

SUPPLIER RELATIONSHIP MANAGEMENT
STRATEGIES AND PROCUREMENT PERFORMANCE OF
SPORTS KENYA

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**Research Project Submitted to the School of Business for Partial
Fulfillment of the Degree of Master of Business Administration,
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DECLARATION

I declare that this research project is my original work and has never been submitted to any other University for assessment or award of a degree.

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D61/76478/2012

This research project has been presented for examination with my approval as the University supervisor.

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DEDICATION

To my beloved wife, Stella Mutanu and the three issues of our union: Fortune, Jane and Ethan.

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LIST OF ABBREVIATIONS

SRM	Supplier Relationship Management
SPM	Supplier Performance Management
SET	Social Exchange Theory
RDT	Resource Dependency Theory
TDE	Theory of Dual Economies
IBM	International Business Machines
SCM	Supply Chain Management
SK	Sports Kenya
SPSS	Statistical Package for Social Sciences

ABSTRACT

Supplier relationship management is gaining momentum globally due to immense competition in the corporate world as well as the sports industry. Supplier Relationship Management (SRM) is the development and maintenance of strategic relationships with vital suppliers and encourages enterprises into thinking critically about the supply chain and supply chain transparency. The study aimed to define the supplier relationship management strategies commonly used by Sports Kenya and to establish the relationship between supplier relationship management strategies and procurement performance of Sports Kenya.

Theories underpinning this study were Social Exchange Theory, Resource Dependency Theory and Theory of Dual Economies. Descriptive survey research design was used with both quantitative and qualitative approaches to determine the suppliers' relationship management strategies and procurement performance of sports Kenya. The target populations of this study were 25 officers of Sports Kenya procurement department and its unit. Data collection was done through use of questionnaires and then analyzed using statistical package SPSS and presented in tables and figures. The study used regression analysis to estimate the causal relationships between factors under study. The study established that Sports Kenya has put in place a comprehensive approach to manage its suppliers of goods and services. Further, this also established that supplier segmentation strategy contributes most to the procurement performance followed by supplier performance management strategy. Sports Kenya has categorized suppliers based on well-defined classes. Sports Kenya has internal control procedures for managing the various classes of suppliers. Supplier relationship management governance strategy had the highest Standard deviation across all the attributes measured; this implied that this strategy, is not consistently used in Sports Kenya. Sports Kenya collects information about the quality standards, pricing and contract compliance. Sports Kenya views knowledge management as part of supplier development. At 5% level of significance and 95% level of confidence, supplier segmentation strategy, supplier performance management strategy, supplier relationship management governance strategy and supplier development strategy were all significant in procurement performance. The study recommends that Sports Kenya need to train their staff on the implementation of these SRM strategies and adopt early supplier involvement in supply chain management for them to obtain maximum benefits. The study also recommends intensified implementation of supplier governance strategy and supplier development strategy since they had significant relationship with procurement performance.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In today's economies, many organizations acquire a bulk of their merchandise value from their supply chain. According to Cox (2004), procured supplies account for 60% of the total cost of merchandises sold. There is anticipation the tendency to endure as corporations have recognized the need of guiding their relationships with suppliers to gain competitive advantage. Companies are bound reduce costs and enhance customer responsiveness as well as optimize resource utilization in such relationships. Many organizations will depend on deeply securing the right supply base and preserving strategic relationships with suppliers. In the procurement of strategic materials, it is critical that few trusted vendors supply them (Lascelles & Dale, 1989).

Supplier Relationship Management (SRM) permits the growth and preservation of strategic relationships with important suppliers and empowers organizations to assume a fresh way of thought about the supply chain and its transparency. Suppliers and their customer pursue to work collectively in close collaboration for Long-term mutual advantage, rather than looking for the highest short-term advantage in each transaction (Shin, Collier & Wilson, 2000). In the past trust and commitment in these relationships was lacking unlike today (Johnston, McCutcheon, Stuart & Kerwood 2004).

Theories grounding this study are Resource Dependency Theory (RDT), Social Exchange Theory (SET) and Theory of Dual Economies (TDE). SET endeavors to study inter-

organizational interactions from the binary perspective, directed on the social structure of the relationship rather than the transaction (Homans, 1958). SET postulates that any social interactions is molded by the use of cost-benefit analysis and the assessment of alternatives, therefore, parties will continue in a relationship as long as there is added value (Cropanzano& Mitchell, 2005). The Resource Dependency Theory (RDT) theorizes that not any sole firm has all the means and utilities needed to function effectively. Then organizations have to go into give-and-take relationships with other organizations. Theory of Dual Economies hypothesizes that the twin economy would help big organizations survive in world of doubt and instability through changing most of the assembly and transferring certain risks to the minor organization. A new buyer-supplier relationships has been prompted because small suppliers want to come out of the periphery (Berger &Piore, 1980)

1.1.1 Supplier Relationship Management Strategies

SRM is a all-inclusive approach to dealing with organization's relations with its suppliers (Harland, Knight, Lamming & Walker 2005). SRM is the procurement strategy for designing of strategic and operational procurement processes as well as the arrangement of the supplier management (Appelfeller& Buchholz, 2005). SRM classifies and engrosses the right stakeholders to yield ownership of the relationship, drive active communication and bring into line strategic objectives. Firms and their suppliers with different business practices and terminology come together into a working relationship through SRM (McLachlin& Larson, 2011).

According to Zimmermann, Rajal, Buchholz, Plinval & Geissmann (2015) Strategies such as Supplier segmentation, SRM governance, supplier performance management, and supplier development are used to manage supplier relations. Supplier segmentation involves categorizing suppliers based on a definite set of standards in order to recognize the significant suppliers with which to participate in SRM (Chopra and Meindl 2013). Launching operative SRM governance is paramount to unravel SRM value, specifically for strategic suppliers (Lysons and Farrington 2006). Performance management encompasses the setup and uninterrupted pursuance of operational measures, which are communally agreed with suppliers (Carter, P. L., Monczka, R. M., & Mosconi, T., 2005). Supplier development characteristically is the involvement of two entities in jointly planning and outlining long term initiatives, such as penetrating market, joint ventures or strategic alliances (Lysons and Farrington 2006) .

Supplier Relationship Management plays an important role in the procurement function because suppliers can disturb the price, quality, delivery reliability and accessibility of its products (Sonmez, 2006). The consequence here is that a well-organized SRM should be actively in place for the prosperous procurement.

1.1.2 Procurement Performance

Procurement performance is the examination of effectiveness and efficiency of the results of procurement actions. The achievement of a agreed task is measured against predetermined standards such as; cost, speed, flexibility, accuracy, completeness, quality of purchases, and profile supplier (Jones and Oliver 2006). Indeed, procurement

brilliance is progressively becoming an imperative factor in delivering efficient operations within prosperous companies (Chase, Jacobs, and Aquilano (2008).

According to Jones and Oliver (2006) various procurement performance measures such as; quality measures, price performance measures, cost performance measures, time related measures, innovation (technology) measures, environment and safety measures, asset management measures, administration measures, client fulfillment measures, supplier performance measures and strategic performance measures. However, this study will use the following measures; price; cost; quality and time measures. Firms without appropriate performance measures in their processes, procedures, and plans, experience inferior performance, higher client dissatisfaction and employee turnover (Amaratunga & Baldry 2002). The efficacy of the performance measures describes how well the objectives of procurement are realized (Arun and Linet2005).

1.1.3 Sports Kenya

Sports Kenya (SK) is a state corporation established by the Sports Act, 2013 and given the mandate to carry out functions formally performed by Sports Stadia Management Board and the Department of Sports. The key aim for its formation was to promote co – ordinate and implement national and international sports programs, launch, manage, develop and sustain the sports facilities including convention centers, indoor sporting and recreational facilities in the country and participate in the advancement of sports tourism among others. Sports Kenya is expected to develop modern sports facilities as well as improve the existing ones.

Many organizations struggle to manage their supplier relationships methodically (Zimmermann, et al 2015). Sports Kenya is not an exception in this case. The main reason behind this is lack of a clear structure with aligned guidelines on supplier management. In traditional supplier relationships, the interface between different functions of an organization and its suppliers can be termed as tactical and operational (Lysons and Farrington 2006). As a result relationships are wanting in transparency not only from an external perspective, but also with reverence to internal governance and ownership of interactions (Ghijssen, Semeijn & Ernstson, 2010). This outcome is further augmented by the organizations' development and acquisition strategies, which may lead to a growing supply system, progressive global operations and increases the level of organizational intricacy and risk (Kannan & Choon, 2003).

Comprehensive SRM method produces fruitful relationships from organization wide-ranging commitments united with a well-defined process (Moorman, Zaltman & Deshpande, 1993). The configuration of supplier relationships across the organization needs an energetic governance structure, both within the organization and towards their strategic suppliers, consistent performance measurements and corporate supplier strategies (Bovet, David, Martha & Joseph, 2000). A flawless framework to manage supplier relationships at various levels reduces the level of intricacy and increases transparency internally as well as externally (Nyaga, Whipple & Lynch, 2010).

1.2 Research Problem

Supplier relationship management is gaining thrust globally due to immense competition in sports industry. This has initiated the need to grow better relationships with suppliers

to enhance procurement Performance. Ford (1980) suggested the need to redefine supplier management relationships in order to heighten productivity in organizations. They argued that with better supplier relationship management organizations can achieve better cycle times and reduction in procurement costs while refining quality, delivery reliability and obtainability.

A number of scholars has studied supplier Relationship Management and procurement performance. Mettler and Rohner (2009) established that hospitals, which exchanged supplier information within their procurement departments, enhanced creation of SRM. Early supplier involvement in product specification could enhance the negotiating power of the hospital's procurement department. Hospitals with ICT-supported procurement had justifiable reduction in costs. Wachira (2013) established that trust, communication, risk assessment and management as well as strategic supplier partnership were the fundamental supplier relationship features and had a helpful relationship on procurement performance.

Kamau (2013) reviewed key relationship models in supplier management and concluded that trust, communication, commitment, cooperation and mutual goals are key ingredients in successful relationship, which in turn affect performance positively. Ratemo (2011) in his study concluded that it was evident that suppliers failed to preserve proper records, long cycle times and increased costs in procurement. The enterprise failed to maintain good relationships with their suppliers leading to poor procurement performance. The first-hand findings of the above studies did not consider other industries for example:

Sports Kenya. Literature reviewed on supplier relationships management focused either on the causal features of relationships or how they impact performance. Coordination, collaboration, commitment, communication, trust, flexibility and dependence are traits widely considered essential to fulfilling interactions.

The studies carried out, none was on SRM strategies and their impact on procurement performance. This study therefore seeks to bridge this gap by investigating how SRM strategies affect the performance of procurement function in Sports Kenya. The following research questions were answered by the study: What were the supplier relationship management strategies commonly used by Sports Kenya? Was there any relationship between supplier relationship management strategies and procurement performance of Sports Kenya?

1.3 Research Objectives

The study aimed to achieve the following objectives:

- i. To determine the supplier relationship management strategies commonly used by Sports Kenya.
- ii. To establish the relationship between supplier relationship management strategies and procurement performance of Sports Kenya.

1.4 Value of the Study

The findings from this study will provide an insight into the importance of supplier relationship management strategies on procurement performance in Sports Kenya. Other organizations will have a better understanding of supplier relationship management

strategies and its importance on procurement performance. The study may be of significance in the following ways to the following groups:

Policy makers: The policy makers can use the findings and recommendations to optimize their Procurement performance through SRM strategies.

Employees: The employees of Sports Kenya and other organizations will recognize the importance of SRM strategies on procurement performance and how to improve on their supplier relations. They will also realize their contribution in the successful implementation of the SRM strategies and more importantly learn how to ensure that they work towards achieving the organizational goals.

Researchers & Academicians: The study will add to existing stock of literature in the field of procurement and supply chain management. Other scholars may validate the findings and use the study as a reference text. Other researchers and institutions may follow the areas recommended for further research as a means of increasing body knowledge on SRM strategies and procurement performance.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed some of the studies conducted in the area supply relationship management strategies and procurement performance. Supply relationship management strategies are then discussed in depth, bringing out four key strategies i.e. Supplier segmentation, SRM governance, supplier performance management, and supplier development and their contribution to procurement performance.

2.2 Theoretical Framework

Theories supporting this research are Social Exchange Theory (SET), Resource Dependency Theory (RDT) as well as Theory of Dual Economies (TDE). SET tries to investigate inter-organizational associations from the dyadic viewpoint, focusing on the social structure of the association reasonably than the transaction (Homans, 1958). SET conjectures that all social interactions are shaped by the use of a cost-benefit examination and the appraisal of substitutes. Actors resolve to remain in a relationship as long as its beneficial to them (Cropanzano& Mitchell, 2005).

SET is precisely pertinent in choosing of supplier strategies and arriving at decisions on how to deal with suppliers (Kingshott, 2006). Acquiring status of a preferred customer, instead of simply being a regular customer or even an exit customer, is the dominant objective, as it leads to privileged treatment and guaranteed supply, which then reduces doubt (Narasimhan, Nair, Griffith, Arlbjørn&Bendoly, 2009).

The Resource Dependency Theory (RDT) suggests that no particular firm has all the capital to operate successful, hence, they must enter into exchange relationships with others. Organizations, in their exchange relations, strive for competitive advantage thus becoming somewhat dependent on the other partner. RDT advocates that some firms have additional power than counterparts due to their interdependency features and their social situations (Pfeffer and Salancik, 1978).

Establishments survive centered on their effectiveness to manage the demand of associates that they depend on. Thus, firms survive centered on their capabilities to acquire and maintain wealth. While procuring power impacts the choice of what procuring strategy to practice, less-powerful purchasers should be able to increase their procuring power by practicing strategies that constructively change the level of sources of power (Pfeffer&Salancik, 2003).

The principle of a dual economy is that, commercial sectors situated in different subdivisions of the economy are treated inequitably, leaving their objective worth out of consideration (Averitt, 1968). Theory of dual economies advances that the twofold economy would aid large companies survive uncertainty and fluctuation through transferring most of the production hence also transferring certain risks to the secondary player (Berger &Piore, 1980).

2.3 Supplier Relationship Management Strategies

Supplier Relationship Management (SRM) is an all-inclusive method to managing firms interactions with its suppliers. It plays an vital role in saving costs and increasing of

procurement performance in organizations. This part gives a broad insight into the SRM strategies that organizations should practice to reduce costs, avoid supply delays and improve overall procurement performance. To manage supplier relations organizations can employ a variety of strategies such as, Supplier segmentation, SRM governance, supplier performance management, and supplier development (Zimmermann, et al 2015; Chopra and Meindl 2013; Lysons and Farrington 2006).

2.3.1 Supplier Segmentation Strategy

Supplier segmentation is the procedure of classifying suppliers centered on a distinct and established benchmarks in categorizing the key suppliers with which to involve in SRM (Bensaou, 2003). Organizations spend time, resources and efforts on a limited number of strategic suppliers because not all suppliers require the same level of focus (Leenders, 1995).

Transactional suppliers are used periodically by organizations for basic supplies and have no significant benefits to the organization (Krause, 2003). According to Lambert (2003) transitional suppliers offer an assorted collection of some significant and basic supply requirements. This relationship is passive and usually results in various associations being established across the organization (Harrison, 2001; Moorman, Zaltman & Deshpande, 1993; Shore, 2003).

Tyndall (1998) contends that, collaborative suppliers are exceedingly noticeable to the firm and frequently used, though cannot offer a exciting or exceptional value proposition.

This approach is often supported through amalgamation of requirements to minimal suppliers followed by an expansion of contracts to the remaining few (Carter, 2003).

Cox (2003) urges that partner suppliers influence the firm's sustainable competitiveness and commitment in the long-term. Resources allocation and response to the supplier needs is critical to the relationship (Anderson, 2002). Performance measures are strategic and organizational oriented focusing on business performance, customer experience and competitive advantage (Bovet, 2002).

2.3.2 SRM Governance Strategy

Launching effective supply governance is vital to unravelling SRM value, particularly for partner suppliers (Anderson, 2002). To achieve this, the internal governance processes must be aligned to the organizational structure and assigned teams ownership (Shin, Collier & Wilson, 2000). It is essential to encompass the right stakeholders from the business in the process of as well as ownership from procurement department in supplier relationships (Archer, 2003). These stakeholders are part of a recognized supplier governance committee for each category of suppliers. A governance committee describes and pushes the strategic roadmap together with the supplier (Choy, Lee & Lo, 2002).

These committees are indispensable for a steady and reliable interface with suppliers to identify and sustain long-term value, for example, IBM has sourcing committees especially liable for the strategic supplier relationships for each category of spend (Li, Ragu-Nathan, Ragu-Nathan & Rao, 2006). The committees devote time developing, mentoring and working with suppliers to increase their business so firms can in return gain some benefit (Shin, Collier & Wilson, 2000). Sourcing committees proactively

engage with suppliers in discovery of the best value in terms of quality, pricing and overall relationship at all levels within the supply network (Li, Ragu-Nathan, Ragu-Nathan & Rao, 2006).

2.3.3 Supplier Performance Management Strategy

According to Tan, Kannan & Handfield (1998), measurement of supplier performance is critical in procurement management. A firm can focus on strategic suppliers who supply the highest percentage of goods and deal with those performance issues with instantaneous and highest influence on its operations (Lambert, Emmelhainz & Gardner, 1996). This constricted focus overlooks lower rank suppliers or suppliers of apparently non-essential goods and services that can effect a firm's cost reduction efforts, performance and customer focus (Pi, W. N., & Low, C. (2006).

Collecting accurate and impartial information about their performance such as lead-times, quality standards, pricing compliance and whatever else are set out in the contract is equally important (Powell, 1994; Hervani, Helms, & Sarkis, 2005). Suppliers continually increase their contract performance (Hervani, Helms, & Sarkis, 2005). On the other hand, monitoring performance is laborious, so the effort and methods should be comparable to the worth and significance of the contract (Jones & Oliver 2006). Effective approaches involve determining the suitable methods of handling the supply base and different explanations are applicable for diverse circumstances (Tan, Kannan & Handfield, 1998).

2.3.4 Supplier Development Strategy

Once, Segmentation strategy, governance strategy and performance management strategy in place, they represent a catalyst to benefit creation activities that can be undertaken with strategic suppliers(Zimmermann, et al 2015). This characteristically involves sharing of ideas amongst the two entities and defining long-term initiatives (Harland, 1996).

Knowledge management is a crucial part of supplier development. It represents a key benefit for firms, which share information (Laudon, & Laudon, 2004). Knowledge management in supplier relationships is developed by maintaining a repository of contracts and other documents describing the firm's interaction with merchants (Laudon, & Laudon, 2004). Organizations will give superior attention to the interdependence of their supply chains as supplier relationships continue to increase (Fram, 1995). Firms, large or small cannot afford to be secluded and relinquish the advantage that supplier relationships offer (Inkpen, &Dinur, 1998).

2.4 Procurement Performance

According to Walker and Rowlinson (2008), the measurement of procurement performance is the primary step in being able to comprehend the weaknesses and strengths of a given system and put into place corrective actions. According to Chase et al (2008), performance measurement can take either a financial point of view or an operational point of view. Developing an operative method for measuring the performance of procurement entails certain indicators to make appraisal possible (Inayatullah, Narain, and Singh, 2012). The pointers of procurement performance include

efficiency in the procurement process measured in terms of the cost of transactions, price, quality of the goods & services and time (Jones and Oliver 2006; Lysons and Farrington 2006; Monczka et al 2005). Other indicators are transparency and openness of the procurement system concerning fairness of participants as well as capability to react fast to variations in schedules and ability to access and utilize new technologies (Kendra & Taplin 2004).

2.5 SRM Strategies and Procurement Performance

Organizations practicing SRM culminate in improving their supply chain performance (Baily 2008). Constant maintenance of a worthy relationship with suppliers will guard an organization from the hitches of quality, increase efficiency and hence improve performance (Liker and Choi, 2004). This relates to all organizations, whether commercial or humanitarian (Choy, Lee & Lo, 2002). The supplier, is made part of the organization and will continuously keep that particular organization in mind (Zimmermann, et al 2015). Firms are bound to cultivate and maintain long term relationships with suppliers by sharing information, managing the supplier performance and using information technology in supply chain management (Lysons & Gilligham, 2003).

Realization of the process is dependent on procurement function skill to manage expenditure for the organization (Choy, Lee & Lo, 2002). The benchmarks along which these relationships are highlighted are typically expenditure and business criticality (Zimmermann, et al 2015). The supplier segmentation process is a precondition to set up operational governance with strategic suppliers (Wietfeldt, 2003).

2.6 Summary of Knowledge gaps

Globally and locally, studies have been done on Supplier Relationship Management and procurement performance. Cannon & Homburg (2001) explained how supplier management affect the firm's effectiveness and efficiency. Lenny, Demirbag, Bayraktar, Tatoglu & Zaim (2007) argued that Supplier relationship management promote competitive advantage by working closely with a restricted number of vendors. Lenny et al (2007) on their study on SCM practices found out that collaboration and lean practices resulted into positive and substantial impact on procurement performance. Mettler and Rohner (2009) found that by exchanging supplier information with other hospitals, the procuring department made a positive move to establish strategic aspects of SRM.

Kamau (2011) reviewed key relationship models in supplier management and concluded that trust, communication, commitment, cooperation and mutual goals are key ingredients in successful relationship, which in turn affect performance positively. Wachira (2013) found that trust; communication, risk assessment and management as well as strategic supplier partnership were the key supplier relationship elements and had a positive relationship on procurement performance. Ratemo (2011) in his study concluded that it was evident that suppliers who failed to maintain proper records had long cycle times and increased costs in procurement.

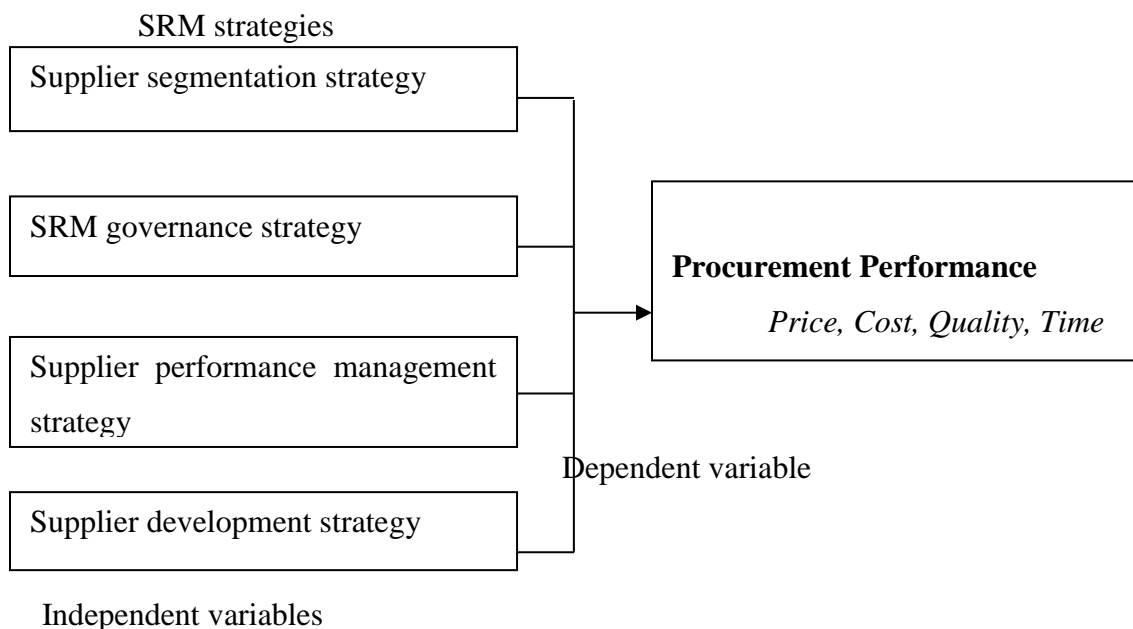
Recent literature on supplier relationships management centers either on basic aspects of relationships and how they influence performance. Coordination, collaboration, commitment, communication, trust, flexibility, and dependence, are traits generally

thought to be significant in relationships. None of the studies carried out on SRM strategies and their impact on procurement performance. This study aims to bridge this gap by probing how SRM strategies affect the procurement function performance in organizations. The study seeks to answer the following research questions: What are the supplier relationship management strategies commonly used by Sports Kenya? In addition, is there any relationship between supplier relationship management strategy and procurement performance of Sports Kenya?

2.7 Conceptual Framework

The conceptual framework describes the link between independent and dependent variables in the study. Procurement performance was the independent variable since its success depends on individual outcomes of SRM strategies which were independent variables.

Figure 2.1 Conceptual Model



(Researcher, 2016)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was applied in conducting the study. It discusses the research design, target population, sampling design and sample size, data collection instruments and procedures, determination of reliability and validity as well as data analysis techniques.

3.2 Research Design

The researcher assumed descriptive survey research design, both quantitative and qualitative approaches to determine the suppliers' relationship management strategies and procurement performance of sports Kenya were used. Donald and Pamela (2006) define survey research as the collection of representative sample data from a larger population, then using the sample to infer characteristics of the population. This research design was considered appropriate, as it was reasonable when the population is small and variable hence the researcher was able to cover all the elements of the population. Therefore, the survey was considered more effective and cost-effective.

3.3 Study Population and Sampling Technique

The target population of this study was 25 officers of Sports Kenya procurement department and its unit.

Table 3.1: Sample size

Unit	No. of officers
Sports Kenya	19
Kenya Academy of Sports	6
Total number of officers	25

The subjects of the study were the officers charged with the management of procurement function in these institutions. The choice of procurement officers in the study was based on the assumption that these were the officers with past and present knowledge of the supplier relationship management strategies and procurement performance; hence, they were better placed to offer valuable insight into the study.

3.4 Data Collection

The researcher used self-administered questionnaire as a research tool to collect data from the respondents. The questionnaire had five sections; part A: Background information of the respondents; Part B: Supplier relationship management; part C: SRM strategies; part D: Procurement performance. The questionnaire employed a five-point likert scale as a way of gathering opinions of the respondents. The respondents to the questionnaire were procurement and supply chain managers or their equivalents at the head offices of the supermarkets with more than one branch and from the location of those with one branch. The questionnaire were administered on drop and pick later method.

3.5 Data Analysis

Completed questionnaires were edited for completeness and consistency. Frequencies were used to denote the number of responses. The study used regression analysis to estimate the causal relationships between factors under study. With the aid of Statistical Package for Social Sciences (SPSS), the researcher performed a multiple regressions analysis on primary data to estimate the beta values of factors and t-test to determine the significance of the coefficients at 95% confidence level. The results of analyzed data were presented using tables and charts with a brief description thereafter.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

The general objective of the study was to investigate the relationship between supplier relationship management strategies and procurement performance of Sports Kenya. The specific objectives were to determine the supplier relationship management strategies commonly used by Sports Kenya and to find out the relationship between supplier relationship management strategies and procurement performance of Sports Kenya. In this chapter, the analyzed data is presented together with the relevant interpretations.

4.2 Response Rate

A total 25 questionnaire were administered and 23 questionnaires were returned translating to 92% response rate. Babbie (2010), indicates that a response rate of between 50% to 70% is good and satisfactory for analysis and reporting. Bailey (2011) sets the adequacy bar at 75% and Chen (2009) argues that the larger the response rate, the smaller the non-response error.

4.3 General Information on respondents

The study sought to ascertain the information on the respondents involved in the study concerning the gender, job designation and the number of years they have worked in their firm. The bio data points at the respondents' suitability in answering the questions and looks at the employment demographics.

4.2.1 Respondent's gender

The respondents were requested to indicate their gender in the questionnaire. Table 4.2 indicates an analysis of gender.

Table 4.2: Respondent's gender

	Frequency	Percent
Male	15	65.2
Female	8	34.8
Total	23	100.0

Source: Researcher (2016)

From the table it is evident that 15 out of 23 (65.2%) respondents were male while 8 (23%) were female. This infers that majority of the respondents were male.

4.2.2 Job Designation

The study aimed find out the respondent's job designation and the questionnaire required the respondents to fill in their job designation category. Table 4.3 indicates the distribution of the respondents by job designation

Table 4.3: Job Designation

	Frequency	Percent
Supply Chain Management Officer I	9	39.1
Supply Chain Management Officer II	3	13.0
Supply Chain Management Assistant	5	21.7
Procurement Clerk	6	26.1
Total	23	100

Source: Researcher (2016)

Based on the findings, majority of the respondents 39.1% were Supply Chain Management Officer 1, 26.1% were Procurement Clerks, 21.7% were Supply Chain Management Assistant, while 13% were Supply Chain Management Officer II. This implies that all the respondents were Supply Chain Management Officers and thus higher chances of understanding clearly about the relationship between supplier relationship management strategies and procurement performance of their area of work, therefore increasing the reliability of the information they gave.

4.2.3 Working duration in the Firm

The study sought to establish from the respondents, the duration they have served in their respective firm. Study findings are as shown in Table 4.4

Table 4.4: Working duration in the Firm

	Frequency	Percent
Less than 5 years	4	17.4
6-10 years	9	39.1
11-15 years	3	13.0
16-20 years	6	26.1
Over 20 years	1	4.3
Total	55	100%

Source: Researcher (2016)

According to the findings, majority of the respondents (39.1%) had worked for a period between 6-10 years, 26.1% have worked for a period of 16-20 years, 17.4% have worked for a period of less than 5 years, 13% between 11-15 years, while 4.3% indicated that they have worked in the firm for over 20 years. This indicates that majority of the respondents had worked for a period between 6-10 years and thus had an extensive working experience.

4.4 Supplier Relationship Management

Supplier Relationship Management (SRM) involves planning and managing all interfaces with suppliers of goods and services to an organization in order to make the most of those interfaces.

The researcher requested the respondents to indicate to what extent the firm has implemented supplier relationship management strategy by filling a 5-Likert scale where;

1=very great extent, 2=great extent, 3=moderate extent, 4=small extent, 5=very small extent. Mean and standard deviation were then computed for each variable.

Table 4.5: Supplier Relationship Management strategy

Supplier Relationship Management	N	Mean	Std. Deviation
The organization has an all-inclusive approach to manage its suppliers.	23	2.087	0.733178
The organization has managed suppliers well to reduce costs in the organization	23	2.13	1.01374
The organization has used SRM approach to improve procurement performance	23	2.217	0.951388
Overall mean		2.145	

Source: Researcher (2016)

The results in Table 4.5 indicate that, to very great extent (mean $2.00 \leq$ with significance standard deviation of $>.05$) the organization has put in place a comprehensive approach to manage its suppliers of goods and services (mean=2.087), and that the organization has managed suppliers soundly to reduce costs in the organization (mean=2.130). In addition, respondents agreed to very great extent that the organization has used SRM approach to optimize procurement performance (mean=2.217).

This implies that Sports Kenya has put in place a comprehensive approach to manage its suppliers of goods and services and that it has managed suppliers soundly to reduce costs in the organization as well as using SRM approach to optimize procurement performance.

In tandem with the study findings, Zimmermann, et al (2015) opined that SRM greatly impacts positively on the costs reduction initiatives and enhancing procurement performance in organizations.

4.5 Supplier Relationship Management Strategies

The study sought to determine the supplier relationship management strategies commonly used by Sports Kenya. The study findings are as presented in the subsequent subheadings

4.5.1 Supplier Segmentation Strategy

Supplier segmentation involves differentiating suppliers into groups, preparing supplier segmentation groups, appraising the groups, detecting prospects with suppliers as well as developing service level agreements.

The researcher requested the respondents to indicate the extent to which their firm has implemented strategic supplier segmentation by filling a 5-Likert scale where; 1=very great extent, 2=great extent, 3=moderate extent, 4=small extent, 5=very small extent. Mean and standard deviation were then computed for the variable.

Table 4.6: Supplier Segmentation Strategy

	Mean	Std. Deviation
The organization has classified suppliers based on a well-defined set of criteria	2.000	0.739
The organization has collaborative suppliers who are highly	2.000	0.603

noticeable to the organization and are used frequently		
The organization prioritizes supplier relationships by business criticality	2.043	0.878
The organization ranks supplier relationships by spend criteria	2.087	0.996
The organization has Partner suppliers who have a major influence over the sustainability	2.130	0.757
The organization has transactional suppliers used for basic supplies on an continuing basis	2.261	0.689
The organization emphasize on resource allocation to a number of strategic suppliers.	2.348	0.935
The organization has transitional suppliers who offer a diverse selection supply requirements	2.522	1.039

Source: Researcher (2016)

To very great extent (mean $2.00 \leq$ with significance standard deviation of $>.05$), the organizations has segmented suppliers, collaborative suppliers noticeable and regularly used, supplier relationships are based on critically of business and expenditure criteria, partner suppliers influence sustainability. Respondents to very great extent agreed that the organization has allocated resources on a few number of strategic suppliers. Further, to great extent the organizations has transitional suppliers who offer a mixed portfolio supply requirements (mean=2.522).

This shows that Sports Kenya has implemented supplier segmentation strategy. In line with the findings, Tyndall (1998) contends that, collaborative suppliers are greatly noticeable to the organization and are used frequently, but cannot offer a convincing or distinctive value proposition.

4.5.2 SRM governance Strategy

As today's unified supply chains require partnership at many levels and from various functions, managers are progressively looking for advanced ways to leverage existing and new supplier relationships for their expansionary pursuit. Supplier Relationship governance strategy is one approach to connect the different interests within the firm and the supply network.

The researcher requested the respondents to indicate the extent to which their firm has implemented strategic SRM governance strategy by filling a 5-Likert scale where; 1=very great extent, 2=great extent, 3=moderate extent, 4=small extent, 5=very small extent. Mean and standard deviation were then computed for the variable.

Table 4.7: SRM governance Strategy

	Mean	Std. Deviation
The firm has structure of internal governance processes and visibly allocated ownerships of supplier relationships	2.348	1.265
The organization supplier governance committees are actively engaged with suppliers.	2.391	1.373

The organization has supplier governance committee	2.609	1.616
The organization supplier governance committee devote time developing, mentoring and working with suppliers	2.652	1.301
The organization supplier governance committee consider such elements as cost and supply to determine where the best value lies	2.870	1.217

Source: Researcher (2016)

The study findings established that to very great extent (mean $2.00 \leq$ with significance standard deviation of $>.05$), the organization has internal control processes on supplier relationships, supplier governance committees are engaged with suppliers. Further, to great extent (mean $2.00 \leq$ with significance standard deviation of $>.05$), the organization has supplier governance committee/councils, supplier governance committee/councils spend time developing, mentoring and working with suppliers, and that the organization supplier governance committees weigh such elements as cost and supply to determine where the best value lies.

This indicates that Sports Kenya has supplier control processes and clearly assigned rights of supplier relationships and that the organizations supplier governance committees are engaged with the suppliers.

Similar to the study findings, Anderson, (2002) established that supplier control processes are essential to revealing value in supplier relationships. A precondition to this is the configuration within the organization, the arrangement of internal governance

processes and visibly apportioned ownerships of supplier relationships (Shin, Collier & Wilson, 2000).

4.5.3 Supplier Performance Management Strategy

Supplier Performance Management (SPM) is a procurement practice for measuring, analyzing, and managing the suppliers' performance in cutting costs, mitigating risks, and driving development.

The researcher requested the respondents to indicate to what the extent has their firm implemented strategic supplier performance management by filling a 5-Likert scale where; 1=very great extent, 2=great extent, 3=moderate extent, 4=small extent, 5=very small extent. Mean and standard deviation were then computed for the variable.

Table 4.8: Supplier Performance Management Strategy

	Mean	Std. Deviation
The organization collects actual and objective data about the quality standards being met	1.913	0.793
The organization gathers factual and unbiased evidence about pricing and contract compliance	1.957	0.976
The organization always requests the suppliers to continually improve their contract performance	2.087	0.848
The organization has few suppliers that constitute the largest portion of spending	2.130	0.815

The organization gathers factual and objective data about the lead-times	2.130	1.014
The organization focuses on lower tier suppliers	2.304	0.822
The organization measures supplier performance	2.304	0.926
The organization uses facts obtained from IT systems within the firm in the form of management information	2.304	0.974
The organization does performance monitoring of suppliers	2.435	1.080
The organization puts effort and chooses performance monitoring equivalent to the value and importance of the contract	2.435	0.896
The organization views performance monitoring as time-consuming	2.739	1.096

Source: Researcher (2016)

The results in Table 4.8 indicate that to very great extent (mean $2.00 \leq$ with significance standard deviation of $>.05$), the organization gathers factual and objective information about meeting quality standards, pricing and contract compliance, suppliers are encouraged to continually improve their contract performance, focusing on critical suppliers lead-times, measures supplier performance, lower tier suppliers, information obtained from IT systems. Further, respondents agreed to very great extent that the organization does performance monitoring of suppliers, that the organization puts effort and chooses performance monitoring proportionate to the value and importance of the

contract, and that the organization to great extent views performance monitoring as time-consuming.

This indicates that Sports Kenya gathers factual and objective information on supplier performance measurement attributes.

Similarly, Tan, Kannan & Handfield (1998) opines that measurement of supplier performance is critical in procurement. Focusing on strategic suppliers that form 80% of the expenditure enables firms to manage those performance issues with fast and highest impact on its operations (Lambert, Emmelhainz & Gardner, 1996).

4.5.4 Supplier development Strategy

Competitive advantage such as lower costs, enhanced quality, on-time delivery, technological innovation in procurement can be achieved through partner suppliers. Globalization of business has pushed firms to have on board proficient supply base that supports global initiatives into new markets and businesses and minimize costs in the supply chain.

Respondents were requested to indicate their level of agreement with the statements related to the extent to which their firm has implemented strategic supplier development strategy by filling a 5-Likert scale where; 1=very great extent, 2=great extent, 3=moderate extent, 4=small extent, 5=very small extent. Mean and standard deviation were computed for the variable.

Table 4.9: Supplier Development Strategy

	Mean	Std. Deviation
The organization views knowledge management as a vital part of supplier development	2.087	0.949
The organization shares long term plans with suppliers	2.261	1.096
The organization develops and maintains a repository of contracts and other documents on interaction with suppliers	2.522	0.947
The organization views team approach as a approach to supplier relationship management	2.565	1.237
The organization offers greater attention to the interdependence of its supply chains	2.565	1.121
The organization shares procurement plans between the two entities.	2.826	1.193

Source: Researcher (2016)

The study findings established that to very great extent (mean $2.00 \leq$ with significance standard deviation of $>.05$), the organization views knowledge management as an important measure of supplier development and that the organization shares extensive initiatives such as market penetration with suppliers. Further, to great extent that the organization develops and maintains a repository of contracts documents, views team approach as a way to supplier relationship management, greater attention to the

interdependence of its supply chains and that the organization shares procurement plans between the two entities.

This shows that Sports Kenya views knowledge management as a vital part of supplier development, and that the organization shares long-term plans with suppliers.

In line with the study findings, Zimmermann, et al (2015) noted that Segmentation, governance and performance management are cornerstone components of SRM. Once in place they represent a springboard to additional value creation activities that can be undertaken with strategic suppliers. This involves sharing of plans between the two entities and defining long term initiatives (Harland, 1996).

4.6 Procurement Performance

The study aimed at establishing the procurement performance of Sports Kenya. The analysis of study findings are as presented in subsequent subheadings.

4.6.1 Market surveys

The study sought to establish whether their organization conduct market surveys to establish the prevailing prices market index. The study findings are as shown below

Table 4.10: Market surveys

	Frequency	Percent
10%-20%	1	4.3%

30%-40%	1	4.3%
40%-50%	2	8.7%
50%-60%	2	8.7%
60%-70%	3	13.0%
70%-80%	7	30.4%
80%-90%	4	17.4%
90%-100%	3	13.0%
Total	23	100%

Source: Researcher (2016)

The study shows that majority of the respondents (30.4%) indicated that the organization conducted market surveys to establish the prevailing prices market index at the rate of 70%-80%, 17.4% indicated the rate of 80%-90%, 13.0% indicated the rate of 60%-70% and 90%-100% respectively. In addition, 8.7% of the respondents indicated the rate of 40%-50% and 50%-60% respectively, while 4.3% indicated the rate of 10%-20% and 30%-40% respectively. This implies that Sports Kenya conduct market surveys to establish the prevailing prices market index at seven times per year.

4.6.2 Variance between Real Purchase Price and Planned Price

The study sought to establish whether there is difference between actual price and planned price in procuring items in the organization. The study findings are as shown below

Table 4.11: Difference between Actual Purchase Price and Planned Price

	Frequency	Percent
10%-20%	1	4.35
30%-40%	1	4.35
40%-50%	6	26.09
50%-60%	2	8.70
60%-70%	5	21.74
70%-80%	3	13.04
80%-90%	3	13.04
90%-100%	2	8.70
Total	23	100

Source: Researcher (2016)

Based on the study findings majority of the respondents (26.09%) indicated that there is difference between actual price and planned procuring price at the rate of 40%-50%, 21.74% indicated the rate of 60%-70%, 13.04% indicated the rate of 70%-80% and 80%-90% respectively. Further, 8.7% of the respondents indicated the rate of 90%-100%, while 4.35% indicated the rate of 10%-20% and 30%-40% respectively. This implies that in Sports Kenya there is a difference between real price and planned price at an average rate.

4.6.3 Price Reduction through Negotiation

Respondents were requested to indicate whether there is usually price reduction through negotiation. The study findings are as shown below

Table 4.12: Price Reduction through Negotiation

	Frequency	Percent
30%-40%	1	4.35
40%-50%	1	4.35
50%-60%	2	8.70
60%-70%	2	8.70
70%-80%	6	26.09
80%-90%	7	30.43
90%-100%	4	17.39
Total	23	100

Source: Researcher (2016)

According to the study findings in table 4.12, majority of the respondents (30.43%) indicated that price reduction through negotiation in their organization at the rate of 80%-90%, 26.09% at the rate of 70%-80%, 17.39% at the rate of 90%-100% while 8.70% of the respondents indicated at the rate of 60%-70% and 50%-60% respectively. Further, 4.35% of the respondents indicated at the rate of 40%-50%, and 30%-40% respectively. This implies that in Sports Kenya there is usually price reduction through negotiation up to 70-80% on average.

4.6.4 Discount by consolidating orders

Respondents were requested to indicate whether their firm enjoys discount by consolidating orders. Findings are as presented below

Table 4.13: Discount by consolidating orders

	Frequency	Percent
20%-30%	1	4.35
40%-50%	2	8.70
50%-60%	1	4.35
60%-70%	4	17.39
70%-80%	8	34.78
80%-90%	6	26.09
90%-100%	1	4.35
Total	23	100

Source: Researcher (2016)

Majority of the respondents (34.78%) indicated that their firm enjoys discount by consolidating orders at the rate of 70%-80%, 26.09% indicated at the rate of 80%-90%, 17.39% indicated at the rate of 60%-70%, 8.7% indicated at the rate of 40%-50%, while 4.35% indicated at the rate of 20%-30%, 50%-60%, and 90%-100% respectively. This indicates that Sports Kenya enjoys discount by consolidating orders to an average of 70-80%.

4.6.5 Return of Defective Items to Suppliers

Respondents were requested to indicate whether their firm returns defective items to suppliers. Findings are as presented below

Table 4.14: Return of Defective Items to Suppliers

	Frequency	Percent
10%-20%	3	13.04
20%-30%	2	8.70
30%-40%	8	34.78
40%-50%	5	21.74
60%-70%	3	13.04
80%-90%	1	4.35
90%-100%	1	4.35
Total	23	100

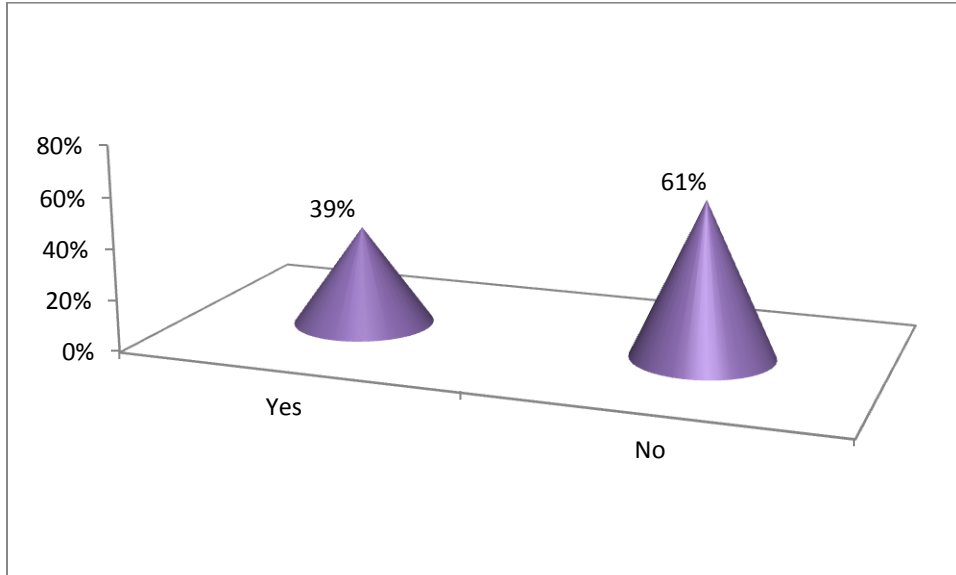
Source: Researcher (2016)

The study established that majority of the respondents (34.78%) indicated that their firm returns defective items to suppliers at the rate of 30%-40% 21.74% indicated at the rate of 40%-50%, 13.04 indicated at the rate of 60%-70% and 10%-20% respectively. In addition, 8.7% of the respondents indicated at the rate of 20%-30%, while 4.35% indicated at the rate of 80%-90% and 90%-100% respectively. This infers that Sports Kenya returns defective items to suppliers at an average rate of 30-40%.

4.6.6 Suppliers' Processes are Certified and Ship Products without Inspection

Respondents were requested to indicate whether suppliers' processes are certified and ship products without inspection. Findings are as presented below

Figure 4.1: Suppliers' Processes are Certified and Ship Products without Inspection



According to the study findings in figure 4.1, majority of the respondents (61%) were on the view that suppliers' processes are not certified and ship products without inspection, while the rest 39% were on the contrary opinion. This implies that suppliers' processes are not certified and ship products without inspection

4.6.7 Suppliers meet customer schedule requirements

Respondents were requested to indicate whether their firm suppliers meet customer schedule requirements. Findings are as presented below

Table 4.15: Suppliers meet customer schedule requirements

	Frequency	Percent
40%-50%	3	13.04
50%-60%	1	4.35
60%-70%	6	26.09
70%-80%	5	21.74
80%-90%	5	21.74
90%-100%	3	13.04
Total	23	100

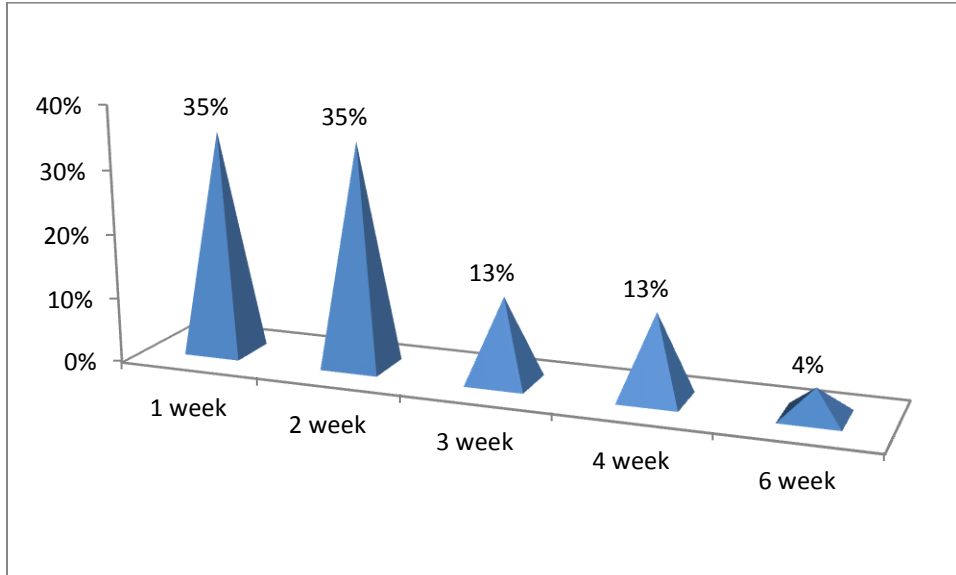
Source: Researcher (2016)

The study established that majority of the respondents (26.09%) indicated that their firm suppliers meet customer schedule requirements at the rate of 60%-70%, 21.74% indicated at the rate of 70%-80% and 80%-90% respectively, 13.04 % indicated at the rate of 90%-100% and 40%-50% respectively, while 4.35% of the respondents indicated at the rate of 50%-60%. This implies that Sports Kenya suppliers meet customer schedule requirements at an average of 70-80%.

4.6.8 Lead time for consumables

Respondents were kindly requested to indicate Lead time for consumables. Findings are as presented below

Figure 4.2: Lead time for consumables



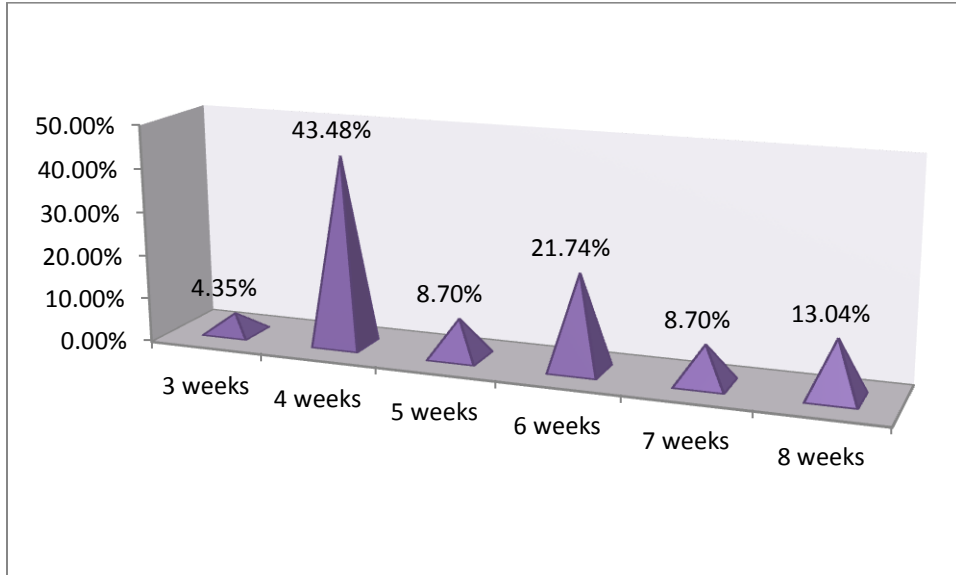
Source: Researcher (2016)

According to the study findings in figure 4.2, majority of the respondents (35%) were of the view that the lead time for consumables in the firm was 1 week and 2 weeks respectively, 13% indicated 3 weeks and 4 weeks respectively while the rest 4% were on the opinion that the lead time for consumables in the firm was 6 weeks. This portrays that the average lead time for consumables in Sports Kenya ranges from 1 to 2 weeks.

4.6.9 Lead time for capital items

Respondents were kindly requested to indicate lead time for capital items. Findings are as presented below

Figure 4.3: Lead time for capital items



Source: Researcher (2016)

The study revealed that majority of the respondents (43.48%) indicated that the lead time for capital items in their organization was 4 weeks, 21.74% indicated 6 weeks, 13.04% indicated 8 weeks, 8.7% indicated 5 weeks and 7 weeks respectively, while 4.35% indicated 3 weeks. This infers that average lead time for capital items in Sports Kenya was 4 weeks.

4.7 The Relationship between Supplier Relationship Management Strategies and Procurement Performance

The study further applied general Linear Model to determine the predictive power of the relationship between supplier relationship management strategies and procurement performance of Sports Kenya. This included regression analysis, the Model, Analysis of Variance and coefficient of determination.

4.7.1 Supplier Relationship Management Strategies and Procurement Performance

In addition, the researcher conducted a multiple regression analysis to test relationship among variables (independent) on supplier relationship management strategies and procurement performance of Sports Kenya. The researcher applied the statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions for the study.

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (procurement performance) that is explained by all the four independent variables (supplier segmentation strategy, SRM governance strategy, supplier performance management strategy and supplier development strategy).

4.3.2 Model Summary

Table 4.16: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.925 ^a	.856	.801	.04131

Source: Researcher (2016)

Table 4.16 illustrates the strength of the relationship between procurement performance and independent variables. From the determination coefficients, it can be noted that there is a strong relationship between dependent and independent variables given an R^2 values of 0.856 and adjusted to 0.801. This shows that the independent variables (Supplier segmentation strategy, SRM governance strategy, supplier performance management

strategy and supplier development strategy) accounts for 80.1% of the variations in procurement performance.

4.3.2 Analysis of Variances in the Regression model

Table 4.17: ANOVA of the Regression

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	80.375	4	20.094	8.635	.002 ^a
	Residual	41.886	18	2.327		
	Total	122.261	22			

Source: Researcher (2016)

The significance value is 0.002 which is less than 0.05 thus the model is statistically significant in predicting how (supplier segmentation strategy, SRM governance strategy, supplier performance management strategy and supplier development strategy) affect procurement performance. The F critical at 5% level of significance was 2.25. Since F calculated is greater than the F critical (value = 8.635), this shows that the overall model was significant.

4.3.3 Coefficient of Correlation

Table 4.18: Coefficient of Correlation

Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.103	4.653		5.132	0.000
	supplier segmentationstrategy	0.852	7.710	0.1032	6.569	.001
	SRM governancestrategy	0.231	17.177	0.1178	3.968	.002
	Supplier Performance Management strategy	0.654	6.295	0.1425	4.117	.004
	Supplier Development strategy	0.463	5.319	.694	2.463	.021

Source: Researcher (2016)

Multiple regression analysis was conducted as to determine the relationship between the relationship between procurement performance and the four variables. As per the SPSS generated the following regression equation was generated

$$(\text{Procurement performance} = 1.103 + 0.852 X_1 + 0.231 X_2 + 0.654 X_3 + 0.463 X_4)$$

According to the regression equation above taking all factors into account (supplier segmentation strategy, SRM governance strategy, supplier performance management strategy and supplier development strategy) constant at zero, performance of procurement will be 1.103. The findings shows that taking all other independent variables at zero, a unit increase in supplier segmentation strategy will lead to a 0.852 increase in procurement performance; a unit increase in supplier performance management strategy leads to a 0.654 increase in procurement performance, unit increase in SRM governance strategy will lead to a 0.231 increase in procurement performance, while a unit increase in supplier development strategy will lead to a 0.463 increase in procurement performance.

This infers that supplier segmentation strategy contributes most to the procurement performance followed by supplier performance management strategy. At 95% level of confidence and 5% level of significance, supplier segmentation strategy, supplier performance management strategy, SRM governance strategy and supplier development strategy was all significant in procurement performance.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the data findings on the relationship between supplier relationship management strategies and procurement performance of Sports Kenya. Conclusions and recommendations drawn from the findings. The chapter is therefore structured into summary of findings, conclusions, recommendations and area for further research.

5.2 Summary of Findings

The study found out that Sports Kenya, has put in place supplier relationship management strategies. The most commonly used supplier relationship management strategies are supplier segmentation strategy, SRM governance strategy, supplier performance management strategy and supplier development strategy. The study established that Sports Kenya has put in place a comprehensive approach to manage its suppliers of goods and services and that it has managed suppliers soundly to reduce costs in the organization. It was also established that Sports Kenya has categorized suppliers based on a criteria and that it has collaborative suppliers who are used regularly.

Further, the study revealed that Sports Kenya has a structure of internal governance and assigned ownerships of supplier relationships and that the organization supplier governance committee are actively involved with supplier. Moreover, the study

established that Sports Kenya gathers objective information about the quality standards being met and that the organization gathers objective information about pricing and contract compliance. Further, the study established that Sports Kenya views knowledge management as a critical part of supplier development, and that the organization shares long-term plans with suppliers.

The study established that Sports Kenya, conduct market surveys to establish the prevailing prices market index at a great extent, in Sports Kenya there is usually a difference between actual purchase price and planned price at an average rate, in Sports Kenya there is usually price reduction through negotiation to a very great extent, and that Sports Kenya enjoys discount orders by consolidating to a very great extent. The study revealed that Sports Kenya returns few defective items to suppliers, suppliers' processes are not certified and dispatch products without inspection, Sports Kenya suppliers meet customer schedule requirements to a great extent, the average lead time for consumables in Sports Kenya ranges from 1 to 2 weeks, and that average lead time for capital items in Sports Kenya was 4 weeks.

This also established that supplier segmentation strategy contributes most to the procurement performance followed by supplier performance management strategy. At 5% level of significance and 95% level of confidence, supplier segmentation strategy, supplier performance management strategy, SRM governance and supplier development strategy was all significant in procurement performance.

5.3 Conclusions

The study concludes that Sports Kenya has put in place a comprehensive approach to manage its suppliers of goods and services and that it has managed suppliers soundly to reduce costs in the organization. It also concludes that Sports Kenya has categorized suppliers based on a criteria and that it has collaborative suppliers who are used regularly. Further, the study concludes that Sports Kenya has setup of internal governance processes and clearly assigned ownerships of supplier relationships and that the organization supplier governance committees are proactively engaged with supplier. Moreover, the study concludes that Sports Kenya gathers actual and unbiased information about the quality standards being met and that the organization gathers factual and objective information about pricing and contract compliance.

The study concludes that Sports Kenya, conduct market surveys to establish the prevailing prices market index at a great extent, in Sports Kenya there is usually a difference between actual purchase price and planned price at an average rate, in Sports Kenya there is usually price reduction through negotiation to a very great extent, and that Sports Kenya enjoys discount by consolidating orders to a very great extent. The study concludes that Sports Kenya returns defective items to suppliers at low extent, suppliers' processes are not certified and ship products without inspection, Sports Kenya suppliers meet customer schedule requirements to a great extent, the average lead time for consumables in Sports Kenya ranges from 1 to 2 weeks, and that average lead time for capital items in Sports Kenya was 4 weeks.

5.4 Recommendations

The study therefore, based on the findings and conclusions presented above makes recommendations that; the management and the supply chain management for the sports Kenya need to effectively evaluate the most supplier relationship management strategies that would facilitate its procurement performance. Having working supplier relationship management strategies determines the ability of the procurement performance of the organization. There is need to ensure that competent personnel are in place to manage supply chain processes in the organizations. This would be facilitated through training of all the staffs in the supply chain on critical aspects of supply chain with major concern on supplier evaluation criteria.

The study also recommends the need for sports Kenya to improve performance through proper supplier relationship management as described by the respondents on the contribution of supplier relationship management to the firm procurement performance. Although supplier relationship management may not be the only contributing factor to procurement performance, it is imperative that Sports Kenya review their existing procurement systems in order to identify the weak points and fasten them accordingly as this directly affects their procurement performance.

Sports Kenya should establish a supplier relationship management unit with skilled and knowledgeable workforce to front the supplier relationship management operations in order to stream line most of the existing weaknesses in the procurement controls. Sports Kenya should prequalify reliable suppliers with agreeable delivery schedules and service level agreements. This initiative will establish long term relationships with the suppliers hence competitive advantage.

5.5 Limitations

This research was limited to relationship between supplier relationship management strategies and procurement performance of Sports Kenya. Key respondents in senior and middle management were not available to complete questionnaires; hence most of the respondents were in junior management levels, operatives and clerical staff. In addition, some of the junior staffs may have had challenges in understanding the questionnaires. There were also delays in submitting field questionnaires by respondents while others completely failed to return questionnaires. This led to delays in data compilation.

It was also appreciated that respondents bias may have been an evitable part of the study as managers were required to make judgment on the firm they work for. One may perceive penalties or benefits resulting from a particular position on an issue. This was however minimized by encouraging anonymous responses from the respondents sampled from the organization.

5.6 Suggestions for future Research

Further research on the impact and supplier relationship management strategies can be carried out on other firms and in different sectors in Kenya and across sectional survey design used to compare and generalize. It will be important to undertake a study on the benefits of implementing supplier relationship management strategies with view to capture any significant changes in the businesses operating environment in the country.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

PART A: BACKGROUND OF THE RESPONDENT

1. Gender Male () Female ()

3. Job position (Designation) _____

4. How long have you worked in the current organization?

Or less 5 years ()

6 – 10 years ()

11 – 15 years ()\.

16 – 20 years ()

Over 21 years ()

PART B: SUPPLIER RELATIONSHIP MANAGEMENT

To what extent has your organization implemented the following:

1=very great extent, 2=great extent, 3=moderate extent, 4=small extent, 5=very small

extent

Supplier Relationship management (SRM)	1	2	3	4	5
The organization has put in place a all-inclusive approach to manage its suppliers					
The organization has managed suppliers soundly to reduce costs in the organization					
The organization has used SRM approach to improve procurement performance					

PART C: SUPPLIER RELATIONSHIP MANAGEMENT STRATEGIES

To what extent has your organization implemented the following:

1=very great extent, 2=great extent, 3=moderate extent, 4=small extent, 5=very small extent

1. Supplier Segmentation Strategy	1	2	3	4	5
The organization use a criteria in categorizing suppliers					
The organization ranks supplier relationships by expenditure criteria					
The organization ranks supplier relationships by importance of business					
The organization allocate resources and efforts on strategic suppliers.					
The organization has transactional suppliers for basic supplies and continuing basis					
The organization has transitional suppliers who supply a mixed range requirements					
The organization has collaborative suppliers who are highly noticeable and are used regularly.					
The organization has partner suppliers who have influence over the overall sustainability.					
2. SRM governance Strategy	1	2	3	4	5
The organization has internal control processes and assigned ownerships of supplier relationships					
The organization has supplier governance committees					

The organization supplier governance committees spend time mentoring and working with suppliers.					
The organization supplier committees evaluate elements as cost and quality to determine best value.					
The organization supplier committees are engaged in developing suppliers.					
3. Supplier Performance Management Strategy	1	2	3	4	5
The organization measures supplier performance					
The organization focuses on strategic suppliers that constitute the 80% of expenditure					
The organization focuses on lower tier suppliers					
The organization gathers information on the lead-times					
The organization gathers information about the quality standards					
The organization collects information about pricing and contract compliance					
The organization uses information obtained from management information systems within the organization					
The organization does performance monitoring of suppliers					
The organization strives to continually improve supplier performance					
The organization views performance monitoring as time-consuming					
The organization puts effort and chooses performance monitoring proportionate to the value and importance of the contract					

4. Supplier development Strategy	1	2	3	4	5
The organization shares procurement plans between the two entities.					
The organization shares long term initiatives with suppliers					
The organization views knowledge management as important in supplier development					
The organization embraces team approach as a way to supplier relationship management					
The organization maintains a database of supplier contracts					
The organization pays attention to the interdependence of its supply chains					

PART D: PROCUREMENT PERFORMANCE

Kindly provide the following information about your procurement performance.

Procurement Performance measures	Attributes	Unit of measure	Indicate as appropriate
Price measures	The firm conduct market surveys to establish the market price index	Indicate frequency per year	
	There is a difference between actual buying price and planned price.	Indicate %	
Cost measures	There is usually price reduction through	Indicate %	

	negotiation.		
	Discount are given by consolidating orders.	Indicate %	
Quality measures	We return defective items to suppliers	Indicate frequency per year	
	Our supplier processes are certified and supply goods without inspection.	Yes or No	
	Suppliers meet customer schedule requirements.	Indicate %	
Time related measures	Lead time for consumables	Indicate in weeks	
	Lead time for capital items	Indicate in weeks	