

**THE EFFECT OF SUPPLY CHAIN MANAGEMENT PRACTICES ON COMPETITIVE
ADVANTAGE AND ORGANIZATIONAL PERFORMANCE;
A CASE STUDY OF UGANDA CROWN BEVERAGES.**

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS AND
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UNIVERSITY**

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DECLARATION

I, **MUTANGANA PAUL** declare that this research proposal is my original work and it has never been submitted to any Institution or University for the award of higher education.

Signature: .....

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APPROVAL

I certify that this research report titled “the effect of supply management practices on competitive advantage and organizational performance” has gone under my supervision and it’s now ready to be submitted.

Signature: *Muliana*

Date: *15/08/2019*

DEDICATION

I dedicate this piece to my Parents, my uncles, my Sisters and brothers who has played a great role in paying my school fees and other necessary requirements, also my friends who provide me with transport services and all my friends who are always there for me in terms of academics.

ACKNOWLEDGEMENT

I first of all thank God who have been ever there for me in all hard time and who have helped me to go through this piece of work.

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May GOD help you all!

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ABBREVIATIONS AND ACRONYMS

CLM	-	Council of Logistics Management
SCM	-	Supply Chain Management
EDI	-	Electronic Data Interchange

ABSTRACT

This study was carried out to determine the effect of supply chain management practices on competitive advantage and organizational performance Uganda Crown Beverages Limited. The study had two objectives, to establish supply chain management practices adopted by Uganda Crown Beverages Limited, and to determine the effect of supply chain management practices on competitive advantage and organizational performance of Uganda Crown Beverages Limited. The research design involved a cross sectional survey of 46 employees of Uganda Crown Beverages Limited. Data was collected using a questionnaire that was administered through “drop and pick” method. Percentages were used to analyze objective one and was used to analyze the effect of supply chain management practices on competitive advantage and organizational performance in Uganda Crown Beverages Limited. The findings were presented in tables. It is clear that there is a significant relationship between supply chain management practices and competitive advantage/organizational performance explained by the seven independent variables strategic supplier partnership, customer relationship, level of information sharing, quality of information, extent of outsourcing, lean practices and postponement. The study only focused on Uganda Crown Beverages Limited. Therefore, the researcher recommends further research on other firms that are not located in Kampala and are not in the manufacturing industry. The researcher has also recommended that future research to expand on the domain of SCM practices by considering additional dimensions and also seek to utilize multiple respondents to enhance research findings.

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.0 Introduction

This chapter gives the background to the study, problem statement, the purpose, the objectives the scope of the study, significance of the study and definition of key terms used in the study.

1.2 Background of the Problem

As competition in the 1990s intensified and markets became global, so did the challenges associated with getting a product and service to the right place at the right time at the lowest cost. Organizations began to realize that it is not enough to improve efficiencies within an organization, but their whole supply chain has to be made competitive. The understanding and practicing of supply chain management (supply chain management) has become an essential prerequisite for staying competitive in the global race and for enhancing profitably (Tan, et al., 2002).

Council of Logistics Management (CLM) (2000) defines Supply Chain Management as the systemic, strategic coordination of the traditional business functions and tactics across these businesses functions within a particular organization and across businesses within the supply chain for the purposes of improving the long-term performance of the individual organizations and the supply chain as a whole. Supply Chain Management has been defined to explicitly recognize the strategic nature of coordination between trading partners and to explain the dual purpose of Supply Chain Management: to improve the performance of an individual organization, and to improve the performance of the whole supply chain. The goal of Supply Chain Management is to integrate both information and material flows seamlessly across the supply chain as an effective competitive weapon (Feldmann & Müller, 2003).

Many organizations have begun to recognize that supply chain management is the key to building sustainable competitive edge for their products and/or services in an increasingly crowded marketplace Jones C. (1998). The concept of supply chain management has been considered from different points of view in different bodies of literature (Croom, et al (1998)),

such as purchasing and supply management, logistics and transportation, operations management, marketing, organizational theory, and management information systems.

Supply chain management is synonymous with the integration of supply base that evolved from the traditional purchasing and materials functions (Croom, et al, 1998)). In the perspective of transportation and logistics management, supply chain management is synonymous with integrated logistics systems, and hence focus on inventory reduction both within and across organizations in the supply chain (Alvarado & Kotzab, 2001). Eventually, these two perspectives evolved into an integrated supply chain management that integrates all the activities along the whole supply chain.

The evolutionary nature and the complexity of supply chain management are also reflected in the supply chain management research. Much of the current theoretical/empirical research in supply chain management focuses on only the upstream or downstream side of the supply chain, or certain aspects/perspectives of supply chain management. Topics such as supplier selection, supplier involvement, and manufacturing performance (Tan, et al., 2002), the influence of supplier alliances on the organization, success factors in strategic supplier alliances (Croom S, et al., 1998), supplier management orientation and supplier/buyer performance (29), the role of relationships with suppliers in improving supplier responsiveness (30), and the antecedence and consequences of buyer-supplier relationship have been researched on the supplier side. Studies such as those by Clark and Lee (32), and Alvarado et al., (2001), focus on the downstream linkages between manufacturers and retailers. A few recent studies have considered both the upstream and downstream sides of the supply chain simultaneously.

According to Tan et al., (2004) explore the relationships between supplier management practices, customer relations practices and organizational performance; Frohlich and Westbrook (1997) investigate the effects of supplier-customer integration on organizational performance, Tan et al. (Tan KC, et al., 2002)) study supply chain management and supplier evaluation practices and relate the constructs to firm performance, develop an instrument to measure the supply chain orientation and supply chain management at conceptual levels.

1.2 Statement of the Problem

Supply chain management practice is expected to increase an organization's market share, return on investment and improve overall competitive position. For example, strategic supplier partnership has been reported to yield organization-specific benefits in terms of financial performance. Advanced design and logistic links with suppliers are related to better-performing plants. Customer relation practices have also been shown to lead to significant improvement in organizational performance. The higher level of information sharing is associated with the lower total cost, the higher-order fulfillment rate and the shorter-order cycle time.

Despite of the great role of supply chain management practices, it is evidenced that at Uganda Crown Beverages have not implemented effective supply chain management which have not improved on the competitive advantage and its performance.

It is therefore because of this background that the researcher was prompted to carry out a research on how supply chain management affects competitive advantage and organizational performance.

1.3 Purpose of the Study

The purpose of the study was to examine the effect of supply chain management practices on competitive advantage and organizational performance.

1.4 Objectives of the Study

- i. To establish supply chain management practices adopted by large manufacturing firms in Uganda Crown Beverages Limited.
- ii. To determine the effect of Supply Chain Management practices on the performance of Uganda Crown Beverages Limited.

1.5 Research Questions

- i. What are the supply chain management practices used at Uganda Crown Beverages?
- ii. Does supply chain management practices have an effect of the performance of Uganda Crown Beverages?

1.6 Scope of the Study

1.6.1 Content scope

The study looked at the effect of supply chain management practices on competitive advantage and organizational performance.

1.6.2 Geographical scope

The study will be carried from Crown Beverages Limited in industrial area in Kampala Central Division. The total sample size will be 60 respondents, two sampling techniques will be used to select study respondents and these are simple random sampling and purposive sampling techniques.

1.6.3 Time scope

The study looked at three financial years back those were 2013 to 2015 and it was conducted for six months, that is, December to May 2019.

1.7 Significance of the Study

The study will also be beneficial to the researcher to clearly understand the effect of supply chain management practices on competitive advantage and organizational performance and relate the findings to the ideal situation.

To scholars and academicians, the study findings will add to the limited body of existing literature on the effect of supply chain management practices on competitive advantage and organizational performance.

The study will be significant to the researcher in strengthening the research skills. The researcher will also be able to put into practice the theoretical knowledge obtained from class. The researcher will get first hand grip on the effect of supply chain management practices on competitive advantage and organizational performance and basing the researcher professional then the researcher will be able to apply his knowledge in averting such situation.

The study will benefit students and other parties who need knowledge about the effect of supply chain management practices on competitive advantage and organizational performance can also use the study as a future reference.

1.8 Definition of Key Terms Used in the Study

Strategic supplier partnership: The long-term relationship between the organization and its suppliers. It is designed to leverage the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits.

Customer relationship: The entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction.

Level of information sharing: The extent to which critical and proprietary information is communicated to one's supply chain partner.

Quality of information sharing: Refers to the accuracy, timeliness, adequacy, and credibility of information exchanged.

Postponement: The practice of moving forward one or more operations or activities (making, sourcing and delivering) to a much later point in the supply chain.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter makes a critical review of existing literature on effect of supply chain management practices on competitive advantage and organizational performance. It highlights the relationship between the two variables, that is, supply chain management practices and competitive advantage and organizational performance.

2.1 Supply Chain Management Practices

Supply chain management practices have been defined as a set of activities undertaken in an organization to promote effective management of its supply chain. Croom, et al., (1998) describes the latest evolution of supply chain management practices, which include supplier partnership, outsourcing, cycle time compression, continuous process flow, and information technology sharing. Tan et al., (2004) use purchasing, quality, and customer relations to represent supply chain management practices, in their empirical study. Alvarado and Kotzab Alvarado & Kotzab H. (2001) include in their list of supply chain management practices concentration on core competencies, use of inter-organizational systems such as EDI, and elimination of excess inventory levels by postponing customization toward the end of the supply chain.

Tan et al., (2002) identify six aspects of supply chain management practice through factor analysis: supply chain integration, information sharing, supply chain characteristics, customer service management, geographical proximity and JIT capability. Chen and Paulraj (31) use supplier base reduction, long-term relationship, communication, cross-functional teams and supplier involvement to measure buyer-supplier relationships. Min and Mentzer (3Tan KC, et al (2002)) identify the concept

Supply chain management as including agreed vision and goals, information sharing, risk and award sharing, cooperation, process integration, long-term relationship and agreed supply chain leadership. Thus the literature portrays supply chain management practices from a variety of different perspectives with a common goal of ultimately improving organizational performance.

In reviewing and consolidating the literature, five distinctive dimensions, including strategic supplier partnership, customer relationship, level of information sharing, quality of information sharing and postponement, are selected for measuring supply chain management practice. The five constructs cover upstream (strategic supplier partnership) and downstream (customer relationship) sides of a supply chain, information flow across a supply chain (level of information sharing and quality of information sharing), and internal supply chain process (postponement). It should be pointed out that even though the above dimensions capture the major aspects of supply chain management practice, they cannot be considered complete. Other factors, such as geographical proximity, JIT/lean capability (Tan KC, et al., 2002), cross-functional teams, logistics integration (31), agreed vision and goals, and agreed supply chain leadership (Tan KC, et al, 2002)) are also identified in the literature. Though these factors are of great interest, they are not included due to the concerns regarding the length of the survey and the parsimony of measurement instruments.

The present study, therefore, proposes supply chain management practices as a multi-dimensional concept. A more detailed discussion of these dimensions is provided below.

Strategic supplier partnership:

This is defined as the long-term relationship between the organization and its suppliers. It is designed to leverage the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits (Tan KC, et al., 2005).

A strategic partnership emphasizes direct, long-term association and encourages mutual planning and problem solving efforts (39). Such strategic partnerships are entered into to promote shared benefits among the parties and ongoing participation in one or more key strategic areas such as technology, products, and markets (Croom S, et al (1998)0). Strategic partnerships with suppliers enable organizations to work more effectively with a few important suppliers who are willing to share responsibility for the success of the products. Suppliers participating early in the product-design process can offer more cost-effective design choices, help select the best components and technologies, and help in design assessment (Tan KC, et al (2002)). Strategically aligned organizations can work closely together and eliminate wasteful time and effort (38). An effective

supplier partnership can be a critical component of a leading edge supply chain (Tan KC, et al (2002)5).

Customer relationship:

Comprises the entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction (Tan KC, et al., 2002). Cigolini R, et al (2004) considers customer relationship management as an important component of supply chain management practices. As pointed out by Day (Tan KC, et al (2002)3), committed relationships are the most sustainable advantage because of their inherent barriers to competition. The growth of mass customization and personalized service is leading to an era in which relationship management with customers is becoming crucial for corporate survival (Tan KC, et al., 2006). Good relationships with supply chain members, including customers, are needed for successful implementation of supply chain management programs (Moberg CR et al., 2002). Close customer relationship allows an organization to differentiate its product from competitors, sustain customer loyalty, and dramatically extend the value it provides to its customers (Tan KC, et al., (2002).

Level of information sharing:

Information sharing has two aspects: quantity and quality. Both aspects are important for the practices of supply chain management and have been treated as independent constructs in the past supply chain management studies (Tan KC, et al., 2002). Level (quantity aspect) of information sharing refers to the extent to which critical and proprietary information is communicated to one's supply chain partner. Shared information can vary from strategic to tactical in nature and from information about logistics activities to general market and customer information (Tan KC, et al (2002)8). Many researchers have suggested that the key to the seamless supply chain is making available undistorted and up-to-date marketing data at every node within the supply chain (Croom S, et al., 1998). By taking the data available and sharing it with other parties within the supply chain, information can be used as a source of competitive advantage. Lalonde (2002) considers sharing of information as one of five building blocks that characterize a solid supply chain relationship. According to Stein and Sweat (2006), supply chain partners who exchange information regularly are able to work as a single entity. Together, they

can understand the needs of the end customer better and hence can respond to market change quicker. Moreover, Tompkins & Ang (1992) consider the effective use of relevant and timely information by all functional elements within the supply chain as a key competitive and distinguishing factor. The empirical findings of Childhouse P & Towill DR. (2003) reveal that simplified material flow, including streamlining and making highly visible all information flow throughout the chain, is the key to an integrated and effective supply chain.

Quality of information sharing:

This includes such aspects as the accuracy, timeliness, adequacy, and credibility of information exchanged (Tan KC, et al., 2002). While information sharing is important, the significance of its impact on supply chain management depends on what information is shared, when and how it is shared, and with whom (Tan KC et al., 2002).

Literature is replete with example of the dysfunctional effects of inaccurate/delayed information, as information moves along the supply chain. Divergent interests and opportunistic behavior of supply chain partners, and informational asymmetries across supply chain affect the quality of information Feldmann M & Müller S (2003). It has been suggested that organizations will deliberately distort information that can potentially reach not only their competitors, but also their own suppliers and customers (Croom S, et al., 1998).

It appears that there is a built in reluctance within organizations to give away more than minimal information (52) since information disclosure is perceived as a loss of power. Given these predispositions, ensuring the quality of the shared information becomes a critical aspect of effective supply chain management Feldmann M & Müller S (2003). Organizations need to view their information as a strategic asset and ensure that it flows with minimum delay and distortion.

Postponement:

This is defined as the practice of moving forward one or more operations or activities (making, sourcing and delivering) to a much later point in the supply chain (Tan KC, et al., 2002). Two primary considerations in developing a postponement strategy are: determining how many steps to postpone, and determining which steps to postpone. Postponement allows an organization to be flexible in developing different versions of the product in order to meet changing customer

needs, and to differentiate a product or to modify a demand function. Keeping materials undifferentiated for as long as possible will increase an organization's flexibility in responding to changes in customer demand. In addition, an organization can reduce supply chain cost by keeping undifferentiated inventories.

Postponement needs to match the type of products, market demands of a company, and structure or constraints within the manufacturing and logistics system (Croom S, et al., 1998). In general, the adoption of postponement maybe appropriate in the following conditions: innovative products; products with high monetary density , high specialization and wide range; markets characterized by long delivery time, low delivery frequency and high demand uncertainty; and manufacturing or logistics systems with small economies of scales and no need for special knowledge (Croom S, et al., 1998).

2.2 Competitive Advantage

Competitive advantage is the extent to which an organization is able to create a defensible position over its competitors (Porter ME., 1985). It comprises capabilities that allow an organization to differentiate itself from its competitors and is an outcome of critical management decisions (Croom S, et al., 1998). The empirical literature has been quite consistent in identifying price/cost, quality, delivery, and flexibility as important competitive capabilities (Croom S, et al., 1996). In addition, recent studies have included time-based competition as an important competitive priority. Research by Stalk (Croom S, et al (1998); Croom S, et al (1998); Vesey (Croom S, et al (1998)8); Handfield and Pannesi (Croom S, et al (1998)9); Kessler and Chakrabarti (1980); and Zhang (1998) identify time as the next source of competitive advantage.

On the basis of prior literature, Koufteros et al. (2003) describe a research framework for competitive capabilities and define the following five dimensions: competitive pricing, premium pricing, value-to-customer quality, dependable delivery, and production innovation. These dimensions are also described by (Tan KC, et al., 2002). Based on the above, the dimensions of the competitive advantage constructs used in this study are price/cost, quality, delivery dependability, product innovation, and time to market.

2.3 Organizational Performance

Organizational performance refers to how well an organization achieves its market-oriented goals as well as its financial goals. The short-term objectives of supply chain management are primarily to increase productivity and reduce inventory and cycle time, while long-term objectives are to increase market share and profits for all members of the supply chain

Cigolini R, et al (2004). Financial metrics have served as a tool for comparing organizations and evaluating an organization's behavior over time (Tan KC, et al., 2002). Any organizational initiative, including supply chain management, should ultimately lead to enhanced organizational performance.

A number of prior studies have measured organizational performance using both financial and market criteria, including return on investment (ROI), market share, profit margin on sales, the growth of ROI, the growth of sales, the growth of market share, and overall competitive position (Tan KC, et al. 2002).

2.4 Relationship between Supply Chain Management and Competitive Advantage and Organizational Performance

The supply chain management framework developed in this study proposes that supply chain management practice has a direct impact on the overall financial and marketing performance of an organization (Croom S, et al., 1998). Supply chain management practice is expected to increase an organization's market share, return on investment and improve overall competitive position. For example, strategic supplier partnership has been reported to yield organization-specific benefits in terms of financial performance. Advanced design and logistic links with suppliers are related to better-performing plants.

Customer relation practices have also been shown to lead to significant improvement in organizational performance (Cigolini R, et al., 2004). The higher level of information sharing is associated with the lower total cost, the higher-order fulfillment rate and the shorter-order cycle time.

The bottom-line impacts of supply chain management practices have been confirmed by real-world examples. A recent survey finds that organizations that are best at supply chain

management hold a 40% to 65% advantage in their cash-to-cash cycle time over average organizations and the top organizations carry 50% to 85% less inventory than their competitors (Tan KC, et al., 2002). Based on the above it is hypothesized that:

Firms with high levels of supply chain management practices will have high levels of organizational performance.

Supply chain management practices impact not only overall organizational performance, but also competitive advantage of an organization.

They are expected to improve an organization's competitive advantage through price/cost, quality, delivery dependability, time to market, and product innovation.

Prior studies have indicated that the various components of supply chain management practices (such as strategic supplier partnership) have an impact on various aspects of competitive advantage (such as price/cost). For example, strategic supplier partnership can improve supplier performance, reduce time to market, and increase the level of customer responsiveness and satisfaction (Power DJ et al., 2001). Information sharing leads to high levels of supply chain integration by enabling organizations to make dependable delivery and introduce products to the market quickly. Information sharing and information quality contribute positively to customer satisfaction and partnership quality (Croom S, et al., 1998).

Postponement strategy not only increases the flexibility in the supply chain, but also balances global efficiency and customer responsiveness.

Firms with high levels of supply chain management practices will have high levels of competitive advantage.

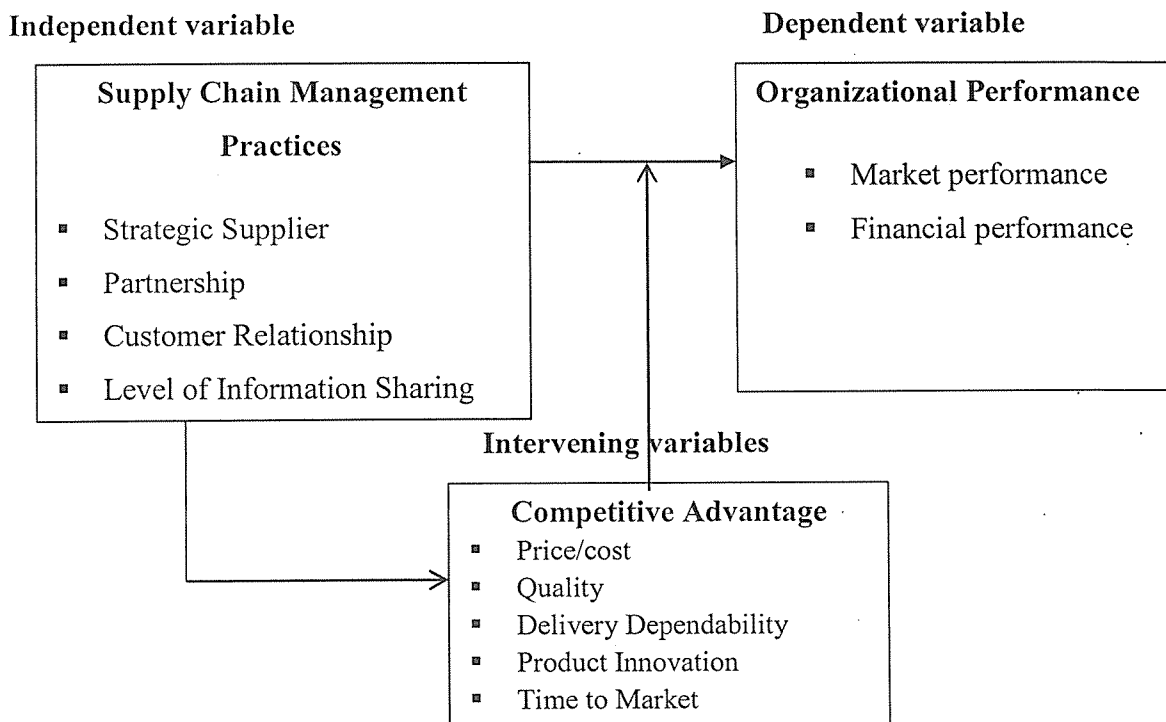
Having a competitive advantage generally suggests that an organization can have one or more of the following capabilities when compared to its competitors: lower prices, higher quality, higher dependability, and shorter delivery time. These capabilities will, in turn, enhance the organization's overall performance (Tan KC, et al, 2008). Competitive advantage can lead to high levels of economic performance, customer satisfaction and loyalty, and relationship effectiveness. Brands with higher consumer loyalty face less competitive switching in their target segments thereby increasing sales and profitability.

An organization offering high quality products can charge premium prices and thus increase its profit margin on sales and return on investment. An organization having a short time-to-market and rapid product innovation can be the first in the market thus enjoying a higher market share and sales volume. Therefore, a positive relationship between competitive advantage and organizational performance can be proposed. The higher the level of competitive advantage, the higher the level of organizational performance.

2.5 Conclusion

Various theories have offered insights on specific aspects or perspectives of supply chain management, such as industrial organization and associated transaction cost analysis, resource-based and resource-dependency theory, competitive strategy and social-political perspective. However, despite the increased attention paid to supply chain management, the literature has not been able to offer much by way of guidance to help the practice of supply chain management. This has been attributed to the interdisciplinary origin of supply chain management, the conceptual confusion, and the evolutionary nature of supply chain management concept.

2.6 Conceptual Framework



Description of the conceptual frame work

The conceptual framework above shows the effect of supply chain management on competitive advantage and organizational performance. It consists of different variables, that is, independent variables and dependent variables. The independent variable is the supply chain management practices which include Strategic Supplier, partnership, customer relationship, level of information Sharing, quality of information sharing and postponement. The dependent variable is the organizational performance market performance and financial performance. The intervening variable is the competitive advantage and these include Price/cost, quality, delivery Dependability, product Innovation and Time to Market, these also impact on organizational performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The chapter consists of research design, area of the study, population of the study, sampling techniques and size, data sources, data collection tools, data analysis and limitations of the study.

3.1 Research Design

The researcher adopted a cross sectional research design where the study used both quantitative and qualitative approaches. The cross-sectional research design adopted became imperative because of the population characteristics and a representative nature of the sample of the population for the study. The quantitative approach involved the researcher collecting data from the respondent who access services from the department while qualitative approach included collecting data from key informant who are knowledgeable about the research topic. Qualitative method was used because it provides detailed information which is supported with quotations from the respondents.

3.2 Area and Population of the Study

The study was carried at the Crown Beverages in industrial area in Kampala Central. The study constituted of the employees of Uganda Crown Beverages. The population of the study was 150 people from which a sample of 46 respondents was selected.

3.3 Sample Selection and Size

The total sample size was 50 respondents, two sampling techniques were used to select study respondents and these were simple random sampling and purposive sampling techniques. The simple random sampling techniques used to select quantitative samples who were the staff from Crown Beverages. A total of 46 respondents were selected for the quantitative sample. Purposive sampling techniques involved the researcher identifying and selecting key respondents who were more knowledgeable about supply chain management and these included; 10 SCM and

Procurement department, 5 Accountants, 5 Administrators, 6 Managers and Supervisors and 10 Production Team.

Table 1: Showing the sampling approach and sample selection.

Approach	Sample selection	Data collection	Types of samples	Data analysis
Qualitative	Purposive sampling	Structured interviews	10 SCM & procurement department 5 Accountants 5 Administrators 10 Sales staff 6 Managers & supervisors 10 Production team 46 Key informants	Analysis during and after data collection

3.4 Data Sources

Data collected for the study was mainly through primary and secondary sources.

3.4.1 Primary data

The primary data was relied on heavily than the secondary data because it was collected by the researcher hence unique to the researcher and to the study itself. The method that was used to collect the primary data was the questionnaire, which is a popular means used by many researchers and commonly recognized by the respondents. It was also considered because it is relatively cheap due to the population targeted and easy for respondents to fill because they were given time to understand the questions before responding.

3.4.2 Secondary Data

Secondary data is information or data already collected by other researchers or institutions, usually for different purposes (Blumberg et al., 2008). Secondary data enabled the researcher to place the study in the context of existing knowledge as well as broadens the researcher's

understanding to the research topic (Blumberg et al., 2008). Secondary sources of data were obtained from books, journals, the internet, newspapers for the critical review of related literature for the study.

3.5 Data Collection Methods

The questionnaire was used for data collection. The questionnaire was developed and organized on the basis of the research objectives to ensure relevance to the research problem. The questionnaire was carefully designed starting with the general information question that requires the respondents to answer without much thinking. This was also meant to provide the respondents with an easy start that provided practice in answering questions. This was followed by the most important questions that meant to capture the information that was very critical to the research problem.

3.6 Procedure

The researcher obtained an introductory letter from Kampala International University, Faculty of Business and management studies. The letter was taken and presented to the head of the human resources department of Crown Beverages seeking permission to carry out the study at the Company. A letter of consent was received from the department head and the researcher identified respondents, briefed them about the purpose and significance of the study, made appointments for interviews as well as administration of questionnaires.

3.7 Data Analysis

Quantitative data was coded, edited and tabulated. Frequencies were obtained for respondent's socio-demographic variable such as age and gender. By use of Microsoft Excel, tabulated data was graphically presented on charts.

Qualitative data analysis included analyzing data during and after collection and this involved identifying the themes of the study. All responses were coded according to each theme and analyzed accordingly.

3.8 Anticipated Study Limitations and Solutions

Some respondents may not have been able to avail the researcher with the required information due to negative attitudes, suspiciousness and speculations about the information given out. In order to deal with the limitation of unwillingness to provide data, the researcher ensured that study respondents understood that confidentiality is part of the ethical concerns.

Securing appointment say interviews looked difficult; this was due to the fact that most of the senior staff members may have busy schedules which would make it hard for them to allocate time for the study. To solve the problem of securing appointments, the researcher highlighted the significance of the study and let the respondents know that the study required a little sacrifice of their time.

The time allocated for conducting the research would not be enough for the researcher to cover the area of study since he had other academic obligations. A time management problem was solved by trying to prioritize the researcher's schedules according to deadlines in order to utilize the given time effectively and efficiently.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF THE FINDINGS

4.1 Introduction

This study was carried out to establish the effect of supply chain management practices on organizational performance in Uganda Crown Beverages Limited. The findings are presented next.

4.2 General Information

A total of 46 questionnaires were distributed to Uganda Crown Beverages Limited. Out of the 46 questionnaires, 27 were returned to the researcher. This represents a response rate of 63%. This percentage was considered sufficient for this study. The 35% who never returned the questionnaires cited busy schedules as the main reason for lacking time to fill them.

The first part of the questionnaire contained general information regarding the organization and the respondent. The areas sited in this part were: duration of the company has been in operation, the position of the respondent in the organization, the duration the respondent has worked in that position and the gender of the respondent.

4.2.1 Position of the Respondent

The respondents were asked to indicate the positions they held in Uganda Crown Beverages Limited and the duration they had served in those positions. They were provided with options to choose from. 30% of the respondents who participated in the study are supply chain managers while 35 were assistant supply chain managers. This confirms that they are well conversant with supply chain management practices and their effect on organizational performance. It was also evident that 33% of the respondents have served in their respective positions for less than five years. The supply chain concept is relatively new in Uganda and this probably explains the reason why most of the respondents had served as supply chain managers for a short period of time.

4.3 Extent to which Uganda Crown Beverages Limited had Adopted Supply Chain Management Practices

The study sought to establish the extent to which Uganda Crown Beverages Limited had adopted supply chain management practices. A number of questions were fronted to the respondents who gave their responses on a scale of 1-5 where 1 represents to a very small extent and 5 very large extent. Table 4.1 shows the percentages of factors that were used by the researcher to show the extent to which Uganda Crown Beverages Limited had adopted the various supply chain management practices. A percentage of 60%-100%, shows that the factor in question has been adopted by Uganda Crown Beverages Limited to a large extent. A percentage of 0-50, shows the factor in question has been adopted by the responding organizations to a small extent.

Table 4.1 below shows the analysis of the responses where the percentages indicate the extent to which various supply chain management practices had been adopted

Table 4.1: Extent of adoption of supply chain management practices

SUPPLY CHAIN MANAGEMENT PRACTICES	Responses (%)
Strategic supplier partnership	
Including key suppliers in planning and goal setting activities	83.7%
Quality considered as a number one criterion in selection of suppliers	83.0%
Actively involving key suppliers in new product development process	76.6%
Continuous improvement programs that include key suppliers	73.3%
Helping suppliers improve their product quality	68.9%
Customer relationship	
Periodically evaluate the importance of relationship with customers	92.2%
Facilitating customer's ability to seek assistance	92.2%
Frequently determining future customer expectations	90.4%
Frequently interacting with customers to set reliability, responsiveness and other standards	87.8%
Level of information sharing	
Supply chain partners share business knowledge of core business	76.7%
Our supply chain partners share core information with us	74.1%
Exchange of information between supply chain partners that help establishment of business	72.5%

Supply chain partners keep us fully informed about issues affecting our business	70.4%
Supply chain partners share proprietary information	68.9%
Informing supply chain partners in advance of changing needs	66.7%
Quality of information sharing	
Accurate exchange of information between supply chain partners	90.0%
Reliable information exchanged among supply chain partners	88.3%
Timely information sharing among supply chain partners	87.8%
Complete information exchanged between supply chain partners	86.7%
Adequate information exchanged among supply chain partners	84.2%
Extent of outsourcing	
Firms outsources logistics	74.2%
Firms outsources pre-sales customer services	50.8%
Firm outsources after-sales customer services	46.7%
Firm outsources information systems	44.4%
Firm outsources manufacturing	40.0%
Lean practices	
Firms delayering, downsizing and outsourcing	49.2%
Firm does not rely on inspecting products procured	40.0%
Firm continually improve their own performance with small incremental lean procurement improvements (Kaizen)	48.9%
Firms buy products in small batches only when they are needed	36.7%
Firm outsources product design	31.7%
Postponement	
Delay of final product assembly activities until customer orders have actually been received	23.0%
Products are designed for modular assembly	22.5%
Delay of final product assembly activities until customer orders have actually been received	21.7%

From the table above it comes out clearly that Uganda Crown Beverages Limited had adopted various supply chain management practices though at different extents. For instance customer relationship is a practice that has been highly adopted because all the factors under it fall between 87.8%-92.2% which means it is adopted to a large extent as per the likert scale. This could be as a result of the stiff competition within the industry due to the fact that most of the

organizations are offering the same or close goods and services therefore adopting this practice so as to ensure increased market share and customer retention.

Information quality and strategic supplier management are also practices that have been adopted by Uganda Crown Beverages Limited under the study which could be attributed to the fact that the firm had realized that supply chain compete and not the organization therefore involving her suppliers and other partners in the running of the organization. Information quality seems to be taken seriously by these organizations because they could have realized that information plays a very key role in the success of the organization and the supply chain as a whole. It is the blood of the supply chain such that without it the chain is bound to fail. Lean practices, outsourcing and postponement are practices that have been adopted to a small extent because from the results in table 4.1 we see that most of factors lie between 21.7% and 50.8%. This could be as a result of Uganda Crown Beverages Limited not being in a position to implement them or she could not have realized the enormous positive impact that these practices can have on her performance. Postponement is the least adopted practice which could be attributed to the fact that maybe Uganda Crown Beverages Limited believes that for example they cannot delay final product assembly until customers make order due to fear of uncertainties that can lead to them losing their customers to competitors.

The findings from this table are partly in agreement with the literature review that was conducted. According to Donlon (2006), strategic supplier partnership, information sharing and outsourcing as the main supply chain management practices. This seems to be the case for large manufacturing firms in Uganda to save for outsourcing that is adopted to a small extent disqualifying it as a main supply chain practice in the manufacturing industry.

Li et al identified strategic supplier partnership, customer relationship and information sharing as key supply chain management practices. This has proven to be the same case for large Uganda Crown Beverages Limited as the results from the table above indicate that all these practices have been adapted to a large extent.

4.4 Effect of supply chain management on the performance of Uganda Crown Beverages Limited.

Respondents were asked to indicate whether the various supply chain management practices adopted had an impact on the various aspects of organizational performance.

Figure 4.1: Showing whether SCM had an effect on the competitive advantage and organizational performance.

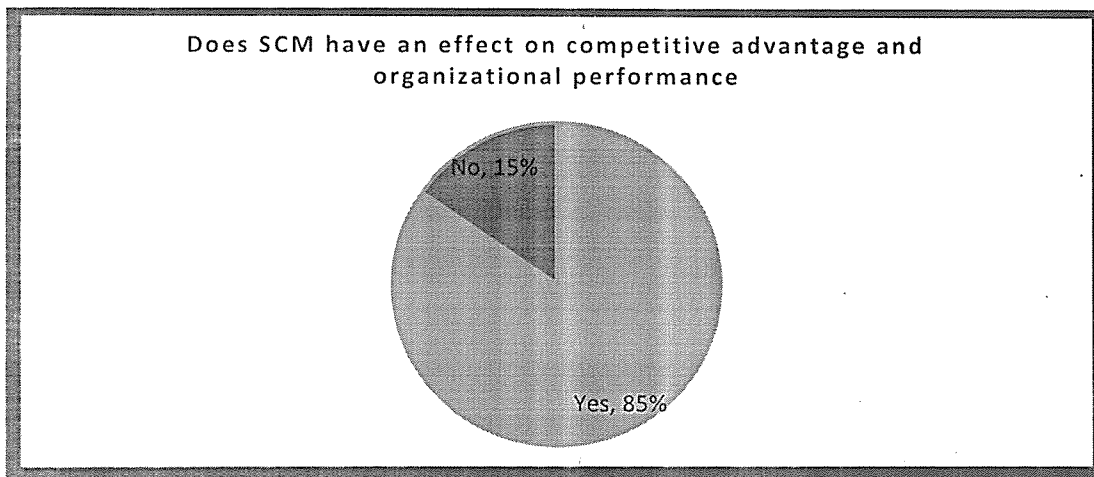


Figure 4.1 above shows that if the level of strategic supplier partnership, customer relationship, information sharing, information quality, outsourcing, lean practices, postponement are upheld, competitive advantage and organizational performance would be 85%.

Table 4.2: Complete advantage and organizational performance indicators

Competitive advantage and Organization performance indicators	Responses (%)
Increase in market share	85.2%
Return on investment	77.8%
The growth of market share	92.6%
The growth of sales	92.6%
Growth in return on investment	81.5%
Profit margin on sales	74.1%
Improved product/service quality	77.8%
Product innovation	88.9%
Short time to market	85.2%

According to the findings in table 4.2 above, the indicators of competitive advantage and organizational performance had been achieved to a large extent, that is between 74.1% to 92.6%. this indicated that SCM adoption had an impact on the competitive advantage ad performance of Uganda Crown Beverages Limited.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study was carried out to establish the effect of supply chain management practices on competitive advantage and organizational performance in Uganda Crown Beverages Limited. The study had two objectives, to establish the extent to which Uganda Crown Beverages Limited had adopted supply chain management practices and to determine the effect of supply chain management practices on the competitive advantage and performance of Uganda Crown Beverages Limited. This chapter presents the summary of findings for the two objectives mentioned above, the conclusions, recommendations made based on findings and the suggestions on areas that need to be researched as far as this concept is concerned.

5.2 Summary of Findings

The study established that Uganda Crown Beverages Limited had been in existence for more than ten years. The study confirmed that Uganda Crown Beverages Limited had adopted the various supply chain management relationship. It was also clear from the study that the seven independent variables; strategic supplier management, customer relationship, information sharing, information quality, outsourcing, lean practices and postponement positively impacted on competitive advantage and organization performance; However, customer relationship and strategic supplier management had the greatest impact. Through the analysis of the relationship between supply chain management practices and organization performance, it was demonstrated that the practices may directly impact on competitive advantage and organization performance. The findings of this research thus point the importance of supply chain management to organizations.

5.3 Conclusions

The study concludes that Uganda Crown Beverages Limited had adopted the various supply chain management practices. The practices have assisted Uganda Crown Beverages Limited to enhance her competitive advantage and performance. This is supported by the results conducted that indicated that there is a strong relationship between supply chain management practices and

supply chain management practices are very significant in enhancing the performance of organizations and as we know today's competition is moving from among organizations to between supply chains. More and more organizations are adopting SCM in the hope of reducing supply chain costs and securing competitive advantage.

5.4 Recommendations

The study has confirmed that supply chain management practices are very significant in enhancing organization performance. All manufacturing companies and other organizations should be advised to embrace the concept so that they can be able to reap the benefits of adopting these practices. Organization are also advised to adopt the practices that are currently adopted at a very small extent because they can significantly improve organization performance from the current position. They include practices like outsourcing, lean practices and postponement which have proven to have tremendous results in other organizations like Toyota for example.

5.5 Suggestions for future research

As the concept of SCM practices is complex and involves a network of companies in the effort of producing and delivering a final product, its domain cannot be covered in just one study. Future research can expand on the domain of SCM practices by considering additional dimensions such as geographical proximity, cross functional coordination, logistics integration and agreed supply chain leadership which have been ignored in this study.

Future research should also seek to utilize multiple respondents for each participating to enhance research findings.

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APPENDICES

APPENDIX 'A': QUESTIONNAIRE

Dear Respondent,

I am **MUTANGANA PAUL** a student of Kampala International University carrying out an academic research on "the effect of supply chain management practices on competitive advantage and organizational performance". You have been chosen as a respondent because of the knowledge and information that you will have with regard to this topic. You're kindly been requested to answer the following questions. The information you give is exclusively and only for academic purposes and will be treated with at most confidentiality. This questionnaire is designed for purely academic purposes; your answers will be treated with utmost.

SECTION A: SOCIOECONOMIC BACKGROUND OF THE RESPONDENTS

1. Duration company has been in operation

- | | | | |
|-------------------|--------------------------|---------------|--------------------------|
| Less than 5 years | <input type="checkbox"/> | 5-10 years | <input type="checkbox"/> |
| 11-15 years | <input type="checkbox"/> | Above15 years | <input type="checkbox"/> |

2. What is your position in this organization?

- | | | | |
|----------------------|--------------------------|--------------------------------|--------------------------|
| Supply chain manager | <input type="checkbox"/> | Assistant supply chain manager | <input type="checkbox"/> |
| Supply chain officer | <input type="checkbox"/> | Finance manager e)I T manager | <input type="checkbox"/> |

SECTION B:

Objective one. Determining supply chain practices adopted.

With regard to supply chain management practices please tick the box that accurately reflects your present your firm`s present conditions. 1=not at all 2=to a small extent 3= to a moderate extent 4=to a large extent 5=to a very large extent

SUPPLY CHAIN MANAGEMENT PRACTICES	1	2	3	4	5
Strategic supplier partnership					
Including key suppliers in planning and goal setting activities					
Quality considered as a number one criterion in selection of suppliers					
Actively involving key suppliers in new product development process					
Continuous improvement programs that include key suppliers					
Helping suppliers improve their product quality					
Customer relationship					
Periodically evaluate the importance of relationship with customers					
Facilitating customer's ability to seek assistance					
Frequently determining future customer expectations					
Frequently interacting with customers to set reliability, responsiveness and other standards					
Level of information sharing					
Supply chain partners share business knowledge of core business					
Our supply chain partners share core information with us					
Exchange of information between supply chain partners that help establishment of business					
Supply chain partners keep us fully informed about issues affecting our business					
Supply chain partners share proprietary information					
Informing supply chain partners in advance of changing needs					
Quality of information sharing					
Accurate exchange of information between supply chain partners					
Reliable information exchanged among supply chain partners					
Timely information sharing among supply chain partners					
Complete information exchanged between supply chain partners					
Adequate information exchanged among supply chain partners					

Extent of outsourcing					
Firms outsources logistics					
Firms outsources pre-sales customer services					
Firm outsources after-sales customer services					
Firm outsources information systems					
Firm outsources manufacturing					
Lean practices					
Firms delayering, downsizing and outsourcing					
Firm does not rely on inspecting products procured					
Firm continually improve their own performance with small incremental lean procurement improvements (Kaizen)					
Firms buy products in small batches only when they are needed					
Firm outsources product design					
Postponement					
Delay of final product assembly activities until customer orders have actually been received					
Products are designed for modular assembly					
Delay of final product assembly activities until customer orders have actually been received					

SECTION C

To establish the relationship between supply chain management practices and organization performance.

Please tick the number which best indicate whether the various supply chain management practices adopted by your firms impact the various aspects of organizations performance.

SUPPLY CHAIN MANAGEMENT AND ORGANIZATIONAL PERFORMANCE	1	2	3	4	5
Organization performance: how well an organization achieves its market oriented goals as well as its financial goals					
Increase in market share					
Return on investment					
The growth of market share					
The growth of sales					
Growth in return on investment					
Profit margin on sales					
Improved product/service quality					
Product innovation					
Short time to market					