

**THE ROLE OF SUPPLY DEVELOPMENT ON THE PERFORMANCE OF
FIRMS: A case study of Nile Breweries Limited, (NBL) Jinja Branch**

REUBEN KAGWISAGYE

S20B12/205

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN
PARTIAL FULFILLMENT OF REQUIREMENTS FOR THE AWARD OF A
BACHELORS DEGREE IN PROCUREMENT AND LOGISTICS
MANAGEMENT OF UGANDA CHRISTIAN UNIVERSITY**

September, 2023



**UGANDA CHRISTIAN
UNIVERSITY**

A Centre of Excellence in the Heart of Africa

DECLARATION

The material in this dissertation has never been submitted to any University or institutions of higher learning for any academic qualifications, this dissertation is a result of my own independent research effort and investigations. Where it is indebted to the work of others, the acknowledgment has been made.

Signed 

Date 17th / 09 / 2023

REUBEN KAGWISAGYE

S20B12/205.

APPROVAL

This is to certify that this dissertation by Reuben Kagwisagye entitled "The role of supply development on the performance of an organization, case study on Nile Breweries limited has been written under my supervision and is hereby approved for submission of a Bachelor Degree of Procurement and Logistics Management of Uganda Christian University.

 Date 

MR. MULOOSI PASCAL SIIBI

University Supervisor.

DEDICATION

I dedicate this piece of work to the Almighty God who guided, strengthened and empowered me with the wisdom in the course of study. It was a challenging task which required a lot of patience, perseverance and faith but the Lord's presence was with me and made ways where it seemed too difficult from the first day till the date of submission. Glory be to God, the Almighty.

Secondly, I dedicate this work to my dear parents, my brother Tumujukye Laban, sisters and my friend Counsel Davis Mushanga, plus Coach Leonard Lubambula and teammates, for the ever unending love, support and courage they rendered to me in the course of my study at university and also during the time of carrying out my research. May the Almighty God reward the works of your hands, Amen?

ACKNOWLEDGEMENT

I wish to thank the almighty God for keeping me alive and providing me with the capacity, wisdom, faith and courage to go through the three-years course successfully.

I appreciate the work done by my supervisor Mr. Muloosi Pascal, Thank you for all your guidance, knowledge, advice, and time you accorded to me during the completion of this research report.

Special thanks goes to the staff of Nile Breweries Limited for welcoming me and unconditionally responding to my questionnaires. Thanks to the responsible individuals and parties (groups) for all the support you gave me throughout the course of the journey. My heart felt gratitude goes to my family members. Thank you for being there for me at all times.

TABLE OF CONTETS.

Contents

<i>DECLARATION</i>	2
<i>APPROVAL</i>	3
<i>DEDICATION</i>	4
<i>ACKNOWLEDGEMENT</i>	5
<i>LIST OF TABLES</i>	8
<i>LIST OF FIGURES</i>	9
<i>ABSTRACT</i>	10
<i>CHAPTER ONE</i>	11
<i>1.0 Introduction</i>	11
<i>1.1 Background to The Study</i>	12
<i>1.2 Problem Statement</i>	14
<i>1.3 Purpose of the study</i>	15
<i>1.4 Research objectives</i>	15
<i>1.5 Research questions</i>	15
<i>1.6 Scope of the Study</i>	15
<i>1.6.1 Geographical scope</i>	16
<i>1.6.2 Time scope</i>	16
<i>1.6.3 Subject scope / Content scope</i>	16
<i>1.7 Significance of the study</i>	16
<i>1.8 Estimated problems and there solutions</i>	17
<i>1.8.1 Problems</i>	17
<i>1.8.2 Solutions</i>	18

1.9 Variables	18
CHAPTER TWO.....	20
2.0. Introduction	20
2.1. Supplier development	20
2.2. The current supply development practices adopted by firms	21
2.3. Identifying the key factors influencing successful supply development	24
2.3.1. Critical success factors to supplier development	25
2.4. The effect of supplier training on the performance of an organization	29
2.5. In summary, supplier development involves;	32
CHAPTER THREE	33
3.0 Introduction.....	34
3.1 Research design	34
3.2 Study population	34
3.3 Sampling technique	35
3.4. Sample size	35
3.5 Data sources	36
3.5.1 Primary Data	36
3.5.2 Secondary data.....	36
3.6 Data collection instruments	37
3.6.1 Questionnaire	37
3.6.2 Interviews	38
3.7. Data processing and Analysis	39
3.7.1. EMPRICAL FINDINGS AND DISCUSSION	39
3.8 Data collection procedure	40
3.9 Limitations of the study and their solutions.....	40
CHAPTER FOUR	41
4.0 Introduction	41
4.1.1. Distribution of respondents by age bracket	43
4.1.2 Distribution of the respondents by their material status	44
4.1.3. Distribution of the respondents by their qualifications	45
4.1.4. Distribution of respondents by the length of period worked	47
4.1.5. Findings on the department to which the respondents belong	48
CHAPTER FIVE.....	55

5.1 Introduction.....	55
5.2 Discussion of findings.....	55
➤ 5.2.2 Discussion of findings on the key factors influencing successful supply development	1
5.2.3 Discussion of findings on the effects of supplier training on the performance	57
5.3. SUMMARY OF THE FINDINGS	58
5.4 CONCLUSION OF THE RESEARCH FINDINGS.....	58
5.5 RECOMMENDATIONS ON THE FINDINGS	59
5.6 AREAS FOR FURTHER STUDY	60
REFERENCES	61
APPENDIX	63
QUESTIONNAIRE FOR THE RESPONDENTS	63

LIST OF TABLES

Table 1: the number of respondents estimated from each department.....	21
Table 2: Rate of response.....	24
Table 3: Findings on the demographic characteristics of the respondents.....	27
Table 4: Age bracket of respondents to the study questions.....	28
Table 5: Marital status of the respondents.....	29
Table 6: showing the qualification of the respondents.....	30
Table 7: showing the length of period worked.....	31
Table 8: department you belong to.....	32
Table 9: The effects of early supplier involvement on the performance.....	33

Table 10: The impact of supplier development on the performance of a company.....	35
Table 11: The effects of supplier training on the performance.....	37

LIST OF FIGURES

Figure 1: Gender of the respondents.....	27
Figure 2: Age of respondents.....	28
Figure 3: chart showing Material status.....	29
Figure 4: A bar graph showing the qualifications of respondents.....	30
Figure 5: period of service in the organisation.....	31
Figure 6: pie chart showing the department you belong to.....	32

ABSTRACT

The purpose of the study was to establish the role of supplier development on the performance of firms. The study was guided by three objectives namely: To examine the current supply development practices adopted by Nile Breweries Limited (NBL), Jinja Branch, to identify key factors influencing successful supply development in the company and to assess the effect of supplier training on the performance of Nile Breweries Limited.

The descriptive aspect of the research design was used to establish the role of supplier development on the performance of firms, the sample size of 71 employees from four directorates will be selected as a sample. According to Mugenda (2009) a sample size of 10%- 30% of a target population is adequate enough to make a generalization. Data was both primary and secondary. Primary data was collected by the use of questionnaires and secondary data was got from

reports, journals, and internet. Frequency tables, pie charts and graphs were worked out basing on the data. In these frequency tables, and graphs analysis was done with a corresponding percentage.

Findings revealed that carrying out supplier development is important in an organization for example it improves on supplier performance, it leads to reduction in costs, it resolves serious quality issues and developing new routes to supply among others. However, there are several challenges faced by organizations that employee supplier development which included the need to nurture, supplier training, damaged delivery among others. There are several success factors in implementation of supplier development which also included supplier's commitment, trust, support from the supplier's top management, communication. The research concluded that supplier development has a significant role on the performance of firms which was proved by the majority of respondents who agreed with the researcher.

THE ROLE OF SUPPLY DEVELOPMENT ON THE PERFORMANCE OF AN ORGANISATION, CASE STUDY ON NILE BREWERIES LTD.

CHAPTER ONE INTRODUCTION

1.0 Introduction

This particular chapter of the research contains the background, the problem, statement and the aims of the research, research objectives, and research questions, scope of the study, geographical scope, time scope, subject scope and significance of the study.

1.1 Background to The Study

Leender's originally used the term "Supplier Development" (SD) in 1966 when he was writing his doctoral thesis, defining it as "efforts by the buying firm to increase the quantity of potential suppliers as well as to improve the performance of suppliers." The phrase now has a more nuanced definition that refers to an industrial company's efforts to enhance the talents or performance of its suppliers. Since World War II, Toyota of Japan has frequently used the phrase "keiretsu shindan" (enterprise group diagnosis) to refer to doing business with designated suppliers without switching to others at that time and making every effort to improve the performance of the designated suppliers.

Additionally, the phrase "supplier development" has been linked to propagate best practices for supply development, organizations (Kyoho Kai) for production development have been formed (Hine, 1994). Due to its impressive partnership with supplier associations, supplier networks, and suppliers themselves, Post-War Toyota had a quick flow of knowledge sharing of network-processes, laying the groundwork for Supplier Development activities (Dyer & Nobeoka, 2000). For instance, businesses that adopted supplier growth techniques, such as John Deere, Marks & Spencer, Motorola, and Digital Equipment Corporation, attained the status of global organizations.

The 'first wave' of Supplier development research, according to Wagner (2006), was initiated by quality management researchers between 1989 and 1991, and the

‘second wave’ began in 1995 when academics began focusing on relationship-related concerns. Since the ‘second wave’ started, a select group of important authors have made a substantial contribution to the theory and practice of supplier development over the years. Krause, who has 11 research articles published since 1997, is one of the key contributors to the field of supplier development. Wagner, Carr, Forker, Hahn, and Humphreys follow with each having 3 or 4 research pieces published respectively.

In the supplier development literature, several researchers have recognized that supplier development is strategically important for the overall success of the firm and in turn contributes to a sustainable competitive edge and is considered one of the building blocks of supplier management practices. Authors like Wagner (2006a), Krause et al. (1998) suggested that it is important to identify, as part of a supplier strategy, which suppliers are key suppliers and how they are treated differently. For example, it might be argued that strategic supplier development is only viable for key suppliers and supplier switching might be an option.

Globally many companies have started supplier development programs but it is mainly focused on strategic suppliers. In the last 25 years the number of small and medium Enterprises has increased by 50% and these are now responsible for more than half of all the jobs and contribute towards some 35% of gross domestic product (GDP) and the management theories and enterprise research that have been developed and applied to the corporate sector are difficult to replicate in small business, as small and medium Enterprises see not large firms in minister and bench are not simply the scaled down version of large enterprises. In Africa supply related constraints appear often on the top as export performance impediments. Common among is the unreliable domestic supply of raw materials, delays and

poor quality materials and high transaction costs (Fugazza, 2004; Tesfom and Lutz, 2006, UNCTAD, 2008). Agro processing firms are constantly looking for avenues to reduce costs in order to become competitive and the reduction of transaction costs through supplier development has been identified with great optimism. Most firms fail to supply their target market because their suppliers fail to provide them with inputs that they depend on in their Agro processing processes. In relation to unreliable supply is the problem of delayed supply (Ryu, Min and Zushi, 2008). It consequently forces manufactures to hold large inventories of inputs, tying up funds that could have been used for investment. (Fafchamps, Gunning and Oostendorp, 2000)

In East Africa as more and more manufacturing firms have realized the importance of supplier performance in establishing and maintaining their competitive advantage, purchasing research has tended to focus on supplier development programs and explore how these initiatives impact on buyer and supplier performance (Humphreys, 2001) which eventually leads to organizational improvement. Supplier development is the process of working collaboratively with suppliers to improve or expand their capabilities (Charles Dominick (2006). Supplier development contributes the companies in terms of creation and maintenance of appropriate suppliers, quality, technicality, cost capability and delivery with continuous improvement (Rajput and Bakar, 2012).

1.2 Problem Statement

Firms operate within complex and dynamic supply networks, where their ability to manage suppliers and streamline their supply chain processes can significantly impact their performance. However, despite the importance of supply development practices, there is still a need to explore the specific practices that contribute most effectively to improved firm performance. By addressing this gap, the research

seeks to provide insights and guidelines for firms to optimize their supply development practices and enhance their overall performance.

1.3 Purpose of the study

The purpose of this study is to examine and understand the importance of supply development practices and their impact on organizational performance.

1.4 Research objectives

To examine the current supply development practices adopted by firms.

To identify the key factors influencing successful supply development.

To assess the effect of supplier training on the performance of an organization?

1.5 Research questions

Explain the current supply development practices adopted by different firms in your area of study?

Assess how training of the supplier affects the performance of an organization?

Explain the key factors influencing successful supply development?

1.6 Scope of the Study

1.6.1 Geographical scope

The research was carried out from Nile Breweries Limited, the Branch in Jinja district – Eastern region of Uganda.

1.6.2 Time scope

The researcher carried out the study from January 2023 estimated to reach up to September 2023 The study considered data for the period five (5) years that's from 2019 to 2023 which is to date.

1.6.3 Subject scope / Content scope

The study focused on the role of supplier development on the performance of an Organization.

1.7 Significance of the study

Competitive advantage: Understanding the importance of supply development can give organizations a competitive edge. By implementing effective supply development strategies, organizations can gain better control over their supply chains, respond quickly to market demands, build strong supplier relationships, and differentiate themselves from competitors.

Strategic alignment: The research helps organizations align their supply development efforts with their overall strategic goals and objectives. By understanding the impact of supply development on organizational performance, managers can prioritize and allocate resources effectively, ensuring that their supply chain strategies are in line with the broader organizational strategies.

Sustainability considerations: The study explores the role of sustainability considerations in supply development and performance. It sheds light on the importance of integrating environmental and social responsibility criteria into supply chain practices, thereby promoting sustainable and ethical business practices.

Informed decision-making: The study provides insights that can inform managerial decision-making in supply chain management. It helps managers understand the potential benefits of investing in supply development initiatives and guides them in making informed choices regarding supplier selection, relationship management, collaboration, and integration.

Fills research gaps: The research addresses existing gaps in the literature by examining the current state of supply development practices and investigating the role of sustainability considerations in enhancing performance. It bridges the knowledge gap by exploring the specific linkages between supply development and organizational performance.

1.8 Estimated problems and there solutions

1.8.1 Problems

Limited access to data, difficulty in accessing relevant data on supply development practices and organizational performance metrics from organizations.

Sampling and generalizability:

Limited sample size or difficulty in obtaining a representative sample of organizations across industries, leading to potential concerns about the generalizability of findings.

Potential biases in data collection, analysis, and interpretation that could influence the objectivity of the study.

Limited time and resources to conduct comprehensive research on the importance of supply development on organizational performance.

1.8.2 Solutions

Utilize publicly available reports, academic journals, and industry publications as secondary sources of data, and also Conducting surveys, interviews, or case studies to gather firsthand information from organizations.

Clearly define the target population and sampling criteria by documenting the sample characteristics and limitations to provide transparency and aid in the interpretation of findings.

Conduct data analysis using appropriate statistical methods to minimize bias.

Involve multiple researchers or utilize peer review to enhance objectivity and validity.

Develop a realistic research plan with well-defined milestones and deadlines.

Prioritize key research objectives and focus on the most critical aspects of the study.

1.9 Variables.

Supply Development: The actions, strategies, and initiatives implemented by organizations to enhance their supply chain processes, supplier relationships, and overall supply chain performance.

Supplier evaluation criteria: A set of measurable criteria, such as quality, cost, delivery reliability, and responsiveness, used to evaluate and select suppliers.

Supplier development programs: Formal programs or initiatives designed to improve supplier capabilities, enhance collaboration, and drive continuous improvement.

Supply chain integration: The extent of integration and coordination among various supply chain partners, measured using indicators such as information sharing, joint planning, and shared performance metrics.

Operational definition: The overall effectiveness, efficiency, and competitiveness of an organization in achieving its strategic goals and objectives.

Operational indicators:

Cost reduction: Measured by quantifying cost savings achieved through supply development initiatives, such as reducing procurement costs or inventory carrying costs.

Quality improvement: Assessed by metrics like defect rates, customer returns, or compliance with quality standards.

Delivery reliability: Measured by on-time delivery performance, order fulfillment rates, or lead time reduction.

Customer satisfaction: Assessed through customer surveys, feedback, or ratings related to product/service quality, delivery experience, or overall satisfaction.

Market share: The organization's percentage of the total market sales or market presence compared to competitors.

THE ROLE OF SUPPLY DEVELOPMENT ON THE PERFORMANCE OF AN ORGANISATION, CASE STUDY ON NILE BREWERIES LTD.

CHAPTER TWO LITERATURE REVIEW.

2.0. Introduction

This chapter reviews the existing literature put forward by different scholars and personalities on the impact of supplier development on the performance of an organization.

2.1. Supplier development.

This was defined as any effort of a buying firm on a supplier to increase the performance and capabilities of the supplier to meet the buying firm's short and long term supply needs, Krause and Ellram (1997). Supply development strategies included creating competitive environments among suppliers, supplier assessment and feedback communication, supplier certification programs, promised current and future benefits, site visit and training programs (Krause, 1997). Several studies supported the positive effect of supplier development strategies on buyer and supplier performance improvements (Monzcka et al, 1993, Humphreys et al, 2004, Wagner 2006a: Modi and Mabert).

According to Kenneth Lyons and Brian Farrington (2006), supplier development refers to any activity that a buyer undertakes to improve a supplier's performance or capabilities to meet the buyer's short term and long term supply needs. Supplier development is actually developing suppliers in much the same way employees are developed. This is done through training, tools, incentives that make them successful in short; they invest in their employees because they know that great employees are what makes companies.

In a literature review Krause (1997) found that the supplier development literature mainly consists of case studies, and that these case studies primarily come from the automotive industry (Hines, 1994; Hartley and Choi, 1996). When investigating to what extent companies' work (Krause, 1997), with supplier development Krause found three different approaches exercised by firms to increase supplier performance namely:

- Direct firm involvement that is hands on cooperation such as visits, evaluations, feedback and many more.
- Incentive commitment that is, promises of future benefits if the supplier increases his performance.
- Enforced competition that is, the use of several suppliers for the same components.

2.2. The current supply development practices adopted by firms.

A number of studies have described strategies that buying firms should adopt in order to improve the rate of supplier performance Monczka et al, (1993):

Vonderembse and Tracey, 1999; Carr et al, (2008); Krause, (1997). Previous researchers described activities that take place within the context of supplier

development. These activities include introducing competition into the supply base, supplier evaluation as a prerequisite to further supplier development activities, raising performance expectations, recognition and rewards, the promise of future benefits, training and education of the supplier's personnel, exchange of personnel between the buying firm and the supplier, and direct investment in the supplier by the buying firm (Monczka et al. 1993). The purchasing literature has stressed the importance of supplier development in supporting a firm's operations strategy by ensuring that suppliers' performance and capabilities meet the needs of the buying firm Hahn (1990) :Hartley (1996): Monczka et al. (1993).

One of the purchasing function's primary objectives is to maintain a network of capable suppliers. As firms concentrate on their core competencies, they become more dependent upon suppliers. Thus to compete, firms must ensure that their suppliers' performance and capabilities are equal to or greater than the performance and capabilities of the firm's competitors. However, companies report that suppliers' performance and/or capabilities are often deficient in areas such as quality, delivery, cost reduction, financial health, adopting new technologies, and handling design changes. Thus, many firms actively facilitate supplier performance and capability improvements through supplier development. These activities include;

- ❖ Firms may use a variety of activities to develop suppliers' performance and/or capabilities.
- ❖ Introducing competition into the supply base, Use of 2 or 3 suppliers for this purchased item to create competition among suppliers.

- ❖ Evaluating the supplier as a prerequisite to further supplier development activities,
- ❖ Raising performance expectations,
- ❖ Recognizing good supplier performance,
- ❖ Promising future benefits,
- ❖ Training and educating the suppliers'
- ❖ Exchanging personnel between the buying firm and the supplier, ❖ Investing directly in the supplier.

Well in context, similarly to those above let's look at more of these current practices, assessment of supplier's performance through formal evaluation, using established guidelines and procedures ,Providing suppliers with feedback about the results of its evaluation ,Use of a supplier certification program to certify supplier's quality, thus making incoming inspection unnecessary ,Verbal or written request that the supplier improve its performance ,Promise of current benefits, such as a higher volume order of the present item ,Promise of future benefits, such as consideration for future ,Site visits by your firm to supplier's premises to help supplier improve its performance ,Inviting supplier's personnel to your site to increase their awareness of how their product is used, Recognition of supplier's achievements/ performance in the form awards, Training/education of the supplier's personnel , Investment in the supplier' s operation.

However, these “partnerships” often fail. Hendrick and Ellram's study of buyersupplier relationships yielded the following supplier comments: “The benefits of a partnership program must be more balanced,” and “The customer

receives most of the benefits and the supplier receives few. “The trade literature also provides similar supplier perceptions, i.e., that cooperative relationships are often cooperative only in name and that the supplier does more than its share of cooperating.

In addition, firms do not believe that suppliers’ performance is sufficient to support their competitive efforts. This notion is reflected in a recent survey of purchasing managers which revealed that suppliers are deficient in many areas. Thus firms must increase the overall performance of their supply bases, and such an effort should include effective communication of requirements and active facilitation of suppliers’ performance and capabilities increases. A firm that engages in a supplier development effort may communicate through its effort that it is serious about the supplier’s performance and willing to invest in the buyer-supplier relationship. Suppliers that benefit from supplier development efforts may subsequently perceive greater benefits from partnerships with their customers.

Future research efforts could explore the specific relationship between the duration and intensity of supplier development efforts, the type of supplier development activities used, and the strength of positive results, both short and long term.

2.3. Identifying the key factors influencing successful supply development.

Supply development, a crucial component of supply chain management, encompasses the strategic enhancement and optimization of the supplier base to achieve improved performance and competitiveness. Scholars like Christopher have emphasized the transformative potential of supply development initiatives. It involves fostering innovation, collaboration, and efficiency among suppliers to create a resilient and agile supply chain.

Scholars often emphasize that supply development extends beyond mere procurement or sourcing activities. It entails a proactive approach to nurturing supplier relationships, empowering suppliers to innovate, and aligning their capabilities with organizational goals. This may involve joint product development, supplier capacity building, and the sharing of best practices.

Effective supply development strategies recognize that suppliers are integral partners in the value chain. Carter and Rogers underscore the importance of sustainability and ethical considerations in supply development. Encouraging sustainable practices and ethical conduct among suppliers not only aligns with in Corporate social responsibility goals but also mitigates risks associated with noncompliance and reputational damage.

2.3.1. Critical success factors to supplier development.

A review of the literature indicates that there are four factors affecting supplier development efforts. They have garnered impressive theoretical and practical support and are explained in the following sub- sections.

❖ Supplier's commitment.

Morgan and Hunt (1994) define relational commitment as the existence of beliefs held by exchange partners that an ongoing relationship with another party is so important that maintaining it warrants maximum effort. Their study investigated the association between relationship commitment and cooperation, the longevity of the relationship, willingness to compromise, and trust in a tire manufacturer/

dealer. They found commitment to be positively associated with all of the factors surveyed. Similarly, Handfield Robert, (2000) insisted that lack of supplier commitment will lead to the failed implementation of improvements related to the supplier development program. ❖ **Trust**

In general trust is referred to as the belief in an exchange partner's honesty and benevolence. Trust in an organization refers to the perception of honesty as the confidence in the reliability and integrity of a trading partner Morgan Robert and Hunt Shelby D, (1994) and motivation to rely on that confidence. Benevolence represents the belief that a trading partner is interested in and motivated to work for mutual welfare. McEvily and Perrone, (1998) advance this definition by adding that trust in an organization depends on the degree of collectively held trust level of organizational members toward the partner firm, therefore making a link between individual's trust and the organization as the view of trust in an organization is developed by individuals who are representative of that organization. Trust mediates the relationship between supplier development and preferential buyer status.

❖ **Support from the supplier's top management.**

Krause (1997) conducted an empirical study to look at factors leading to the utilization of supplier development. He found that top management's recognition of the purchasing function is a significant factor leading the buying firm to adopt the supplier development. It was imperative for the supplier's top management to recognize the need for continuous improvement (Monezka and Trent, 1993) as well as the benefits bestowed on both parties. Undertaking a supplier development program requires both the buyer and supplier to invest time, personnel and financial resources.

❖ **Communication.**

Carter and Ellram (1994) investigated the impact of inter-organizational alliances in improving supplier quality. They found that good communication and trust are required to facilitate information exchange regarding an organization's existing design to suppliers. In addition, a supplier needs to have a clear understanding of the end product's final application. Such communication is critical to achieving the true benefits of quality improvement at the supplier level. Sparkman Robert, (1994) conclude that the higher the communication quality in buyer supplier relationships as measured in terms of accuracy, timeliness, adequacy and credibility, the higher is the satisfaction with buyer supplier relationships.

2.3.2. However there are some challenges that organizations may face when they carrying out supplier development; ❖ Supplier track record

The first step to take before engaging with any supplier is to go through his past and current projects and to investigate his knowledge about tax and legal implication of exporting and importing. Knowing the supplier beforehand helps to create and build a healthy relations. ❖ ***Understanding the culture***

Belonging to a different culture may give rise to different views and interpretations while having the same conversation. ❖ ***Communication gap***

Communication is absolutely necessary for many aspects of business. If a supplier doesn't understand the company's strategic goals that may fulfill the needs and the

requirements due to poor results. Maintaining a good contact with the suppliers can benefit the organization in a big way.

❖ *Non transparency of processes*

Many times, non-transparency of the supplier's process creates gaps in the company supplier relationship. Technology can play a crucial role to fill this gap. Analyze the whole process more effectively by using online purchase order and invoice management tools like invoice. ❖ *The need to Nurture*

A healthy relation only nurtures when the two sides stay together for long. Abandoning the suppliers at the time of success may create stress in a relationship. To avert this, one should include the supplier at every milestone and success celebration of a company.

❖ *Supplier training*

If the supplier doesn't understand, what the company wants its customers to experience through their products, he won't be able to provide enough supplies. One should make sure that the supplier knows the company's motto. They should be given appropriate training to ensure expectation levels.

❖ *Damaged delivery*

At times, the delivered product turn out to be damaged or flawed. Aggressive steps at such times can ruin a relationship. One should notify the supplier respectfully and ask him to replace it. A healthy balance maintained while taking steps against suppliers who are underperforming. A healthy balance manages underperforming suppliers.

2.4. The effect of supplier training on the performance of an organization.

Supplier training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and workforce, (Stone R.J, 2002).

Currently, supplier training is the most important factor in the business world because training increases the efficiency, performance and the effectiveness of both suppliers and the organization.

Supplier training helps suppliers to improve on their skills and knowledge which help them to deal with many organizations. Training program brings all the suppliers to a higher level so that they all have similar skills and knowledge. This helps to reduce any weak links within the company who rely heavily on others to complete basic work tasks.

Supplier training improves supplier performance Suppliers who receive the necessary training are able to perform their tasks and responsibilities which improves on their performance. This training may also build the supplier's confidence because a supplier has a stronger understanding of the industry and the responsibilities of his job. This confidence may push him to perform even better and think of new ideas that will help him to excel. Continuous training also helps suppliers on the cutting edge of industry developments. Suppliers who are competent and on top of changing industry standards can help your company hold a position as a lender and strong competitor within the industry.

Supplier training creates consistency. A structured and development program ensures that suppliers have a consistent experience and background knowledge.

The consistency is particularly relevant for the company's basic policies and procedures. All suppliers need to be aware of the expectations and procedures within the company. This include safety, discrimination and administrative tasks.

Putting all suppliers through regular training in these areas ensures that all staff members at least have exposure to the information.

Supplier training leads to supplier satisfaction which reduce lead times for a product, delivery reliability or product quality. For example while improved supplier capabilities can sustainably Assist the customer firm in its attainment of a differentiation strategy, better product and delivery performance can also help (though to a lower degree) firms in the attainment of a differentiation strategy, (Carter & Ellram, 1994). Examples of buyer's investments in suppliers, with reference to social capital and resource based view theory, refer to indirect and direct supplier development programs Wagner, (2006) Krause et al, (2000).

Suppliers with access to training and development programs have the advantage over suppliers in other organizations who are left to seek out training opportunities on their own. The investment in training that an organization makes shows that the suppliers are valued. The training creates a supportive workforce. Suppliers who feel appreciated and challenged through training opportunities may feel more satisfaction towards their jobs and responsibilities.

Programs for supplier development that receive assistance from buyers can be regarded as buyer support training. The literature suggests that buyers have various ways of supporting their suppliers with some buyers giving more support than others. Some buyers focus on short term benefits while others look at supplier development as a long term investment. Thus suppliers have access to different types of supplier development programs depending on their buyers. This means that the types of training that would most benefit suppliers could be best assessed through studies focusing on the supplier perspective. By identifying the relevant types of training buyer- supported training programs could increase. This would be

because buyers could select the type of training suitable for specific groups of suppliers. The right type of training could then lead to an increase in performance for the supplier which would in turn encourage an increase in buyer supported training. Buyer may send his employees or group of team to train supplier or he may invite group of suppliers facing some problem for training in his own firm Ambrose et al (2008).

Kadir et al. (2011) made a case study in Malaysian automotive industry on patterns of supplier learning. Here they found that supplier development programs support the development of a supplier's capabilities usually with the assistance of a buyer. Supplier development also depends on supplier's interest and how they explore them self to increase their capabilities. Although local suppliers do receive assistance from their buyers but this type of assistance is still not adequate to improve supplier capabilities. Therefore analyzing environment that provides buyer support training could help to identify factors that suppliers themselves seem important for development of their capabilities. It is claimed that support from buyers for suppliers training has been deficient. Thus there is a need to identify the types of training that suppliers themselves prefer. Buyers themselves have significant knowledge of the training that a supplier might need but as technology development happens the buyer no longer has a hold on all of the technology that is involved or coming. Thus it is important that suppliers looking to develop their capabilities have access to the type of training that they require which may or may not be provided by their buyers. For suppliers that have access to buyer supported training their training needs might often change as they develop their own capabilities, (Nadia et al 2011).

When suppliers possess superior marketing and technology management capabilities, their product development activities are more effective and able to turn out come innovative are reliable products with a short time to market, (Griffin Abbie and Hauser John, 1996). By exercising such capabilities through organizational processes, suppliers are able to support their customer's differentiation strategy. Although improved supplier capabilities which are embedded within the supplier organization have a rather medium to long term focus and are likely to sustain over a longer period of time, improving the supplier firm's delivery performance or quality of specific product can also have a positive impact on the customer firm's attainment of a differentiation strategy more immediate and only short term, (Hartley and Gwen) 1997.

2.5. In summary, supplier development involves;

- Embracing supplier expertise and aligning it to the buyers' needs
- Might involve developing suppliers' business like evaluation and redesign of their corporate strategy
- Principles of change management and require visible commitment from both parties' top management teams.
- Value management/ analysis to reduce the cost of product without diminishing operational value.

***THE ROLE OF SUPPLY DEVELOPMENT ON THE PERFORMANCE OF AN
ORGANISATION, CASE STUDY ON NILE BREWERIES LTD.***

**CHAPTER THREE
RESEARCH METHODOLOGY**

3.0 Introduction

This chapter explains the approaches the researcher used to gain information on the research problem and includes the research design, study population and sample size, sampling design and procedure, data collection methods, measurement of variables. Procedure of data collection, data processing analysis, presentation, and anticipated problems to the study and their solutions.

3.1 Research design

Descriptive survey was the research design that was used since it was as concerned with describing how supplier development affects the performance of an organization. According to Mugenda and Mugenda (2009) a descriptive survey is an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. The purpose of employing this method was to describe the nature of a situation, as it existed at the time of the study and to explore the impact of supplier development on the organizational performance.

3.2 Study population

This refers to the study of a group of individuals taken from the general population who share a common characteristics such as age, sex or health condition. The survey population consisted of 100 staff members. This population included the sales representatives, procurement department, transportation department, administration and other employees holding familiar and unfamiliar titles but deemed suitable stakeholders for generating relevant data to the problem which is under investigation.

3.3 Sampling technique

Sampling is the process by which relatively a small number of individuals or measures of individuals, objects or event is selected and analyzed in order to find out something about the entire population from which it was selected. Under this study, stratified sampling was used where the researcher divided the entire population into different subgroups or strata, then randomly selected the final subjects proportionally from the different strata. Stratified random sampling was used because it reduces selection bias. Stratifying the entire population before applying random sampling methods helped to ensure a sample that accurately reflected the population being studied in terms of the criteria used for stratification.

3.4. Sample size

This refers to the act of choosing the number of observations or replicates to include in a statistical sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about the population from a sample. Seventy one employees (71% of the target population) from four directorates were selected as a sample According to Mugenda (2009) a sample size of 10%-30% of a target population is adequate enough to make a generalization. Therefore, the sample was large enough to make a generalization about the population.

Table 1. The number of respondents estimated from each department.

Departments	Study Population	Estimated sample size	Percentage{ % }
Sales	70	24	34
Procurement	80	24	30

Transportation	50	13	26
Administration	100	10	10
TOTAL	300	71	100

3.5 Data sources

This simply refers to sources of data. Researchers need to consider the sources on which to base and confirm their research and findings. They have a choice between primary data and secondary sources and the use of both is termed triangulation or dual methodology.

3.5.1 Primary Data

This refers to data observed or collected directly from firsthand experience. An example if one wants to know what to expect from a project one needs to gather all the primary data before starting.

Primary data is advantageous in that it is reliable as the researcher can replicate the procedure to check the results, as they know the procedure and how the data was collected and analyzed.

It is considered to be more trustworthy in that they have greater validity than secondary data.

3.5.2 Secondary data

This refers to data that was collected by someone other than the user. Secondary data was involved in the collection and analysis of published material and information from other sources such as annual reports, published data. The following are some of the advantages of secondary data;

- Time and cost effective. Secondary data can be collected very easily where researchers have to find the source of that data and then collect it at all. Besides the time and cost required to collect this type of data was very lesser as compared to that of primary data. .
- Longitudinal analysis. This is where the studies are conducted spanning over a larger period of time.

3.6 Data collection instruments

This refers to the process of gathering and measuring information on targeted variables in an established systematic fashion which enables one to answer relevant questions and evaluate outcomes. Data collection instruments include: questionnaire, interviews, surveys, observations. Group focus among others.

3.6.1 Questionnaire

This refers to a set of printed or written questions with a choice of answers, devised for the purpose of a survey or statistical study. It's a research instrument consisting of a series of questions for the purpose of gathering information from respondents. Questionnaires were used to collect mainly quantitative data. This was due to the fact that they allow in depth research, firsthand information and more experience over a short period of time (Korari, 2008; Amin, 2005; Creswell, 2003). However some qualitative data was collected from the open ended questions. The research was administered using questionnaires given to each member of the get population. The questionnaire was designed and tested with a few members of the population for further improvements. This was done in order to enhance its validity and accuracy of data to be collected. The questionnaire was invented by the statistical society of London in 1838. The following are some of the advantages of questionnaires:

- Large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost effective way.
- Can be carried out by the researcher or by any number with limited affect to its validity and reliability.
- Can be analyzed more scientifically and objectively than other forms of research.

3.6.2 Interviews

These are conversation where questions are asked and answers are given (can be in a direct form in order to be on the right track between the two parties i.e. the one asking and the one replying/ answering). In common practice, the word interview refers to one on one conversation with one person acting in the role of the interviewer and the other in the role of the interviewee. An interview is a dialogue between an interviewer and interviewee (Mugenda and Mugenda, 1999). It is an organized conversation aimed at gathering data about a particular topic. The following are some of the advantages of interviews;

- Accurate screening. Face to face interviews help with more accurate screening. The individual being interviewed is unable to provide false information during screening questions such as gender, race and many others.
- Keep focus. The interviewer is the one that has control over the interview and can keep the interviewee focused and on track to completion.

- Capture emotions and behaviors. Face to face interviews can no doubt capture an interviewee's emotions and behaviors.

3.7. Data processing and Analysis

Data processing refers to the collection and manipulation of items of data to produce meaningful information while data analysis involves techniques performed on data that help describe facts, detect patterns, develop explanations and test hypothesis. This includes data quality assurance statistical data analysis, modeling and interpretation of results. Under data processing and analysis both qualitative and quantitative data was generated and analyzed. Descriptive statistics (percentages) were computed for all the four objectives. The findings were presented in tables.

3.7.1. EMPRICAL FINDINGS AND DISCUSSION

Table 2: The Rate of Response.

Departments	Sample frequency	Response frequency	% response
Sales	15	13	86.7
Procurement	5	4	80
Transportation	5	5	100
Administration	5	4	80
TOTAL	30	26	100

The researcher obtained feedback from 26 respondents out of the targeted 30 respondents across several departments of Nile Breweries Ltd. Sales department registered 86.7% response, procurement department registered 80% response, and

transportation department registered 100% response and administration registered 80% response.

3.8 Data collection procedure.

The researcher secured an introductory letter from the Business faculty of Uganda Christian University for the purpose of introducing himself before the management of the organization for purposes of collecting data from the field.

3.9 Limitations of the study and their solutions.

Limitations refer to shortcomings, conditions or influences that cannot be controlled by the researcher that place restrictions on methodology and conclusions. The limitations the researcher faced included:

- **Accessibility.** The researcher carried out his research in Nile Breweries along the Jinja- Kampala highway in Jinja District which was not his home area so when it came to accessing employees of the organization to give information to be used in research it became difficult. The researcher went to the organization twice for a period of 2 weeks in order to get information that was needed to complete the research in order to solve the problem of accessibility.
- **Costly.** Carrying out research was costly in that it involves a lot of time and finances like transportation from Mukono to Jinja in order to complete the research. The researcher utilized the available resources in the most appropriate way in order to complete the research in time.
- **Lack of reliable data.** This came as a limitation in that the researcher was not an employee of an organization so accessing reliable information

became a limitation to his research. This limitation was solved by creating good relationship with the employees and stakeholders of the organization and also using internet to get enough reliable data to complete research.

THE ROLE OF SUPPLY DEVELOPMENT ON THE PERFORMANCE OF AN ORGANISATION, CASE STUDY ON NILE BREWERIES LTD.

CHAPTER FOUR

DATA ANALYSIS, INTERPRESENTATION AND PRESENTATION OF THE FINDINGS.

4.0 Introduction.

This chapter presents data analysis, interpretation, and presentation of the findings. The findings were based on the primary data collected from the field with the aid of the self-administered questionnaires. It also presents the demographic characteristics of the respondents who participated in the study.

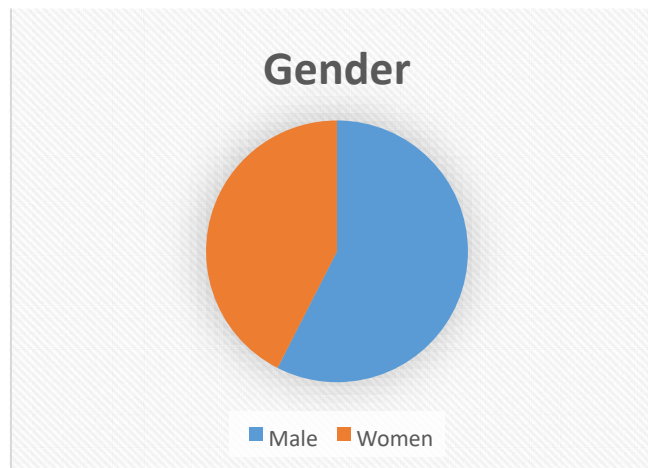
Objectives to guide us in our study/ findings:

- To determine the current supply development practices adopted by firms.
- To identify the key factors influencing successful supply development.
- To access the effects of supplier training on the performance of Nile Breweries limited.

Table 3: Findings on the demographic characteristics of the respondents.

Sex	Number of respondents	Percentage
Male	20	57.3
Female	10	42.5
Total	30	100

Figure 1: Gender of the respondents



The researcher collected data from 30 respondents both male and female from different departments and with different work experience to ensure that the information gathered was not biased. This reveals the sex composition of the respondents who were interviewed in the study. Out of 30 respondents who were

interviewed, the greatest percentage was the male with 57.3% followed by the female who had 42.5%. This indicated that there are slightly balanced levels of employment of male and female at Nile Breweries limited meaning that gender equality.

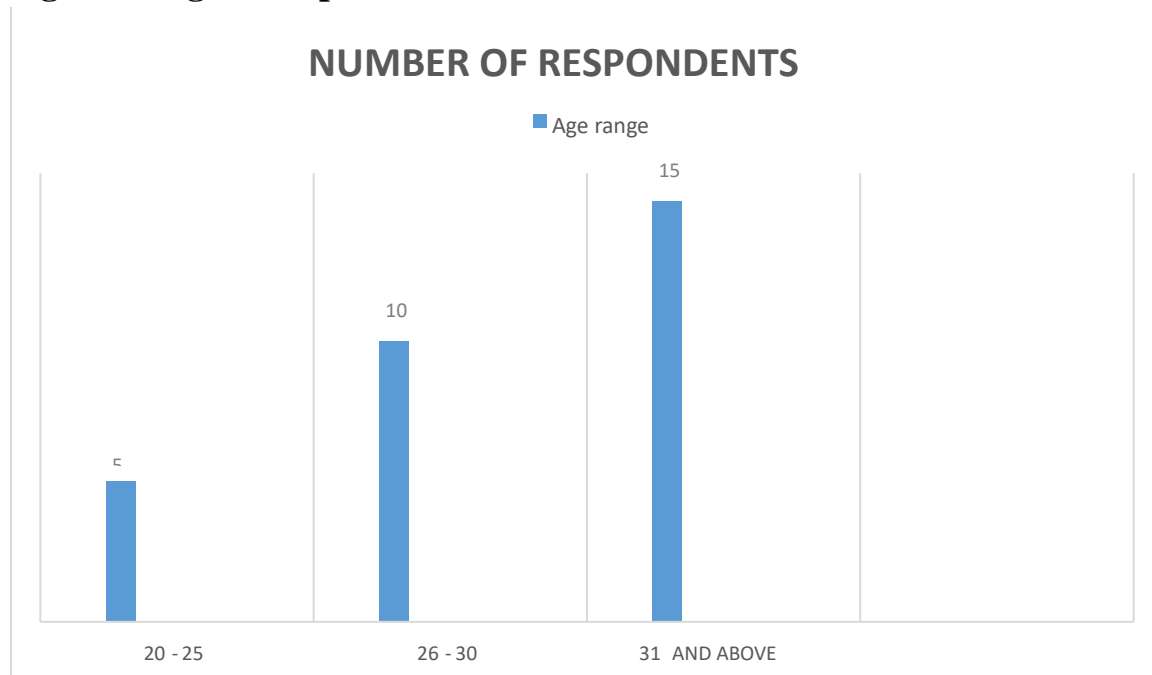
4.1.1. Distribution of respondents by age bracket.

This was comprised by different age brackets of the various respondents that attempted the interview guide and the questionnaire.

Table 4: Age bracket of respondents to the study questions.

Age bracket (years)	Number of respondents	Percentages
20-25	5	10
26-30	10	30
31 and above	15	60
Total	30	100

Figure 2: Age of respondents



The above table 4 and figure 2 show the age distribution of the respondents interviewed in the study. It is clear that the majority of the employees who participated in the study are aged between 31 years and above as reflected in the table 4 and figure 2 above. Out of 30 employees who were interviewed, 60% were 31 years and above who are basically for consultancy. The rest were between 20-30 years.

4.1.2 Distribution of the respondents by their material status

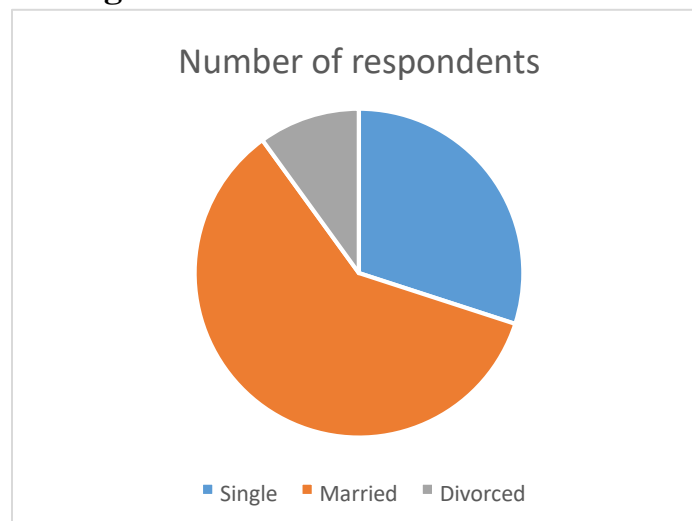
This section shows the material status by various respondents from different departments who attempted to answer the questionnaires distributed to them.

Table 5: Marital status of the respondents.

Status	Number of respondents	Percentage
Single	10	30

Married	15	60
Divorced	05	10
Total	30	100

Figure 3: Chart showing Material status



The above pie chart and table 5 show that the majority of respondents who responded with number are the married people with 60% out of 30 questionnaires distributed. Also single or not married also participated in big number and that is 30% participated in covering of the questionnaire and the least participants are the Divorced with 10% out of 30 single people questionnaires,

4.1.3. Distribution of the respondents by their qualifications.

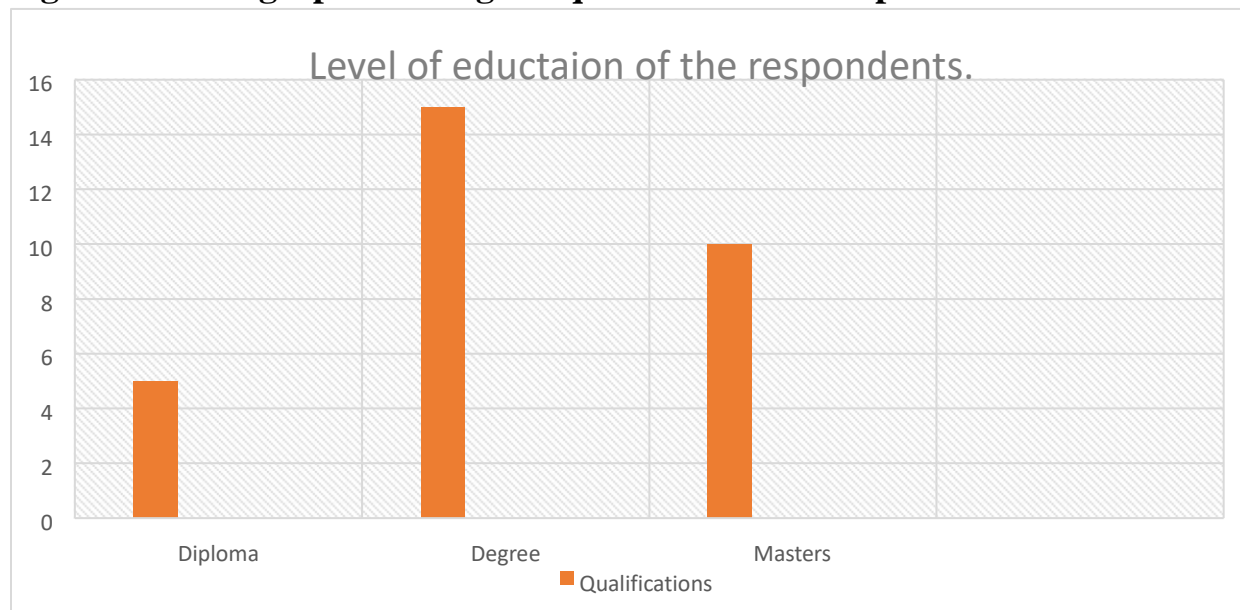
This comprised of the education levels of the various respondents who cooperated with the researcher. It ranges from degree to masters level.

Table 6: Showing the qualification of the respondents.

Qualifications	Number of respondents	Percentages
----------------	-----------------------	-------------

Diploma	05	20
Degree	15	50
Masters	10	30
Total	30	100

Figure 4: A bar graph showing the qualifications of respondents



As shown in the above table 6 and figure 4, this revealed that majority of respondents were 15 held a degree with the highest response with the percentage of 60%, then 5 of the diploma holders registered with a response of 20% and the rest were 10 having masters with a response of who 30% at Nile Breweries limited. This implies that the respondents are qualified enough to respond to the questionnaires since they are all educated hence having enough knowledge about matters regarding to supplier development.

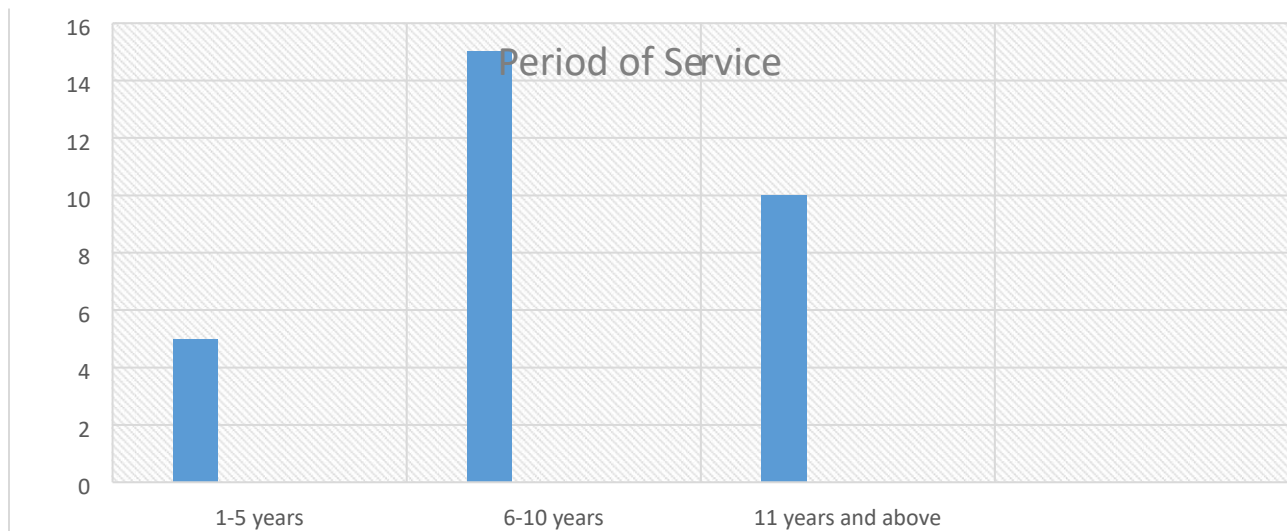
4.1.4. Distribution of respondents by the length of period worked.

The researcher gathered information from various departments with varying experience and qualifications.

Table 7: Showing the length of period worked

Period worked	Number of respondents	Percentages
1-5 years	05	20
6-10 years	15	50
11 and above years	10	30
Total	30	100

Figure 5: Period of service in the organization.



The above figure 5 and table 7 show the distribution of respondents by the length of the period worked in Nile Breweries Limited. The majority of the respondents who have worked in the NBL company for at least more than 6-10 years were 15 with 60% while the least of e respondents had worked from 1-5 years totaling to 5

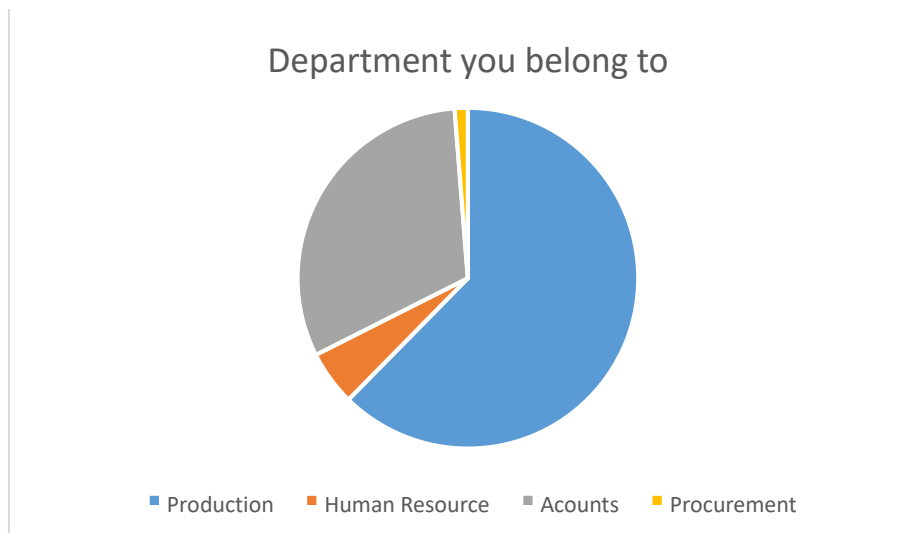
employees out of 30 employees. This shows that most of the employees had experience in their respective departments.

4.1.5. Findings on the department to which the respondents belong

Table 8: Department you belong to;

Department	Number of respondents	Percentages
Production	20	60
Human Resource	02	5
Accounts	06	30
Procurement	02	5
Total	30	100

Figure6: pie chart showing the department you belong to.



Findings in table 8 and figure 6 show that 30% belong to accounts department, 60% belong to production department, 5% belong to human resource department,

and then 2% belong to procurement department. This means that much of the information was got from production and accounts department.

Table 9: The current supply development practices adopted by firms

The current supply development practices adopted by firms	A F%	D F%	NSF%
Firms in our industry priotize cost reduction in their supply chain development practices	15/50	10/30	5/20
Collaboration with suppliers is a common practice among firms to enhance supply chain efficiency	18/60	8/30	4/10
The adoption of digital technologies such as IOT, is prevalent in supply chain development	15/60	5/10	10/30
Firms actively seek to diversify their supplier base to mitigate risks	20/80	5/10	5/10
Environmental sustainability considerations are integrated into supply chain practices by many firms	15/50	5/20	10/30
Firms frequently conduct supplier audits to ensure compliance with quality and ethical standards	15/70	10/20	5/10

According to the findings in table above which is about the current supply development practices adopted by firms, it shows firms in our industry priotize cost reduction in their supply chain development practices has feedback of 15 respondents out of 30 agreed with 50%, then 10 respondents out of 30 with 30% disagreed while 5 of the respondents out of 30 with 20% were not sure.

Then ,collaboration with suppliers is a common practice among firms to enhance supply chain efficiency has feedback of 18 of the respondents out of 30 agreed with 60%, then 8 respondents out of 30 disagreed with 30% while 4 of the respondents out of 30 were not sure with 10% .The adoption of digital technologies such as IOT, is prevalent in supply chain development has feedback of 15 respondents out of 30 agreed with 60%, then 5 respondents out of 30 disagreed with 10% while 10 respondents out of 30 were not sure with 30%

Firms actively seek to diversify their supplier base to mitigate risks had feedback of 20 respondents out of 30 agreed with 80% then 5 respondents out of 30 disagreed with 10% while 5 respondents out of 30 with 10% were not sure. Another effect is that early supplier involvement can help to establish and maintain a mutually beneficial framework of collaboration, innovation and trust between two organizations were 15 respondents out of 30 with 50% agreed then 5 respondents out of 30 with 20% disagreed while 10 respondents out of 30 with 30% were not sure.

Firms frequently conduct supplier audits to ensure compliance with quality and ethical standards had a feedback of 15 respondents out of 30 with 70% agreed then 10 respondents out of 30 with 20% disagreed while 5 respondents out of 30 with 10% were not sure. Therefore from this findings, it implies that the above can be the current supply development practices adopted by firms since the majority of the respondents agreed who had highest percentages compared to few respondents who disagreed and were not sure of the effects of early supplier involvement on the performance of a company.

Table 10: The key factors influencing successful supply development.

The key factors influencing successful supply development.	A F%	D F%	NS F%
Supply chain transparency is key to building trust with customers and partners.	20/80	5/10	5/10
Collaboration and strong relationships with suppliers are crucial for an effective supply chain	23/85	3/5	4/10
Does your organization actively work on improving collaboration with its suppliers	25/90	3/5	2/5
Regulatory compliance poses significant challenges to supply chain operations	15/60	5/20	10/20
Technological investments such as supply chain software play a significant role in improving supplier development.	17/65	5/20	8/15
Do firms regularly need to assess and update their supply chain strategies with suppliers?	15/60	10/20	5/20

From the findings in the table above which shows the response of different respondents about the key factors influencing successful supply development and the following are the responses, 20 respondents about of 30 with 80% agreed that transparency is a key factor to supply development than 5 of the respondents out of 30 with 10% disagreed while 5 of the respondents with 10% out of 30 were not sure that transparency might be a factor for supplier development. Another key factor influencing successful supply development is that collaboration and strong relationships with suppliers are crucial for an effective supply chain, 23 respondents with 85% out of 30 respondents agreed, then 3 respondents with 5%

out of 30 respondents disagreed while 4 respondents with 10% out of 30 respondents were not sure.

Does your organization actively work on improving collaboration with its suppliers were 25 respondents out of 30 respondents with 90% agreed then 3 respondents out of 30 respondents with 5% disagreed while 2 respondents out of 30 respondents with 5% were not sure. Another key factor is that Regulatory compliance poses significant challenges to supply chain operations who were 15 respondents out of 30 respondents with 60% agreed then 5 respondents out of 30 respondents with 20% disagreed while 10 respondents out of 30 respondents were not sure.

Technological investments such as supply chain software play a significant role in improving supplier development were 17 respondents out of 30 respondents who agreed with 65% then 5 respondents out of 30 respondents with 20% disagreed while 8 respondents out of 30 respondents with 15% were not sure.

Do firms regularly need to assess and update their supply chain strategies with suppliers who were 15 respondents out of 30 respondents agreed with 60% then 10 respondents out of 30 respondents with 20% disagreed while 5 respondents out of 30 respondents with 20% were not sure? Therefore this implies that these are some of the key factors influencing successful supply development on the performance of a company since its evidenced in the questionnaires were the majority of respondents complied with highest percentage compared to respondents who disagreed and others who were not sure.

Table 11: The effects of supplier training on the performance of a Firm

Effects of supplier training on the performance of a firm	A F%	D F%	NS F%
Supplier training helps to improve on the skills and knowledge of suppliers which help them to deal with many organizations	23/85	5/5	2/10
Supplier training improves supplier performance	20/70	5/20	5/10
Supplier training creates consistency	17/70	5/15	8/15
Supplier training leads to supplier satisfaction	15/60	5/30	10/10
Supplier training leads to achievement of an organizational goal by incorporating the interests of organization and work force	15/50	5/25	10/25

According to the findings above, it shows response about the effects of supplier training on the performance as being discussed. Supplier training helps to improve on the skills and the knowledge of suppliers which help them to deal with many organizations, under this effect 23 respondents out of 30 respondents with 60% agreed then 5 respondents out of 30 respondents agreed with 5% while 2 respondents out of 30 respondents with 10% were not sure.

Secondly, supplier training improves supplier performance were 20 respondents out of 30 with 70% agreed then 5 respondents out of 30 respondents disagreed with 20% while 5 respondents out of 30 respondents with 10% were not sure. Another effect is that supplier training creates consistency were 15 respondents out of 30

with 60% agreed then 5 respondents out of 30 respondents disagreed while 10 respondents out of 30 respondents with 10% were not sure.

Lastly, supplier training leads to achievement of an organizational goal by incorporating the interests of an organization and work force were 15 respondents out of 30 respondents agreed with 50% then 5 respondents out of 30 respondents disagreed with 25% while 10 respondents out of 30 respondents with 25% were not sure. Therefore according to the response of supplier training it implies that companies should emphasize on supplier training since majority of the respondents agreed with highest percentage compared to the respondents who were not sure and those that disagreed.

***THE ROLE OF SUPPLY DEVELOPMENT ON THE PERFORMANCE OF AN
ORGANISATION, CASE STUDY ON NILE BREWERIES LTD.***

**CHAPTER FIVE
DISCUSSION, SUMMARY, CONCLUSION AND RECOMMENDATIONS**

5.1 Introduction

This chapter presents discussions of the research findings as per the study objectives, summary and conclusions based on those findings and recommendations which are based on both study findings and other relevant literature considered necessary and vital to be used in future to improve the study situation.

5.2 Discussion of findings

➤ 5.2.1 Discussion of findings on the current supply development practices adopted by firms.

According to the findings, this is in the line of findings which shows that 15 respondents out of 30 agreed with 70% that involving suppliers in the process, the

buying company can access to a wide pool of talent all focused on the needs of its customers. (Leeders et. al, 2000).

According to the findings, this is in the line of findings which shows that 20 respondents out of 30 agreed with 80% that due to greater complexity, higher specialization and new technological capabilities, outside suppliers can perform many activities at lower cost and with high value added than a fully integrated company can. (Mikkola and Larsen, 2003).

According to the findings, this is in the line of findings which shows that 18 respondents agreed out of 30 with 60% that supplier involvement is a practice that brings together one or more selected suppliers with a buyer's product design team early in the product development process, Lyons (2006).

➤ **5.2.2 Discussion of findings on the key factors influencing successful supply development.**

According to the findings, this is in the line of findings which shows that 20 respondents out of 30 agreed with 80% that for supply development to successfully occur, the firm must offer the supplier a higher price in comparison with competing buyers or it must purchase products or service that entail lower supplier costs.(Haborne, 1996).

According to the findings, this is in the line of findings which shows that 23 respondents out of 30 Agreed with 85% that supplier development is any effort of a buying firm on a supplier to increase the performance and capabilities of the

supplier to meet the buying firm's short and long term supply needs. (Krause and Ellram, 1997).

According to the findings, this is in the line of findings which shows that 17 respondents out of 30 agreed that the rationale is that suppliers frequently possess vital product and process technology that can lead to improvements in product design and the new product development process itself, Huang and Mark (2000),

5.2.3 Discussion of findings on the effects of supplier training on the performance.

According to the findings, this is in the line of findings that 20 respondents out of 30 agreed with 70% that supplier training is the most important factor in the business world because training increases the efficiency, performance and effectiveness of both the suppliers and the organization, Stone RJ Human Resource Management, (2002).

According to the findings, this is in the line of findings that 23 respondents out of 30 agreed with 85% that when suppliers possess superior marketing and technology management capabilities, their product development activities are more effective and they are able to turn out more innovative and reliable products with a short time to market, Griffin Abbie and Hauser John (1996). Therefore supplier training helps to improve on the skills and knowledge of suppliers which help them to deal with many organizations.

According to the findings, this is in the line of findings which shows that 15 respondents out of 30 agreed with 60% that supplier training leads to supplier

satisfaction which reduce lead time for a product, delivery reliability or product quality. (Carter & Ellram, 1994).

5.3. SUMMARY OF THE FINDINGS

- ✓ The research has confirmed that supplier involvement is a practice that brings together one or more selected suppliers with a buyer's product design team, it also leads to reduction in costs and the buying company can access to a wide pool of talent all focused on the needs of its customers.
- ✓ Supplier training helps suppliers to improve on their skills and knowledge which help them to deal with many organizations, it also leads to supplier satisfaction, increases efficiency, performance and effectiveness of both the suppliers and the organization.
- ✓ Research showed that supplier development is any effort of a buying firm on a supplier to increase the performance and capabilities of the suppliers, also suppliers frequently possess vital product and the firm must offer the supplier a higher price in comparison with competing buyers to achieve greater supplier value.

5.4 CONCLUSION OF THE RESEARCH FINDINGS.

The research showed that an effective supplier development with an aspect of supplier development is paramount for performance of the company. Also research confirmed that supplier training and early supplier involvement are very important

while supplier training helps suppliers to improve on their skills and knowledge while engaging suppliers early in the component development and design process can improve the odds for success.

5.5 RECOMMENDATIONS ON THE FINDINGS

From the above findings and conclusions, the following measures are recommended in response to the role of supplier development on performance of the firms;

- ✓ The management of Nile Breweries Limited should create a good relationship between suppliers and the company for effectiveness and efficiency thus leading to success.
- ✓ Staff development through training, fresher courses and further education should be done in order to develop the staff with the ability to manage supplier performance without any difficulty.

- ✓ Management of Nile Breweries Limited ought to develop strategies creating competitive environment among suppliers, supplier assessment and feedback communication. In order to increase the performance and capabilities of suppliers to meet the buying firm's short and long term supply needs.

However, before all the above is done, the organization has to ensure that enough funds are in place. This is because all the above activities require a lot of finances over and above the operations capital. If the organization quality and product is to be achieved, supplier development is a milestone and key. (Monzark, 2003)

5.6 AREAS FOR FURTHER STUDY

- i. Examine the effect of supplier development strategies on supplier development.
- ii. Examine the effect of support from the suppliers' top management on supplier development in an organization.
- iii. The impact of supplier development approaches on supplier development.

REFERENCES

Krause, D.R., 1999, the antecedents of buying firm's efforts to improve suppliers
Journal of Operations Management 179(2), 205-224.

Amit Patil et al, 2011, Accelerated product Development and Supply Chain
Management Engineering Management, University of Missouri- Rolla, Missouri
65401, USA Santosh G.D. pp 209-219

Krause, D.R., & Ellram. L.M. (1997). Success factors in supplier development.
International Journal of physical Distribution and Logistics Management, 27(1),
39-52

Emma Brooks 2007, Supplier Development, CIPS publication Journal, vol 6, pp 65-70 Web www.cips.org

Kenneth Lyons and Brian Harrington, (2006), Purchasing and Supply Chain Management, 7th Edition, Pearson Education Limited, England.

Semchi-levi & WR frank (2006). A multinational comparison of key ethical challenges. Helps and challenges in procurement and supply management profession. The key implications for business and professions, journal of business Ethics, 23, pp83-100.

<http://www.investopedia.com/terms/p/profitabilityratios.asp#ixzzG3qKbxGWC>

Carter, J.R., & Ellram, L.M. (1994). The impact of inter-organizational alliances in improving supplier quality. International Journal of Physical Distribution & Logistics Management, 24(5), 15-23.

Fynes, B., C. Voss and S. de Burca (2005). The impact of supply chain relationship quality on quality performance International Journal of Production Economics, 96 (3), 339-354.

Gomer (2002), Handbook of Purchasing Management, 3rd edition edited by Marc Gomer Publishing Limited Gomer House England Boca Raton, London.

Monczka, R. M., Trent, R. J., & Callahan, T.J. (1993). Supply base strategies to maximize supplier performance. The International Journal of physical Distribution & Logistics Management, 23(4), 42-54.

Dowlatshani, S. (1997). "The Role of product Design in Designer-Buyer-Supplier

Dyer, J.H., 1996, specialized supplier networks as a source of competitive advantage: evidence from the auto industry, Strategic Management Journal 17, 271-292.

***THE ROLE OF SUPPLY DEVELOPMENT ON THE PERFORMANCE OF AN
ORGANISATION, CASE STUDY ON NILE BREWERIES LTD.***

APPENDIX

QUESTIONNAIRE FOR THE RESPONDENTS

Dear respondents,

I am **Reuben Kagwisagye** a student of **Uganda Christian University** pursuing a **Bachelor's Degree in Procurement and Logistics management** under faculty of Business Administration. I am carrying out research on the "**role of Supply development on the performance of Nile Breweries Limited, Jinja Branch (NBL)**". I humbly request you to spare some few minutes of your time and answer these questions below. The study is strictly for academic purposes and will be treated with high level of confidentiality. Your co-operation is highly appreciated. Thank you.

INSTRUCTIONS:

Note: For each of the questions, tick or fill in against your response in the blank space provided where necessary.

Section A 1.

Gender

a) Male

b) Female

2. What is your level of education?

a) Degree

b) Diploma

c) Masters

d) Others please specify.....

3. How long have you worked in the organization?

a) 1-5 years

b) 6-10 years

c) 11-and above years.

4. Age bracket?

a) 20-25 years

b) 26-30 years:

c) 30 and above,

5. Marital status

a) Single

b) Married

c) Divorced

d) If others please specify.

.....

.....

6. Which department do you belong to?

a) Accounts

b) Production

c) Human

Resource

d) Procurement

e) Any others please
specify.

.....

.....

sure

Section B:

a) The current supply development practices adopted by firms

Note: Use the following scale in this section: **Agree (A), Disagree (D), Not (NS)**

Please show your level of agreement to indicate the extent to which the following statements have been applying in your organization by ticking or filling in your response corresponding to the letter in the scale given above in box against statement.

STATEMENT	A	D	NS
Firms in our industry prioritize cost reduction in their supply chain development practices.			
Collaboration with suppliers is a common practice among firms to enhance supply chain efficiency.			
The adoption of digital technologies such as IOT, is prevalent in supply chain development.			
Firms actively seek to diversify their supplier base to mitigate risks.			
Environmental sustainability considerations are integrated into supply chain practices by many firms.			
Firms frequently conduct supplier audits to ensure compliance with quality and ethical standards.			

Others (specify)

.....

sure

.....

.....

Section C:

The key factors influencing successful supply development.

Note: Use the following scale in this section: **Agree (A), Disagree (D), Not (NS)**

Please show your level of agreement to indicate the extent to which the following statements have been applying in your organization by ticking or filling in your response corresponding to the letter in the scale given above in box against statement.

STATEMENT	A	D	NS
Supply chain transparency is key to building trust with customers and partners.			
Collaboration and strong relationships with suppliers are crucial for an effective supply chain.			
Does your organization actively work on improving collaboration with its suppliers?			
Regulatory compliance poses significant challenges to supply chain operations.			
Technological investments such as supply chain software play a significant role in improving supplier development.			
Do firms regularly need to assess and update their supply chain strategies with suppliers?			

sure

Others (specify)

.....
.....
.....

Section D:

The effects of supplier training on the performance of a firm

Note: Use the following scale in this section: **Agree (A)**, **Disagree (D)**, **Not (NS)**

Please show your level of agreement to indicate the extent to which the following statements have been applying in your organization by ticking or filling in your response corresponding to the letter in the scale given above in box against statement.

STATEMENT	A	D	NS
Supplier training helps to improve on the skills and knowledge of suppliers which help them to deal with many organizations.			
Supplier training improves supplier performance			
Supplier training creates consistency			
Supplier training leads to supplier satisfaction			
Supplier training leads to achievement of an organizational goal by incorporating the interests of organization and workforce.			

Others (specify)

.....

sure

.....
.....

Your co-operation is highly appreciated!



UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

SCHOOL OF BUSINESS

1st Aug 2023

TO WHOM IT MAY CONCERN

Name: REUBEN KAGWISAGYE Reg. No. 520312/205

A bachelor's student who is seeking permission from your office to collect data for his/her dissertation titled

"THE ROLE OF SUPPLY DEVELOPMENT ON THE PERFORMANCE OF AN ORGANISATION, CASE STUDY NILE BREWERIES, Jinja."

We shall be grateful if you could render assistance to him/her in collecting the necessary data for his/her dissertation

The Uganda Christian University School of Business thanks you in advance

Mukisa Simon Peter
Research coordinator