communication and negotiability with the suppliers decide the long-term relation between the Supplier and organizational. Since languages, business customs, ethics and communication devices vary from Country to country, good suppliers should be best communicators; good message in good time and this can ensure organization efficiently.

Proper supplier selection enhances better delivery; selecting suppliers with exceptional delivery ability eliminates the “waste” associated with purchasing raw materials such as inventory costs, storage expenses, and the costs of transferring materials multiple times. Many organizations have moved to a JIT inventory process in order to reduce the cost of such “waste.” Firms using JIT inventory processes require vendors who are willing to deliver in the manner that the firm requests. Vendors providing exceptional delivery ability provide value to a firm by reducing its risk of running out of material, saving on unnecessary transportation costs, reducing the need for storage and reducing the costs associated with inventory.

2.2 Effects of Supplier Optimization on Organizational Efficiency

Supply chain optimization is now one of the top priorities for a lot of companies as they look for a way to develop increased effectiveness in the growing recession. During the next six years, supply chain performance experts plan to witness an increased level of attention on supply chain upgrades, and asset maximization. Companies hope for a healthy growth in global supply chain performance applications. Large adjustments in the business are having an uncontrollable impact on an organizations supply network. Increasing efficiencies in the distribution department, has been brought up the priority list for many businesses around the globe. Escalating the distribution of assets has become an issue of importance due to the fact

that it has a direct partnership toward optimizing capital and raising the bottom line in the industry (Ericson, 2004).

The chain optimization is designed to prepare inventory policy across many dependent levels of a supply network, in multiple periods. Naturally, it will set up inventory goals up and down the distribution chain on a concurring basis. These supplies give businesses the chance to generate possible calculations of the impact on certain company decisions on overall inventory organization. Recent distribution procedures have increasingly been adopted and put to use by many industry leading organizations. Processes like a company's sales, inventory, and operations preparations, and modern product innovation would be improved by this optimizing chain procedures. It's a known that distribution optimization is not a priority project; your business could be on the path of losing important supply chain benefits. While results differ from business to business, given the current economic state, the benefits of taking on new distribution tactics are persuasive (Hertz 2001).

When applied to supply chain operations, optimization helps the sourcing professional simultaneously evaluate thousands of different procurement inputs. This evaluation can take into consideration the global market, specific current supply chain conditions, and individual supplier conditions, and offers solutions that address the buyer's (and supplier's) goals in the best possible way (Stanley and Wisner, 2001).

The market has been summed up by the smaller suppliers that offer a large range of methods which have their distinct benefits. Some of the tactics, the industry are implementing in order to optimize distribution are the use of logistic modeling software as a planning tool, where to find facilities and warehouses, inventory placement, mode selection, incorporation, distribution scenario settings, gathered distribution and a thorough understanding of the possible what if scenarios. As the market is seen to play major roles in the future, these types

of innovations will only help to increase the revenue for companies utilizing these supply chain maximizing tactics to better the industry and others (Hoek, 2008).

Supply chain departments typically control the flow of goods/materials from suppliers to customers. organizations supply chain function can consume a significant portion of business costs, through their control of a large percentage of the cost of sale. Inefficient supply chains can be characterized by bureaucracy and 'hidden costs' or waste such as overstocking inventory, paper led processes and poor controls and policies. Pioneered by the automotive industry it is now common for supply chain organizations to undergo optimization initiatives or "leaning" to improve efficiency and reduce costs.

By making the negotiation about greater than price, optimization allows the vendors to be creative and offer more complex transactions, compete on different direct and indirect cost factors, and not feel pressured to simply reduce the price (Obrien and Ghodsypour, 2005)

Aiming to improve symptoms such as lengthy and complex business processes which include a variety of non-essential non value tasks, too many staff, large numbers of suppliers and finally (and most importantly) increased costs (Hakansson, 2002). Commonly supply chain optimization is wrapped up within business improvement initiatives - these may utilize a kaizan approach or other such improvement model and are usually led and managed by a team within the business. It is increasingly common to find external consultancies that specialize in Supply Chain optimization and introducing best practice. Optimization occurs at any stage in the process (from customer requirement through to sales and distribution) and typically they center on aligning the companies procurement, and warehouse processes against required output.

In this environment according to Obrien C, Ghodsypour SH., (2005), many suppliers seek creative ways to decrease inventory and are often willing to negotiate new transactions. These

transactions may take the form of volume discounts or better non-price terms such as decreased delivery time or better warranties. And with such new suggestions, arises an opportunity for revision and reevaluation of the existing purchasing agreements.

The ability to analyze all aspects of a deal is critical in taking advantage of these new market surroundings. For example, a majority incumbent supplier might have invested in fuel competent, alternative specifications that can meet the buyer's requirements -- while a minority incumbent may have lost a large customer giving him more capacity to meet the buyer's volume. An evaluation based primarily on costs may ignore these supplier realities. Therefore, supplier optimization, part of a greater science called Operations Research, makes this analysis possible Harps, (2000).

Stanley and Gregory, (2001) pointed out that supplier optimization goes far beyond simple spreadsheet-like differences. This helps to ensure that no possible scenario or solution is overlooked and no money is "left on board." Though it may sound concentrated, with the right application of technology it can eliminate weeks of tedious side-by-side evaluations that attempt to simultaneously analyze the inputs.

It is worth noting that Supplier optimization is often limited by the "human aspect." Agreeing to different studies, a person can show up to 6 to 18 factors of evaluation simultaneously. However, any company-wide supply chain initiative involves thousands of factors and parameters, each affecting the bottom line Harps, (2000)

Stanley and Wisner, (2001) documented that supplier optimization can impart in an uncertain economic environment: rapid response to the changing market circumstances, including the ability to renegotiate existing deals and quickly achieve better total costs; rapid evaluation of suppliers' capacity, including the ability to rapidly add more suppliers to the operation; and also the ability to maintain and strengthen supplier relationships.

2.3 Effects of Supplier Automation on Organizational Efficiency

According to (Ash, 2006) Task automation allows your organization to operate higher levels of efficiency. Boost visibility, and profitability, across the supply chain with automated solutions. A lot is expected of today's purchasing professionals and not just in terms of sheer workload, but in the expectation that they will play a strategic role in the organization. With these web-based applications, your internal customers can create their requisitions online, and you can automate the requisition approval process. Automation saves your purchasing staff even more time by allowing end users to shop directly at vendor-maintained websites, reducing the demands of maintaining an internal item master. Distributors need tools that give a consistent view of all inventories and efficiently support all of the activities associated with storing and moving goods.

Automation provides a scalable solution that is able to handle a variety of inventory types: from basic to shelf-life or serialized items. It helps efficiently manage routine processes and volumes from inbound receipt, to location replenishment, to outbound dispatch. It is time for companies to start investing in supply chain management to improve enterprise wide operational performance management; this will lead to improved competitiveness and create lasting value. Unlike the past years and the tail end of the dot-com boom, the focus on supply chain management (SCM) shouldn't be all about automation. Companies should focus on getting information out of their supply chain that will help them improve performance. While the near collapse of some SCM vendors and the assignment of SCM products by the larger enterprise resource planning vendors to the back burner reflect the lack of investment in recent years, companies should once again consider investing in their supply chain. They should not focus only on automation (Barbieri & Zanoni, 2005).

While efficiencies gained from automation lead to cost reductions, to achieve lasting value companies must improve their effectiveness. By getting more actionable information from the supply chain, companies can set priorities and make more profitable actions. As with every other facet, a balance between the efficiency and the effectiveness of people and processes must be attained if the company wants to be successful in this decade. To reach this balance it is essential that the supply chain be visible so the current state of manufacturing and inventory can be assessed on a daily basis., the marketing and sales organizations increase their agility to respond to customers without having systems analysts collect and aggregate data. Visibility into the supply chain is also important for organizations performing forward-looking business planning so they can dynamically assess the future manufacturing opportunities (Barclay, and Thompson, 2005).

According to (Chaffey,2004) the demand chain can be more flexible to help the company maximize return on costs. It is increasingly clear that product and service organizations lack the fundamentals for improving performance. Leveraging information from the supply and demand chain provides the visibility to improve operational performance. The key fundamental, the lifeline of business, is information that drives effective decisions. We've all experienced not being able to find the status of an order for a product or service. Companies must examine how well their customer-facing organizations can access information from the supply chain. It is amazing that due to information technology improvements most organizations still cannot quickly ascertain the performance in a supply chain and easily provide marketing, sales, and service organizations the information they need.

In today's complex and volatile business environment, ensuring authorized purchasers order the correct products from the right suppliers on the best terms is a must. It can be difficult to achieve optimum control and efficiency in a value network that spans over numerous e-commerce partners that participate in an end-to-end collaboration. While purchasing costs are

often be as high as 50 percent of a company's total costs, the administrative costs of purchasing are sometimes greater than the cost of the items being purchased. As more and more companies essentially require supplies to be provided in a timely manner, e-procurement is the right solution. E-procurement process the procurement and purchasing process is integrated with a company's buyers and suppliers together with the relevant IT systems on both sides (Chin and Gopal 2005).

According to (Chopra and Meindl, 2001) Electronic procurement holds out such a promise and is all the more alluring for businesses to move their purchasing online. It is necessary for authorized purchasers to order the correct products from the right suppliers on the best possible terms. An e-procurement system is effectively a seamless, business to business system that ensures that the whole process is made automatic, taking the process of procurement up to a high level and creating a process for supply chain management that is efficient and robust. The advantages of e-procurement are becoming more evident its uses have become apparent. It provides visibility into day-to-day transactions and makes it easier for users to get the supplies that they need. With e-procurement there is no out of control expenditures. It not only streamlines purchases, and also helps businesses save time which can be used on being more productive, and giving their customers the best service.

The e-procurement system that you choose must be able to automate the procurement workflow from the order to the delivery and invoicing. Such a system can greatly improve your organizational efficiency and reduce the administrative costs of all steps in the procurement process. Traditional delivery methods (postage, and manual fax) had risks which were noncompliance to a host of regulatory guidelines. They also jeopardize information confidentiality, that information must be printed and can be lost, misrouted, or viewed by an unintended recipient. For companies that take advantage of automation, confidential documents are sent in real-time directly from the application to the intended recipient in

whatever format the recipient requests. This eliminates many security concerns associated with error-prone manual processes and supports regulatory compliance. Automation also provides options that make it possible for users to transmit confidential documents to customers and partners as certified email or as secure encrypted files. Documents encrypted require passwords to access them, so they cannot be read if intercepted on the network. In addition, a certified delivery feature is available that allows users to verify the receipt of a sent document and the time it was accessed by the recipient (Croom, 2005).

Suppliers of end-of-line automation and material handling in the food sector have a distinct scope of technology to consider, including various types of palletizing robots, stretch wrapping equipment, labeling systems, pallet control system. Automation equipment is capable of handling loads of raw material, work in progress such as beer, soft drinks, cereals, candy, snack foods, as well as finished good.

The benefits of utilizing automation of suppliers and improved processes include reduced operating costs and optimized use of operations and facility space. Additional benefits include improved product quality, workplace health and safety, and reduced labor costs. Some plants and warehouses report improved quality of work for employees, increased production throughput, reduced waste and improved product-tracking (Arthor, 2012).

Increasing profits with supplier automation is best achieved by reducing costs related to supply-chain management. Exploring methods of optimizing transportation of raw materials, work in progress, finished goods and flow of return goods drives bottom-line results. Production issues, particularly workflow, can improve operational efficiency and employee productivity (Chin and Gopal, 2005).

Supplier automation enhances increased safety and ergonomics. This is because facilitating conditions that are optimized and reduced include repetitive transports, multi-shift and 24/7

operations, as well as mid to long-distance travel and high-frequency throughput (Arthor, 2012). Other factors impacting safety and ergonomics include material flows with a large number of buffer locations, complex production flows as well as transport to and from automated warehouses.

Too much attention is normally focused on the technology aspects of the project. Real business benefits need change to occur amongst the users affected. The people aspects need to be addressed from the outset. Automation of itself can of course cut cost from the business but the average technology project realizes less than 50% of its true potential value to the business, as the people aspects are not properly addressed (Ash, 2006).

IT Departments and vendors will insist that the technology works as specified but the business users will complain that the technology is too hard to use or does not provide them with key information that they need to enhance business performance.

2.4 Conclusion

In conclusion, there has been a general exploration of management of suppliers and how it affects Organizational efficiency. This has been explored the effect of supplier selection, supplies optimization and supplies automation affects organizational efficiency. From the above literature, it can be concluded that supplier management can have an impact on efficiency of organizations as confirmed by Arthor, (2012).

CHAPTER THREE: METHODOLOGY

3.0 Introduction

This chapter describes the research design and methodology. The chapter describes the research design, the study area, target population, sampling for the study and data collection instruments and procedures, and finally describe the data analysis methods that was adopted in an attempt to answer research questions.

3.1 Research Design

The study used a case study design approach. A case study design is method known for obtaining true and comprehensive picture of a social unit, institution or community in order to understand the life cycle of that particular unit more fully (Amin 2005). A case study was used because it provides an in-depth study of the problem with limited time scale .The case study approach is perceived as the most preferable way of obtaining holistic, in-depth insights into the subject matter.

The study considered both quantitative and qualitative approach. Quantitative approach is the systematic empirical investigation of observable phenomena via statistical, mathematical or computational techniques. It involved data that is in numerical form such as statistics, percentages (Mertens, 1998). On the other hand, qualitative approach is an approach is designed to reveal a target audience's range of behavior and the perceptions that drive it with reference to specific topics or issues. It aimed to gather an in-depth understanding of human behavior and the reasons that govern such behavior. The researcher visited only one organization that is, Tusky 's supermarket to collect all the required information about the effects of management of suppliers on organizational efficiency. The basic idea behind

research design was to measure variables by asking the respondents questions and then to examine relationships among the variables. The research design helped attempt to capture attitude or patterns of the questions being sought.

3.2 Study Area

Patton (2006) describes the study setting begins with the physical environment and providing sufficient information that the reader does not have to speculate at what is meant and where it was obtained from. This study was limited to the Tuskys supermarket located at Ntinda. The branch serves the people of Ntinda and its environs. This study was meant to investigate the effects of management of supplier on organizational efficiency in the supermarket. This branch in Ntinda was chosen because it manages a lot of suppliers for the commodities they sell and poor supplier management could affect the efficiency of the entity.

3.3 Study Population

Target population is the people or subjects the study selects the respondents from and it is vital in achieving the set objectives (Mbendi, 2007). The target population included the manager, head of department which include (finance, marketing, total quality management, purchasing and supply, and human resource management and other staffs working in Tuskys supermarket.

3.4 Sampling techniques and procedures

3.4.1 Sample Size

Sampling is that part of statistical practice which is concerned with the selection of individual observations intended to yield some knowledge about a population of concern, especially for the purpose of statistical inference. Sampling frame which has the property that study can identify every single element and include any in the sampling. The most straight forward type

of frame is a list of elements of the population (preferably the entire population) with appropriate contact information. The sampling frame must be representative of the population and this is a question outside the scope of statistical theory demanding the judgment of experts in the particular subject matter being studied. The study used stratified and random sampling procedures to get the respondents. According to Oso and Onen (2005) 50% of the accessible population is enough for a case study. The study used a sample size of 70 respondents, management (10) employees 45 and suppliers (15)

3.4.2 Sampling Technique

The study employed stratified sampling technique and purposive sampling technique in selecting the respondents. In purposive sampling the researcher decided who to include in the sample. The researcher purposely targeted a group of people believed to be reliable for the study (Kombo and Tramp (2006).

Cochran (1977) stated that stratified sampling involves the division of a population into smaller groups known as strata. In stratified random sampling, the strata are formed based on members' shared attributes or characteristics. A random sample from each stratum is taken in a number proportional to the stratum's size when compared to the population. These subsets of the strata are then pooled to form a random sample. Stratified sampling technique was used to select employees from the departments of Tusky 's Supermarket. The respondents were divided into groups according to the divisions of the super marketing they were working in, then randomly sampled from the different groups. 2006). Purposive sampling technique was used to select a manager and heads of departments.

3.5 Data Sources

Data sources were from primary and secondary data of both qualitative and quantitative in nature during the study. Primary data was collected using questionnaires and interview

methods whereas secondary data was obtained from literature published and unpublished through documentary review. Collecting data using a questionnaire is more convenient and time saving and it also helped to determine the relationship between the two variables under study. Secondary data were sourced from literature by different authors and this helped the researcher get more knowledge of the variables under study.

3.6 Data Collection instruments

3.6.1 Questionnaire

Primary data was obtained through self-administered questionnaires. The questionnaires had closed questions. This method ensured reliability and clarification to be offered to those who encountered difficulties in filling the questionnaires. Questionnaires formed the major source of primary data to be used in the study. The data that was collected from this source was obtained through use of questionnaires constructed by the researcher and approved by the supervisor. The data was collected through this study was collected through actual visits to area of study. The questionnaire was administered by the researcher to the respondents. Questionnaires are easy to administer, friendly to complete and fast to score and therefore take relatively very little time of researchers and respondents (Mbendi, 2007). During the appointment day, the researcher distributed the questionnaires in the morning and collected them in the afternoon. However, during that period the researcher was available for any consultation or clarification.

3.7 Quality assurance: Validity & Reliability of instruments

3.8.7 Reliability

According to Neuman (2005), the reliability of an instrument is the measure of the degree to which a research instrument yields consistent results or data after repeated trials. The questionnaire was subjected to expert face validity and theoretical content validity tests. A

content validity index (CVI) is an indication of the degree to which the instrument corresponds to the concept it is designed to measure. Amin's (2005) recommended minimum CVI of 0.7 which will be employed.

3.7.2 Validity

According to Neuman (2005), validity is the quality attributed to proposition or measures to the degree to which they conform to established knowledge or truth. An attitude scale was considered valid, for example, to the degree to which its results conform to other measures of possession of the attitude. Validity therefore refers to the extent to which an instrument can measure what it ought to measure. It is referred to the extent to which an instrument asks the right questions in terms of accuracy. When the items on an instrument are not scored right versus wrong, Cronbach's alpha is often used to measure the internal consistency which is often the case with attitude instruments that use likert scale (Barifaijo, Basheka & Oonyu, 2010). Mugenda & Mugenda, (2003) stresses that a coefficient of 0.80 or more implies that there is a high degree of reliability of the data, and that's what the researcher adopted.

3.8 Measurement of Variables

The researcher used an interval scale to measure the variables. The degree to which a respondent concurs with the questions on the question will be distributed on a nominal scale which is called Likert Scale variables ranging from strongly disagree (SD) and these were represented by figures 1-5 where 1= strongly disagree (SD), 2= disagree (D), 3= not sure (NS) or no comment, 4= agree (A) and 5= strongly agree (SA). This was chosen because it showed correctly the degree and relationship between the two variables.

3.9 Data Analysis

Data analysis includes editing, coding computer data entry and verification of the accuracy of the data entered into the computer. In this study, data was collected from the representative samples of the population study, edited to ensure accuracy and blank responses were handled accordingly to maintain consistence.

Qualitative data was reviewed and analyzed using content analysis whereby key statements were used to backup numerical data analyzed.

3.10 Ethical considerations

The Researcher obtained a recommendation letter from Uganda Martyrs University Nkozi which was acquired for the field work so that the researcher can use it for introduction. The researcher then made the necessary appointments to expedite the data collection process.

The study was conducted after obtaining official permission from Tusky' s Supermarket Ntinda. Respondents were assured that the findings would be protected and that they were to be used for academic purposes only.

The researcher edited the questionnaires and pre-tested them before the final administration.

Debugging was done to clean up data, process and present useful information.

3.11 Limitations of the Study

Information concerning the two variables was hard to get because literature was limited.

The research proposal came at a time when the researcher was supposed to do tests. So there was limited time for the proposal as well as classwork.

3.12 Conclusion

The chapter is basically the backbone of the research, because it will seek for information about supplier management and organizational efficiency, by using different data collection methods, within the employees of Tusky 's and available documents about the topic under investigation.

CHAPTER FOUR

DATA ANALYSIS, RESULTS PRESENTATION, AND DISCUSSION OF FINDINGS

4.0 Introduction

The study was undertaken to determine the effect of management of suppliers on organizational efficiency a case study of Tusky 's Supermarket located at Ntinda. Data was collected using questionnaires and interview guide and this was based on set objectives which were to assess how supplier selection affects organizational efficiency, to establish how supplies optimization affects organizational efficiency and to investigate how supplies automation affects organizational efficiency in Tusky's Supermarket.

4.1 Demographic Characteristics of the Respondents

In this section, efforts were made to document the background information of the respondents such as age, marital status, gender, level of education and years spent at the supermarket.

4.1.1 Age group of the Respondents

As regards to the Age group of the respondents, the majority (51.4%) of the respondents belonged to the age group of (21-30) years as shown in figure 4.1 below;

Table 4.1: Age group of the Respondents

| Age (years) | Frequency(F) | Percentage (%) |
|--------------|--------------|----------------|
| Below 20 | 11 | 15.7 |
| 21-30 | 36 | 51.4 |
| 31-40 | 15 | 21.4 |
| 41-50 | 6 | 8.6 |
| 51 and above | 2 | 2.9 |
| Total | 70 | 100.0 |

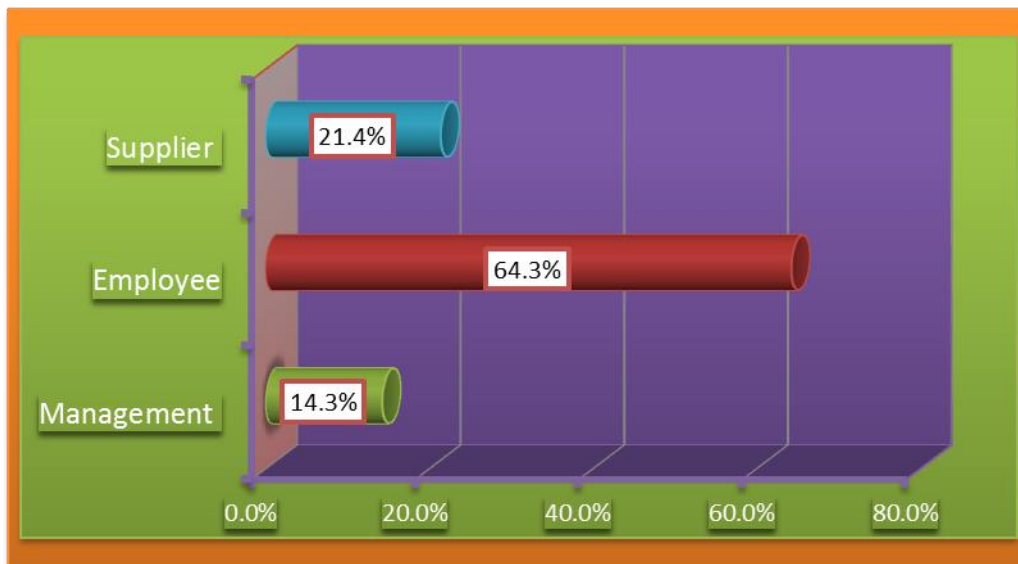
Source: Primary data

Results from the table 4.1 showed that these were followed by (21.4%) had years ranging from 31 to 40, then (15.7%) of the respondents were below 20 years, (8.6%) belonged to the age group of (41-50) years while the minority (2.9%) of them were 51 and above. This was related to the recruiting procedure used by the human resource at Tusky's where by youths were preferred due to the fact that they were active, industrious and hard working.

4.1.2 Category of the Respondent

As regards to Category of the respondent the majority (64.3%) of the respondents were employees as indicated in the table 4.2 below;

Figure 4. 1: Category of the Respondent



Source: Primary data 2015

According to the figure 4.1, majority of the respondents were employees because the supermarket has the capacity to employ such a big number due to the operations available there, these were followed by (21.4%) of the respondents who were suppliers while the minority (14.3%) of them were management. This showed the distribution of the respondents according the role they play at Tusky's supermarket.

4.1.3 Gender of the Respondents

As regards to Gender of the respondents 54% of them are females as indicated in the table 4.2 below;

Table 4. 2: Gender of the Respondents

| Sex | Frequency(F) | Percentage (%) |
|--------------|---------------------|-----------------------|
| Female | 38 | 54.3 |
| Male | 32 | 45.7 |
| Total | 70 | 100.0 |

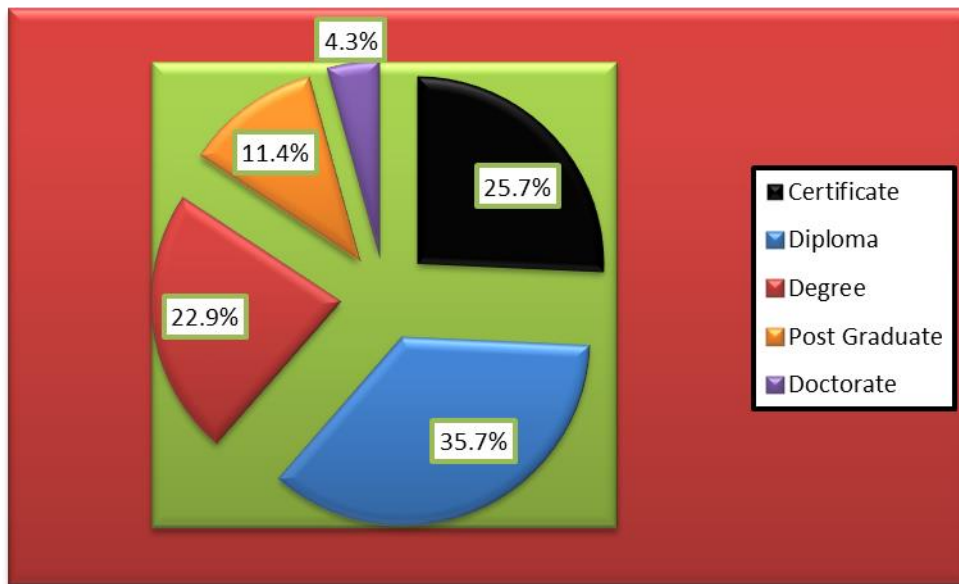
Source: Primary data 2015

As presented from table 4.2 above, the findings indicate that majority 54.3% of the respondents were females compared to the males who were 45.7% of the respondents. This signified that there was some gender imbalance in the study in that there are more females than males. This was also related to the need of more females than males since ladies tend to have more customer care than men and can attract many customers which was the main objective to attain a large customer base.

4.1.4 Level of Education of the Respondents

On the issue of the Level of education 35.7% of the respondents hold a diploma as shown in the figure 4.2 below;

Figure 4.2: Level of Education of the Respondents



Source: Primary data

Results from figure 4.2 above indicated that (25.7%) had attained certificate from different fields, (22.9%) had a Bachelors degree, (11.4%) of them were postgraduates while the minority (4.3%) of them were doctorate holders and these mostly included the top managers in Tusky's supermarket. From the above figure, it can be verified that employees, suppliers, and management of Tusky's supermarket were highly educated implying that they were very knowledgeable, intelligent and literate, so they responsibly responded to the administered questionnaires hence providing relevant data to the study being undertaken.

4.1.5 Years Spent by the Respondent with the Supermarket

In regards to years spent by the respondent with the supermarket, the majority (51.4%) had spent 3-5years with the company as shown in table 4.3 below;

Table 4.3: Years Spent by the Respondent with the Supermarket

| Time (years) | Frequency (F) | Percentage (%) |
|---------------------|----------------------|-----------------------|
| Below 2 years | 12 | 17.1 |
| 3-5years | 36 | 51.4 |
| 6-10years | 14 | 20.0 |
| Over 10years | 8 | 11.4 |
| Total | 70 | 100.0 |

Source: Primary data 2015

According to table 4.3 above, it is indicated that these were followed by (20.0%) who had spent 6-10 years at the supermarket, then (17.1%) of the respondents had spent their less than 2 years while the minority (11.4%) had been with Tusky's supermarket for more than 10 years. This depicted that most of the respondents had enough experience with the supermarket which implied that they knew much about the company thus providing enough information as far as the study was concerned.

4.2 Effect of Supplier Selection on Organizational Efficiency

The first objective of the study was to establish how supplier selection affects organizational efficiency. To accomplish this, the researcher examined the extent to which the respondents agree, neutral or disagree with the ways through which supplier selection had affected organizational efficiency. The findings are presented in table 4.5 below. The following abbreviations were used; **SA** = (Strongly Agree), **A**= (Agree), **N**= (Neutral), **D**= (Disagree), **SD**= (Strongly Disagree)

Table 4.4: Showing the Effect of Supplier Selection on Organizational Efficiency

| Supplier Selection | SA | | A | | N | | D | | SD | |
|--|----|-------|----|-------|---|------|---|------|----|------|
| | F | % | F | % | F | % | F | % | F | % |
| Help to achieve organization's core processes requirements | 31 | 51.7% | 23 | 38.3% | 3 | 5.0% | 2 | 3.3% | 1 | 1.7% |
| By selecting the right suppliers, our organization can gain efficiency and enhance supply chain cost-effectiveness | 35 | 58.3% | 19 | 31.7% | 4 | 6.7% | 1 | 1.7% | 1 | 1.7% |
| The suppliers we use give us the best prices in the market. | 22 | 36.7% | 36 | 60.0% | 1 | 1.7% | 0 | 0.0% | 1 | 1.7% |
| Assist in meeting the intended quality | 41 | 68.3% | 18 | 30.0% | 1 | 1.7% | 0 | 0.0% | 0 | 0.0% |
| Today's customers are typically more sensitive to quality, and more exposed to competition. | 24 | 40.0% | 31 | 51.7% | 1 | 1.7% | 3 | 5.0% | 1 | 1.7% |
| We meet our customers' demands in time. | 25 | 41.7% | 35 | 58.3% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Our suppliers deliver within the agreed timelines. | 31 | 51.7% | 23 | 38.3% | 2 | 3.3% | 1 | 1.7% | 3 | 5.0% |

Source: Primary Source 2015

The findings of the study in table 4.4 indicated that the majority (58.3%) of the respondents strongly agreed that Supplier Selection helped to achieve organization's core processes requirements, these were followed by (38.3%) who agreed, (5.0%) were not sure whether Supplier Selection helped to achieve organization's core processes requirements whereas

(3.3%) and (1.7%) disagreed and strongly disagreed respectively. These findings are in agreement with Simpson, (2008) who noted that supplier selection is a process of selecting key suppliers based on pre-established set criteria which arises from the organization's core processes requirement.

The findings of the study in the table 4.4 above presented that the majority (58.3%) of the respondents strongly agreed that by selecting the right suppliers, the organization gained efficiency and enhanced supply chain cost-effectiveness, (31.7%) of them agreed, (6.7%) were not sure whether by selecting the right suppliers, the organization could gain efficiency or enhance supply chain cost-effectiveness whereas (1.7%) and (1.7%) disagreed and strongly disagreed respectively.

These findings in table 4.4 above are in line with Humphreys, (2003) who stressed that supplier selection affects critical areas along the organization's supply chain, such as production, transportation, inventory, and quality. He also noted that through selection of the right suppliers, the organization can gain in efficiency and enhance supply chain cost-effectiveness.

These issues were supported by the findings of the interview where by one of the respondents mentioned that *“On failure to select the right suppliers, this can compromise the organization in economic/financial terms or in terms of service quality and reputation.”*

In relation to the findings of the study in table 4.4, the majority (60.0%) of the respondents agreed that supplier selection gave the organization the best prices in the market, (36.7%) of the respondents strongly agreed, (1.7%) were not sure whether supplier selection gave the organization the best prices in the market while the minority (1.7%) strongly disagreed.

These findings are in line with the findings of the interview where one of the respondents cited that the *“supplier selection brought about rapid advances in information technology*

which allowed for cost reduction, shorter supply times, informational reliability and accelerated manufacturing and procurement processes, along with more streamlined integration of operational processes with marketing and customer service approaches.”

According to the findings of the study in table 4.4 above, it was testified that the majority (68.3%) of the respondents strongly agreed that supplier selection assisted the organization in meeting the intended quality, (30.0%) of them agreed while the minority (1.7%) of the respondents were not whether sure supplier selection assisted the organization in meeting the intended quality.

These findings are in line with Chopra (2007) who argued that for companies in order to attain the goals of low cost, consistent high quality, flexibility and quick response, they should increasingly consider better supplier selection approaches.

One of the interviewees also noted that *“A key tool in supplier selection is supplier ranking, which is a central aspect of the quality management field, and is attracting growing attention nowadays”*

The findings of the study in the table 4.4 also presented that the majority (51.7%) of the respondents agreed that customers were typically more sensitive to quality, and more exposed to competition due to supplier selection, they were followed by (40.0%) of them strongly agreed, (5.0%) disagreed that there was no change in the customer sensitivity, (1.7%) were not sure whether customers were typically more sensitive to quality, and more exposed to competition due to supplier selection while only (1.7%) strongly disagreed respectively. This was also supported by the findings of the interview where by one of the respondents incremented that

“Supplier selection increases demand by customers in terms of requiring higher quality standards and better value for money and the intense competition enables them to demand quicker and more customized response, which directly impacts the dynamics of the business environment”

The findings of the study presented in table 4.4 shows that the majority (58.3%) of the respondents agreed that supplier selection enabled the organization to meet customers' demands in time while the minority (41.7%) of the respondents strongly agreed. These findings are in agreement with Jessop (2004) who marked that effective supplier selection is crucial in satisfying customers' changing needs. He also cited that owing to the impact of globalization, the supply chain has to be responsive in providing prompt and reliable delivery of high-quality products and services at the least cost.

In relation to the study also presented in table 4.4 shows that the majority (51.7%) of the respondents strongly agreed that supplier selection also enabled suppliers to deliver within the agreed timelines, these were followed by (38.3%) of them strongly agreed, (5.0%) strongly disagreed that supplier selection did not enable suppliers to deliver within the agreed timelines, (3.3%) were not sure whether timely delivery was influenced by supplier selection while the minority (1.7%) of the respondents disagreed. These findings are also in line with the findings of the interview where by one of the respondents remarked that

“Supplier selection enable sound commercial principles that recognizes amongst other factors for example the quality materials and services, relevant experience and reputation, financial stability and the ability to deliver on time”

4.3 Effects of Supplier Optimization on Organizational Efficiency

The second objective of the study was to establish how supplies optimization affects organizational efficiency. To accomplish this, the researcher examined the extent to which

the respondents agree, neutral or disagree with the ways through which Supplier optimization on organizational Efficiency. The findings are presented in table 4.5 below. The following abbreviations were used; **SA** = (Strongly Agree), **A**= (Agree), **N**= (Neutral), **D**= (Disagree), **SD**= (Strongly Disagree)

Table 4.5: Effects of Supplier Optimization on Organizational Efficiency

| Supplier Optimization | SA | | A | | N | | D | | SD | |
|--|----|-------|----|-------|---|------|---|------|----|------|
| | F | % | F | % | F | % | F | % | F | % |
| Supply chain optimization is one of our organizations top priorities which increase effectiveness. | 28 | 46.7% | 30 | 50.0% | 0 | 0.0% | 1 | 1.7% | 1 | 1.7% |
| To optimize distribution, our organization uses logistic modeling software as a planning tool. | 27 | 45.0% | 28 | 46.7% | 1 | 1.7% | 2 | 3.3% | 2 | 3.3% |
| Our organization uses recent distribution procedures. | 36 | 60.0% | 23 | 38.3% | 0 | 0.0% | 1 | 1.7% | 0 | 0.0% |
| Supply chain departments typically control the flow of goods from suppliers to customers. | 31 | 51.7% | 21 | 35.0% | 5 | 8.3% | 1 | 1.7% | 2 | 3.3% |

Source: Primary Source 2015

The findings of the study in table 4.5 testified that the majority (50.0%) of the respondents agreed that supply chain optimization was one of the organizations top priorities which increased effectiveness, (46.7%) of them strongly agreed while (1.7%) and (1.7%) disagreed and strongly disagreed respectively. These findings are in agreement with Ericson, (2004) Escalating the distribution of assets that is influenced by supplier optimization, it has

become an issue of importance due to the fact that it has a direct partnership toward optimizing capital and raising the bottom line in the industry. This has further raised the level of effectiveness in an organization.

In relation to findings of the study in table 4.5, it was presented that the largest percentage of the respondents that is (46.7%) strongly agreed that to optimize distribution, organization used logistic modeling software as a planning tool, (1.7%) of the respondents were not sure whereas (3.3%) and (3.3%) disagreed and strongly disagreed respectively. This was supported by the findings of the interview where by one of the respondents incremented that

“As the market is seen to play major roles in the future, these types of innovations like logistic modeling software will help to increase the revenue for companies utilizing these supply chain maximizing tactics to better the industry and others “

In relation to the findings of the study in the above table 4.5 also indicated that the majority (60.0%) of the respondents strongly agreed that organization used recent distribution procedures, these were followed by (38.3%) of them strongly agreed, while the minority (3.3%) of the respondents were not sure whether recent distribution procedures were used in the organization. These findings are also in line with the comment made by the interviewee who pointed out that

“The chain optimization is designed to prepare inventory policy across many dependent levels of a supply network, in multiple periods, due to this, the supermarket adopted the use of distribution procedures in order to emphasize modern product innovation”

According to the findings of the study in table 4.5 above, it was showed that the majority (51.7%) of the respondents strongly agreed that supply chain departments typically controlled the flow of goods from suppliers to customers, (35.0%) of them agreed, (8.3%) of the

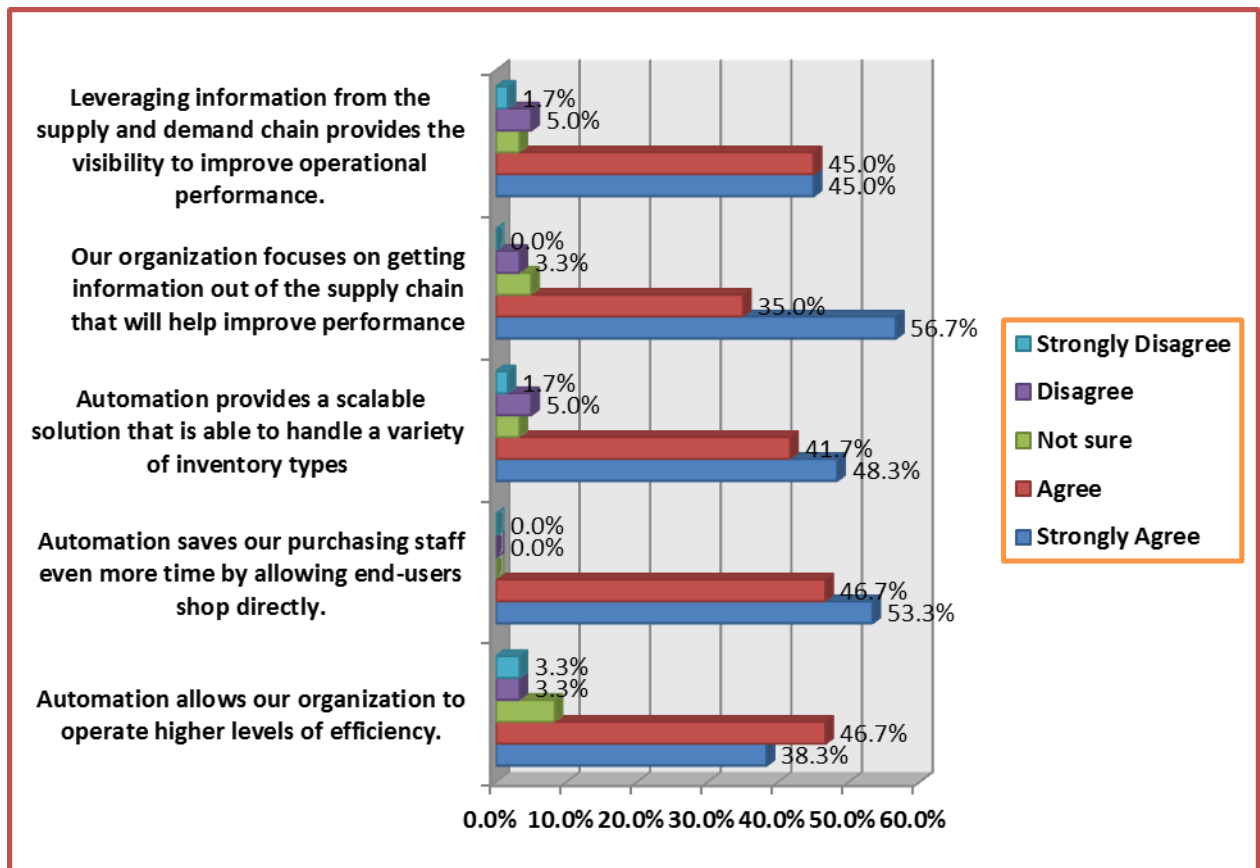
respondents were not sure whether supply chain departments typically controlled the flow of goods from suppliers to customers while (1.7%) and (3.3%) disagreed and strongly disagreed respectively.

“These findings above are in agreement with Hakansson, (2002) who pointed out that an organizations supply chain function can consume a significant portion of business costs, through their control of a large percentage of the cost of sale. He also explained that supplier optimization avoids bureaucracy and 'hidden costs' or waste such as overstocking inventory.

4.4 Effects of Supplier Automation on Organizational Efficiency.

The second objective of the study was to establish how supplier optimization affects organizational efficiency. To accomplish this, the researcher examined the extent to which the respondents agree, neutral or disagree with the ways through which Supplier optimization on organizational Efficiency. The findings are presented in table 4.5 below. The following abbreviations were used; **SA** (Strongly Agree), **A** = (Agree), **N**= (Neutral), **D** = (Disagree), **SD** = (Strongly Disagree)

Figure 4.3: Showing the Effects of Supplier Automation on Organizational Efficiency



Source: Primary data 2015

The findings of the study in the above figure 4.3 indicated that the majority (46.7%) agreed that automation allowed the super market to operate higher levels of efficiency, (38.3%) of the respondents strongly agreed, (8.3%) of them were not sure whether automation allowed the super market to operate higher levels of efficiency (3.3%) and (3.3%) disagreed and strongly disagreed respectively.

These findings were in agreement with Ash, (2006) notes that supplier automation allows an organization to operate higher levels of efficiency, Boost visibility, and profitability and added that much is expected of today’s purchasing professionals not in just in terms of sheer workload, but in the expectation that they will play a strategic role in the organization.

The findings of the study in table 4.3 indicated that the majority (53.3%) of the respondents strongly agreed that automation saved the purchasing staff more time by allowing end-users shop directly whereas the (46.7%) of the respondents also agreed. This showed that the automation was so effective in time saving. These findings are also in line with the findings of the interview where by one of the respondents mentioned that

“Due to the presence of vendor-maintained websites customers can purchase directory from these sites which has saved time and further reduced the demands of maintaining an internal item master.”

The interviewee also argued that

“Distributors need tools that give a consistent view of all inventories and efficiently support all of the activities associated with storing and moving goods”

According to the findings of the study in table 4.3, it was showed that the majority (48.3%) of the respondents strongly agreed that automation provided a scalable solution that was able to handle a variety of inventory types, these were followed by (41.7%) of them who agreed, (5.0%) of the respondents disagreed, (3.3%) were not sure about the effect mentioned while the minority (1.7%) strongly disagreed.

These findings are in agreement with Zanoni (2005) who mentioned that supplier automation has moved inventory handling from basic to shelf-life or serialized items which has helped to efficiently manage routine processes and volumes from inbound receipt, to location replenishment, to outbound dispatch. He also incremented that it is time for companies to start investing in supply chain management to improve enterprise wide operational performance management.

The findings of the study in table 4.3 also testify that the majority (56.7%) of the respondents strongly agreed that the organization focused on getting information out of the supply chain

that helped to improve performance, these were followed by (35.0%) who agreed, (5.0%) of respondents were not sure whether the organization focused on getting information out of the supply chain whereas the minority (3.3%) disagreed.

These findings are in agreement with (Chaffey,2004) who marked that With supplier automation, the demand chain can be more flexible to help the company maximize return on costs and added that the key fundamental, the lifeline of business, is information that drives effective decisions and actions.

The findings of the study in table 4.3 also testify that (45.0%) of the respondents strongly agreed that leveraging information from the supply and demand chain provided the visibility to improve operational performance, also another (45.0%) of the respondents agreed, (5.0%) of respondents disagreed, (3.3%) were not sure whether the leveraging information from the supply and demand chain provided the visibility to improve operational performance while the minority (3.3%) strongly disagreed. These findings are supported by the interviewee who reported that

“Automation provides options that make it possible for users to transmit confidential documents to customers and partners as certified email or as secure encrypted files and added that such a system can greatly improve your organizational efficiency and reduce the administrative costs of all steps in the procurement process.”

4.5 Conclusion

Effect of management of suppliers in any organization is essential and should be handled with care. This is because enhances the suppliers to supply goods to its customers at the right time and at the right place in order to increase efficiency of the organization. This can be seen by the ability of the organization to effectively manage the supplier selection, optimization and automation process.

CHAPTER FIVE:

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter generates the summary of the findings and conclusions got depicted from the study based on the findings presented in data analysis and the study objectives. The chapter also elevates the recommendations, as well as identifying the areas for further study

5.1 Summary of the findings

5.1.1 How supplier selection affects organizational efficiency

The findings revealed that the majority of the respondents (90%) agreed that supplier selection helped to achieve organization's core processes requirements and it was also noted that supplier selection is a process of selecting key suppliers based on a pre-established set criteria which arises from the organization's core processes requirement. The majority of the respondents (90%) also agreed that by selecting the right suppliers, the organization gained efficiency and enhanced supply chain cost-effectiveness.

It was also revealed that the majority of the staff (96.7%) of the company agreed that supplier selection gave the organization the best prices in the market and that supplier selection brought about rapid advances in information technology which allowed cost reduction, shorter supply times, informational reliability and accelerated manufacturing and procurement processes, along with more streamlined integration of operational processes with marketing and customer service approaches. The majority of the respondents (30%) also agreed that supplier selection assisted the organization in meeting the intended quality which implied that in order to attain the goals of low cost, consistent high quality, flexibility and quick response; they should increasingly consider better supplier selection approaches.

The findings further showed that the majority of the respondents (91.7%) agreed that customers were typically more sensitive to quality and more exposed to competition due to supplier selection and that supplier selection increased demand by customers in terms of requiring higher quality standards and better value for money and the intense competition enables them to demand quicker and more customized response, which directly impacts the dynamics of the business environment. The majority of the respondents (58.3%) also agreed that supplier selection enabled the organization to meet customers' demands in time and also enabled suppliers to deliver within the agreed timelines.

5.1.2 To establish how supplies optimization affects organizational efficiency

The study revealed that majority of the respondents (96.7%) agreed that supply chain optimization was one of the organizations top priorities which increased effectiveness and it was mentioned that the supermarket used logistic modeling software as a planning tool and also used recent distribution procedures.

The study findings further revealed the majority (51.7%) insisted that supply chain departments typically controlled the flow of goods from suppliers to customers at that the organizations supply chain function can consume a significant portion of business costs, through their control of a large percentage of the cost of sale which implied that supplier optimization avoided bureaucracy and 'hidden costs' or waste such as overstocking inventory.

5.1.3 To investigate how Supplies Automation affects Organizational Efficiency

The study further revealed that the majority of the respondents (85%) agreed that supplier automation allowed the super market to operate higher levels of efficiency, assisted in boosting visibility, and profitability and noted that much is expected of today's purchasing professionals not in just in terms of sheer workload, but in the expectation that they will play a strategic role in the organization.

It was also indicated that the largest portion of the respondents (100%) agreed that automation saved the purchasing staff more time by allowing end-users shop directly and that due to the presence of vendor-maintained websites customers can purchase directory from these sites which has saved time and further reduced the demands of maintaining an internal item master. The majority (90%) also agreed that automation provided a scalable solution that was able to handle a variety of inventory types meaning that it moved inventory handling from basic to shelf-life or serialized items which has helped to efficiently manage routine processes and volumes from inbound receipt, to location replenishment, to outbound dispatch.

5.2 Conclusions

In conclusion it was discovered that supplier selection helped to achieve organization's core processes requirements, to gain efficiency and enhance supply chain cost-effectiveness and gave the best prices in the market. It was also resolved that supplier selection assisted in meeting the intended quality, influenced customers' sensitivity to quality, and being exposed to competition, assisted in meeting customers' demands in time and timely delivery.

From the study it was also concluded that supplier optimization was one of the organizations top priorities which increased effectiveness, the supermarket used logistic modeling software as a

Planning tool, recent distribution procedures. And more to that supply chain departments typically controlled the flow of goods from suppliers to customers.

From the study it was exposed that supplier automation allowed the organization to operate higher levels of efficiency, save purchasing staff even more time by allowing end-users shop

directly, provided a scalable solution that was able to handle a variety of inventory types. More to the above supplier automation improved performance that was as result of leveraging information from the supply and demand chain.

5.4 Recommendations

Based on this study, the researcher made the following recommendations;

It is recommended that organizations should take into consideration the need to improve organizational efficiency, reduce waste, overcome supply chain risk, and achieve competitive position through consideration of environmental issues from a competitive view point.

The organization management should considered better supplier selection approaches in order to attain the goals of low cost, consistent high quality, flexibility and quick customer response thus improving the organization performance.

The organization stake holders and top managers should take into consideration of information technology improvements can quickly ascertain the performance in a supply chain and easily provide marketing, sales, and service organizations the information they need.

It is further recommended that the organization should employ recent distribution procedures put to them into use and adopt other processes like a company's sales, inventory, and operations preparations, and modern product innovation.

5.5 Areas for further study

More study and research should be made on the following;

The effect of supplier selection on quality management in an organization.

The effect of supplier optimization on service delivery in an organization.

The effect of supplier automation cost control in an organization.

REFERENCES

Books

Chaffey, D. 2004. *E-business and e-commerce management: strategy, implementation and practice*. 2nd edition. Financial Times Prentice Hall.

Chopra, S. 2001, *Supply Chain Management: Strategy, Planning, and Operation*. Prentice-Hall, New Jersey.

Mugenda, M. & Mugenda, A. 2007. *Research methods Quantitative and Qualitative Approaches*. ACTS Press Nairobi.

Jessop, D. 2004 *Storage and Supply materials*, Pitman Publishing.

Leenders M. 2009 *Purchasing and materials management*, 9th Ed. Richard D. Irwin Inc. Homewood.

Neuman, L. 2005. *Research Methods: Qualitative and Quantitative Approaches*. Oakland: Sage Publications.

Patton, M. 2006. *Quantitative and Qualitative Research Approaches*. London: Prentice Hall.

Articles

Barclay, D. 2005. The partial least squares approach to causal modeling: personal computer adoption and use as an illustration. *Technology Study*.

Chin, W. 2005. Adoption intention in GSS: relative importance of beliefs. *The Data Base for Advances in Information Systems*.

Chopra, S. 2007, *Supply Chain Management: Strategy, Planning and Operation*, Pearson, Dorling Kindersley.

- Ericson, M. 2004. *Strategic Change - dualism, duality and beyond*. Malmö: Liber.
- Geng, Q. 2001. Integrating Environmental Issues Into Supplier Selection and Management. *Greener Management International*.
- Hoek, R. 2008, "“Measuring the unmeasurable” – measuring and improving performance in the supply chain," *Supply Chain Management*.
- Jacobs, R. 2009 *Operations and Supply Management* McGraw Hill Boston.
- Sheraton D. 2011. A Report on Purchasing and Supply Management of Supermarkets in Uganda. The McGraw Hill Companies. Inc., New York.
- Simpson, D. 2008. Developing Strategies for green Supply Chain Management. *Decision Line*.
- Tim B., C. 2008; *Global Logistics and Supply Chain Management*.

Journals

- Ash, C. 2006. Evaluating Benefits of e-Procurement in a B2B Marketplace: A case study of Quadrem. *Journal IT Cases and Applications Research*.
- Barbieri, P. 2005. The e-procurement experience in Italian universities. *Journal of Public Procurement*.
- Croom, S. 2005. The impact of e-business on supply chain management: An empirical study of key developments. *International Journal of Operations and Production Management*.
- Hakansson, H. 2002, "How should companies interact in business networks?," *Journal of Business Research*.

- Hertz, S. 2001, "Dynamics of alliances in highly integrated supply chain networks," *International Journal of Logistics*.
- Humphreys, Y. 2003. Integrating environmental criteria into supplier selection process. *Journal of Materials processing technology*.
- Juttener, M. 2000, Supply Chain relationships: Making the Transition to Closer Integration; *International journal of Logistics: Research and Applications*.
- Mbendi, R. 2007 'Corporate financial reporting: A methodological review of empirical research', *Studies on Current Research Methodologies in Accounting: A Critical Evaluation, the Journal of Accounting Research*, 20 (Supplement), 161–234.
- Walton, R. 2008. The Green Supply Chain: Integrating Suppliers into Environmental Management Processes. *International Journal of Purchasing and Materials Management*.

APPENDICES

APPENDIX I

RESEARCH QUESTIONNAIRE

Questionnaire for Management, suppliers and employees

I am Kangabe Pauline Nkezza, a student of Uganda Martyrs University pursuing a degree in Business Administration and Management. I am conducting a research on the topic of “The effect of management of suppliers on organizational efficiency.” with a specific reference to Tusky’s Supermarket Ntinda as a case study.

Kindly fill this questionnaire; it will be of great importance for the progress of this research.

The information you provide will be strictly used for academic purposes only.

The highest level of confidentiality and anonymity will be used to protect the information you give.

Kindly fill in this questionnaire as you answer the questions.

Thank you for your corporation.

PART A: General Information

Please tick only one option in the appropriate box or write in the space provided.

Please tick to indicate the age group in which you belong.

1. Age

| Below 20years | 21-30years | 31-40years | 41-50years | 51 and above |
|---------------|------------|------------|------------|--------------|
| | | | | |

1. Position: (Please tick the appropriate box)

Management

Supplier

Employee

Gender: Female

Male

2. Highest Level of Education you have attained

| | | | | |
|-------------|---------|--------|---------------|-----------|
| Certificate | Diploma | Degree | Post Graduate | Doctorate |
| | | | | |

Others (Please specify).....

3. Years with the company

| | | | |
|----------------------|-----------------|------------------|---------------------|
| Below 2 years | 3-5years | 5-10years | Over 10years |
| | | | |

PART B

Answer the following statements by ticking the appropriate response basing on the scale below.

| | | | | | |
|--------------|----------------|----------|----------|----------|-------------------|
| Number | SA | A | N | D | SD |
| Representing | Strongly agree | Agree | Neutral | Disagree | Strongly disagree |

Effects of supplier selection on organization efficiency

Supplier selection (Process by which firms identify, evaluates, and contract with suppliers. The supplier selection process deploys a tremendous amount of a firm's financial resources.)

To what extent do you agree with the following statements with regards to supplier selection and organizational efficiency?

| Supplier selection | SA | A | N | D | SD |
|--|-----------|----------|----------|----------|-----------|
| I. Help to achieve organization's core process requirements | | | | | |
| II. By selecting the right suppliers, our organization can gain efficiency and enhance supply chain cost-effectiveness | | | | | |
| III. The suppliers we use give us the best prices in the market. | | | | | |
| IV assist in meeting the intended quality | | | | | |
| IV. Today's customers are typically more sensitive to quality, and more exposed to competition. | | | | | |
| V. We meet our customers' demands in time. | | | | | |
| VI. Our suppliers deliver within the agreed timelines. | | | | | |

VII. Please comment on your overall view of supplier selection procedures?

.....

.....

.

PART C

4. Effects of supplier optimization on organizational efficiency

Supplier optimization (This is the application of processes and tools that ensure optimal operation of manufacturing and distribution in a firm. This includes the optimal placement of inventory within the supply chain, minimizing operating costs (including manufacturing costs, transportation costs, and distribution costs)

To what extent do you agree with the following statements with regards to supplier optimization and organizational efficiency?

| Supplier optimization | SA | A | N | D | SD |
|---|-----------|----------|----------|----------|-----------|
| I. Supply chain optimization is one of our organizations top priorities which increase effectiveness. | | | | | |
| II. To optimizedistribution, ourorganization uses logistic modeling software as a planning tool. | | | | | |
| III. Our organization uses recent distribution procedures. | | | | | |
| IV. Supply chain departments typically control the flow of goods from suppliers to customers. | | | | | |

V. Please comment on your overall view of supplier optimization.

.....

5. Effects of supplier automation on organizational efficiency.

Supplier automation(Is an all-inclusive approach to managing the affairs and interactions with the organizations that supply your company with goods and services.)

To what extent do you agree with the following statements with regards to supplier automation and organizational efficiency?

| Supplier automation | SA | A | N | D | SD |
|--|-----------|----------|----------|----------|-----------|
| I. Automation allows our organization to operate higher levels of efficiency. | | | | | |
| II. Automation saves our purchasing staff even more time by allowing end-users shop directly. | | | | | |
| III. Automation provides a scalable solution that is able to handle a variety of inventory types. | | | | | |
| IV. Our organization focuses on getting information out of the supply chain that will help improve performance. | | | | | |
| V. Leveraging information from the supply and demand chain provides the visibility to improve operational performance. | | | | | |

VI. Please comment on your overall view of supplier automation effects.

.....

.....

APPENDIX II

INTERVIEW GUIDE

Question One: Supplier Selection.

- a) How does supplier selection help to achieve organization's core process requirements?

.....
.....

Question Two: Supplier Optimization.

- a) What is the recent distribution procedures used?

.....
.....

- b) How does the use of logistic modeling software as a planning tool help to optimize distribution within the organization?

.....
.....

Question Three: Supplier Automation.

- a) How does the information got from the supply chain help the organization improve its performance?

.....
.....

Thank you so much for being helpful in this research

APPENDIX III: INTRODUCTORY LETTER

Uganda
Martyrs
University



making a difference

Office of the Dean
Faculty of Business Administration and Management

Your ref.:
Our ref.:

Nkozi, 10th December, 2014

To Whom it may Concern

Dear Sir/Madam,

Re: Assistance for Research:

Greetings and best wishes from Uganda Martyrs University.

This is to introduce to you KANCABE PAULINE NKEZZA who is a student of Uganda Martyrs University. As part of the requirements for the award of the Degree of Bachelor of Business Administration and Management of the University, the student is required to submit a dissertation which involves a field research on a selected case study such as a firm, governmental or non governmental organization, financial or other institutions.

The purpose of this letter is to request you permit and facilitate the student in this survey. Your support will be greatly appreciated.

Thank you in advance.

Yours Sincerely,

Moses Kibrai
Dean

