

**SUPPLY CHAIN MANAGEMENT PRACTICES AND  
COMPETITIVE ADVANTAGE OF SUPERMARKETS IN NAIROBI  
COUNTY**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT  
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## DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

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## **DEDICATION**

I dedicate this project to my parents for the ground they laid for me and showing the value of education

## ACKNOWLEDGEMENT

I thank the Almighty God for giving me great wellbeing and the persistence to effectively entire this vital scholastic errand. I might likewise want to value those people who, in various limits, were specifically instrumental to my prosperity. In the first place, my appreciation goes to my supervisor Mr. M. K. Chirchir and mediator Ms. Nancy Marika who instantly adjusted, guided and molded this task. Second, I might want to welcome the whole staff at the institute of business, University of Nairobi for the scholastic guidance and participation agreed to me amid the time of my investigation

Third, I might want to truly thank my supervisors and associates at Prime Bank for supporting and giving me the chance to seek after this program. For the entire respondent for the supermarkets listed in appendix II, I really appreciate your cooperation and participation during the data collection exercise.

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## ABSTRACT

The study sought to investigate the supply chain management practices and competitive advantage of supermarkets in Nairobi County. Specifically the study sought to establish the supply chain management practices implemented by supermarkets in Nairobi County, to determine the relationship between supply chain management practices and competitive advantage of supermarkets in Nairobi County and to determine the challenges of implementing supply chain management practices and competitive advantage of supermarkets in Nairobi County. The study was anchored on resource dependent theory, systems theory and resource based view theory. It utilized an engaging overview plan with an objective populace of 73 grocery stores working. The examination utilized essential information that was gathered through a self-regulated survey that comprised of both open and shut finished inquiries. The information was examined utilizing engaging measurements where mean and standard deviation were utilized and relapse investigation which was instrumental in showing whether the free factors SCM rehearses significantly predicted the dependent variable organization performance. The findings shows that the supply chain management practices adopted by supermarkets in Nairobi County are consideration for quality as number one during supplier selection, regularly having joint forums for solving disputes with their suppliers and the active involvement of the suppliers in all their supply chain systems as well as development of new products. Further the findings show that the supermarket use Radio Frequency Identification System of technology in reading and collecting data and that the firms include key suppliers in their planning and goal setting activities. Therelationship between supply chain management practices and competitive advantage of supermarkets in Nairobi County was very strong therefore the researcher concluded that strategic supplier management, partnership management, information sharing, quality of information sharing, postponement, outsourcing, lean practices have strongly affected the competitive advantage of the supermarkets in Nairobi County. The challenges affecting implementation of supply chain management practices and competitive advantage of supermarkets in Nairobi County were failure to invest in modern technologies and sourcing competition due to globalization, employees' resistance to change, unreliable suppliers, lack of capital investment, and lack of commitment by top management and hiring of incompetent staff to carry out procurement processes. Therefore the study recommends that all supermarkets either owned by Kenyans or Foreigners should try to adopt the best SCM practices for instance partnership management in improving their competitive advantage. The SCM practices exercised in a supermarket affects all the supply chain activities. To improve supply chains employees should be involved in decision making to align the supply activities and motivation level. Recommendations were that the management should adopt technology and be improved in supply chain management activities to help improve supply chain performance. The study made recommendation that leadership should be involved in quality supply to help satisfy customers than driving them away through delays. Recommendations were that supply chain management team should adopt better ordering processes; leadership should satisfy customers through convenience of supply activities and just in time deliveries in supermarkets to competitive advantage.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

In the contemporary business world, the focused edge of an organization over its adversaries depends vigorously on its capacity to adapt to various difficulties to get control over cost, upgrade item quality and offer predominant client benefit. Sutton (2004) an extremely convincing purpose behind this is ascribed to the way that opposition is currently being pursued between or crosswise over supply ties and not kept to just between organizations any more (Vickey,2003).Currently, supply chain administration rehearses regarding the union of data streams, items and administration streams, coordinations and installment streams are changing the ways that organizations deliver merchandise, showcase them and give administrations and subsequently make expanding an incentive for clients (Gekonge,2006). Hence effective supply chain management may not only be the source of survival and growth but also the origin of strategic relationships for a competitive advantage.

The advent of computers has led to the adoption of computer based technologies as a way of improving the operations of supermarkets. Initially adoption of computer based technologies has been done to improve day to day activities in supermarkets such as billing customers and maintenance of stock record. Today supermarkets are aiming at developing competitive advantage over other supermarkets using the computer based technologies (Instore,2002).

Customers reliably request that products are conveyed quicker, on time and with no harm in this way this can be accomplished with appropriate coordination of endeavors by connecting frameworks and procedures to make collaboration. Each of these requires better coordination with providers and wholesalers and constitutes the linkage between production network administration center skills, technique and inventory network administration center abilities which are difficult to coordinate. This blend makes an aggressive edge inside the framework that can't be duplicated by the rival in the commercial center and henceforth progresses toward becoming center ability of the firm (Mentzer et al.,2001).

This uncertainty requires more noteworthy adaptability with respect to the individual organizations and dispersion diverts which thus requests for greater adaptability in channel connections. For this to be accomplished, a firm should have a fit between production network administration abilities, usage of technique and inventory network administration capacity with its providers and wholesalers. This will upgrade upper hand of the business and enhance corporate execution (Madhu, Sudana&Biru, 2014).

### **1.1.1 Supply Chain Management Practices**

Supply Chain Management involves organization and integration of the distribution of goods and services along the supply chain. For supply chain management to have a positive impact, organizations must team up on issues like demand forecasts, production plans, changes in production capacity, new market strategies, ultra modern product and service developments, modern technologies adopted, procurement plans, delivery and other aspects that have an effect on the firms procurement, production and logistical layouts , (Wisner, Tan and Leong ,2010). Many organizations have hence recognized that

SCM is the major foundation for any firm to develop viable competitive edge for goods and services in the market place. Consistent among most definitions of SCM is the concept of regulating or integrating of a number of goods and service pertinent activities, mutually shared information, mutually shared risks and rewards, cooperation, building and maintaining of long term relationships.

Academics as well as practitioners concur that supply chain administration can positively affect a company's execution (better quality item and client benefit) (Shin et al., 2000). According to Helo and Szekely (2005) the real point of inventory network administration is to accomplish objectives identified with add up to framework execution as opposed to streamlining of a solitary stage in a production network. In essence, supply chain administration incorporates free market activity inside and crosswise over organizations. Fruitful firms have effectively dealt with their supply chain to understand the advantages of limiting stock by decreasing vulnerability, expanding client administration and building an upper hand.

Carr and Smeltzer (2009) saw production network administration rehearses regarding decreasing duplication impacts by concentrating on center capabilities and utilizing between hierarchical benchmarks, for example, action based costing or electronic information trade, and taking out pointless stock level by deferring customizations towards the finish of the inventory network.

### **1.1.2 Competitive Advantage**

Most business system is to accomplish an aggressive which is manageable. Porter (1985) an aggressive which is practical is inclination over contenders got by offering customer's more significant regard either by strategies for cut down costs (cost advantage) or by

giving more noticeable or noteworthy points of interest and organization that legitimizes or more than balances costs (partition advantage). In this way empowers the firm to make unrivaled incentive for its clients and predominant benefits for itself (Porter, 1986)

To gain competitive advantage, an organization needs to be flexible and innovative in its operation. Lyson and Farrington (2006) Lyson and Farrington (2006) see competitive advantage as a unique edge that enables an association to manage showcase progression and natural powers superior to anything contenders do. Supply chain management in most cases is sought to sustain competitive advantage. According to Buckley et al., (1998) an organization is aggressive on the off chance that it can create items and administrations of prevalent quality and lower cost than its residential and worldwide contenders.

Johnson et al (2008) argue that an organization can only achieve competitive advantage over others if it has capacities that the others don't have or experience issues in acquiring. Competitive advantage is consequently more prone to be made and maintained if the association has particular or extraordinary capacities that contenders can't copy.

### **1.1.3 Supermarkets in Nairobi County**

In Nairobi County, supermarket sector has experienced a phenomenal growth in the last decade due to changing tastes and preferences of consumers. This poses tight competition among supermarkets as well as from the traditional standalone retail shops. Consequently supermarkets have appreciated the importance of attracting and creating a loyal customer base through provision of superior shopping experience with emphasis on excellent customer service and relationship retailing driven by (Bansal& Roth, 2000).

Supermarkets in Kenya (Nairobi) have moved on to create brand differentiations in order to position themselves and have also introduced customer loyalty cards and 24 hour shopping concept and price uniformity across outlets. All these have led to increased supermarket power. Li (2005) defined the practices of supply chain administration as the arrangement of exercises that associations attempt to advance compelling administration of the production network in supermarkets.

Koh (2007) arranged supply chain administration practices as from the accompanying angles; close association with providers for the situation coordinate dealership from the makers close organization with clients, without a moment to spare supply, strategic planning, production network benchmarking, fewsuppliers, holding wellbeing stock, sub-contracting-acquisition outsourcing and numerous supplies. In general, inventory network administration practices are classified into grocery store merchandise request administration, client relationship administration, limit and asset administration, benefit execution, data and innovation administration, benefit production network fund and requesting process administration (Chong, 2010).

## **1.2 Statement of the Problem**

Retail chain business in Kenya has experienced fast change. This improvement has not accompanied no troubles while most retail outlets tend to love completing and enable advancement. It is astounding that 66% of these associations drop out of the advancement twist of the thing life cycle. Numerous associations have understood the vital pretended

by inventory network administration in the accomplishment of the association's execution inside the business of operation. Associations in both private and open division are in this way constrained to redesign their models of execution with a view to making an incentive for cash in the creation of products and enterprises. Lambert and Cooper (2000), clarifies that maintaining a coordinated production network needs congruity with the final product of the data stream being measuring and responding to execution. Basnet et al., (2005) point out that the basic piece of SCM is to meet the customer essential to the extent giving the customer the right thing, of right quality and sum, from a right source, at a right cost ultimately utilizing the right advancement.

Following a similar research line Pagh, and Cooper, (2008) directed a review with 143 buying, coordinations and material administration chiefs. The examination expected to distinguish which execution measures the organizations that received SCM practices were utilizing to deal with their first levels. The outcomes demonstrated that the practices emphatically influenced stock (crude material, last item and capacity volume) and process duration (stock turnover, process duration and request satisfaction - pointers. Nonetheless, the monetary execution was not fundamentally influenced by the SCM practices received by the dissected organizations.

Supply chain practices has not been effectively embraced in Kenya retail industry and this has made major supermarkets such as Nakumatt, Uchumi, Naivas and Tuskys to fail to achieve performance goals in terms of sales revenue realization, customer satisfaction, right time shelf availability and right time delivery (Ashish, 2007). Supermarkets in Nairobi, Kenya are still struggling to effectively embrace the aspect dynamic procurement practice to achieve supply chain performance.

In Kenya few studies have been done on aspect of supply chain practices Ashish, (2007) did a study on supply chain management practices and performance of a public health institution specifically medical supplies agency in Kenya, and he found out that effective supply chain management impact positively on operational performance and competitive priorities of the firm. Lankford and Parsa (2009) did a study on procurement practices in Kenya public corporations; however his study focused much on procurement practices in relation to risk management in State Corporation leaving a gap on dynamic aspect of the procurement practices. He suggested a further research on procurement best practices and in other setting which this study sought to fill by focusing on the dynamic aspect of the procurement practices and in both private and public setting and by focusing on supermarkets in Nairobi Kenya.

Regardless of having numerous SCM examines attempted as demonstrated above, none of the examinations have drawn much accentuation on production network administration rehearses and upper hand of general stores. This investigation along these lines went for crossing over this hole and looked for answers to the examination questions:What were the inventory network administration hones embraced by markets, in Nairobi County? What is the connection between store network administration rehearses and upper hand of general stores in Nairobi County? What are the difficulties of actualizing inventory network administration hones and upper hand of general stores in Nairobi County?



### **1.3 Objectives of the Study**

The general objective of the study was to establish supply chain management practices and competitive advantage of supermarkets in Nairobi County.

Specific objectives for the study were;

- i. To establish the supply chain management practices implemented by supermarkets in Nairobi County
- ii. To determine the relationship between supply chain management practices and competitive advantage of supermarkets in Nairobi County
- iii. To determine the challenges of implementing supply chain management practices and competitive advantage of supermarkets in Nairobi County.

### **1.4 Value of the Study**

This investigation would be noteworthy to the academicians and analysts of all foundations in Kenya. The examination discoveries are relied upon to add to a superior comprehension of store network administration rehearse and upper hand of retail chain area. In this manner, they can add to the accessible assortment of learning. SCM would contribute significantly to the overall success of any business organization as every business is part of at least one supply chain. The study would assist businesses employ superior supply chain management strategies to enhance their competitive strength, through integrated supply chain. It would also assist in getting the benefit of SCM that include improved item and conveyance process enhanced quality, shorter conveyance times, more dependable guarantees, less calendar interruptions and cost reserve funds.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This segment gives a broad audit of the accessible hypothetical writing to the issue being explored, synopsis of the writing survey lastly the exploration holes.

#### **2.2 Theoretical Literature Review**

This examination depended on asset reliance hypothesis, frameworks hypothesis and asset based view hypothesis. The speculations are clarified beneath.

##### **2.2.1 Resource Dependence Theory**

The hypothesis fixates on how a few firms wind up noticeably dependent on others for required data sources, for example, merchandise and materials and how firms can oversee such relationships(Pfeiffer&Salancik,1978). The deviated reliance that exists in these bury firm connections is basic to diminish natural vulnerability for a few firms. As inventory network part's cooperate intently they frequently turn out to be more reliant on each different in this manner creating organizations, collusions and collaboration. Along these lines RDT has an abnormal state of significant worth in the production network setting.

The suspicions in this hypothesis incorporate; responsibility regarding association for common advantages, making conditions ideal to be relied upon by your accomplices to make a place of quality, confide in the organization bargain. In this way, from the point

of view of best esteem supply chains, conditions ought to be utilized to make common patience and trust, not to drive forceful misuse of one chain part by another.

### **2.2.2 Systems Theory**

As indicated by Senge (1990), framework thinking hypothesis calls for tending to different parts of a framework from a comprehensive perspective and not in segregation of each other. In handling the issues completely, the hypothesis advocates for more noteworthy comprehension of the issues or issues nearby through gaging designs or the interrelationships that are having an effect on everything among different elements of a framework (Montano, 2001). Such interrelationships or the moving properties at work in the entire structure Senge (1990) fights, would, regardless, vanish, if and when the entire is broken into parts.

This hypothesis is remarkably fitted toward methodically clarifying the segments that delineate the SCM bones. For example, the dynamic culture, the structure, the general open having in that, the IT foundation that are set up inside and crosswise over completed store compose ought to be all around considered for a sound energy about these practices. The incredibleness of making plan of move to such a sorted out approach is key as the nonappearance of which would not guarantee whether all the urgent parts are enough investigated (Tsoukas, 1996; Schlange, 1995). The frameworks thinking theory thusly sheds understanding into the reasonableness of different SCM connecting with impacts on conclusive results, for example, customer commitment.

### **2.2.3 Resource-Based View Theory**

The most across the board hypothesis clarifying wellsprings of upper hand is the "asset based view" (Day and Wesley 1988), displayed the structure to clarify the connection between the wellsprings of favorable position and execution results. They name prevalent abilities and unrivaled assets as the primary wellsprings of upper hand. Later in asset based hypotheses these two primary wellsprings of preferred standpoint were called resources and abilities individually. Resources are the asset enrichments the business has gathered, and capacities are the paste that keeps these benefits together and empowers them to be conveyed beneficially (Ulrich and Lake, 1991).

### **2.3 Supply Chain Management Practices**

Chen and Paulraj (2004) consider lean supplier base, strategic partnerships, interaction, inter departmental teams and vendor engagement to evaluate buyer-supplier relationships. SCM rehearses envelop multi-faceted idea which involves vital provider associations, client relationship, broad sharing of data and nature of the data shared and deferment. Li, et al.(2004). Spina et al. (2015) recognized a few store network hones partnerships, request and supply arranging, Inventory, generation appropriation, transportation advancement among others and concentrated their impact on SCM execution. The present investigation will be based on the following SCM practices and how they influence SCM performance in private universities: strategic supplier partnerships, lean practices, information technology sharing and outsourcing

Despite the fact that literature on SCM practices varies in terms of perspective and approaches used, the common element in most of the studies is the expectation of improved supply chain performance when an organization employs good practices.

Various researchers have looked at SCM practices from different points of view and most common four elements that appear in most of the studies are strategic supplier partnerships, lean practices, information technology sharing and outsourcing.

The main reason for selection of the SCM practices is because they are closely interlinked and any organization is likely have the greatest impact on performance with a combination of all four. For instance strategic partnership with suppliers implies that there must be information technology sharing both within the firm and with its stakeholders to achieve meaningful gains. On the other hand, organizations that carry out lean practices tend to outsource those which do not constitute the firm's core competencies. Similarly such firms must be closely linked technological to enable efficiency of the outsourced services. The practices to be discussed next are: strategic supplier partnerships, lean practices, information technology sharing and outsourcing

In accordance to Lysons & Farrington, (2006) Associations that participate in joint effort and early provider engagement in item advancement, provider examinations and assessment can relieve store network hazards and enhance execution of their providers, while in the meantime guaranteeing sense of duty regarding quality and on time conveyance. Increased collaboration between organizations in the supply chain reduces risk and improves efficiency. Supply chain adeptness thus relies majorly on successful long-term interrelationships in which information is shared and there is collective solving of problems and trust is a key success factor (Hugo, 2004).

Outsourcing is characterized as the acts of moving out merchandise and enterprises that beforehand did inside to an outer gathering. All in all, outsourcing comprises of the exchange of obligation regarding the piece of an association's operation and

administration to an outsider. The outsourcing practice is accepted to have the capacity to support the hierarchical execution (Lankford & Parsa, 2009) as outsourcing practice is the pattern without bounds.

Lean practices implies building up an esteem stream to dispense with all waste including time, and to empower a level calendar while spryness implies utilizing market learning and a virtual organization to abuse productive open doors in an unpredictable commercial center (Mason-Jones, Naylor & Towill, 2000).

The advantages of the best store network administration rehearses incorporate lower inventories, bring down cost, higher profitability, more prominent deftness, shorter lead times, higher benefits and more prominent client devotion. These advantages may prompt an upper hand that hence prompts increment investor.

## **2.4 Competitive Advantage**

Competitive advantage is the measure of a company's skills and execution against the variables winning in the company's outer condition (Day, 1994) Threat of new contestants and dealing energy of purchasers are a portion of the powers affecting the opposition in the market. To counter these variables and pick up a feasible upper hand, the firm needs to position itself deliberately in the market along a few parameters. The term economical upper hand as proposed by (Porter, 1985) when he examined the fundamental sorts of aggressive methodologies firms can take after for instance, lowcost, separation and center to accomplish maintainable upper hand. Be that as it may, this there is no normal importance for "upper hand" by and by or in the showcasing technique writing.

In some cases the term is utilized reciprocally with particular fitness to mean relative prevalence abilities and assets (Boulding & Christen, 2003). (Handerson, 1983) in his work outlines every single past work which manage maintainable upper hand. In view of the investigation of alternate points of view found in the writing he characterized the term to mean the drawn out advantage of executing some one of a kind esteem making methodology .

The most across the board hypothesis clarifying wellsprings of upper hand is the "Asset Based View" (Day and Wesley, 1988) introduced the structure to clarify the connection between the wellsprings of preferred standpoint and execution results. They name common capacities and prevalent resources as the central wellsprings of centered favorable position. Later in resource based speculations these two essential wellsprings of ideal position were called assets and limits exclusively. Assets are the advantage endowments the business has amassed and limits are the glue that keeps these advantages together and engages them to be sent positively. Capacities differentiate from assets in that they can't be given a cash related a motivation as can unmistakable plant and equipment and are so significantly embedded in the progressive timetables and practices that they can't be traded or imitated.

Supportable high ground is tied in with being amazing and it deduces purposefully picking a substitute strategy of exercises to pass on an extraordinary blend of attributes (Porter, 1996). (Concierge, 1980) chart the three approaches to manage high ground. These fuses attempting to be the general negligible exertion creator i.e. insignificant exertion organization, attempting to isolate one's thing offering from that of its enemies

i.e. detachment and at last focusing in a thin fragment of the market/business i.e. focus or strength. These strategies constitute what is insinuated as Porter's non particular systems.

## **2.5 Supply Chain Management and Competitive Advantage**

In the present commanding business there is a broadened concentrate on passing on an inspiring power to the client. The complement on thought of the vast majority of affiliations is giving things and associations that are more basic wandered from its rivals. The change of stock framework means to update profitability, client reaction and capacity to pass on an inspiring power to the clients and in addition to overhaul the interconnection and relationship among firms.

In light of market connecting from neighborhood market to general market increment client requests at case requesting cut down costs, speedier development higher quality things or associations and expansion the gathering of things. As indicated by Towiland Christopher, refered to in the end client in the business concentrate today oversaw by the achievement of disappointment of creation orchestrate association hones. They imparted that getting the proper thing, at the favorable place, at the perfect time to the client has redesigned powerful accomplishment and the key survival.

Various past masters examined the importance of fusing supplies creators and customers or generation arrange joining (Frohlich& Westbrook, 2001; Clinton &Closs 1997) i.e. stock system organization with a specific end goal to get flexibility and speed. By watching out for creation arrange organization sharpens that add to store arrange responsiveness, will empower the authority to better appreciate the expansion as well as activities related to stock system organization.



## **2.6 Empirical Literature Review**

Prior examinations have exhibited that the specific regions of SCM sharpens, (for instance, crucial supplier organization together) affect different parts of high ground, for instance, respect/cost. For example key supplier association can upgrade supplier execution, decrease time to market and development the level of customer responsiveness and satisfaction. Information sharing prompts erratic measures of store plan union by enabling relationship to make additional advancement and adjust things with the market quickly. Information sharing and information quality contribute obstinately to purchaser constancy and connection quality.

Deferment system not just manufactures the adaptability in the age mastermind yet besides balances general ampleness and client responsiveness. Firms with lifted measures of SCM practice will have a sporadic state of high ground. Having a high ground recommends that an association can have no short of what one of the running with limits when showed up distinctively in connection to its enemies: lowerprices, higherquality, higher unwavering quality and shorter development time. These points of confinement will thusly improve the alliance's general execution. High ground can prompt bizarre measures of monetary execution, purchaser commitment and relentlessness and relationship reasonableness. Brands with higher purchaser unwavering quality face less connected with exchanging the objective areas along these lines developing courses of action and preferred standpoint.

**Table 2.1 Conclusions and Findings of the Studies**

<b>Author</b>	<b>Study</b>	<b>Major Findings</b>	<b>Study Gaps</b>
MohitTiwari (2005)	An exploration of supply chain management practice in the Aerospace Industry & Roll-Royce (Case Western Reserve University 2005)	Gains from investment in supplier capabilities can outweigh the cost of building in house capabilities.	There was no study addressing how to improve supply chain management practice on the competitiveness in Aerospace Industry.
Suhong, (2004)	Impact of supply chain management on competitive advantage and organizational performance.	To determine if higher levels of supply chain management can lead to enhanced competitive advantage and improved organizational performance.	The study did not look at the relationship between competitive advantage and organizational performance.
Achola Mark (2007)	Strategies employed by large manufacturing Beer companies to achieve competitive advantage in Kenya.	Success of the organization depends on the strategies employed to achieve.	There was no study addressing how to improve the SCMP on the competitiveness in the Beer company.
Otieno,Wilfrida (2013)	Outsourcing as a strategy for competitive advantage a case study of Barclays Bank of Kenya. (U.o.N.MBA,2013)	The findings of study indicated that outsourcing enables reduction of operation cost, major	There was no study addressing how to improve SCMP on the competitiveness in the bank.

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Ali,Hawa. (2012)	Developing a sustainable competitive advantage by Barclays Bank of Kenya Limited (U.o.N.MBA,2012)	<p>challenge experienced by the bank was training of new employees provided by the vendor.</p> <p>Barclays Bank of Kenya needs to be more aggressive since the market is not a monopoly and competition is stiff and needs to address inefficiencies and focus on product innovation to suit customer needs and wants.</p>	<p>There was no study addressing how to improve the supply chain management practice on the competitiveness in the Barclays Bank of Kenya Limited.</p>
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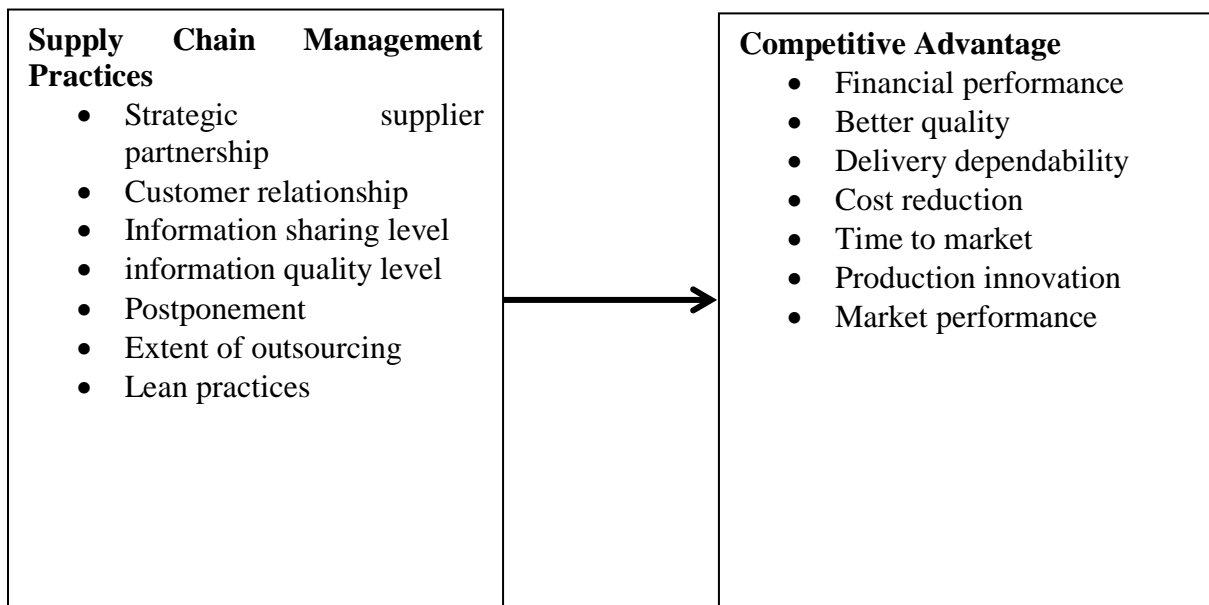
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Source: Researcher, 2017

## 2.7 Conceptual Framework

The reasonable system shows the examination factors and their relationship. In this examination, the free factors are the store network administration rehearses while the reliant variable is the upper hand of the markets. The pointers of inventory network administration rehearses are strategic provider organization, client relationship, level of data sharing, level of data quality, delay, degree of outsourcing and lean practices, while the markers of upper hand are monetary execution, better quality, conveyance steadfastness, cost lessening, time to showcase, creation advancement and market execution. The relationship has been introduced in figure 2.1.

### Independent variables Dependent variable



Source: Researcher, 2017

**Figure 2.1 Conceptual Model**

The conceptual framework shows that the competitive advantage of the supermarkets highly depends on the practices of SCM

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research design and methodology that was used. It entails the study design, the population, the data collection techniques and the data analysis procedure.

#### **3.2 Research Design**

The study used a descriptive survey design. This design was considered appropriate to determine perception in the target group. According to Frankfort and Nachmias (1996), descriptive research is one of the most appropriate methods of data collection since it focuses on data rather than theory. This method has been selected because it would enable the researcher to be able to attempt to describe the relationship that exists between supply chain management practice and competitive advantage of supermarkets in Nairobi County.

#### **3.3 Target Population**

The population of study consisted of 73 supermarkets operating in Nairobi County. This formed the population of the research. The list of the super markets was presented in appendix II.

#### **3.4 Data Collection**

The examination utilized essential information that was gathered through a self-controlled questionnaire that comprised both open and shut finished inquiries that were intended to evoke particular reactions for subjective and quantitative investigation

separately. The administration of the questionnaires was done through drop and pick later method.

### 3.5 Data Analysis

Before handling the reactions, the finished surveys were checked for fulfillment and consistency. The examination targets were broke down utilizing expressive insights where frequencies, mean and standard deviation were utilized. At that point relapse examination was utilized to set up the connection between the store network administration rehearses and upper hand of the general stores. The examination was finished utilizing the SPSS and Ms Excel programming projects. The relapse show appeared as a straight line.

Regression Analysis,  $y=a+bx$

**Regression model-  $Y=a+b_1X_1+b_2X_2+b_3X_3+b_4X_4+b_5X_5+b_6X_6+b_7X_7+e$ ,**

where Y =Competitive Advantage; a= the y intercept when X is zero; b<sub>1</sub>, b<sub>2</sub>, b<sub>3</sub>, b<sub>4</sub>, b<sub>5</sub>, b<sub>6</sub> and b<sub>7</sub> are regression coefficients of the following variables respectively; X<sub>1</sub>- strategic supplier management; X<sub>2</sub>- customer relationship; X<sub>3</sub>-information sharing ; X<sub>4</sub>- quality of information sharing ; X<sub>5</sub>- postponement ; X<sub>6</sub>- outsourcing ; X<sub>7</sub>- lean practices.

**Table 3.1 Summary of Data Collection and Analysis**

<b>Objectives</b>	<b>Questionnaire</b>	<b>Data Analysis</b>
General Information	Section A	Descriptive analysis
To establish SCM practices adopted by supermarkets in Nairobi County	Section B	Descriptive analysis
To determine the relationship between SCMP and competitive advantage	Section C	Regression as well as correlation analysis

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of supermarkets in Nairobi  
county

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To determine the challenges of implementing SCMP and competitive advantage of supermarkets in Nairobi County	Section D	Descriptive analysis
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**Source: Researcher, 2017**



## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

#### **4.1 Introduction**

The findings are presented in the form of tables and interpreted accordingly. The first section presents the general information on the respondent's background information. The proceeding sections present findings on the supply chain management practices implemented by supermarkets in Nairobi County, the relationship between supply chain management practices and competitive advantage of supermarkets in Nairobi County and the challenges of implementing supply chain management practices and competitive advantage of supermarkets in Nairobi County.

##### **4.1.1 Response Rate**

The examination test was 73 respondents and the specialist dispersed a sum of 73 surveys to the respondents and got 66 back giving a reaction rate of 90.4%. This response rate was adequate and delegate and acclimates to Mugenda and Mugenda (2003) suggestion which imparts that a reaction rate of half is classy for examination and revealing; a rate of 60% is tasteful, and a reaction rate of 70% and over is shocking. Therefore the amount of respondents used as a piece of the examination of the data was 66.

#### **4.2 Demographic Information**

This section presents information on the supermarkets that took part in the study, the age distribution of the respondents, duration the supermarkets have been in operation, the highest level of education of the respondents and functional positions of the respondents.

#### 4.2.1 Name of the Super Market

The first item sought information on the names of the supermarkets that took part in the study. The findings were presented in appendix II.

#### 4.2.2 Age of the Respondents

**Table 4.1 Age Distribution of the Respondents**

<b>Years</b>	<b>Frequency</b>	<b>Percentage</b>
41-45	18	27
26-30	13	19
46-50	12	18
31-35	10	16
over 50	7	10
36-40	5	8
Under 25	1	2
<b>Total</b>	<b>66</b>	<b>100</b>

Source: Researcher, 2017

The table demonstrates that the majority of the respondents were matured between 41-45 years at 27%, they were trailed by those matured between 26-30 years at 19%. At that point those matured between 46-50 years were found to be 18%. The respondents aged between 31-35 years were found to be at 16%, the ones that were over 50 years were at 10%, while the ones who were between the age of 26-40 years were found to be at 8% which was lastly followed by the ones who were under 25 years at 2%. This means that the employees of the supermarkets comprised all the age groups although those in the age bracket of 41-45 years old ranked highest which was very good for the supermarkets as their staff were able to share their experiences in the industry and mentor the younger ones.

#### 4.2.3 Duration the Supermarket Has Been In Operation

**Table 4.2 Duration the Supermarket has been in operation**

<b>Duration</b>	<b>Frequency</b>	<b>Percentage</b>
11 years and more	43	65
6-10 years	23	35
<b>Total</b>	<b>66</b>	<b>100</b>

Source: Researcher, 2017

The study found that most of the supermarkets had been in operation for more than 11 years at 65% with those that had been in operation for 6-10 years as branches being rated at 35%. The fact that most of the supermarkets had been in operation for that long is

because most them were the mother branches and had just expanded to other parts of the town due to growth and be able to reach more customers.

#### 4.2.4 Highest Level of Education by the Respondent

	<b>Frequency</b>	<b>Percentage</b>
First degree	33	50
Tertiary level	15	21.4
O level	9	14.3
Post graduate	9	14.3
<b>Total</b>	<b>66</b>	<b>100</b>

Source:Researcher, 2017

Most of the respondents had acquired their first degrees in various fields of supply chain/ business related fields at a response rate of 50%. They were followed by the tertiary level respondents at 21.4% while those who had masters' degrees and PhD degrees in various fields were rated at 14.3% as well as the ones with O-levels who were also rated at a similar response rate of 14.3%. This implies that most of the respondents have the right and relevant qualifications for their positions and therefore are very competent in terms of their job requirements and management issues. Those with O levels performed minimal duties in the procurement sections while the rest were in charge of ensuring they discharge their duties well.

#### 4.2.5 Functional Positions of the Respondents

**Table 4.4**Functional Positions of the Respondents

<b>Functional Positions</b>	<b>Frequency</b>	<b>Percentage</b>
Supply chain manager	33	50
IT manager	11	17
Store manager	22	33
<b>Total</b>	<b>66</b>	<b>100</b>

Source:Researcher, 2017

The results show that most of the respondents had the positions of supply chain managers at 50% response rate followed by the store managers at 33% with those who were in the position of IT managers being rated least at 17%. Due to having the right academic and professional qualifications, the respondents mainly oversee the running of their departments at management levels either directly as supply chain managers and stores managers.

#### 4.3 Implementation of Supply Chain Management Practices

##### 4.3.1 Strategic Supplier Partnership

The research identified some factors on strategic supplier partnership where the respondents were asked to indicate their level of agreement with their influence competitive advantage among the supermarkets. The level of influence was measured in a score of 1-5;. The findings are presented in table 4.5 using mean and standard deviation.

**Table 4.5 Strategic Supplier Partnership**

<b>Strategic Supplier Partnership</b>	<b>Mean</b>	<b>St Dev</b>
The firm think about quality as number one rule in choice of providers	2.88	0.318
The firm consistently take care of issues mutually with providers	2.64	0.438
The firm effectively include enter providers in new item advancement forms	2.64	0.087
The general store utilizes Radio Frequency Identification System of innovation in perusing and gathering information	2.50	0.017
The firm incorporate key providers in our arranging and objective setting exercises	2.49	0.673
The firm have ceaseless change programs that incorporate key providers	2.08	0.008

Source: Researcher, 2017

The study found that most of the respondents supported the opinion that the firms consider quality as number one criterion in selection of suppliers at a mean score of 2.88 (sd of 0.318). They were followed by those who felt that the firms regularly solve problems jointly with suppliers at a mean score of 2.64 (sd 0.438) and that the firms actively involve key suppliers in new product development processes at a mean score of 2.64 (sd of 0.087).

Further the findings show the supermarket uses Radio Frequency Identification System of technology in reading and collecting data at a mean score of 2.50 (sd of 0.017) and that the firms includes key suppliers in their planning and goal setting activities at a mean of 2.49 (sd of 0.673) while the least were those who felt that the firms have continuous improvement programs that include key suppliers at a mean of 2.08 (sd of 0.008).

### 4.3.2 Customer Relationship

On the same note the researcher identified the factors presented in table 4.6 on customer relationship and competitive advantage of the supermarkets

**Table 4.6 Customer Relationship**

<b>Customer relationship</b>	<b>Mean</b>	<b>St Dev</b>
The firm every now and again associate with clients to set dependability responsiveness, and different benchmarks	3.62	0.052
The firm every now and again measure and assess consumer loyalty	3.08	1.598
The firm every now and again decide future client desires	3.05	1.535
The firm encourage customer`s capacity to look for help	1.23	0.842
The firm occasionally assess the significance of association with clients	1.02	0.699

Source:Researcher, 2017

The study found that the customer relationship aspects that determine the supermarkets' competitive advantage were that the firms frequently interact with customers to set reliability responsiveness, and other standards with the highest mean of 3.62 (sd 0.052). They were followed by those who observed that firms frequently measure and evaluate customer satisfaction at a mean score of 3.08 (sd 1.598). Further the study found that the firms frequently determine future customer expectations at a mean score of 3.05 (sd 1.535) and also that the firms facilitate customer`s ability to seek assistance at a mean of 1.23 (sd 0.842). Finally the respondents observed that firms periodically evaluate the importance of relationship with customers at a mean score of 1.02 (sd 0.699). Christopher includes that the end client in the commercial center today decide by the achievement of disappointment of inventory network administration hones.

### **4.3.3 Level of Information Sharing**

The level of understanding was measured in view of the degree of impact of SCM on upper hand of the grocery stores on a score of 1-5



**Table 4.7 Level of Information Sharing**

<b>Level of Information Sharing</b>	<b>Mean</b>	<b>St Dev</b>
The firm and inventory network accomplices trade data that assistance foundation of business arranging	1.46	0.100
The firm educate store network accomplices ahead of time of changing needs	1.23	0.842
The firm store network accomplices keep completely educated about issues that influence business	1.02	0.699
The firm inventory network accomplices share business learning of center business	0.79	0.541
The firm and inventory network accomplices keep each other educated about occasions or changes that may influence alternate accomplices	0.70	0.459

Source:Researcher, 2017

On the impact of the level of data sharing on the organizations' upper hand, the analysts found that the majority of the respondents unequivocally concurred that the organizations and store network accomplices trade data that assistance in the foundation of business arranging at a mean score of 1.46 (sd0.100). Promote the firmswere found to illuminate production network accomplices ahead of time of changing needs at a mean score of 1.23 (sd0.842) and that the organizations inventory network accomplices are kept completely educated about issues that influence business at a mean score of 1.02 (sd0.699). The

investigation likewise found that the organizations store network accomplices share business information of center business at a mean score of 0.79 (sd0.541) with the minimum being the individuals who felt that the organizations and inventory network accomplices kept each other at mean score of 0.70 (0.459).

#### 4.3.4 Level of Information Quality

The analyst requested that the respondents demonstrate their level of concurrence with the accompanying proclamations on the level of data quality and upper hand of the grocery stores. The outcomes were measured on a score of 1-5

**Table 4.8 Level of Information Quality**

<b>Level of Information Quality</b>	<b>Mean</b>	<b>St Dev</b>
Data traded amongst firm and inventory network accomplices is sufficient	2.98	1.318
Data trade between firm inventory network accomplices is auspicious	2.94	1.438
Data traded amongst firm and store network accomplices is finished	2.88	0.7811
Data traded amongst firm and store network accomplices is dependable	2.49	0.673
Data traded amongst firm and inventory network accomplices is sufficient	2.09	0.133

Source:Researcher, 2017

The findings show that most of the respondent observed that data traded between the organizations and inventory network accomplices is satisfactory at a mean score of 2.98 (sd 1.318). Advance the discoveries demonstrate that data trade between the organizations inventory network accomplices is opportune at a mean score of 2.94 (sd 1.438), data traded amongst firm and store network accomplices is finished at a mean of 2.88 (sd 0.7811)and that data traded between the organizations and production network accomplices is dependable at a mean of 2.49 (sd 0.673). At last the discoveries demonstrate that data trade between the organizations' store network accomplices is exact at a mean score of 2.09 (sd 0.133). Mentzer (2001) distinguished nature of data sharing among the five fundamental builds of production network administration framework.

#### 4.3.5 Postponement

On the impact of deferment on the upper hand of the organizations, the specialist requested that the respondents demonstrate their level of concurrence with the announcements in table 4.9 measured on a score of 1-5,

**Table 4.9 Postponement**

<b>Postponement</b>	<b>Mean</b>	<b>St Dev</b>
The firm postpone last item get together exercises until client orders have really been gotten	2.68	0.318
The firm items are intended for particular get together	2.60	0.037
The firm postpone last item get together exercises until the last conceivable position in the inventory network	2.44	0.018

Source:Researcher, 2017

According to Baily (1998) suspension approach not simply extends the flexibility in the generation arrange yet furthermore balances overall capability and customer responsiveness. Firms with lifted measures of SCM practice will have a strange condition of high ground. Having a high ground recommends that an affiliation can have no less than one of the going with limits when diverged from its opponents: cut down costs, higher quality, higher reliability and shorter transport time.

#### 4.3.6 Extent of Outsourcing

The study further sought information on the following factors on the extent of outsourcing where the respondents were asked to show their level of agreement. The results were measured on a score of 1-5

**Table 4.10 Extent of Outsourcing**

<b>Extent of Outsourcing</b>	<b>Mean</b>	<b>St Dev</b>
The firm outsources information systems	2.98	1.318
The firm outsources manufacturing	2.94	1.438
The firm outsources after-sales support	2.88	1.018
The firm outsources product design	2.04	1.438
The firm outsources transportation, distribution, customer care and warehousing	1.69	0.766

Source: Researcher, 2017

The findings show that the firms outsource information systems at a mean score of 2.98 (sd1.318). Further the study found that the firm outsources manufacturing at a mean score of 2.94 (sd1.438) and that the firms outsource after-sales support at a mean of 2.88 (sd1.018). Finally, the study found that the firm outsources product design at a mean of 2.04 (sd1.438) and that the firm outsources transportation, distribution, customer care and warehousing at a mean of 1.69 (sd0.766). Other scholars i.e Lankford and Parsa, (2009) have characterized outsourcing as the acts of moving out merchandise and ventures that

beforehand did inside to an outer gathering. Chen and Paulraj, (2004) agrees by belligerence that when all is said in done, outsourcing comprises of the exchange of duty regarding the piece of an association's operation and administration to an outsider. The outsourcing practice is accepted to have the capacity to maintain the authoritative execution as outsourcing practice is the pattern without bounds.

#### 4.3.7 Lean Practices

The examination looked for the respondents' level of concurrence with the announcements in table 4.11 on the impact of lean practices on the upper hand of the stores in Nairobi County. The discoveries were displayed as takes after.

**Table 4.11 Lean Practices**

<b>Lean Practices</b>	<b>Mean</b>	<b>St Dev</b>
Firm does not rely on inspecting products procured (Six Sigma)	2.88	0.017
The firm persistently enhance their own particular execution with little incremental lean acquisition upgrades (Kaizen)	2.64	0.087
Firm purchases items in littler clumps just when they are required at where they are required and precisely in the amount required (Just in Time)	2.49	0.670
Firm works on delayering, scaling back and outsourcing (Lean Thinking)	1.69	0.766

Source: Researcher, 2017

The study found that the firms do not depend on investigating items secured (Six Sigma) at the most astounding mean of 2.88 (sd 0.017). Another arrangement of respondents demonstrated that the organizations constantly enhance their own execution with little incremental lean acquisition upgrades (Kaizen) at a mean score of 2.64 (sd 0.087). At that point another imperative factor that assumed a key part on the organizations' upper hand

was the way that the firm purchases items in littler bunches just when they are required at where they are required and precisely in the amount required (Just in Time) at a mean of 2.49 (sd 0.670) lastly the organizations work on delayering, scaling down and outsourcing (Lean Thinking) at a mean of 1.69 (0.766). Lean practices implies building up an esteem stream to wipe out all waste including time, and to empower a level calendar while dexterity implies utilizing market learning and a virtual organization to abuse productive open doors in an unpredictable commercial center (Mason-Jones, Naylor & Towill, 2000).

#### **4.4 The Relationship between SCM Practices and Competitive Advantage of Supermarkets in Nairobi**

##### **4.4.1 SCM Practices and Competitive Advantage of Supermarkets in Nairobi**

The scientist requested that the respondents demonstrate their level of concurrence with the announcements displayed in table 4.12 on the connection between SCM rehearses and upper hand of the organizations.

**Table 4.12the Relationship between SCM Practices and Competitive Advantage**

<b>The Relationship between SCM Practices and Competitive Advantage of Supermarkets in Nairobi</b>	<b>Mean</b>	<b>St Dev</b>
Outsourcing of none core activities improve on time to market	3.62	0.052
Lean practices eliminates waste leading to better quality products	3.08	1.598
The level of information sharing results to delivery dependability	3.05	1.535
Postponement enables the firm to have product innovation	2.98	1.318
Importance of strategic supplier partnership adds value hence leading to cost reduction	2.92	1.580
A customer relation has led to improvement of financial performance.	2.77	1.403

Source:Researcher, 2017

The findings show that most of the respondents strongly agreed that outsourcing of none core activities improve on time to market at a mean of 3.62 (sd 0.052) greatly affected the firms' competitive advantage. Then the findings show that lean practices eliminates waste leading to better quality products at a mean score of 3.08 (sd 1.598). Further the results show that the level of information sharing results to delivery dependability at a mean of 3.05 (sd 1.535). Further the findings show that postponement enables the firms to have product innovation at a mean rating of 2.98 (sd 1.318);importance of strategic supplier partnership adds value hence leading to cost reduction.Finally the study found that a customer relation has led to improvement of financial performance at a mean of 2.77 (1.403).

#### 4.4.2 Regression Analysis

The specialist directed a relapse examination to build up the impact of each of the SCM rehearses on the organizations' upper hand. Various relapse models was used to decide the particular impact of the inventory network administration hones on upper hand of stores in Nairobi County. Propel the model was used to choose the general fit (contrast illuminated) by the model and the relative responsibility of each of the free factors to the total change elucidated. The model was given as takes after,

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + e,$$

The output tables were presented and interpreted as follows.

Table 4.13 Regression Coefficients

<b>Co-efficient</b>					
<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
(Constant)	.251	.154		13.886	.002
X <sub>1</sub>	.010	.028	.244	1.542	.003
X <sub>2</sub>	.253	.003	.081	2.863	.004
X <sub>3</sub>	.219	.029	.293	1.614	.001
X <sub>4</sub>	.205	.0201	.205	1.546	.002
X <sub>5</sub>	-.110	.008	.044	1.002	.001
X <sub>6</sub>	.133	.103	.010	1.003	.005
X <sub>7</sub>	.019	.009	.003	1.344	.002

- Dependent Variable: competitive advantage of supermarkets in Nairobi County
- Predictors; X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, X<sub>4</sub>, X<sub>5</sub>, X<sub>6</sub> and X<sub>7</sub>

Source: Researcher, 2017

From the regression model:

The regression equation was presented below.



$$Y = 0.251 + 0.010X_1 + 0.253X_2 + 0.219X_3 + 0.205X_4 + 0.110X_5 + 0.133X_6 + 0.019X_7 + 0.0960$$

A constant of 0.251 indicates that without considering the supply chain management practices implemented by the supermarkets, other factors contribute towards their competitive advantage by 0.251. The regression coefficient for strategic supplier management is 0.010. This means that strategic supplier management improves the competitive advantage of the supermarkets by 0.010. The regression coefficient for customer relations is 0.253 which means that good customer relations improve competitive advantage of the supermarkets by 0.023. The regression coefficient of information sharing is 0.219. This means that when the supermarkets adopt information sharing, they are able to experience improved competitive advantage by 0.219. The regression coefficient of quality of information sharing is 0.205 which means that sharing of quality of information among the supermarkets and between their suppliers improves their competitive advantage by 0.205. The regression coefficient for postponement is - 0.110 meaning that postponing procurement process increases the supermarkets competitive advantage by 0.110. The regression coefficient for outsourcing is 0.133 which means that outsourcing some of the services and products by the supermarkets leads to improved competitive advantage by 0.133 and finally adoption of lean practices improve the supermarkets' competitive advantage by 0.019.

### Determining How Well the Model Fits

The second table is the model once-finished table. This table gives the R, R<sup>2</sup>, balanced R<sup>2</sup>, and the standard oversight of the gage, which is utilized to pick how well the fall away from the faith demonstrate fits the information

Table 4.14: Model Summary

<b>Model</b>	<b>R</b>	<b>R<sup>2</sup></b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.758 <sup>a</sup>	.575	.562	.39768

Source: Researcher, 2017

The R segment tends to the estimation of R, the different relationship coefficients. R can be accepted to be one measure of the possibility of the gage of the needy variable. An estimation of 0.758, demonstrates a not all that terrible level of gage. The "R<sup>2</sup>" zone addresses the R<sup>2</sup> respect (additionally called the coefficient of certification), which is the level of advance in the poor variable that can be illustrated by the free factors (frankly, it is the level of arrangement addressed by the fall away from the faith indicate well past the mean model). From the estimation of 0.575 the free factors clear up 57.5% of the difference in the needy variable i.e. high ground of the business sectors

Table 4.15 ANOVA: Significance Level

<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
	Regression	.661	4	.16525	32.393	.000 <sup>b</sup>
1	Residual	.417	95	.0834		
	Total	1.078	99			

a. Dependent Variable: competitive advantage of super markets in Nairobi County

Source:Researcher, 2017

An ANOVA finding of P-estimation of 0.000 which is not as much as a 0.005 criticalness level in the table above demonstrates that there was a solid huge connection between the indicator factors and the reliant variable. The F-extent tests whether the general backslide exhibit is a strong match for the data. The table exhibits that the self-ruling elements verifiably on a very basic level expected the destitute variable,  $F(4, 95) = 32.393, p < 0.0001$ .

We thusly presume that vital provider administration, client relationship, data sharing, nature of data sharing, delay, outsourcing and lean practices emphatically influence the upper hand of the markets in Nairobi County.

#### **4.5 Challenges Facing in the Adoption of SCM Practices**

Finally the study sought information on the challenges of SCM practices and the firms' competitive advantage. The results were presented in table 4.16.

**Table 4.16 Challenges faced in adoption of SCM practices**

<b>Challenges</b>	<b>Mean</b>	<b>St Dev</b>
Failure to invest in modern technologies	4.70	0.541
Sourcing competition due to globalization	3.62	1.052
Employees resistance to change	3.18	1.008
Unreliable suppliers	3.08	1.598
Lack of capital investment	3.05	1.535
Lack of commitment by top management	1.46	0.100
Incompetent staff	1.23	0.842
Insufficient funding by government	1.02	0.699

Source: Researcher, 2017

Among the challenges facing the firms in the adoption of SCM practices, the study established that there was failure to invest in modern technologies at a mean of 4.70 (sd, 0.541). This was followed by sourcing competition due to globalization at a mean of 3.62 (sd 1.052). Then employees resistance to change followed at a mean of 3.18, unreliable suppliers were rated at a mean of 3.08 (sd1.008), lack of capital investment was also rated at a mean of 3.05 (sd1.598), lack of commitment by top management was rated at a mean of 1.46, incompetent staff was rated at a mean of 1.23 (sd1.535) and insufficient funding by government was rated the lowest at a mean of 1.02 (sd, 0.699).

#### **4.6 Discussion**

The table shows that most of the respondents were in the middle ages of 41-45 years and the youngest people were aged between 26-30 years. Further the study found that most of the supermarkets had been in operation for more than 11 years and for 6-10 years. This is an indication that most of supermarkets have been operating long enough to have adopted the relevant SCM practices and this had greatly contributed to their competitive advantage.

For the supermarkets where the respondents indicated that they had been operating for 6 – 10 years were the branches of the main ones since most of them have been operating for a very long time. The finding also shows that most of the respondents had acquired their first degrees in various fields of supply chain/ business related followed by the tertiary level respondents and that with their qualifications, most of the respondents work as store managers or the supply chain managers.

On the inventory network administration honed executed by the grocery stores, the greater part of the respondents bolstered the assessment that the firms think about quality as number one foundation in choice of providers. Promote the organizations consistently tackle issues together with providers and the organizations effectively include enter providers in new item advancement forms. It was likewise settled that the grocery store utilize Radio Frequency Identification System of innovation in perusing and gathering information, they incorporate key providers in their arranging and objective setting exercises and the way that the organizations have nonstop change programs that incorporate key providers.

The investigation found that the client relationship perspectives that decide the general stores' upper hand were that the organizations much of the time communicate with clients to set unwavering quality responsiveness, and different gauges with the most noteworthy mean of 3.62. They were trailed by the individuals who watched that organizations as often as possible measure and assess consumer loyalty at a mean score of 3.08. Advance the investigation found that the organizations every now and again decide future client desires at a mean score of 3.05 and furthermore that the organizations encourage customer's capacity to look for help at a mean of 1.23. At long last the respondents watched that organizations occasionally assess the significance of association with clients at a mean score of 1.02.

On the impact of the level of data sharing on the organizations' upper hand, the scientists found that a large portion of the respondents emphatically concurred that the

organizations and production network accomplices trade data that assistance in the foundation of business arranging. Promote the organizations were found to illuminate inventory network accomplices ahead of time of changing needs and that the organizations store network accomplices are kept completely educated about issues that influence business. The examination likewise found that the organizations production network accomplices share business information on center business with the slightest being the individuals who felt that the organizations and store network accomplices kept each other at mean score of 0.70.

The discoveries demonstrate that the greater part of the respondent watched that data traded between the organizations and production network accomplices is satisfactory. Assist the discoveries demonstrate that data trade between the organizations production network accomplices is opportune and that data traded between the organizations and inventory network accomplices is solid. At long last the discoveries demonstrate that data trade between the organizations' store network accomplices is precise. The examination found that deferment of the firm postpone last item get together exercises until the point that clients' requests have really been gotten. At that point the respondents additionally watched that the organizations' items are intended for particular get together and that the organizations defer last item gathering exercises until the point that the last conceivable position in the inventory network.

The findings show that the firms outsource information systems at a mean score of 2.98. Further the study found that the firm outsources manufacturing at a mean score of 2.94 and that the firms outsource after-sales support at a mean of 2.88. Finally, the study found

that the firm outsources product design at a mean of 2.04 and that the firm outsources transportation, distribution, customer care and warehousing at a mean of 1.69. The study also found that the firms do not rely on inspecting products procured (Six Sigma) at the highest mean of 2.88. Another set of respondents indicated that the firms consistently enhance their own particular execution with little incremental lean acquisition changes (Kaizen) at a mean score of 2.64. At that point another vital factor that assumed a key part on the organizations' upper hand was the way that the firm purchases items in littler groups just when they are required at where they are required and precisely in the amount required (Just in Time) at a mean of 2.49 lastly the organizations work on conveying, scaling back and outsourcing (Lean Thinking) at a mean of 1.69.

The findings show that most of the respondents strongly agreed that outsourcing of none core activities improve on time to market greatly affected the firms' competitive advantage. Then the findings show that lean practices eliminate waste leading to better quality products. Further the results show that the level of information sharing results to delivery dependability at a mean of 3.05. Further the findings show that postponement enables the firms to have product innovation; importance of strategic supplier partnership adds value hence leading to cost reduction. Finally the study found that customer relations have led to improvement of financial performance.

The researcher therefore concluded that strategic supplier management, partnership management, information sharing, quality of information sharing, postponement, outsourcing, lean practices strongly affect the competitive advantage of the supermarkets

in Nairobi County. Further the study established that strategic supplier management improves the competitive advantage of the supermarkets by 0.010, partnership management improves competitive advantage of the supermarkets by 0.0251. further the study found that when the supermarkets adopt information sharing, they are able to experience improved competitive advantage by 0.219, sharing of quality of information among the supermarkets and between their suppliers improves the competitive advantage of the supermarkets by 0.205, postponing procurement process decreases the supermarkets competitive advantage by 0.110, outsourcing some of the services and products by the supermarkets leads to improved competitive advantage by 0.133, lean practices improve the supermarkets' competitive advantage by 0.019.

Among the challenges facing the firms in the adoption of SCM practices, the study established that there was failure to invest in modern technologies and sourcing competition due to globalization at a mean of 3.62. Then the firms were challenged on the employees resistance to change, unreliable suppliers were also highlighted. There was also lack of capital investment, lack of commitment by top management and hiring of incompetent staff to carry out procurement processes and insufficient funding by government was also observed from a lower perspective.



## **CHAPTER FIVE**

### **SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This is the last part of this examination which introduces the outline of the discoveries, conclusions as well as recommendations. The investigation looked to satisfy these targets. To build up the production network administration rehearses received by general stores in Nairobi County, to decide the connection between inventory network administration hones and upper hand of grocery stores in Nairobi County and to decide the difficulties of executing inventory network administration hones and upper hand of markets in Nairobi County. The substance were displayed as takes after.

#### **5.2 Summary of the Findings**

The table shows that most of the respondents were in the middle ages of 41-45 years. Further the study found that most of the supermarkets had been in operation for more than 11 years. The finding also shows that most of the respondents had acquired their first degrees in various fields of supply chain/ business related field and that most of the respondents work as store managers or the supply chain managers.

### **5.2.1 Implementation of Supply Chain Management Practices**

The examination discovered that the firms think about quality as number one standard in determination of providers, the organizations routinely take care of issues mutually with providers and that the organizations effectively include enter providers in new item improvement forms. Assist the client relationship perspectives that decide the markets' upper hand were that the organizations much of the time cooperate with clients to set unwavering quality responsiveness, and different principles, the organizations often measure and assess client. On the impact of the level of data sharing, the analyst found that the organizations and inventory network accomplices trade data that assistance in the foundation of business arranging.

The findings show that most of the respondent observed that information exchanged between the firms and supply chain partners is adequate. The findings show that the firms outsource information systems. Further the study found that the firm outsources manufacturing at and that the firms outsource after-sales support.

### **5.2.2 Relationship between SCM Practices and Competitive Advantage**

The findings show that most of the respondents strongly agreed that outsourcing of none core activities improve on time to market greatly affected the firms' competitive advantage. Then the findings show that lean practices eliminate waste leading to better quality products. Further the results show that the level of information sharing results to delivery dependability.

The researcher therefore concluded that strategic supplier management, partnership management, information sharing, quality of information sharing, postponement, outsourcing, lean practices strongly affect the competitive advantage of the supermarkets in Nairobi County improves the competitive advantage of the supermarkets by 0.165.

### **5.2.3 Challenges Facing in the Adoption of SCM Practices**

The challenges facing the firms in the adoption of SCM practices, the study established that there was failure to invest in modern technologies and sourcing competition due to globalization. Then the firms were challenged on the employees' resistance to change and unreliable suppliers were also highlighted. There was also lack of capital investment, lack of commitment by top management and hiring of incompetent staff to carry out procurement processes and insufficient funding by government was also observed from a lower perspective.

### **5.3 Conclusion**

The study concluded that the supply chain management practices adopted by supermarkets in Nairobi County are consideration for quality as number one during supplier selection, regularly having joint forums for solving disputes with their suppliers and the active involvement of the suppliers in all their supply chain systems as well as development of new products. Further the findings show that the supermarket use Radio Frequency Identification System of technology in reading and collecting data and that the firms include key suppliers in their planning and goal setting activities.

The relationship between supply chain management practices and competitive advantage of supermarkets in Nairobi County was very strong therefore the researcher concluded that strategic supplier management, partnership management, information sharing, quality of information sharing, postponement, outsourcing, lean practices strongly affect the competitive advantage of the supermarkets in Nairobi County. Among these factors, the one that had the greatest effect on competitive advantage was the management of the partnership between the supermarkets and suppliers, sharing of information between the parties which was also considered to be of the right quality, outsourcing some of the services and products and strategic supplier management. However postponing procurement process greatly decreased the competitive advantage of the supermarkets.

The challenges affecting implementation of supply chain management practices and competitive advantage of supermarkets in Nairobi County were failure to invest in modern technologies and sourcing competition due to globalization, employees' resistance to change, unreliable suppliers, lack of capital investment, and lack of commitment by top management and hiring of incompetent staff to carry out procurement processes.

#### **5.4 Recommendations from the Study**

The study made recommendation that all supermarkets either owned by Kenyans or Foreigners should try to adopt the best SCM practices for instance partnership management in improving their competitive advantage. The SCM practices exercised in a

supermarket affects all the supply chain activities. To improve supply chains employees should be involved in decision making to align the supply activities and motivation level. Recommendations were that the management should adopt technology and be improved in supply chain management activities to help improve supply chain performance. The study made recommendation that leadership should be involved in quality supply to help satisfy customers than driving them away through delays. Recommendations were that supply chain management team should adopt better ordering processes; leadership should satisfy customers through convenience of supply activities and just in time deliveries in supermarkets to competitive advantage.

### **5.5 Suggestions for Further Research**

The research study was not able to cover all aspects supply chain management and competitive advantage in supermarkets in Nairobi County, Kenya. Therefore more study should be done on the same. Further research should be done on how to improve the performance of supply chain management practices in supermarkets to improve their competitive edge in the market.

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