FACTORS AFFECTING EFFICIENT PROCUREMENT IN RETAIL ORGANIZATIONS IN KENYA: A CASE STUDY OF THE NAKUMATT LIFESTYLE SUPERMARKET

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF DEGREE IN PURCHASING AND SUPPLY CHAIN MANAGEMENT AT MANAGEMENT UNIVERSITY OF AFRICA

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DECLARATION

This research is my work and has not been presented to any other examination body. No part of this research should be produced without my consent or that of Management University of Africa.

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SIGNATURE

ADMISSION NO. BML/9/00267/3/2014

This research has been submitted for examination with my approval as the Management University of Africa’s supervisor.

Supervisors Name: Dr Emmanuel Awuor Ph.D

Signature : 

Date : 
DEDICATION

This work is dedicated to my uncle Mr. Peter Obwogo and family for their deep interest in all that I did and financial support to see to it that this project has been a success; they have been a source of profound inspiration for me to achieve my goals.
ACKNOWLEDGEMENT

I thank the almighty God who granted me the opportunity and means to achieve my desired goals in life.

I wish to express my gratitude to my supervisor Dr. Awuor who sacrificed his time even on weekends to advice and point out those areas of this research which required polishing.

I cannot forget to thank my parents and relatives for their financial and moral support throughout my academic endeavors.

Special thanks to Nakumatt lifestyle and the entire staff who willingly participated in the research process for its success.

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ABSTRACT

The main purpose of this study was the establishment of factor influencing effective procurement in retail organizations focusing on the Nakumatt lifestyle. By so doing, it there for focuses on product specification, ICT, staff skills and tendering process to achieve possible findings. The study was conducted by the use of a descriptive approach. The target population consisted of forty five individuals draw from four different structural levels of the Nakumatt lifestyle which include; the top management, middle level, supervisory and operational level. A simple random selection was used in sampling. Analyzing of data collected was through descriptive statistical method Presentation of the information was through tables, pie chart and bar graphs. The collection of primary data was done through questionnaires issued to correspondents. The research is to benefit various stakeholders including the Nakumatt itself, future scholars, employers and the general business world. The study concludes that factors such as product specifications, ICT, staff skills, and the tendering process are some of the most significant factors to influence efficient procurement in Nakumatt Lifestyle. Based on the findings Nakumatt Lifestyle should consider employing those employees with higher qualification and experience in procurement since it is a serious pillar in the survival of the company. It should also have mechanisms on how to retain the long serving employees who understand the company systems better.
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LIST OF ABREVIATIONS

CBD - Central Business District

FC - Financial Controller

ICT - Information Communications Technology

RFP - Request for Proposal

IT - Information Technology

ERP - Enterprise Resource Planning

CPO - Chief Procurements Officer

ITAA - Information Technology Association of America

J.I.T - Just In Time

SPSS - Statistical Package for Social Sciences
Definition of terms

**Bid**- Is used to focus those cosset or esteem from claiming something. It could a chance to be performed by a purchaser or supplier of an item or administration In view of the setting of the circumstances.

**Inventory**- are material, raw materials, work in progress product and finished goods that are considered to be the portion of a business’s assets that are ready or will be ready for sale.

**Logistics**- Logistics management is the part of supply chain management that plans, implements and controls the efficient, effective forward and reversal flow and storage of goods, services and related information between the point of origin and point of consumption in order to meet customer requirements.

**Procurement**- This deals with the sourcing activities, negotiation and strategic selection of goods and services that are usually of importance to any organization.

**Quotation**- It is considered being long form of quote in reference to stock quote. It is the estimated offer at which a party is compelled to acquire or offer a certain number of shares of stock from or the other.

**Brand**- this is a districting is symbol, mark, logo, name sentence or word or a combination of the above that companies use to distinguish their product from others in the market.

**Tender**- it is an offer to perform out a task, supply commodities or buy land shares or other assets at a predetermined price.

**Retail**- It involves the process of selling consumer products to customers through multiple distribution channels in order to earn profit. They meet demand that are identified through a supply chain.
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CHAPTER ONE

INTRODUCTION

1.1 Bank ground of the study

If there is a word that best describes today’s business is dynamics. Many forces are changing business and the nature of competition. The drivers to this dynamism include deregulation, demographic change and changing work and lifestyle, (Craven 2000).

Organizations today are not only focusing on the generation of revenue but also paying attention to the reduction of cost. This calls for the streamlining of the business operations to ensure the organization operates optimally and efficiently. This has led to organizations focusing on procurement functions because it plays a key role in retail organizations.

In the recent years that are, the popularity of retail outlets has increased where a wide range of products are offered in one store. Most of the retail organizations undertake allot of procurement activities due to their nature of work activities. Their businesses involve fast moving consumer goods where the products are low in value but high in demand. Retail outlets have a major role in the world of business in such a way that they may not be done away with. They deal with final consumer hence making it easier for the final consumer to access goods and services.

They are also entrusted with the role involving breaking bulk, facilitating the smooth flow of channel of distribution, communicating feedback to the supplier and carrying out promotions on behalf of their suppliers. They also act as a link between the producer and the final consumer.

Retailing consist of sale of goods or merchandising from a fixed point such as departmental stores boutiques, kiosks or by mail in small or individual lots for direct consumption by the purchasers. Retailing might also include subordination services.

Retailer is any business established to direct its market towards final consumer for the purpose of selling goods and services (Lewison1989).
If not for retailers, consumers would be forced to move from manufacture to manufacture in search of their demands. Hence retailers being a link between the producer and final consumer (Monezk&Handfields 1991)

Some of the largest retailers are supermarkets. A supermarket is a term broadly used in the description of a self-service retail and with food lines representing a significant percentage of 50% (Weel, 2005)

Supermarkets have been established in Nairobi and other towns in the recent past (Graven 2000). Most of the supermarkets are owned by Asians of the Kenyan origin and operate as family business. In the recent past, Graven argues that supermarkets such as Uchumi, Nakumatt, Naivas, Tuskys, Ukwala e.t.c have come up growing up at the rate of 18% p.a. they have grown from a niche in 1990s to 20% of the urban food markets and 4% p.a. of urban fresh fruits and vegetable markets.

Procurement in the supermarket is a prime aspect since there is constant supply of products and services considering the nature of the business run on a daily basis. Nakumatt commanding the market in Nairobi and therefore becomes the much involved in procurement practices in the course running of its business.

1.2.1 Profile of Nakumatt Supermarkets
The supermarket had begun its operation in 1965 as a family business mostly handling furniture and beddings. It was later incorporated as Nakuru mattresses Ltd in 1970. The business started reaching out to rural, selling customer items to schools, hospitals, hotels and other organizations. Its competitive advantage was majorly drawn from offering quality and substantial services of its product at pocket friendly prices leading to increased demand for their product range creating outlets hence the name Nakumatt formulated.

The first outlet was founded by the father to Mr. Atul Shah in 1992 in the capital on Nairobi. The business considered its customer income and set goals in relation to customer income. In accordance to survey it currently has a base of about 1.2 million adding up to 2.7% of the country’s population. (Nakumatt, 2016).
1.2.2 The Nakumatt lifestyle.
The supermarket is in the horizon trading centre of Nairobi’s Hazina Trading Centre. It was opened as soon as Nakumatt checkpoint was closed down in 2005 which now enjoys the largest working space within the CBD.

Nakumatt occupies four floors of the building with a parking of over 300 cars which is in the basement’s three floors. The management structures are centralized in a way ensuring efficient decision making and task execution. The management structure consists of the top management holding the top-most positions followed by the financial controller. Below the financial controller are the operations director and the operations coordinator. The FC is the one tasked with the role of inventory control and harmonization of various branch operations. (Nakumatt, 2016)

Nakumatt is currently experiencing tough competition from other competitor such as Ukwala, Tuskys, Naivas and so much more. The supermarket has out bitten its competitors by incorporating innovation in its daily operations hence achieving much efficiency in its service delivery. It is among the first organizations to adopt the sales technology where they are able to monitor sale of product and determine the reorder levels as well as ease in monitoring the material movement. They also fight to remain relevant by strategically positioning their outlets in various towns and in the region. (Nakumatt, 2016)

1.2 Statement of the problem.
Retail organizations normally engage a lot in the procurement process due to the nature of their operations. The procurement too plays lot in ensuring that consumers get what they want and whenever they want it. Organizations normally spend a lot of resources in enquiring goods, materials and other services. As a result, the retail organizations have to ensure that they are in position to offer variety that consumers can choose from depending on their need, financial position, taste and preferences and other considerable factors. The major retail organizations already have structured handling the procurement function, unlike the case of small retail organization where all activities are handled by single individuals.
The Nakumatt receives proposals from prospective suppliers as a manufacture and the challenge of agreeing with the request come in place. Concern for quality, consistency, competitive pricing and delivery time efficiency comes in.

The purchasing policies basically contribute to the business success in several ways;

Purchasing and supplies can significantly improve sale margins through realizing substantial cost saving. Hence a shilling saved is a shilling added to the purchasing bottom line.

Through better quality and logistics arrangement with suppliers, purchasing can contribute to high capital turnover notion.

Supplier may contribute when addressed properly significantly to the companies’ innovation process. However as companies become more dependent on their suppliers, the strategic value of purchasing lies in developing a world class supplier base which is competitive than that of the company’s main competitor. Looking at the most competitive supplier worldwide and developing effective relationship with them should be one of the most important concerns of purchasing manager.

Purchasing organizations therefore endeavors to ensure that they are able to provide the organization with the required at the right time as a result; they have to ensure that they work with the right suppliers to ensure that their orders are met as requested and right quality maintained.

They have to offer variety of price competitive among their products and hence have to work with a variety of organizations supplier and other partners. Often this is not an easy exercise and they are faced with challenges that prevent them from achieving their goals. These challenges presents the need to establish the relevant factors that are necessary to ensure an efficient procurement process in retail organizations and that is what the study seeks to address.

1.3.1 Objectives of the study

To determine factors influencing efficient procurement in retail organizations in Kenya.
1.3.2 Specific objective

i. To determine the effect of product specification on procurement management in retail organization.

ii. To determine how the application of ICT affects procurement management in retail sector.

iii. To examine the extent to which staff skills affect procurement management in retail organization.

iv. To determine how material storage affects effective procurement management in the retail sector.

1.4. Research questions

i. What are the effects of product specification on procurement management in retail organization?

ii. How does the application of ICT affect procurement management in retail sector?

iii. To what extent does staff skills affect procurement management in retail sector?

iv. How does material storage affect procurement management in the retail sector?

1.5. Significance of the study

The result of this study will be beneficial to various groups of people in various ways.

The findings of the study shall help supermarkets and other retail outlets determine the best ways based on their environments in which they can enhance the efficiency of their procurement functions. The findings will also enable retail organization formulate appropriate strategy to use in handling the procurement issues therefore increasing efficiency.

Customers are the main reasons why businesses exist. Therefore anything that the organization does, it does it in the interest of consumers. The general public would like to gain knowledge in procurement issues contributing to procurement of final products and services by the firm and how the procurement functions can be enhanced to increase efficiency. Other beneficiaries of the study are the future scholars. The findings of the study will help contribute to available information about procurement in retail organization.
1.6. Limitation of the study

1.6.1 Biased information.

The researcher experienced challenges in situations where the correspondents gave untrue information. This is because the invalid information would create inefficiencies in the researchers report.

The research was able to surmount this by approaching correspondents in a professional manner assuring them that their confidence would be maintained. He also engaged them in a manner that ensured they did not introduce any biasness in the information provided.

1.6.2 Lack of cooperation from the correspondence

There was also some rebellion from the correspondents. Information being inquired for needed the researcher to invest time and resources for him to individually extract the information from the relevant staff. A few correspondents were a little bit hostile to the research and were not willing to assist the researcher as he conducted his survey despite being in a position to assist the research with the relevant information required.

The research increased the number of correspondents in order to outdo this inefficiency. This would intern increase the probability of correctness in information collected.

1.6.3 Confidentiality

Some of the information being so confidential in nature, some correspondents were unwilling to open up or divulge on such information. This was a factor hindering the obtaining of the relevant information that was relevant to the study.

The researcher out came this by assuring the correspondents that the information was going to be handled in strict confidentiality.

1.6.4 Misunderstanding of questions

Some of the correspondents could not understand the questions posed on them und ended giving responses that were not in line with the questions posed to them.
In prevention of this, the research went out off line administering questionnaires that would preferable be filled there and then clarifying any queries in regards to the queries that arose over the same

1.7. Scope of the study
The study was carried out at the Nakumatt lifestyle and in particular the top management employees and operational employees of retail supermarket. This is basically because diversity consists of visible and non-visible differences which included factors such as age, sex, background and race hence the study targeted male staff and female staff with age bracket ranging from 23 years and above. This study was carried out between February 2017 and April 2017.

1.8. Chapter summary.
The popularity of retail outlets has increased where a wide range of products are offered in a single store. Retailers are the link between producers and final consumers. Supermarkets are the largest retailers which are also the self-service stores.

Nakumatt is believed to be the most commanding in the Nairobi market. It is believed to control about 50% of the total population. The supermarket started as a family business back in 1965 but was later incorporated as Nakuru Mattresses Limited in 1970. It majorly focused on the distribution of furniture and beddings. Its main customers were mainly schools, hotels and hospitals.

Nakumatt lifestyle started in 2005 immediately after closure of the Nakumatt Checkpoint. It is located in Nairobi’s Hazina estate. It is believed to have the largest workspace in the Nairobi occupying about three floors with a parking of over 300 cars capacity. It has a well structured management structure which enhances the ease in decision making.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
The chapter is a review of the relevant literature which was considered necessary in helping to understanding the research study. It addresses the review of past studies critical review of the past studies, critical review summary and also gives a conceptual framework.

2.2 Theoretical literature

2.2.1 The Theory of Constraints (TOC)
The Theory of Constraints (TOC) first distributed in the objective by Elijah M. Goldratt and Jeff Cox in (1984) is an authoritative change technique that is centered on benefit change. The basic idea of TOC is that each association must have no less than one imperative. A limitation is any factor that restricts the association from getting a greater amount of whatever it makes progress toward, which is generally benefit. The Goal concentrates on limitations as bottleneck forms in an administration association. Be that as it may, numerous non-producing requirements exist; for example, showcase request, or a business division's capacity to make an interpretation of market request into orders.

The Theory of Constraints characterizes an arrangement of apparatuses that change operators can use to oversee imperatives, in this manner expanding benefits. Most organizations can be seen as a connected arrangement of procedures that change contributions to saleable yields. TOC reasonably models this framework as a chain, and supporters the well-known aphorism that a "chain is just as solid as its weakest connection." From this learning, Nakumatt would now be able to comprehend their imperatives, which ordinarily prompt long lead times of administration conveyance to their clients. This can be utilized to enhance the issue and consequently enhancing the general hierarchical execution.
2.2.2 Transaction Cost Economics Theory (TCE)

The Transaction Cost Economics (TCE) hypothesis, which was begun by Ronald Coase (1937, 1960), Klein, Crawford, Alchian (1978), Oliver Williamson (1981, 1985), has generally been the most broadly utilized outsourcing hypothesis. It is viewed as that the TCE hypothesis gives the best basic leadership devices with a specific end goal to help associations in choosing which of their operations ought to be outsourced and, from there on, to set themselves up so as to execute the fundamental authoritative changes emerging from outsourcing. The qualities of this model take into account its execution both at the relationship administration stage and at the reevaluation stage. Another to a great degree valuable component of the TCE hypothesis is that it can be utilized for the examination and determination of outsourcing contracts, which are frequently of awesome unpredictability.

Ulset (1996) investigated the part of innovative work during the time spent outsourcing in view of the TCE hypothesis, stressing on the need of associations to defend the protected innovation of their licenses. Brandes, Lilliecreutz and Brege (1997) investigated the components that decide the achievement of an outsourcing exertion. Their model depended on the TCE hypothesis and inspected the periods of readiness, relationship administration and reevaluation. The scientists achieved the conclusion that when the choice to outsource depends on the TCE hypothesis the result is better. Connecting this hypothesis to diminishment of expenses in outsourcing, the associations regularly consider cost of delivering an administration or item inside or settling on a purchase choice. Consequently if the administration or item is so costly to give inside, the association settles on a choice to source it remotely thus lessening costs and saving money on costs. Thusly, the association can back its operations well and therefore, its execution is progressed.

2.3 Review of the empirical Literature

2.3.1 Product specification

In today’s complex supply chain environment businesses are being arged to work in partnership to demonstrate compliance with compulsory regulations and to be informed of any potential non-compliance scenarios. A universal attention arises when products go from pre-production to the production phase or when re-orders are placed to replenish stock levels in stores. Retailers,
vendors and brands need to steadily inspect if the delivered items are the same as the expected products. If not, the product could be potentially non-compliant, because of a design or material change.

As a producer, ensure products meet the product descriptions as described by the buyer. The product specification should be directly influenced by the analysis of research. This will ensure the quality of design and that the end product is fit for consumption purposed.

A specification is a statement that describes to the designer exactly what the product has to do and what the design details are. Product specifications mostly entails:

i. Functions of the product
ii. Materials of the product
iii. The physic appearance of the product
iv. User’s task requirements on the product
v. Details of the source of power (if needed)
vi. anthropometrics and ergonomics
vii. legislative guidelines in terms of regulation
viii. environmental considerations

In the placement of orders the retail supermarket describes the kind of orders it required based on the above issues. This would help reduce the returns to supplies which is a times a tedious exercise. This helps reduce the production cost such as the production of the goods return and requesting of the credit note from the suppler because of the unsupplied products.

The product specification especially for the new products or supplier would be sampled. When a product sample is submitted, the supplier would create a product as specified and taken to the supermarket for approval. After the approval of the product, the manufacturing company is given a go ahead on the production of the product for the retail for the required quantities.

For products requested by the customers, it was always the same process only that the supermarket acted as an agent to the customer. The customer was to make an order in regards to their needs to the supermarket. Where the product is not within the stocks a just in time (J-I-T)
approach was adopted. The procurements officer would invite quotations from different suppliers on the given product where there was no supplier of the requisition as at the current time. Evaluation would be done. A supplier is chosen and contracted to provide the requested products.

**The Advantages of Composition Specification in Procurement**

A business's procurement, or purchasing, department is responsible for sourcing and purchasing inventory while building and maintaining relationships with suppliers. One of the first points of contact between a procurement employee and a potential supplier is the request for proposal. An RFP contains a detailed description of the goods or services that a buyer seeks, and it allows suppliers to provide price quotes for the materials and labor required before a purchase contract is drafted. When sending RFPs, specifying the exact composition of the goods a buyer seeks can provide a range of advantages to both the buyer and potential suppliers.

**Specifying Composition in Procurement**

Requests for proposal can be as general or specific as desired. The more specific the details of an RFP, the greater the advantages that can be realized. Specifying the required composition of materials or goods is a highly precise way to obtain more-specific quotes from suppliers. Rather than requesting a general quote for printing ink, for example, a print shop might specify that it requires printing ink made from soy-based pigments. Rather than requesting a quote for drywall, as another example, a building contractor might specify that it requires drywall made from at least 50 percent recycled materials. In both cases, suppliers have more information to work with when generating their quotes.

**Finding Ideal Suppliers**

Specifying your required composition in requests for proposal can help to narrow the field of potential suppliers quickly. The more specific a request, the less likely each supplier is to be able to fulfill it. This can allow companies to more easily locate the ideal suppliers who are able to deliver exactly what they require. This can save both time and resources for the buyer and any potential suppliers who cannot meet the buyer's precise specifications. It can also be
advantageous to those suppliers who can meet the specifications, because it allows them to stand out from their competitors.

**More-Precise Price Estimates**

Specifying the exact composition of materials in your order can help potential suppliers to provide more accurate and detailed price quotes. This, in turn, can provide greater insight for your purchasing decisions. Knowing exactly what a buyer requires, allows a supplier to more accurately match the request with specific products and materials. For goods that are made to order, specifying the required composition can help suppliers to determine their exact costs, allowing them to calculate their prices more precisely.

**Discovering Alternative Compositions**

When you take the time to specify the exact composition of materials you seek, it can help potential suppliers to understand your procurement needs and objectives more clearly. With a deeper understanding of your needs, suppliers may be able to identify and suggest alternative compositions that may meet your needs more effectively, reliably or efficiently. If you specify that you require a certain biodegradable material to be used in constructing a new building, for example, a contractor may be able to suggest an even more environmentally friendly and cost-efficient alternative that you had not considered.

**2.3.2 Information and Communication Technology (ICT).**

Majority of the data Also interchanges engineering (ICT) may be an stretched out term for data innovation (IT) which anxieties those part of bound together correspondences and the mix from claiming telecommunications (telephone lines and remote signals), workstations and also essential endeavor software, middleware, storage, and audio-visual systems, which empower clients will access, store, transmit, What’s more control data.

The term ICT is also used in reference to the convergence of audio-visual and telephone networks with computer networks through a single cabling or link system. There are large economic incentives (huge cost savings due to elimination of the telephone network) to merge
the telephone network with the computer network system using a single unified system of cabling, signal distribution and management.

Mechanical transformation acquisition Furthermore buying occasions inside those skeleton from claiming venture administration would crucial with At whatever benefits of the business utilizing data frameworks and supplies should drive projects, procedures What's more methods. In the later past, you quit offering on that one cam wood scarcely discover a endeavor that doesn't execute Different majority of the data innovation frameworks Furthermore answers for arrangement What's more do vital and operational methods on account of workstations and programming results need aid essential analytics and only the business-wide venture administration framework.

IT procurement is a series of activities and procedures in reference to acquiring information technology. Often IT procurement activities are combined into a single process. (Herafers, 2001)

**A Model of Information Technology Procurement Process**

Each association there are to be assumed will execute a system for majority of the data innovation acquisition methodology to impart majority of the data looking into overseeing acquisition methods also tasks, Furthermore on keep up teapot between individuals included in the majority of the data engineering organization acquisition transform. Such An model serves Similarly as a organized guideline utilized by acquisition groups with aggravate the returns of securing majority of the data innovation simpler yet far reaching. This will furnish the organization with needed data engineering hardware, product Also frameworks and accomplishing one task obtaining and acquisition best hones. (Farrington &Lysons, 2006)

IT purchasing and procurement process means an assimilation of the process as a suite of sub-groups, such as:

i. Implementation

ii. Management
Implementation

The sub-processes of this group include events and programs that entirely describe the life-cycle of procurement IT, an individual product or service steps through. Each and every procurement starts with identifying requirements, then sending a purchase proposal to vendors for contract signing, and completing the contract in the specific terms and on conditions. The group consists of the following IT deployment sub-processes:

Specification’ setting refers to reviewing IT investment business case and determining business justification, specifications and approvals to start the IT purchasing process. It includes such procurement procedures and tasks as:

- Organization of project implementation groups;
- Practicing investment analysis techniques such cost-benefit analysis;
- Finding supplements, measuring IT procurement opportunities and risks;
- Working out of cost in comparison to the benefits of a project;
- Obtaining required approval to proceed with IT purchase management process.

Acquisitions engage procurement managers in analyzing and selecting suitable vendors and signing procurement agreements for the necessary deliveries.

Contract implementation targets at managing and coordinating all the activities associated with the fulfilling IT procurement agreement requirements. The sub-process includes

i. Oder placements;
ii. Contract implementation;
iii. Reception of products/services;
iv. Installation of systems;

Management

This set of procurement process is inclusive of all the events associated with the cut cross of management of procurements by IT. Such procedures are usually universal to all procurements events occurring within a company. The sets are inclusive of the following mini-sets:

a) **Vendor Management** it includes procedures and tasks in relation to the utility of customer-supplier relationship in order for value addition to the business. Vendor
Management allows developing procurer portfolio strategies, administering IT supplier relationships, procurement appraisal, and linkages with vendors.

b) **Asset Management**: It is optimal utility of all IT resources within the company throughout their life-cycle in order to achieve IT based procurement best practices in consideration to the existing business needs. It includes such activities as
   i. Development and maintenance of asset management strategies;
   ii. Management of information systems;
   iii. Cost analysis against benefits of IT asset ownership;
   iv. Manage of asset disposal policies.

c) **Quality Management** involves IT procurement teams assuring and continuous implementation development in the procurement management and in all the products and services provided for IT purposes within the company. This sub-process includes:
   1) Supply performance checking;
   2) Approval test;
   3) Supplies’ quality inspection;
   4) Vendor reviews;

The listed sets and sub-sets define the IT procurement process. Such a model allows businesses to create a foundation for efficient procurement activities and to reach best performance of IT procurement.

**IT Procurement Software**

The process can’t be managed without implementing strategic procurement and sourcing software solutions. Such software provides a set of planning tools to use the model, organize the sub-processes, related tasks and workflows. A complex procurement management software solution allows for:

- Creation of purchase requisitions
- Development of communication channels with vendors
- Monitoring the performance of IT purchasing contracts
- Preparation of procurement support documentation
Designing IT inventory management

Enforcing quality assurance and control

Powerful IT procurement ERP systems make sense of integration within the procurement management process. Operators are enabled to identify variations made to IT procurement projects, quantifying potential risks and create possible response solutions, implement IT procurement remedies, and take procurement opportunities. However there are hindrances that come in with the ICT systems. A few of the challenges include the dynamism in ICT. With the frequent dynamism in technology, companies are expected to keep updating their current technology. They are also expected to do a frequent employee training to keep up with the skills needed to operate the systems. (Kotler, 2003)

2.3.3 Staff skills

Procurement performance in any organization requires that the individual handling the procurement activities should have the necessary professional qualifications. Productivity in procurement is a function of the value you add and the time taken to do so. As a member to the procurements department it is important to identify a value addition point. It is important to know how customers use their output and whether there are other things that may help improve the customer satisfaction.

Value in most cases is considered as doing things faster cheaper or better hence the higher the number of output, the grater the value to the organization. One is always obligated to find solution to each challenge faced in procurement by using this as opportunities to trigger ideas on how it is done distinctively (Carter, 2009)

In the IBM Chief Procurement Officer (CPO) Study, which gathered perspectives from over 300 chief procurement officers (CPOs) and other C-level executives on their current procurement performance and future expectations, three key messages resonated:

a) Procurement is now a key competitive weapon – procurement performance has a broad and direct impact on corporate prosperity and performance.
b) The role of procurement is changing significantly – procurement professionals need to become business partners and not just buyers, and the CPO needs to transition to the role of "chief performance officer."

c) The demands on procurement are forcing an ongoing battle for talent – procurement skills shortages will be the single biggest obstacle to success.

In consideration of the above statements and with the proper talent in place, procurement is in a position to create long-term value for the organization.

Should location this compelling reason to acquisition ability in this day about outsourcing, out-tasking Also off shoring, "in-house growing" will be an idea that is worth recognizing. Late business and networking articles need great recorded the what's to come for U. S. ' approaching work shortage, coming about because of those infant Boomers entering retirement. One done four of the working populace will scope retirement period by 2010 which interprets on an possibility deficiency of almost 10 million laborers. This mass migration of talent, coupled for those progressing globalization from claiming supply chains, may be forcing associations will rediscover the merits of Creating their the vast majority critical advantage – their people. (Laporta, 2009)

Developing organizations in terms of progres have been working very diligently to develop the procurement staff to meet the current and future needs of their companies. These companies are looking to uplifting a set of predetermined skills that are crucial for their procurement department. Where normal training and classroom work could take up to two years, these companies work towards accelerating their skill growth within four to six month window. To address this requirement, organizations should consider implementing a procurement capability acceleration program. There are three main steps in this type of innovative program:

a) Close the gaps in skill sets needed to be a best-in-class organization.

b) Taking current highly skilled personnel and repositioning them within the procurement organization with the correct knowledge and tools.

c) Fill the pipeline in the organization with individuals who have the correct skills to fill the vacuum created by retiring staff and talent shortages.
2.4 Summary
Various researchers tend to share sentiments that despite in some cases it becomes challenging to use the systems, they are quite important and their use have a lot of benefits to the organization. The use of modern technology in other fields can be combined to create a great deal of gain.

Information system plays a great role in organization and their use is critical to organizations due to the speed ICT executes the tasks. They are also able to restore large amounts of data and help in tracking information with great importance giving it back when required.

2.5. Conceptual framework

**Independent Variables**

- Product specification
- Information communication technology
- Staff skills
- Material storage

**Dependent Variable**

- Procurement mgt in retail org.

2.5.1 Schematic Conceptual Framework

*Product specification*
Specifications are termed as descriptions that specify in complete, precise and variable manner in which the requirement, design behavior or other characteristics of a system component of the final product meet the required outcome. Specification is also an explicit set of requirements to be satisfied by materials products or services specification from forming a purchase description.
Proactive development of specification and standardization can help an organization in reducing total cost of a product or service developed either in-house or externally.

**Application of Information communication technology**

ICT is the study, design, development, implementation and support of computer based information systems particularly the software applications and computer hardware. ICT application refers to integrating ICT procurement activities linking of procurement functions with the department and also suppliers’ organizations [Information Technology Association of America (ITAA)].

ICT eliminates the cost on overstocking, and expenses of under stocking and also the increased use of J-I-T inventory system. Sharing of information can provide participants with enhanced efficiency inflexibility and innovation to respond to the competitive environment globally.

**Staff skills**

These are said to be the knowhow of how procurement functions. Successful performance depends on the ability of individual handling their tasks. In order to handle and execute procurement tasks efficiently, it is necessary for the relevant persons involved to have adequate training in procurement and supplies and logistics issues.

**Material storage**

Storage is said to be the safekeeping of products in a way that prevents or reduces damage, reduction of value or any exposure to hazards. Various methods are used to ensure proper storage including proper packaging, organization of items in the store and keeping them in the right place e.g. the warehouse where there are appropriate requirements conditions for storage.

Proper storage also plays a major role in increasing space utility, improves operation efficiency by reducing handling which minimizes damages.
2.6 Operational Framework

| Variables             | Indicators                                      | Instruments of measurement                                      |
|-----------------------|------------------------------------------------|
| Product specification | Product function                               | Customer satisfaction  |
|                       | Material                                        | Task accomplishment  |
|                       |                                               | Physical appearance  |
|                       |                                               | Manufacture components |
| ICT                   | Model of procurement process                   | Structural guidelines  |
|                       | ICT procurement software                        | Automation in order placement  |
|                       |                                               | Ease on info retrieval  |
|                       |                                               | LPO auto generation  |
| Staff skills          | Professional qualifications                    | Level of production  |
|                       | Diligence of procurement personnel             | Value additional points |
|                       |                                               | Adherence to procurements guidelines |
|                       |                                               | Ethical standards in the procurements sector  |
| Material storage      | Storage space                                  | Risks level to physical damage  |
|                       | Storage conditions                              | Ease on accessibility during movement in storage facility  |
|                       |                                               | Specialized storage equipment  |
|                       |                                               | Freshness of perishables till utility  |

*Table 2.6 Operational framework*
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction
This chapter explains different strategies that were used in collecting and analyzing data in order to answer the research queries. It focuses on the research design, target population sample design, data collection and analysis.

3.1 Research design
Research design is the outline plan or schedule that was used to generate answers to the research problem. It is basically the plan and structure of investigation (Orodho, 2003).

The researcher will use a descriptive research design due to its conclusive and quantitative nature. Unlike exploratory research, descriptive research is preplanned and structured in design so the information collected can be statistically inferred on a population. Descriptive studies portray the variables by answering who, what, and how questions (Babbie, 2002).

This design is seen to be more suitable for this research as the researcher is to collect information by interviewing individuals and administering questionnaire to a chosen sample of individuals in the assessment of the factors influencing efficient procurement at Nakumatt lifestyle supermarket.

3.2 Population of Study
A target population is aggregate accumulation for components over which one wishes to settle on some inferences for. The population of interest will be top management, middle level management, supervisory staff and operational employees of the Nakumatt lifestyle. The population of this study will consist of a total of 5 top management personnel, 15 middle level managers, 20 supervisory staff and 110 operational employees making a total of 150 employees. The study is premised on these levels because procurement is normally prepared by the middle
level manager who collects data from the supervisors and then the operational employees are the ones in direct contact with customers and therefore are key people to provide information on the perception and use of products by the customers. All this process must be approved by the top management for efficient procurement to occur. This therefore means that each level of employees have some influence to efficient procurement thus the interest of engagement in this research.

3.3 Sample and sampling technique.
The study will use the convenience sampling technique to select from various levels of employees who are involved in planning, data collection and implementing of the procurement process at Nakumatt Lifestyle supermarket. With the convenience sampling method, the researcher uses his or her personal judgment to select those respondents that best suit the purposes of the study and those that are believed to have the information being sought. The term sample refers to a segment of the population selected for research to represent the population as a whole (Kotler and Armstrong, 2006). According to Mugenda and Mugenda (2003), 10-30 % is a good representative of the population which also helps in reducing sampling errors. Therefore the sample of the study will be 45 respondents.

<table>
<thead>
<tr>
<th>Department</th>
<th>Population</th>
<th>Percent (%)</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>5</td>
<td>30</td>
<td>2</td>
</tr>
<tr>
<td>Middle level managers</td>
<td>15</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>Supervisory Staff</td>
<td>20</td>
<td>30</td>
<td>6</td>
</tr>
<tr>
<td>Operational Employees</td>
<td>110</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>

Source: Nakumatt LS (2017)
3.4 Instruments.
The two frequently used research instruments in quantitative research studies include Questionnaire and tests. A questionnaire is the commonly used research instrument in quantitative research and will as well be used to collect data for the study. It is a research instrument consisting of a series of questions and other prompts for the purpose of gathering data from respondents. Questionnaires are widely used especially in descriptive survey studies (Borg & Gall, 1983). The instrument of questionnaire was chosen because it can reach a large number of people relatively, easily and economically. It also provides quantifiable answers and it is relatively easy to analyze, less time consuming than interview or observation. (Bailey, 1982). The questionnaire will be divided into six sections according to the objectives and research questions under study. In this study the questionnaire will be divided into; 1. Demographic details 2. Production Specification 3. Information Communication Technology. 4. Staff Skills 5. Material Storage. 6. Tendering Process. The survey questionnaire item will be self-administered to the targeted respondents in the targeted Nakumatt Lifestyle Supermarket.

3.5 Validity and reliability test

It is be the level should which an instrument flying measure the thing that it will be purports to measure. Invalid instruments could prompt wrong research conclusions, which thus might impact instructive choices.. Reliability is the internal consistency or stability of the measuring device over time (Gay, 1996).

Since the researcher also gets direction from the supervisor on how best to test the variables under study, this will reduce the errors omission and commission that the researcher could make. The questionnaires will be self-administered by the researcher to the respondents with his availability to respond to any concern from them, this will be a sure motivation for the respondents to give their best.

3.6 Data collection procedure.
The researcher will seek an introduction letter from Management University of Africa after which the letter will be used to get permission from the management of Nakumatt Lifestyle Supermarket in order to access respondents. There will be self -administering of questionnaires
to avoid biasness. Greater part of the people who get questionnaires might not give back them and what’s more is that the individuals who return might not make delegate test of the initially chose test. (Leedy and Ormrod, 2001). The researcher will therefore approach respondents in their respective working points, explain to them the purpose of the research and why they are supposed to fill the questionnaires.

3.7 Data Processing and analysis.

According to Creswell (1999) the process analyzing data involves making sense out of text and image data. It involves data preparation for analysis, deeper understanding of data collected, its presentation and making an interpretation of the larger meaning. The nature of data to be obtained from this study will be quantitative. Descriptive statistics will be essential to positivist science and a necessary step before any further statistical analyses can be carried out. This will be in accordance with Nachmias & Nachmias (2000) who alluded that descriptive statistics allow social science to organize and summarize data in a meaningful way. The research involves counting of the attributes or quantities and so the data collected from the questionnaires will be coded in relation to how they relate for easy Statistical Package for Social Sciences (SPSS) use as the most efficient and convenient processing and analyzing of data.
CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction
This chapter presents the data collected from the field and therefore it is divided into five sections; Demographic data of respondents, product Specification, ICT, staff skills and tendering on the effective procurement. The study took place at Nakumatt Lifestyle where the researcher got the data.

4.1 demographic Information
The personal information of the respondents was sort to establish the personality in relation to the study in knowing the quality and reliability of information given. In this regard the researcher was interested to know of the gender, age, education level, length of service and the position one has at Nakumatt Lifestyle.

4.1.1 Gender
The respondents were forty five and the researcher established that twenty eight of the respondents were male and seventeen female. The selection of the participants was convenient since all had the knowledge of what happens with procurement.

Table 4.1: Gender

<table>
<thead>
<tr>
<th>Age of respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>17</td>
<td>38</td>
</tr>
<tr>
<td>Male</td>
<td>28</td>
<td>62</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>

From the results it was noted that there are more male employees involved or with the knowledge on how procurement is done than female. This can also imply that the total employees at Nakumatt Lifestyle are dominated by male.
4.1.2 Age

The age of the respondents were recorded from the data acquired and tabulated on the table below;

Table 4.2: Respondents age

<table>
<thead>
<tr>
<th>Age of respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25 years</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>26-35 years</td>
<td>28</td>
<td>62</td>
</tr>
<tr>
<td>35-40 years</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>40 years and above</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The supermarket is characterized by the young generation from the age 18-35 years which is very innovative and productive age for effective delivery and production.

4.1.3 Education Qualifications

It was very important to establish the education level of the participants so that it assists during assessment of the results to gauge the professionalism and the authenticity of the relevant information gathered. They were categorized as shown in the table below;
Table 4.3: Academic qualifications

<table>
<thead>
<tr>
<th>Respondents level of Education</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>O level Certificate</td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td>Diploma</td>
<td>24</td>
<td>53</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

It was noted that more than half at 53% of the employees interviewed were diploma holders followed by undergraduate meaning that the company employees those with professional qualifications to deal with specific area of specialization, in this case procurement. O level holders at 20% cannot be wished away indicating that they consider those after form four. This
can be a possible reason that most of employees advance their studies while employed at the company raising the number of diploma holders above any other level.

4.1.4 Period of service

The purpose of this section was to know the period a person has rendered his/her service to Nakumatt Lifestyle. This brings out the experience one has that is very important in providing the needed information for the study. The obtained data was tabulated on the table as below;

Table 4.4: Period of service

<table>
<thead>
<tr>
<th>Period of Service</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 years</td>
<td>12</td>
<td>27</td>
</tr>
<tr>
<td>5-10 years</td>
<td>28</td>
<td>62</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
With the employees with procurement knowledge, most of them have been at the company between 5-10 years and therefore a good premise for the study since the experience is ideal for providing the information being sort. It is also possible that after gaining experience and further studies they leave the companies for other better jobs or due to retrenchment for long serving employees.

4.1.5 Position

It was also necessary to know the position one holds at the company so that different views, experiences that are relevant would be used in assessing the data.

Table 4.5: Position/level of service

<table>
<thead>
<tr>
<th>Period of Service</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Middle management</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Supervisor</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Operational staff</td>
<td>33</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

It was realized that operational staff and supervisors were many and the number reduces as the ranks goes up. This is attributed to the availability and scope of work at each level therefore determining the number of employees to be hired.

4.2 Product specification on effective procurement

4.2.1 Influence of product specification

The aim of the researcher was to establish whether product specification has any influence on the effectiveness of procurement operations at Nakumatt Lifestyle or not. The responses indicated the following;

Table 4.6: Influence of product specification
Majority of those interviewed at 73% agreed that product specification has influence on how effective procurement operations can be at Nakumatt Lifestyle while the rest 27% did not agree. Product specification has to do with giving details of how exactly the product to be procured should be and therefore according to majority means that the company will purchase what it exactly requires to avoid errors. This is very paramount when factoring in effectiveness of the system.

**4.2.2 Product customizing impacting on effective procurement**

Customizing a product to a specific need was sort to know if it has any impact on how effective procurement can since the need must be well established before ordering for a product. The results were done on the table as shown.

**Table 4.7: Product customizing.**

<table>
<thead>
<tr>
<th>Product Customizing</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great impact</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Normal impact</td>
<td>18</td>
<td>40</td>
</tr>
<tr>
<td>Less impact</td>
<td>14</td>
<td>31</td>
</tr>
<tr>
<td>No impact</td>
<td>5</td>
<td>11</td>
</tr>
</tbody>
</table>
From the recorded responses it was clear that majority agreed that customization has an impact though those with normal impact were more. This implies that customizing a product for procurement effectiveness may not really be a very core reason to consider when strengthening procurement systems.

4.2.3 Product specification determines quality of product
This was meant to determine how product specification can offer quality of the product in the procurement process. The views of the workers at Nakumatt Lifestyle were sort and tabulated.
Table 4.8: Product specification on quality of product

<table>
<thead>
<tr>
<th>Product quality from specification</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>24</td>
<td>53</td>
</tr>
<tr>
<td>Agree</td>
<td>16</td>
<td>35</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

A substantive number of respondents agreed that products specification enhances the quality of product during procurement and therefore it provides viability of the procuring entity and so the system becomes reliable.

4.2.4 Procurement process all inclusive

This was to inquire how the process of procurement is done in terms of getting the ideas and views of others employees from other departments or it is only done by the procurement department. The major concern was if the junior staff and the management are part of the process in identification of the need for effective process. The response sort was as below;

Table 4.9: Inclusivity in procurement process

<table>
<thead>
<tr>
<th>Inclusivity</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always involved</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Sometimes</td>
<td>26</td>
<td>58</td>
</tr>
<tr>
<td>Not sure</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Not at all</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
The results show a small fraction of those always involved which should be the management based on the target population. It also implies that the junior staffs are only involved when there is something to consult from them or some information/input need and again it shows that not all of them are engaged that is why there are those that have never been involved at all.

4.3 Application of ICT on effective procurement

4.3.1 Availability of current ICT system

This sort to inquire if there is the current system used for procurement in the company for efficient operations. The responses from those interviewed were put in table.

Table 5.0: Availability of ICT system

<table>
<thead>
<tr>
<th>Current ICT system availability</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>29</td>
<td>64</td>
</tr>
<tr>
<td>Not sure</td>
<td>16</td>
<td>36</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>
Majority at 65% confirmed that Nakumatt Lifestyle has the current procurement system that is very efficient. This means that these are employees who have interacted with the system in the course of procurement process. Those ones not sure at 36% are the ones who are aware of the process but have not personally interacted with it but don’t know how exactly procurement is executed.

4.3.2 Interventions for updated personnel
There are important components in procurement that are very necessary for procurement personnel to be well versed with. These are pursuing further controlling it obtaining contracts, arranging acquisition documentation, implementing quality control and assurance etc. There was therefore the need to know the mode using by the company to execute the updates.
Table 5.1: interventions to update personnel

<table>
<thead>
<tr>
<th>Interventions</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff trainings</td>
<td>33</td>
<td>73</td>
</tr>
<tr>
<td>Hiring experienced personnel</td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td>Further studies</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No intervention</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The confirmation from the respondents was that there were staff trainings at 73% and then 22% pointing at intervention being hiring of experienced personnel. This means that the company is concerned in sharpening the competence of its staff for efficient and reliable procurement operations.

**4.4 staff skills on effective procurement.**

**4.4.1 Professionally qualified personnel determine efficiency in procurement.**

In the inquiry to know if the procurement activities can be efficient when the company has professionally qualified personnel, those interviewed indicated the following;

Table 5.2: Period of service

<table>
<thead>
<tr>
<th>Efficiency on professionalism</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>36</td>
<td>80</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
A very huge number of respondents at 80% acknowledged that professionally qualified individuals are the pillars for efficiency in procurement operations and therefore skills are very necessary for the effective functioning of the procurement process.

4.4.2 Skills and talent considered for procurement effectiveness

The researcher wanted to know if Nakumatt Lifestyle considers available relevant skills and talent to ensure effective and reliable procurement system. The views were sort from the participants and the responses tabulated as below;

Table 5.3: Skills and talent considered for procurement effectiveness

<table>
<thead>
<tr>
<th>Skills and Talents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>17</td>
<td>38</td>
</tr>
<tr>
<td>Agree</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Disagree</td>
<td>15</td>
<td>33</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
A considerable number of participants agreed that Nakumatt Lifestyle have some mechanisms to have the right talents and skills available to strengthen procurement operations. Also good disagreed indicating that there is also a gap in having skills and talents to efficient procurement.

4.5 Application of material storage on effective procurement

4.5.1 Logistic planning model implementation

Efficient planning of materials acquisition and storage on can lead to significant increase in productivity and project profitability. Existing research studies focus on material procurement and storage layout as two separate planning tasks with no consideration of their critical and mutual interdependencies. Logistics planning that is capable of simultaneously integrating and optimizing the critical planning decisions of material procurement and material storage in retail organizations.

The model practiced in Nakumat utilizes genetic algorithms to minimize retail logistics costs that cover material ordering, financing, stock-out, and layout costs. The model incorporates newly developed algorithms to estimate the impact of potential material shortages on-site because of untimely delivery

Table 5.4: Logistic planning model implementation
It was noted that the 65% of the respondents said that the kind of model being sort does not happen at Nakumatt meaning that it is done in private and unclear ways according to them. The remaining 35% agreed to it that the open and fair one for quality acquisition do happen.

4.5.2 Use of specialized storage equipment
The best way to strengthen material handling process and operations is by use of specialized equipment which allows for better condition for products to maintain their freshness. There was need for the research to know if the same is done at Nakumatt Lifestyle and the response was as follows;

Table 5.5: specialized storage facilities.

<table>
<thead>
<tr>
<th>Specialized storage</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Agree</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Disagree</td>
<td>14</td>
<td>31</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>17</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
It is clearly indicated from the participants that majority of 69% confirmed that material storage does not really consider specialized storage equipment. This is attributed to the reasoning that the company may have its intentions of doing so though it runs the risk of being abused and watering down its effectiveness.
CHAPTER FIVE

Summary, Conclusions and Recommendations

5.0 Introduction

This chapter presents the summary of what has been obtained in chapter four divided into sections as the summary, conclusion from the summary and then recommendation derived from the conclusion.

5.1 Summary

The respondent’s gender involved more male than female though with not much difference. Most of employees were of young age of 18-35 years that is very important fresh workforce for great output. On academic qualifications, more than half of the total populations were diploma holders followed by the undergraduates. Those with O level were at 20% indicating a possible advancement in education being effected once one is employed at Nakumatt Lifestyle. The long serving employees were between 5-10 years but the branch has been in existence for more than 10 years. This implies that employees leave after gaining experience or there could be some form of retrenchment for long serving employees.

5.1.1 Product specification on effective procurement

It was noted that product specification has influence on effective procurement operations since the company is able to purchase the specific products that are needed that is very paramount on system effectiveness. Customizing of a product was not considered as core reason for strengthening procurement systems though required. It was clear that product specification enhances the quality of product and therefore contributes to the reliability of the procurement system. It was also noted that those involved in the procurement process at all times were those...
in management positions, junior staff would only be involved when there is need to consult for some relevant information for certain procurement.

5.1.2 Application of ICT on effective procurement

The information gathered was that Nakumatt Lifestyle has the current procurement system that is very efficient. This was attributed to the fact that there was staff trainings and hiring of trained personnel to have competent and efficient procurement operations.

5.1.3 Staff skills on effective procurement

It was very conclusive from the respondents that professionally qualified individuals are the pillars for efficiency in procurement operations and therefore skills are very necessary for effective functioning of procurement process. Although there were a considerable number of respondents agreeing that Nakumatt Lifestyle has some mechanism to have the right talents and skills to strengthen procurement operations, others disagreed that there is a gap in having skills and talents for effective procurement.

5.1.4 Application specialized storage on effective procurement

On specialized material storage equipment application, it was noted that it is done on shallow scaling and unclear ways therefore at some point compromising on quality. Materials are not store on the temperatures recommended by the manufacturer. This a time leads to shorter shelf life of the product.

5.2 Conclusion

There were more male than female and of the young generation due to their ready availability and fresh from school. The supermarket need such workforce that can easily multi task for reduced cost of production. With majority being diploma holders shows that the company avoids employing highly qualified personnel due to payment affordability and easy movement in search greener pastures. This explains why the long serving employees are not more than 10 years at the
company. Most of employees advance their academics while working at Nakumatt Lifestyle who would later leave for other better terms of service and payment.

5.2.1 Product specification on effective procurement

Product specification enhanced reduction of errors in procurement for reliable system effectiveness and avoidance of waste of resources. Customizing the product is more of marketing the product and company than procurement operations. Specification of a product gives exact required details of the product and so the quality is maintained. Those in management were always involved in the procurement since they determine the operations of the company as decision makers for proper functioning of the procurement operations, the junior staffs could only give information of a certain product or service they know.

5.2.2 Application of ICT on effective procurement

The competent and efficient procurement operation at Nakumatt Lifestyle was attributed to the availability of the current procurement systems, staff trainings and hiring of trained personnel.

5.2.3 Staff skills on effective procurement

Acquisition of professional skills and talents are of great importance and some employees had them, the company lacks some mechanisms to effect acquisition of skills and enhancement of talents for effective procurement operations

5.2.4 Application of efficient material handling on effective procurement

Material handling and storage in the Nakumatt Lifestyle was not done in appropriate manner and with the use of appropriate equipment. This intern increased the risk of breakage on the fragile material and spoilage of perishable products. This was handled by under stocking which lead to customer not getting the necessary products at specified time.

5.3 Recommendations

Nakumatt Lifestyle should consider employing those employees with higher qualification and experience in procurement since it is a serious pillar in the survival of the company. It should
also have mechanisms on how to retain the long serving employees who understand the company systems better.

5.3.1 Product specification on effective procurement

There is need for a very strong and reliable product specification system and then move the product customization to the marketing department. There is also the need to engage more of the junior staff to get the required information from clients and customers that helps in deciding the product and services to procure.

5.3.2 Application of ICT on effective procurement

In as much there is current procurement systems for procurement operations, the staff trainings and hiring of trained personnel that exist must be well maintained and monitored to avoid compromise.

5.3.3 Staff skills on effective procurement

The company should consider putting in more mechanisms for the nurturing talents and acquiring of skills that would propel the procurement operations to great heights.

5.3.4 Application of material handling and storage on effective procurement

The company should adapt specialized material handling equipment. This reduces the breakages of fragile products such as glasses. They should also consider the installation of efficient equipments that provide the required storage conditions for some of the products such as fruits and vegetable to maintain their freshness.
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APPENDICES

APENDIX 1; Introduction Letter

MUGUBI MOSES OUMA
BML/9/00267/3/2014

SCHOOL OF MANAGEMENT AND LEADERSHIP

THE MANAGEMENT UNIVERSITY OF AFRICA
P.O.BOX 29677-00100
NAIROBI

Dear Madame/Sir

RE: FACTORS INFLUENCING EFFICIENT PROCUREMENT IN RETAIL ORGANIZATIONS

I am a student at The Management University Of Africa doing a bachelors degree in Management and Leadership. I am conducting a research study entitled “FACTORS AFFECTING EFFICIENT PROCUREMENT IN RETAIL ORGANIZATIONS”. I honestly wish to request for your assistance in my research project. I would wish to do my research from your organization by the use of questionnaire. All information given will be treated as confidential and will solemnly be used for the purpose of this research. Your assistance will highly be appreciated.

Yours sincere,

Mugubi Moses Ouma

Phone: 0701134512

Email:mmugubi@gmail.com
APENDIX 2 ; QUESTIONNAIRE
FACTORS INFLUENCING PROCUREMENT AT NAKUMATT LIFESTYLE.

Section 1: Demographic Data

1. What is your gender:

   Male   ( )
   Female ( )

2. What is your age bracket

   18- 25 years   ( )
   26- 35 years   ( )
   35- 40 years   ( )
   40 years and above   ( )

3. What is your highest level of education?

   O level Certificate ( )
   Diploma          ( )
   Undergraduate    ( )
   Post- Graduate   ( )

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4. What are your position/ level of work group are you in?

   Top Management   (  )

   Middle level manager (  )

   Supervisor      (  )

   Operational Employee   (  )

5. How long have you worked in your current position at Nakumatt Lifestyle?

   1- 5 years       (  )

   5 – 10 years    (  )

   10 and above years   (  )

Section 2: Effects of product specification

6. Does product specification influence the effectiveness of procurement in Nakumatt Lifestyle?

   Yes   (  )

   No    (  )

7. Does customizing a product to a certain specification have any impact on effective procurement operations?
Great impact ( )

Normal impact ( )

Less impact ( )

No impact ( )

8. Do you agree that product specification determines quality and fitness of the product’s purpose?

Strongly agree ( )

Agree ( )

Disagree ( )

Strongly disagree ( )

9. During procurement of products, specification of products is essential for easy location of suppliers, getting quality and the right pricing. Do you agree?

Strongly agree ( )

Agree ( )

Disagree ( )

Strongly disagree ( )

10. Do the management and operational (junior) staff take part in formulating product specification based on customer need or it is entirely left to the procurement department?
Always involved ( )

Sometimes ( )

Not sure ( )

Not at all ( )

Section 3: Application of ICT affects effective procurement

11. Does Nakumatt lifestyle have efficient and current ICT systems for procurement operations?

Yes ( )

Not sure ( )

No ( )

12. What is the main function of ICT in the procurement process to ensure effectiveness?

Identify strategic sourcing solutions ( )

Create communication channels with vendors ( )

Evaluate IT supplier proposals ( )

Negotiate the best delivery terms with vendors ( )
13. A procurement management software solution allows making acquisition things lists, following and regulating status for it obtaining contracts, Arranging acquisition documentation, implementing quality control and assurance etc. what are the interventions taken to ensure the relevant personnel are up to date with such mentioned components for effectiveness?

Staff trainings ( )

Hiring experienced personnel ( )

Taking some personnel for further studies ( )

No intervention ( )

14. In quality management, the IT procurement engages procurement procedures and tasks such as product testing, acceptance testing, product quality checks, procurement contractor reviews and financial audits for efficient purchasing activities and best practices of IT procurement. Do the procedure components have any impact in strengthening procurement practice at Nakumatt Lifestyle?

Strongly agree ( )

Agree ( )

Disagree ( )

Strongly disagree ( )
Section 4: Extend to which staff skills affect procurement effectiveness

15. Do you believe that having professionally qualified personnel to handle procurement activities determines efficiency?

Yes ( )
No ( )

16. There necessity concentrate on hiring people with the straight aptitudes accessible clinched alongside a auspicious way. For the correct ability clinched alongside place, procurement is in a position and should make long haul quality for the company. Do you agree that Nakumatt Lifestyle has this mechanism in place?

Strongly agree ( )
Agree ( )
Disagree ( )
Strongly disagree ( )

Section 5: Application of tendering affect effective procurement

17. Tendering is meant to acquire quality within the required time through a fair and open competition while minimizing risk such as exposure to fraud and collusion. Does this happen at Nakumatt Lifestyle?

Yes ( )
No ( )
18. In order to get the right list of suppliers, the company should put an advertisement through media (newspaper) instead of private negotiation which can compromise the process and effectiveness?

Strongly agree  ( )
Agree  ( )
Disagree  ( )
Strongly disagree  ( )

Thank for your kind responses