

**OUTSOURCING AND SERVICE DELIVERY ON ORGANISATIONAL  
PERFORMANCE: (CASE STUDY RWENZORI BOTTLING  
COMPANIES IN UGANDA)**

**BY**

**OKELLO STEPHEN  
REG. NO. 1153-05084-02159**

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS  
AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF DEGREE OF  
SUPPLY AND PROCUREMENT MANAGEMENT  
OF KAMPALA INTERNATIONAL  
UNIVERSITY**

**NOVEMBER, 2018**

**DECLARATION**

I, **OKELLO STEPHEN**, REG. NO. **1153-05084-02159** declare that this research report is my original work and has never been submitted to any other university for assessment or award of a degree.

Signature.....

Date.....

**OKELLO STEPHEN**

**(Student)**

**APPROVAL**

This research report has been submitted for examination with my approval as the University supervisor

**MR. MASABA RICHARD**  
**(SUPERVISOR)**

Signature.....

Date.....

## DEDICATION

I want to take this opportunity to dedicate this work to my lovely parents; My late father; Onyango Stanley and my Mother; Adikini Zipola for supporting me financially, morally, and spiritually. Without you my education would not have been a success. May God reward you abundantly.

## ACKNOWLEDGEMENT

I thank the Almighty God for the good health throughout the journey of this study.

I also wish to acknowledge my supervisor; Mr. Masaba Richard for his guidance towards my project, lecturers at Kampala Intentional University, College of Economics and Management

My gratitude to my Parents for their moral and financial support not forgetting my friends for their encouragement, my sisters; Were Omito Susan, Nyachow Juliet and my brothers; Ajje Fred, Odongo Nicholas, Mulanda Jacksona and Ochieng Patrick. Thank you for the guidance and encouragement given to me.

Finally I wish to thank the organizations that cooperated with me by responding to me towards my project.

Thank you and God bless you all.

## TABLE OF CONTENTS

DECLARATION .....	i
APPROVAL .....	ii
ACKNOWLEDGEMENT .....	iv
TABLE OF CONTENTS .....	v
ABSTRACT .....	viii
CHAPTER ONE .....	9
1.0 Introduction.....	9
1.1Background.....	9
1.2 Problem statement .....	10
1.3 General objective of the study.....	11
1.4 Research questions .....	11
1.5 Scope of the study.....	11
1.6 Significance of the study .....	12
1.7 Conceptual framework .....	12
CHAPTER TWO: LITERATURE REVIEW .....	13
2.0 Introduction .....	13
2.1 The concept of outsourcing. ....	13
2.2 Cost reductions. ....	15
2.3 Key factors necessary for outsourcing.....	16
2.3.1Competence .....	16
2.3.2 Management support .....	16

2.4 Drivers of outsourcing .....	17
2.4.1 Quality actual capacity .....	17
2.4.2 Finance.....	17
2.4.3 Core business.....	17
2.4.4 Benefits of outsourcing.....	17
2.6.1 Cost saving .....	18
2.6.2 Specialization.....	18
2.6.3 Access to innovation.....	18
2.6 Challenges of outsourcing .....	18
<b>CHAPTER THREE: METHODOLOGY .....</b>	<b>20</b>
3.0 Introduction .....	20
3.1 Research Design .....	20
3.2 Data Collection Methods.....	20
3.3 Data processing and analysis.....	20
3.4 Limitations of the study.....	21
<b>CHAPTER FOUR: PRESENTATION, INTERPRETATION AND DISCUSSION OF THE FINDINGS.....</b>	<b>22</b>
4.0 Introduction. ....	22
4.1 Relevance of outsourcing. ....	22
4.2 Nature of organizational performance .....	23
4.3 Whether outsourcing improves organizational performance.....	24
4.4 Conclusion .....	25

<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION</b> .....	26
5.0 Introduction. ....	26
5.1 Summary.....	26
5.2 Conclusions .....	26
5.3 Recommendations .....	27
5.4 Areas for further research .....	28
<b>REFERENCES</b> .....	29
<b>APPENDIX I : RESEARCH QUESTIONNAIRE.</b> .....	31
<b>APPENDIX II: INTRODUCTORY LETTER.....</b>	34



## ABSTRACT

The study assesses the impact of outsourcing and service delivery on organisational performance and it is done in Rwenzori Bottling Company Limited. It focuses on the benefits and challenges companies face in outsourcing their non-core activities. The study uses the objective of assessing the impact of outsourcing on organisational performance to get data presented in the findings. These show that companies benefit from outsourcing though they face some challenges in their bid to outsource their non-core activities to outside providers.

Organisations always prefer letting specialists in different fields accomplish certain tasks in their companies and this means that organisations can benefit from outsourcing as shown in the Literature Review

The Data was collected and then analysed to fit the purpose of the study though with several limitations ranging from financial constraints to time constraints.

The findings show that companies outsource to access special expertise, speed up delivery of services, reduce costs and get enough time to concentrate on their core activities. In the long run companies have benefited from outsourcing in several ways like reduction in costs and company staff getting enough time to concentrate on their core activities to promote the company's competitiveness in the market.

In conclusion, companies should outsource some of their services so as to reduce costs and concentrate on core activities. This therefore shows how important outsourcing is and other companies should adopt it just like Rwenzori Bottling Company has done and get good quality services from experts as well as more time for core activities.

## CHAPTER ONE

### 1.0 Introduction

This chapter looks at the background, problem statement, objective, research questions and significance of the study.

### 1.1 Background

The rationale to outsource was rooted in the cost constraints facing asset managers as they struggled to survive the bear market. Traditionally, the outsourcing market focused on infrastructure, data operation and cost takeout as primary drivers but in addition enterprises are looking at outsourcing business areas to achieve greater flexibility and gain greater ability to respond easily as outsourcing is evolving into a strategic tool for change.

Lysons 2000, says outsourcing developed as a reaction to the over diversification that took place in the 1970's and early 1980's and has led many enterprises to review their core and concentrate on them. In Uganda, business processes that were kept inside the firm such as cleaning and transport are increasingly being outsourced to places where costs are cheaper and back-off operations can be seen in production of soft drinks like water in different brand names. It has a range of activities some of which are core and not outsourced. Those that are considered non-core are outsourced to different service providers. It gets a list of service providers, looks at their terms, kind and quality of services provided and the costs involved. It is from this list that it selects the most favourable to outsource to. For instance, Rwenzori Bottling Company Limited outsources

activities like part of its transport is given private vendors who have trucks in good mechanical conditions, negotiate the price and terms of service delivery. These pick the products from the company premises and deliver them to the agreed destinations like depots and various customers. Cleaning is also done by A&A for all departments in the company and this gives the employees a good working environment and more time to perform their duties. However, despite outsourcing these activities are still having weaknesses like late deliveries due to car mechanical breakdowns and unsatisfactory cleaning which is at times due to personal character of the cleaners and poor supervision.

Looking at outsourcing as a way of reducing on the work load of the company staff and giving core activities more time for companies to perform to their best, Rwenzori Bottling Company also outsources its non-core activities so as to concentrate on the core activities to improve its performance in important areas like the production department since the quality of a company's products is very crucial for its performance in the market. In its bid to outsource, Rwenzori Bottling Company has not forgotten what outsourcing is all about. This gives a relationship between what outsourcing is and what Rwenzori Bottling Company is doing.

## **1.2 Problem statement**

Outsourcing is a very crucial function in an organisation because it directly affects the firm's operational activities. Following the identified problems such as late delivery, poor cleaning, high transportation costs in Rwenzori Bottling Company, steps have been taken to solve the problem by bringing trusted and better qualified people to

provide the services. Despite the steps taken, the contribution of outsourcing to organisational performance is still low. Therefore, the study is to establish the impact of outsourcing on organisational performance with a case study of Rwenzori Bottling Company.

### **1.3 General objective of the study.**

The study aims at assessing the impact of outsourcing on organisational performance.

### **1.4 Specific objectives of the study.**

- i. To find out the activities that are out sourced and which are not.
- ii. To find out the benefits of outsourcing to an organization.
- iii. To find out the challenges encountered in carrying out outsourcing

### **1.4 Research questions**

- i. Which activities are out sourced and which are not?
- ii. How is outsourcing beneficial to an organisation?
- iii. What are the challenges encountered in carrying out outsourcing?

### **1.5 Scope of the study**

The study focused on the procurement department of Rwenzori Bottling Company Limited. It establishes the impact of outsourcing on organisational performance and the study covers the procurement staff, user department and providers of different services. The study looks at the outsourced activities, benefits of outsourcing and the challenges in

connection with the organisational performance.

### 1.6 Significance of the study

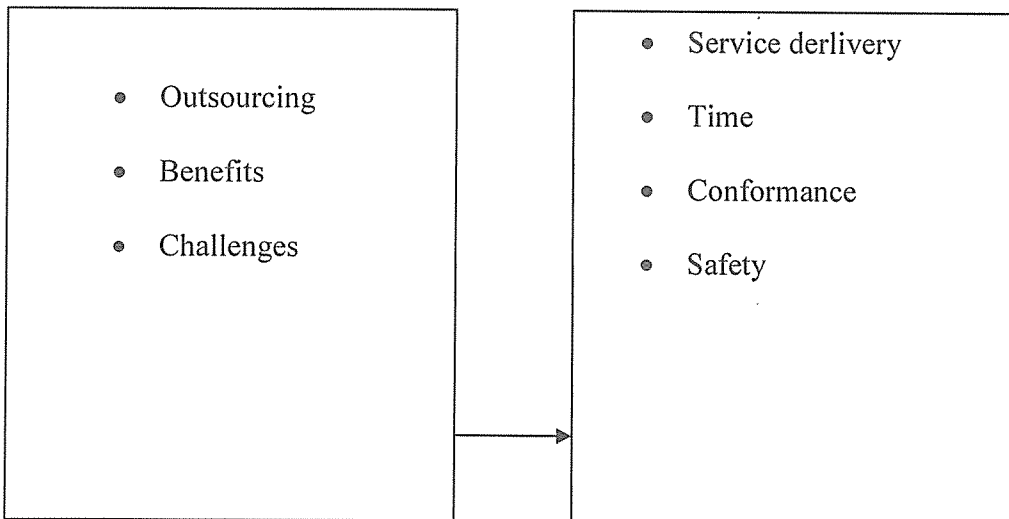
(i) The study will help business managers to minimise losses through minimising costs and creating value for money.

(ii) The research will also help organisations to know under which situation to outsource, benefits of outsourcing and the steps to take in order to achieve competitive advantage.

### 1.7 Conceptual framework

#### Independent variable

#### Dependent variable



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter looks at a review of issues and factors that have been explored and studied in the existing literature on outsourcing and examine the existing gaps.

#### 2.1 The concept of outsourcing.

Baily, 1998, many organisations today are turning to external procurement, where we even find that functions such as transport, accounts, computer services, even purchasing can be outsourced. This gives the company employees time to perform their duties to the company's satisfaction and this improves the organisational performance which is every company's objective to achieve competitive advantage.

Eyaa, 2006, defined outsourcing as a decision by firms to have an external supplier to take over an activity that would have otherwise been performed in-house by organisation employees. Usually organisations look for the best service providers to whom to outsource their work, this gives them a chance to get their work done by experts which means good quality work leading to a good company name.

Lysons and Gillingham, 2003, states that outsourcing is the strategic use of resources to perform activities traditionally handled by internal staff and their resources. It is a management strategy which an organisation outsources major non-core functions to specialised and efficient service providers to help the organisations perform best where it

is best capable.

Axelsson and Wynstra, 2000 defines outsourcing as a decision and subsequent transfer process by which activities that constitute a function that earlier have been carried out by a company are instead purchased from an external supplier. Usually companies that provide outsourced services choose what they can do better, this means training their workers to perform to the best of the clients expectations. This means specialisation with all its benefits to organisations.

Different Authors like, Bendor, Bona and Lysons suggest that the following activities should not be outsourced or if done it should be done with great management consideration; management of strategic planning, management of finance, management of consultancy, control of supplies Quality and environmental management. The ranges of services that are outsourced are timeless and these include; Waste disposal, research and development, transmission service, estate management, customer brokage, catering, Asset repair and control library and cleaning.

Although various organisations have tried to look at what the different Authors have written and put it in consideration in their bid to outsource, they have not fully met their intentions like cost reduction, efficient and effective service provision from the service providers to whom they outsource their activities. This is partly due to the ever increasing prices of products which also mean increase in prices of services being outsourced.

## 2.2 Cost reductions.

Sabiti, 2003, says that, the organisation that outsources is cutting administration cost of maintaining or doing the activity in house, the overriding factor in outsourcing decision is cost cutting, but whereas this may make business sense in the beginning, in some cases it could bring complications and put the whole exercise at a high risk if all concerns are not adequately assessed. This means that the outsourcing organisation should not only look at the costs being low but also consider the outcomes of process of outsourcing at the end of everything to the organisation.

Manzi, 2004, states that the most common economic factor that influences the decision is the need to reduce costs .Where the benefits analysis has been carried out and has been established that it is most economic to outsource rather than continue to operate a given function looks forward to making profits in business.

Kulumba, 2005, states that, outsourcing is a popular phenomenon with managers because they believe that outsourcing vendors are inherently more efficient due to economies of scale. The outsourcing organisation benefits from getting the services from the provider at a reduced cost since it is provided on a large scale and usually for a reasonable time if it is good work.

Antonucci 1998, advised that, if the vendor is efficient than the prospective client, organisations could reduce its own costs through function consideration and resource optimization. Due to experience in the field and knowledgeable experts, it leads to proper



and efficient use of resources yet with good quality work.

## **2.3 Key factors necessary for outsourcing**

### **2.3.1 Competence**

Bourassa 1988, says that organizations should focus on core activities and leave the non-core activities to outside providers who have the skills to do them better. The providers who have all the required competence, skills, and service providers should be of desired level to be able to meet the company requirement.

K Farrington, 2006, also shows how important competence is, it is the core activities of the company that tell or manifest the performance of the organisation. These activities need much more time so as to come out at their best and give the company competitive advantage over others. This can be achieved through outsourcing non-core activities and concentrate on its core competence.

### **2.3.2 Management support**

Peter Jeans 2008, suggests that when it comes to outsourcing, it should be supported by all departments of the organisation so as to get the best of the benefits of outsourcing in the organization. To achieve success, we always have to stand together to share ideas for better organizational performance.

Garry Petty, says that any activity in the company done without management consent and support is a manifestation of failure in that activity. This shows how much important

management support and involvement is in all company activities outsourcing inclusive.

## **2.4 Drivers of outsourcing**

### **2.4.1 Quality actual capacity**

Lysons and Gillingham 2006, state that, it is temporarily insufficient to comply with demand; the quality motive can be subdivided into three aspects, that is to say; Increased quality demand, shortage of qualified personnel and outsourcing as a transitional period. Therefore companies have various reasons for outsourcing their non-core activities.

### **2.4.2 Finance**

Frankwood and Sangster, according to them, the company has a limited investment budget. The funds must be used for investments in the core activities which are long term decisions and leave non-core activities to outside providers to do them on behalf of the organization.

### **2.4.3 Core business**

Erick Bartz, shows that, Core business is a primary activity that enables an organization to generate revenues to concentrate on core business activities. All subsequent activities are supportive and should be outsourced to give enough time to the core activities.

### **2.4.4 Benefits of outsourcing**

Outsourcing is beneficial in the following ways;

### **2.6.1 Cost saving**

This is the lowering of the overall cost of the service to the business. This involves the score defining quality levels, repulsing, renegotiations, cost restructuring, access to lower cost economies through off showing cold labor arbitrage

### **2.6.2 Specialization**

Lysons and Gillingham, say that, Outsourcing allows an organization to concentrate on areas of business that derive competitive advantage and outsource non core activities to specialist with better skills and expertise.

### **2.6.3 Access to innovation**

There are opportunities to have access to capabilities of suppliers into the products and services of the customer organization rather than attempt to replicate the capabilities of a supply network

## **2.6 Challenges of outsourcing**

Like any restructuring exercise and management decision making in business, there are risks associated with outsourcing that procurement managers or top management need to consider carefully (Procurement News December,17<sup>th</sup>,23<sup>rd</sup> 2003) and these may be; The possibility of over depending on or leveraged by suppliers which make switching costs to other suppliers in future prohibitively expensive. Over a long time, a supplier of outsourced service may become complacent or change ownership and also a risk of a fall in employ morale for fear of being made redundant, confidentiality links of company

matters and in some instances loss of intellectual property rights.

Eyaa, 2006, says that, high prices being imposed on suppliers due to increasing trends in outsourcing, the demand for suppliers is so high and has pushed the rates being charged by the suppliers to be high. This later increases the costs yet outsourcing is all about helping firms cut costs. Too much expectancy from suppliers as Company employees tend to expect too much from supplier firms as far as service provision is concerned because they are specialists yet things can go wrong once in awhile. Such issues should not be ignored.

Manzi, 2005, according to him, there is a possibility that vital company information may be at a risk of being linked to the company's competitors which is dangerous since some suppliers may be spies to the company.

### **Conclusion.**

Organizations always want to let specialists in a particular area accomplish a certain task for them. This implies that business can benefit from the practice of outsourcing. Outsourcing is growing at an exponential rate and could deliver desired benefits if proper choices are made at the inception of the arrangement. When companies choose to outsource, they should give themselves room to monitor performance, renegotiation, or terminate the arrangement with the service providers. The outsourcing client must also ensure that their employees are informed about the progress of discussions regarding outsourcing their department and properly treated when the arrangements come into effect.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter provided an over view of the methods used to collect and process data/information. It gives the research design the sample selection methods, size, and data processing.

#### **3.1 Research Design**

The study used both qualitative and descriptive study designs. Both methods were used to help carry out self report data collection from the interested sample and allowing a thorough and easy analysis of the respondents' opinion. Both survey designs adequately lead to collection of reliable data information by description of the impact of outsourcing on organizational performance in the study area.

#### **3.2 Data Collection Methods**

Data was collected from interviews conducted in Rwenzori Bottling Company as well as responses from the questionnaires. Some of it is from secondary sources such as magazines, text books, internet and Newspapers and this is quoted where necessary and used to draw deductions as per the study.

#### **3.3 Data processing and analysis**

The information was assessed, edited to eliminate the errors, the data was then coded and grouped according to the study to ease analysis, was then analyzed using SPSS. The findings

were interpreted in light of the research objective and reviewed in order to attach meaning to the Data collected.

### 3.4 Limitations of the study

#### **Financial constraints**

Relatively a lot of money was required in this study. This involved photocopying of articles, making phone calls, word processing, binding, transport. These increase the cost of the study. However, I got financial support from the relatives.

#### **Language barrier**

Questionnaires written in English were only limited to respondents who only know English. This was quite a problem while extracting information from the illiterate respondents. Although I got interpreters and the problem was solved.

#### **Lack of adequate cooperation**

Some respondents were busy and others suspicious of the study thereby not willing to fully cooperate. Officials in the procurement department are busy attending to their normal schedules and meetings and had no time to answer some of the questions. This affected the quality and quantity of data collection. But I convinced them that the study was for education purposes only.

#### **Limited time**

There was a threat of time limit and deadlines that needed attention considering the fact that the study was carried out alongside other activities like course works, lectures and tests as well. This was solved by encouraging the respondents to fill the questionnaires quickly so that I can meet the deadline.

## CHAPTER FOUR

### PRESENTATION, INTERPRETATION AND DISCUSSION OF THE FINDINGS

#### 4.0 Introduction.

This chapter presents findings from literature review, primary data from the interview and questionnaires filled by Rwenzori Bottling Company staff. The study is guided by the objective of assessing the impact of outsourcing on organizational performance.

#### 4.1 Relevance of outsourcing.

To Rwenzori Bottling Company, outsourcing is relevant in different ways, say, it eases the working process, it is cost saving and provides more time to the company employees to concentrate on the core activities. This helps the company/ the organization to keep in business with competitors in the industry as lack of concentration may have a very big impact on the company's performance and customers may be taken.

Rwenzori Bottling Company outsources its non core activities leaving the core activities to their staff. In Rwenzori Bottling Company, all core activities such as the, production of all their products, the cooler department, the ware house, managerial staff recruitment, among others have not been outsourced for reasons like protecting the quality of the company's product, protect company secrets and records.

However, non core activities have been outsourced to outside providers who have more expertise and these include the following;

- Medical services to staff are provided by International Medical Centre which renders medical services to the staff whenever they need it.
- Cleaning services in all departments of the company is done by A&A cleaning services
- Motor vehicle repair and servicing is done by City Tyres Company Limited to the company cars.
- Security services are provided by Saracen Security Services Limited.
- Part of the transport of the company's products is done by individuals with trucks that are in conditions good enough to deliver company products to the various destinations.
- Catering services are provided by Sunset Hotel where staff is able to get their meals in time and get back to their duties in time.

The other findings indicate that outsourcing is a manifestation of hurdles that are associated with the functionality of internal departments. This is because some senior organisation executives have a feeling that there is no return on expenditure, in sourcing does not meet the needs of the business and forecasted gains in productivity that are used to justify that never materializes. As a result of this perception, top executives find outsourcing more relevant as a means of cost saving and focusing on their core business activities.

#### **4.2 Nature of organizational performance**

Rwenzori Bottling Company considers outsourcing of non core activities as the best option. It looks at identifying potential providers, establishing both short term and long term



relationship with the service providers without compromising the objectives of the organization as a way of having good organizational performance through outsourcing.

This is because the services that have been outsourced are also important to the organization as well as its performance in the long run.

#### **4.3 Whether outsourcing improves organizational performance**

It is seen that the impact of outsourcing on the performance of an organization depends on which stake holder is making the analysis. In Rwenzori Bottling Company, many of the non core activities are outsourced in order to give the organization ample time to concentrate on core activities such as production and the cooler department. Looking at the way activities were done before outsourcing, for instance, in the transport department, it was at times hard to deliver company products to the customers in time more especially the ones in the remote areas, but with the idea of outsourcing part of transportation to capable individuals, such customers have been catered for as they are now able to get what they need in time. This promotes customer loyalty and creates a good company image leading to competitive advantage. This indicates an improvement in organisational performance through the transport department.

**Table 1: Information on Respondents**

<b>Department</b>	<b>Certificate</b>	<b>Diploma</b>	<b>Degree</b>	<b>Masters</b>	<b>Total</b>
Sales	1	2	3	1	7
Procurement	0	2	3	2	7
Transport	1	3	2	0	6
<b>Total</b>	<b>2</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>20</b>

**Source: primary data.**

Table 1 above indicates that, majority of the people are degree holders. This implies that the company is in position of making good decisions about outsourcing.

#### **4.4 Conclusion**

Rwenzori Bottling Company carries out outsourcing to gain access to special expertise, to speed up delivery of services, reduce costs, focus on core activities and improve technology among others. Since the inception of the concept of outsourcing, organisations find outsourcing as the preferred method of procuring noncore services and enjoy benefits of outsourcing by concentrating on core activities thus improved management performance

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.0 Introduction.

This chapter looks at the summary of the findings, conclusions and recommendations drawn from the study.

#### 5.1 Summary

Basing on the case study of Rwenzori Bottling Company and other literature by various authors, it is believed that organizations outsource services that are noncore to the organization. It is established that outsourcing has a long term as well as short term bearing on the organization. The study establishes why organizations outsource many of their non core activities. This is seen by analyzing and discussing the literature review and the interview conducted in Rwenzori Bottling Company.

#### 5.2 Conclusions

Basing on the study above, it is clear that outsourcing positively increases on the performance of organizations, that is to say, it reduces on costs, increase access to new technology, new expertise, core competence concentration, speed up delivery and increase revenue / profits. Therefore, the rate of organizational performance as a result of outsourcing is high in both short and long- term and many business executives are committed to attach their success to the outsourcing process.

In the previous chapter, we find that to a greater extent, outsourcing is very relevant Rwenzori Bottling Company, however, it is not in order to judge outsourcing as trouble free since it is associated with some calamitous results and firms need time to apply clear outsourcing methodologies in order to realize its full usefulness.

### **5.3 Recommendations**

Organisations should outsource their noncore business to outside providers that can bring great competitiveness. This is because outsourcing gives company staff more time to concentrate on core competences to produce better quality products and outcompete their competitors in the market hence a competitive advantage.

Organisations should establish a partnership with the service providers to establish tools to measure the performance where organizational requirements should be matched with the implementation process through identifying new skills, abilities and knowledge for each project, thus, encourage organizations to obtain front-edge outsourcing.

The choices are many for service outsourcing as well as their providers; therefore, this puts organization on attention to strategically assess their partners. Organisations should not only consider cost reduction and base on low prices and big players to fill their requirements, but should also emphasize the type of relationship and the trend of behavior between the outsourcing organization and the service providers.

Organizations should come up with clear acknowledgement on whether the service provider will be able to respond reasonably to the expectations and frequent changes in

business and technology requirements to ensure continuity in service provision.

For organizations to measure outsourcing effectiveness as regards performance, they should put in place a standard format of measuring performance such as performance evaluation, performance ratios and performance appraisal such that the success from outsourcing g management point of view is the same as what clients deem to be success.

#### **5.4 Areas for further research**

Opportunities for further research still exist in this area. The study examines outsourcing and its impact on the performance of organizations; therefore, further research should be carried out on evaluating the role of procurement practitioners in effective outsourcing and service delivery.

## REFERENCES

Antonucci 1998, "The prose and cones of outsourcing", *Journal of Accounting*, Vol. 185, No.6. pp 26.

Baily et al 1998, "Purchasing Principles and Management", 8<sup>th</sup> Edition, Prentice Hall

Bendor, 2003, "Benefits of Outsourcing". Retrieved March-21<sup>st</sup> -2011.

Bona, 2006, "Meaningful Involvement: Purchasing and Outsourcing", 1<sup>st</sup> World Wide Research Symposium Proceedings.

Bourassa, 1998," Outsourcing IT, CMA Magazine ", May 1998, Vol.72, Issue 4 pp 6

David and Ian, 2003, "A-Z Business Studies Handbook", 4<sup>th</sup> Edition, British Library Cataloguing Publication and Sangster, 1993, *Business Accounting*, 27<sup>th</sup> Edition, Pitman publishing, London

Eyaa, 2000, "The Keys to successful Outsourcing, Procurement News", March-2006, pp48.

Gillet, 1994, "Concerns over risks involved in Outsourcing", *International Journal of physical distribution and material management*, pp 15.

Lines and Martine, 2002, "Complete A-Z business studies", 3<sup>rd</sup> Edition, British Library Categorized Publication.

Lysons and Gillingham, 2003, "Purchasing and Supply Chain Management", *6th Edition*, Prentice Hall Publishing.

Kamuntu, 2003, "What is Outsourcing".

Karasev, 2003, "Reasons for outsourcing", Retrieved March 19<sup>th</sup> 2011

Kirkpatrick, 1991, "Why not outsource your Computing", *Journal of Introduction Systems Management*, Vol. 34, No. 25, pp23-28.

Manzi, 2004, "Outsourcing and the make or Buying Question".

O'Donnell, 1998, "The ABCs of Outsourcing, Software Magazine", *July 1998, Vol. 18, Issue 19, pp 40.*

Sabiti, 2004, "When Outsourcing Comes with High Risk of Exposure".

Sinesky and Wasch, 1992, "Understanding Outsourcing"; *A Strategy for Insurance Companies, Journal of information systems management, January, pp 32-36.*

White and James, 1993, "Performance-Based Services Contracts", *Inside Supply Management, June 1993, Vol.14, No. 6.*

## APPENDIX I: RESEARCH QUESTIONNAIRE.

Questionnaire to the management and employees of Rwenzori Bottling Company.

**Dear respondent.**

I am Okello Stephen a 3rd year student at Kampala international university pursuing bachelor's degree in supply and procurement management. I wish to conduct a study on your company on why organizations continually outsource most of their non-core activities. The information given is purely needed for academic purposes and therefore will be treated with utmost confidentiality. I request you to spend a few minutes and answer this questionnaire.

Your cooperation will be highly appreciated.

### SECTION A.

1. What is your gender?

Male

Female

2. How old are you.

20 years and below

21-30 years

31-40 years

41-50 years.



3.a) In which department do you work?.....

b) What position do you hold?.....

c) What is your profession?.....

d) How long have you been in this organization?.....

**SECTION B.**

4. When did your company start outsourcing?.....

5. Which services do you get from outside providers?

.....  
.....

6. Why do you outsource? Reasons.

.....  
.....

7. What benefits do you get from outsourcing as compared to in-house sourcing?

.....  
.....

**SECTION C.**

8. Has outsourcing improved delivery of services?

Yes  No

9. Do you face any challenges in outsourcing your services?

Yes  No

10. If yes, state these challenges

.....  
.....

11. How has outsourcing contributed in terms of efficiency and cost reduction?

.....  
.....

12. How do you manage daily outsourcing?

.....  
.....

13. How has outsourcing helped you to concentrate on core competences?

.....  
.....

14. How do you outsource service providers?

.....  
.....

**THANK YOU**