

**E- PROCUREMENT AND SUPPLY CHAIN PERFORMANCE
A CASE STUDY OF THE NEW VISION PRINTING AND PUBLISHING
COMPANY.**

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**A RESEARCH REPORT SUBMITTED TO KAMPALA INTERNATIONAL
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DECLARATION

I Mugabi Simon declare that the work presented in this Report is exclusively a result of my own efforts and hard work and It has never been submitted to any academic institution of higher learning for any award of a degree, diploma or any certificate.

Signature.......... Date

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DEDICATION

I dedicate this research report to my beloved Mother Mrs. Resty Kenganzi who has tirelessly supported me financially and ethically for the entire time I pursued this course and her endless efforts to see me educated. May the heavenly Father bless you for your kindness and affection to me.

APPROVAL

This research report by Mugabi Simon has been under my supervision and is now ready for submission.

Signature.......... Date..........

MR. TIMBIRIMU MICHAEL

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LIST OF ACRONYMS

B2B	Business to Business
B2C	Business to Consumer
EDI	Electronic Data Interchange
ERP	Enterprise Resource Planning
ICT	Information and Computer Technology
MRO	Maintenance, Repairs and Operations
MRP	Material Resource Planning
RFI	Request for Information
RFP	Request for Price
SME	Small and Medium Enterprises
TQM	Total Quality Management

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ABSTRACT

This study E-procurement and supply chain performance was arrived at due to the increased need by business firms to adopt and accommodate more effective and efficient information technology systems into their business operations in order to add value and remain competitive in the modern business world.

Generally, the study aimed at investigating the drivers of e-procurement and its implementation or integration in the traditional business procurement practices. Specifically it aimed at examining the state of affairs as far as performance of a company's supply chain is concerned when e-procurement is integrated into its operations.

Literature was reviewed thematically looking at the major themes of the topic adopted from the specific objectives and research questions. Such included indentifying and understanding the drivers of e-procurement viz-avis examining the measures of supply chain performance in the modern business world, and the inherent challenges faced. This formed a basis for identification of gaps in the topical area of the study.

The study adopted a descriptive approach to data collection and analysis focusing on the procurement, evaluation committee and IT departments of the New Vision Printing and Publishing Company. The dominant methods here included interviews, observation, questionnaire and secondary data analysis.

The data collected from the field was entered into Epidata and analysed using SPSS statistical method of data analysis. It was found out that e-procurement greatly improves on organizations' supply chain performance by 70% as compared to the traditional procurement practices.

CHAPTER ONE

Introduction

1.1 Background to the study

E- Procurement is part of a broader concept called information technology which has provided organizations with vast opportunities to operate beyond their traditional physical boundaries, McGregor and Vrazalic, (2005). In particular, e- Procurement has increased professionalism in the skills of procurement staff by encouraging greater use of information technology systems which has provided firms with more efficient solutions to drive significant value into their business Neef,(2001). Indeed in 2003, one of the major advocates of internet based business strategies, Michael Porter stressed that if firms' intent is to remain competitive, they should let their business modes adopt and accommodate more effective and efficient internet based business approaches. He further states that the internet will only become a powerful source of competitive advantage if it is integrated in a firm's overall strategies.

Such adoption has however, produced both positive and negative effects for firms in relation to commercial relationships and e-procurement deployment Vrazalic, (2005). The knock-on effect is that e-procurement has led to a situation where firms have felt obliged to focus their attention on streamlining inter and intra organization procurement functions. The downside is that for those firms that have chosen to ignore the positive impact e-procurement can provide, or at least, have only half hazardly embraced the technology, much unnecessary and inefficient duplication of work efforts remains Gattiker, Huang and Scharz, (2007).

E- Procurement has been defined differently by various scholars. For example, Wu, Ross and Zsidisin, (2007) define E- Procurement as the use of information technologies to facilitate business purchase transactions for materials and services. It utilizes electronic commerce (internet) to identify potential sources of supply to purchase goods and services, to transfer payments and to interact with suppliers Min and Galle, (2003). E- Procurement solutions include e- cautions, e- tendering, e- marketing, and e- buying and e- commerce.

Supply chain became popular in the early 1980s and interest in supply chain performance on the part of academicians and practitioners has grown over the last two decades. Lambert and Cooper, (2000) defined supply chain performance as the integration of key business processes from the end user all through to the original suppliers that provide products, services and information that adds value for customers and other stake holders. It involves the integration of business information flows and people.

Presuti,(2003) asserts that factors which impact on supply chain performance include the decision in the area of facilities (location, number and capacity), inventory (economies of scale, ability to meet demand) and transportation (mode, networks) and has become a crucial and vital factor for ensuring survival of firms Hertley, Lane and Duplaga, (2006).

It has contributed significantly to more effective management of organizational change by minimizing the adverse effects of organizational politics. Supply chain performance aims at streamlining the firms supply process while simultaneously strengthening the strategic position of the firm Frohlich and Westbrook, (2002).

The New Vision Printing and Publishing Company has put in place all the structures required for a successful e- Procurement system, but the performance of its supply chain has not been without problems. Reasons for this include attitude of the staff, resource poverty, limited IT infrastructure, limited knowledge and expertise of the staff about the mechanism of e-procurement.

1.2. Statement of the problem:

The accelerating pace of change in technology demands that organizations be more flexible and adoptive in the business world. Evolutions in information technology have become paramount to the business world and thus various strategies such as e- commerce, e- marketing have been adopted by organizations in a bid to improve their competitiveness and efficiency in the supply chain both internally and externally. Procurement officers of many organizations have adopted new strategies like e- auctioning and e- tendering in an attempt to achieve sound supply chain performances. However, the adoption of these new technologies, such as use of the internet to source for suppliers as well as purchasing goods and services by firms has often proved to be reactive rather than proactive and is not technically compatible with some industrial sectors

hence organizations' supply performances have continuously declined. This research therefore seeks to find out whether e- procurement is a deliverer of real value in terms of quality goods and services, timely delivery and great savings in the supply chain.

1.3. Purpose of the study:

The purpose of this study was to empirically establish the role of e- procurement in supply chain performance.

1.4. Objectives of the study:

- To examine the drivers of e- procurement in the New Vision printing and publishing company.
- To examine the measures of supply chain performance.
- To establish the relationship between e- procurement and supply chain performance

1.5. Research questions:

- What are the drivers of e- procurement in the New Vision Printing and publishing company?
- What are the measures of supply chain performance?
- What is the relationship between e- procurement and supply chain performance?

1.6. Scope of the study:

The research is built in the view of literature about e-procurement and supply chain performance. The variable of e-procurement was investigated on how it affects supply chain performance and all discussions were considered from the period 2000 to date, and takes the case of the New Vision Printing and Publishing company which is located about five hundred metres off old port- bell road, on 1st street, Industrial area next to club silk.

1.7. Significance of the study:

- The study added knowledge to the field of procurement through the use new technological methods like the use of internet.
- The research provided reference material for up coming researchers by adding on the existing literature in related studies.
- The study helped the researcher to improve and build on his research skills.

CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction.

This chapter deals with various topics and sub topics about e-procurement and supply chain performance. It includes the definition of e-procurement, significance and drivers of e-procurement, implementation of e-procurement and the relationship that exists between e-procurement and supply chain performance.

2.1. E-Procurement.

E-procurement has been defined differently by various scholars. For example Wu, (2007) defined e-procurement as the use of information technologies to facilitate business purchase transactions for materials and services.

This research recognizes the extensive nature of e-procurement and uses the definition by Min et al. (2003) where e-procurement is referred to as business to business purchasing practices that utilize electronic commerce to identify potential sources of supply, to purchase goods and services, to transfer payments and to interact with suppliers.

Many companies have adopted the use of internet with an aim of improving their supply chain performance both in the internal and external processes and those processes beyond their boundaries Bartezzaghi and Ronchi, (2005).

2.1.2. Categories of e-procurement.

E-procurement is divided into two categories namely indirect and direct e-procurement Minahan and Degan, (2001). Direct e-procurement includes the acquisition of raw materials, parts and assemblies and all components that are used in the manufacturing process of finished products such as sheet metal, semi conductors and petrochemicals Lamming, (2002).

Indirect e-procurement includes the acquisition of non production goods and services such as office supplies, advertising, casual labour etc. Laudon and Traver, (2004) and it usually consists of 30 – 60 percent of the firm's expenditure. Much of the literature on e-procurement has focused on indirect purchases maintenance, repair and operating supplies – MRO^s) as stated by Orr, (2002)

Implementation of e-procurement may initially be more suitable to certain contexts within procurement Bartezaghi et al, (2004). Usually companies adopt e-procurement systems to manage the supply of critical products and services and as such, the indirect purchases (MROs) tend to be transferred to an electronic platform of the supply stage Min and Galle, (2003).

The internet in this case can maximize supply chain performance by ensuring steady flow of supply both internally, externally and other global processes Bartezaghi et al, (2004). In a general e-commerce context, it is widely suggested that services rather than products are more suitable for e-procurement Harris and Cohen, (2003).

Another issue is the frequency of use of MROs: while being the most common e-procurement purchase, it is also the most frequent organizational purchase due to their intangibility and high transactional costs. This is explained by the fact that service providers fall under the umbrella of MROs which leads to a struggle for competitive advantage Reason and Evans, (2007). As a result electronic media works to support the relationship between suppliers and buyers which in turn improves the supply performance through exchange of information.

2.1.3. Drivers of e-procurement

The transition to modern e-procurement calls for strategic adoption. It is one strategy, though, that requires much organizational change McGregor et al, (2005). Common e-procurement tools include online catalogues, e-auctions, e-sourcing and e-collaboration and the ever advancing capabilities of technology are all important drivers of e-procurement implementation for businessmen Alohn, (2004). E-procurement can facilitate improved accuracy, reduce clerical work and order-cycle time as well as increase productivity Heywood, (2002).

2.1.4. Factors Influencing adoption of e-procurement

There are five main factors that appear to influence the adoption of e-procurement which include the following;

The main organizational factors that appear to impact on the likely adoption of e-procurement are size and type of operation; e-procurement is more evident in bigger organizations than smaller enterprises Forester, (2003). Reasons for this include owner's attitude, resource poverty, limited IT infrastructure, limited knowledge and expertise with information systems in the small enterprises and organizations Harland, (2007). However, e-procurement can be viable for SMEs through web-based enterprise cooperation or through the use of the business case for e-adoption Berlak and Webber. (2004).

Some types of organizational operations seem to lend them to e-procurement. The use of e-procurement applications often goes hand in hand with certain purchase – supply forms or systems which require reduced human intervention and paper work and often resulting in improved performance for buyers and suppliers, Melville (2005); Sanders, (2004). Operations with high usage of MRO supplies are more likely to vary in the number of buyers and suppliers, their connectivity and purpose of trading Cullen and Webster, (2007). Make-to-order supply chains differ from make-to-stock supply chain. Logistics requiring regular tracking of items are more likely to use e-procurement Lancioni, (2000).

Organizational readiness is another factor that impacts on e-procurement strategy Mehrrens, (2001). Many firms are experiencing a number of major problems of considerable media and software vendor type and often no theoretical basis behind the determination of which application are most appropriate Cox, (2001). To attain the greatest benefits, purchasing processes should be evaluated and improved before adopting e-procurement tools. Internet technologies enable integration with trading partners, yet amplify the need for fundamental organizational change Power and Singh, (2007). Internal barriers to e-procurement adoption are more significant than customer or supplier barriers. Lack of organizational readiness has been attributed mainly to human readiness. This implies that there is need for supply firms to exhibit

professionalism to ensure that their own organizations are ready for e- procurement adoption, Hartley (2006); Frohlich, (2002).

E-procurement can be used to support broader public or government procurements through both traditional and e-commerce processes. E-procurement through public domain can be seen as a policy tool to support the delivery of public procurement policy, improving transparency and efficiency Carayannis and Popescu, (2005). It can assist government in the same way it does to business to make better decisions by improving supply performance and getting more value Croom and Brandon, (2005).

Strategic factors, where a company may adopt e-technologies as part of its overarching strategy, contributing to improving the firms' performance and increasing competitive advantage. The strategic use of e-business has been considered in several studies, and how e-business strategy aligns with the overarching business strategy of a firm. The internet will only become a powerful source of competitive advantage if it is integrated in the firms' overall strategies Porter, (2001). The role of IT has evolved from a productivity tool to a more strategic level Wu et al, (2003). An e-business strategy should specify the aims, goals and context of the application Soliman and Youssef, (2001); these choices should be aligned processes Graham and Hardaker, (2000). These studies suggest that if organizations are being strategic in their e-procurement adoption, they should have a specific e-procurement strategy and that this will align with broader organizational strategies.

Different factors in supply chain performance have got different powers, legitimacy and urgency. E-procurement can have an effect on trust in supply chain relationships Gattiker et al, (2007); Lack of assistance and structural inertia of large organizations in supply chains can be a disincentive to implement e- business Zhu, (2006). Different industries show different propensities to e-procurement adoption, related to use of existing information exchange infrastructures prior to the advents of the internet Cagliano, (2005). The greatest benefit of e-business occurs when its application is fully integrated throughout the supply chain of a firm Currie, (2000). E-procurement is more likely to be adopted if it is perceived that suppliers have capabilities to deal with it; there are difficulties in integrating information systems across firm's boundaries in supply chains if suppliers lack capability Bagchi and Skjoett-Larsen, (2003).

2.1.5. Benefits of e-procurement

Heywood, (2002) believes that e-procurement offers enough benefits to a firm to be considered a strategy for competitive advantage.

There is potential for organizations to realize numerous benefits from e-procurement implementation. Cost savings can be achieved where buyers report an average reduction in purchase price of up to 17 percent Bartezzaghi et al, (2005). An interesting point is made by Barrat and Rosdhal, (2002) who claim that the internet actually reduces “maverick” buying.

Prices are also lowered through aggregate buying which allows multiple buyers from one organization to buy as one customer and makes it easier to monitor expenditure within an organization Barrat et al, (2002).

Improved process efficiency is a key benefit of e-procurement where order fulfillment time can be shortened by up to 80 percent Minahan, (2001) and reducing inventory cost by as low as 50 percent. E-procurement has the potential to streamline inefficient procurement process by removing the manual, paper-based administrative and bureaucratic elements inherent in procurement systems Bartezzaghi et al, (2005) thereby ultimately improving an organization’s returns on investment.

Despite the noted benefits, most certainly, organizations can be presented with a range of challenges when implementing e-procurement. After an extensive review of the literature on e-procurement these challenges are delineated under the headings below;

Internal Integration will require commitment from senior management is communicated throughout the organization. The absence of such commitment and poor communication of strategic direction may lead to a lack of understanding of what the procurement project hopes to achieve, how employees will be affected and how the project will benefit the company as a whole Neef, (2001 p.188). If the e- procurement project is seen as a large, exclusively purchasing and ICT-based investment with little or no benefit to any other areas, such negative managerial mindsets may lead to stagnation of the project Reilly, (2009).

Security is a concern that becomes paramount with the exchange of mission-critical data over the internet Min et al, (2003). This is because the internet opens the door to new suppliers, and can change the landscape of previously familiar marketplaces, Klein and Quelch, (1997).

Although advanced security options are available, namely digital certificate technology, those currently in use lag behind technology's capability, Neef, (2001).

Technological integration. Concurrently the internet, whether it is facilitating communication, data transfer, or commerce provokes much debates on the issues of trust and privacy, Gilbert (2002) and Warkentin, (2000). Given the variety of systems and technology platforms involved, integration software is necessary Hitech Dimension Inc, (2002).

Strategic Initiative. Hui-zingh, (2008) stated that e-procurement is not an off-the-shelf panacea and the internet must always be seen as a tool, not a strategy. While Reason and Evans (2000) suggest that each organization must decide how to strategically integrate to enhance their unique procurement activities.

External Integration. Mohindroo, (2003) holds that the goal of any business-to- business initiative is end-to-end value chain visibility and integration. Externally then, the business case must be proven to suppliers Corini, (2000) and collaboration between buyers and sellers must be proactive.

2.2 Supply chain performance

The integration of key business processes is essential to effective supply chain performance, Lambert, (1998) and the extent to which e-procurement applications facilitate performance is an important focus in this study. The importance of effective performance in supply chain can only be fully appreciated with an understanding of how supply chain performance has been conceptualized.

Metz, (1998) described supply chain performance as a process oriented, performance approach to procuring, producing and delivering products and services to customers. Lambert and Cooper, (2000) defined supply chain performance as the integration of key business processes from the end user all through to original suppliers that provide products, services and information that add value for customers and other stakeholders.

Intra- and Inter firm integration of processes is imperative because it increases the overall performance of individual firms and the supply chain performance Vickery, (2003); Spekman et al. (1998). Internal integration is achieved when firms effectively coordinate multiple processes on an enterprise wide basis. Narasimhan and Kim, (2002) noted that the ability of distinct functions working together to create seamless interfaces across processes is fundamental to the success of firms and the supply chain performance. To achieve integration across enterprises (external integration) firms must recognize the importance of suppliers as an integral part of the supply chain and engage in collaborative efforts with them, Narasimhan et al, (2002).

A key factor contributing to enhanced supply chain performance is strategic fit. A firm should seek to build supply chain capabilities (including the selection of e- procurement applications) that support the overall corporate strategy Wisner, (2005). Without this consistency, improved supply chain performance can not be achieved. According to Wisner, (2005) additional factors that impact on supply chain performance include the decisions in the area of facilities (location, number, capacity), inventory (economies of scale, ability to meet demand), and transportation (mode, networks).

Different individuals and organizations have developed different measures to asses their supply chain performance. The following are the different measures which individuals and firms take up in measuring their supply performance;

The main organizational factors that appear to impact on the supply performance of organizations is the size and type of operation of an organization. Bigger firms are in a better position to perform better than smaller firms due to reasons like more resources, a high IT infrastructure, Extensive knowledge and expertise with information systems Harland, (2007). Operations with high usage of MRO supplies are more likely to vary with the number of buyers and suppliers, their connectivity and the purpose of trading Cullen and Webster, (2007)

Policy factors where public procurement can be used to support broader government policies can also be used to measure firms' supply performance. This policy tool can be used to support the

delivery of public procurement policy and improving transparency and efficiency Carayanni et al. (2005).

Organizational readiness factor and external pressure can be also used as a tool to measure supply performance Mehtens, (2001). To attain the greatest benefit and performance, purchasing processes should be evaluated and improved before implementing Pressuti, (2003).

Different factors in supply chain performance have got different powers, legitimacy and urgency and can have an effect on trust in supply chain relationships Gattiker et al, (2007). Lack of assistance and structural inertia of large organizations in supply chains can be a disincentive to supply chain performance Zhu et al, (2006). Through the existence of exchange of information, high levels of supply performance can be achieved Currie, (2000).

2.3 Challenges of Supply Chain Performance

While many firms adopt various strategies and applications like E-procurement in an attempt to achieve the proposed benefits of these strategies and applications and the overall supply performance, it should be noted that the use of this strategies and applications do not guarantee positive outcomes for buyers or suppliers. For example Emiliani and Stec, (2005) study of reverse auction use in the wood pallet industry found that suppliers engaged in retaliatory pricing when the opportunity presented itself. Buyers encountered unanticipated costs, and less than optimal buyer-supplier relationships resulted.

Some additional challenges associated with the effectiveness of supply performance include information sharing within and across firms, overcoming the “silo mentality” within the firm, sharing proprietary information with supply chain members, and intellectual property matters Percy, (2004).

Lack of sufficient capabilities and technical factors by firms in the realignment of the procurement function, integration of the different strategies and applications with other relevant systems of the purchasing organization, and integrating of suppliers at an early stage may cause the decline and reduction of a firms supply chain performance Puschmann and Rainer, (2005).

2.4 The relationship between e-procurement and supply chain performance

Today most of the developed firms and industries use E-procurement as a form and method of improving efficiency and the overall performance of supply chain. In E- procurement literature, it was pointed out that typically the performance of supply chains is improved by almost to 65 percent as compared to “traditional” procurement transactions when e-procurement is adopted. E-procurement uses different methods and techniques in improving supply performance as explained below;

E-auction enables the purchasing organization to buy goods and services that have the lowest price or combination of lowest prices and other conditions via the internet technology. The auction is mostly between the buyer and the supplier. This takes place in the negotiation step of the procurement process. An e-reverse auction is a dynamic bidding process that typically results in lower prices than the buyer has previously paid Emiliani et al, (2002).As the bidding process is conducted in real time and often with many suppliers bidding; the whole process does not have to take more than one hour, thus resulting in efficiency gains.

E-tendering is the process of sending request for information (RFI), request for price (RFP), etc to suppliers and receiving the response using internet technology. The data concerned with e-tendering is focused on the product or service itself Duplaga, (2006). Here it is possible to have an initial screening process where a selected number of suppliers qualify for the negotiation step. Initial screening can be automated and thus consumes less time and labour. This screening is easy to perform on distinct features of a product or service, such as price, lead time, quality, flexibility and many others (specifications) which in turn lead to an improved and better supply performance Lane, (2007).

E-informing is part of e-procurement that does not involve transactions or call offs, but instead handles information about supplier regarding quality certification, financial status or unique capabilities. Supplier data can come from a third party information provider and from firm's own investigations about the supplier. Data from third party provides information for supplier assessment Britan, (2001). From a buying firm's perspective it is of great interest to know as

much as possible about your supplier in order to gain more information that can render power advantage over the supplier.

E-sourcing is the process of finding potential new suppliers using the internet in general or, more specifically, a B2B market place. E-sourcing helps in availing information concerning new suppliers via the market places instead of having to examine each and every single supplier. Identification of new sources of supply increases the competitive forces as well as improving and advancing the supply chain performance Porter,(2000).

ERP and E-MRO focus on the process of creating and providing supply and purchasing requisitions, placing the orders and receiving the goods or services and ordering using software systems based on internet technology. The difference between the two is that E-MRO deals with indirect items whereas ERP deals with product related items. Reducing transaction costs and improving the main value adding mechanism for both E-MRO and ERP.MRP II, experience has shown that it can maintain lower levels of safety stock Braglia and Petroni, (1999). This has the effect of reducing the average inventory level and as a consequence releases valuable cash into the business. In MRP II, this is likely to happen because orders for raw materials are sequenced to arrive at approximately the same time as each item appears in the master production schedule. The impact of MRP II on raw materials inventory levels is therefore to maintain just the right amount of inventory and ensure a steady cash flow which in turn leads to a better supply performance.

MRP II and TQM focused companies are quick to emphasize the important role that internet information systems have in the TQM process. The information system instills a comprehensive and integrated approach for an organization to achieve improved quality in the product and or services it offers Jones, (1988) and Keith, (1994).

While the use of e-procurement applications can be used to assist firms in achieving supply chain performance, it also has the potential to impede supply chain coordination and cooperation. In fact a key concern about online e-reverse auction use among practitioners and academicians is that suppliers might become less cooperative because they view this procurement as a means for the buyer to extract price reductions, often to the detriment of their own profit margins Emiliani

et al, (2005). For example Percy, (2004) explain that under certain circumstances, the use of online reverse auction was significantly related to a lack of supplier cooperation in assistance with the designing processes that improve performance.

2.5 Conclusion

Like it was observed E-procurement deals with business to business purchasing practice that utilizes electronic commerce to identify potential sources of supply, to purchase goods and services, transfer payments, interact with suppliers and improve on supply performance by improving internal, external process and processes going beyond their boundaries. Despite the fact that business-to-business (B2B) trade has enjoyed a quieter existence online than business to consumer (B2C) the benefit of E- procurement in a business to business setting are significant. Supply performance is usually achieved by utilizing performance systems and techniques like Just in time, Activity based management, Total quality management and many others and they work hand in hand with E-procurement tools to make sure that organizations achieve an effective and efficient supply chain performance.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter illustrates the research method used in this report and more so the design that was employed in studying and writing this study. It also contains the type of information as well as the source of data. Besides, this chapter shows the data collection procedures and methods, data presentations and data dispensations not forgetting the analysis of the data presented in this report as well as bringing to light the problems that were encountered during the undertaking, preparing and writing of the research study.

3.1 Research Design

This research was carried out precisely and impeccably using qualitative and descriptive research designs to give a clear picture of the study and to comprehend the concepts of e-procurement and supply chain performance, their applicability as well as an in depth analysis of the two concepts.

3.2 Sampling Techniques

Simple random selection procedure was used to ensure adequate representation. Before selecting a sample, the population was divided into sampling units then each unit was used to establish a sampling rate. To single out the categories of respondents which were used in the survey, a stratified random sampling technique was used.

3.3 Study population

The study considered employees of the new vision printing and publishing company for interview purposes and for answering the questionnaires.

3.4 Sample Size

. The study took into account 50 respondents and they included (5) IT officers, (12) Procurement officers, (5) evaluation committee members and (28) contract committee members.

3.5 Data Analysis

The data obtained was entered using EPI-DATA and then imported into SPSS for analysis. The findings were presented in the form of tables, pie-charts and graphs for easy analysis and interpretation.

3.6 Data sources

Primary and secondary forms of data were used.

Primary data was obtained from respondents by the researcher through the use of interviews and questionnaire methods of data collection.

Secondary data was collected from text books, journals, magazines and news paper articles. More so, internet journals especially Emerald.com, Ecohost.com and using the Google search engine that avail different articles and information on websites like library.net.

3.7 Data collection methods and instruments.

A pre-tested close ended questionnaire, observation and interview methods were used for data collection.

The interview method was used through approaching the company's procurement and IT officers as well as managers. The researcher asked them different questions which were answered instantly.

Through the questionnaire method, the researcher distributed the questionnaires to the procurement officers, IT officers and managers. All respondents were asked the same questions to which they answered by selecting the best alternatives of their choice for the questions by either choosing any of these; *strongly* agree (S/A), agree (A), not sure (N/S), disagree (D) and strongly disagree (S/D)

3.8 Limitations to the study.

In the course of undertaking this venture, the following challenges were faced;

Constraint of time given the scope of what had to be covered within the semester and the amount of time available, the researcher had limited time to carry out the research

Difficulty in accessing information on the discipline of e-procurement and supply chain performance whose information is not widely in circulation because these are new developments.

Financial constraint because a student by context is meant to be non-earning and thus in poor financial position, however the latter notwithstanding, such research costs a lot of money in terms of typing, printing and binding costs.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter includes the analysis and presentation of the data given by the respondents and discusses the findings of the entire study with reference to e-procurement and supply chain performance, a case of the new vision printing and publishing company. The researcher used a questionnaire as a tool to obtain data from the field. Some of the characteristics considered included gender of respondents, age of respondents, education level, post of respondent held in the company among others.

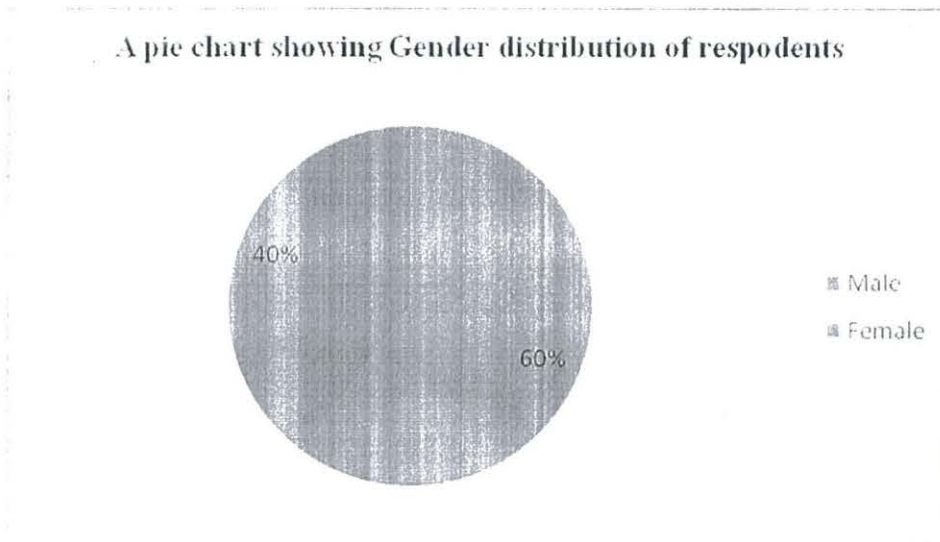
4.2 Demographic Characteristics of the Respondents

Table 1: Showing gender of respondents.

Sex	Frequency
Male	30
Female	20
Total	50

Source: Primary Data

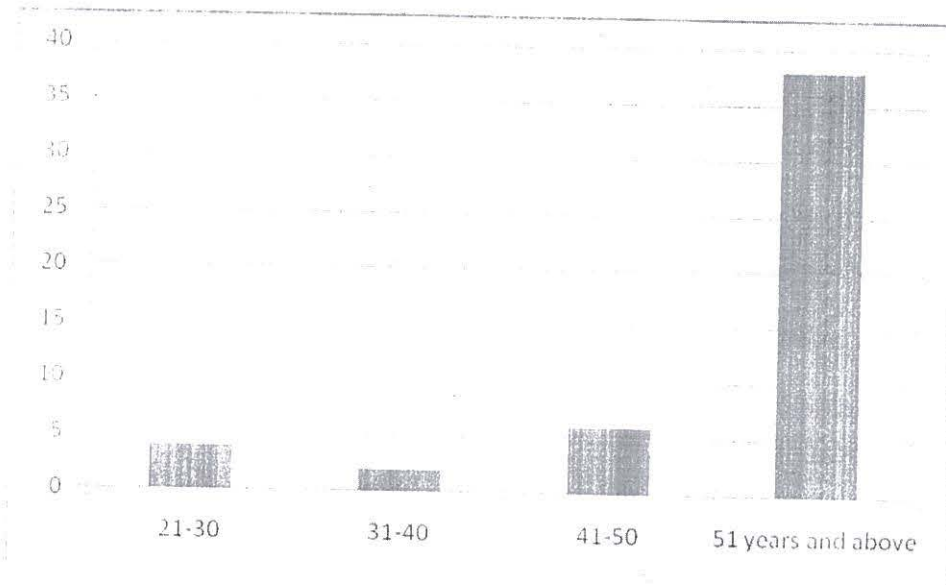
Figure 1: Gender distribution of respondents



From the information above, the distribution of the respondents according to their gender shows that majority of the respondents 30(60%) were male and that the females were 20(40%). Male respondents were more than female respondents because men are more involved and aggressive in business transactions than women.

4.2.1 Findings on the age of respondents

Figure 2: Age distribution of respondents



Source primary data

From Figure 2 above, a majority of the respondents 38 or 76% were over 51 years and above, 8% or (4) of the respondents were between 21 to 30 years, 4% were between 31 to 40 years, 12% or (6) were between 41 to 50 years of age. This implies that the information was got from mature people and is therefore viable.

4.2.2 Findings on the level of education.

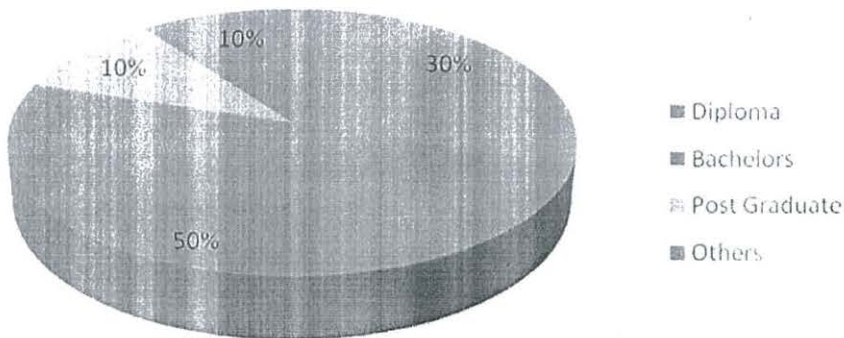
Table 2: Education level of respondents

Level of Education.	Frequency (f)	Percentage (%)
Diploma	15	30
Bachelors	25	50
Post Graduate	5	10
Others	5	10
Total	50	100

Source: Primary Data

From Table 2 above, 30% of the total respondents (15) were Diploma holders, 50% were Bachelors degree holders, 10% were post grandaunts, and 10% had other qualifications. This shows that respondents had the necessary knowledge and capacity to answer the questions in the questionnaires.

Figure 3: percentage distribution of respondents according to education level



4.2.3 Findings on the post held in the company.

Table 3: Post held in the company

Post held in the company	Frequency (f)	Percentage (%)
Contracts committee member	28	56
Procurement officer	12	24
Evaluation committee member	5	10
IT officer	5	10
Total	50	100

Source: Primary data

Most responses showed that 56% of the respondents were contracts committee members. 24% were procurement officers, 10% were evaluation committee members and 10% were IT officers. This means that the information got is reliable because all the major sections required for the study were considered.

4.2.4. Findings on the period spent working with the company.

Table 4: Period spent working with the company

Period (years)	Frequency (f)	Percentage (%)
<1	10	20
1-5 years	09	18
5-10 years	10	20
Above 10 years	21	42
Total	50	100

Source: Primary Data

As seen From Table 4 above, 20% of the respondents had spent less than a year working with the new vision printing and publishing company, 18% had spent between 1-5 years, 20% had spent between 5-10 years and 42% had spent more than 10 years. This implies that the respondents had experience and were well informed about the operations of the company.

4.3 E-Procurement.

Findings on E-procurement in the new vision printing and publishing company were considered with various questions raised and responses noted there in as indicated below. Where SA=Strongly Agree, A=Agree, NS=Not sure, D=Disagree and SD= Strongly Disagree.

4.3.1 Opinions on whether the firm implements e-procurement as a strategy due to increased competitor activity.

Table 5: E- procurement as a strategy due to increased competitor activity

Statement/Opinion.	Frequency (f)	Percent (%)
Strongly Agree	25	50
Agree	10	20
Not sure	05	10
Disagree	10	20
Strongly Disagree	00	00
Total	50	100

Source: Primary Data

As shown from the table above, 50% of the respondents strongly agreed that the firm implements E-procurement as a strategy due to increased competitor activity, 20% agreed, 10% were not sure while 20% of the respondents disagreed. This implies that the firm applies E-procurement in its purchasing activities as a competitor advantage strategy. Usually companies adopt e-procurement systems to manage the supply of critical products and services and as such, the indirect purchases (MROs) tend to be transferred to an electronic platform of the supply stage.

4.3.2 Opinions on whether E-procurement is still in its early stages of adoption in the company.

Table 6: Responses on early adoption of E-procurement in the company

Statement/Opinion.	Frequency	Percentage (%)
Strongly Agree	05	10
Agree	25	50
Not Sure	00	00
Disagree	15	30
Strongly Disagree	05	10
Total	50	100

Source: Primary Data

From the table above 10% of the respondents strongly agree that e-procurement is still in its early stages of adoption in the company while 30% of the respondents disagreed; 50% of the respondents agreed and only 10% strongly disagreed. This means that e-procurement being a new development of the purchasing function in the business world is still in its early stages of adoption in the new vision printing and publishing company.

Table 7: The use of more traditional procurement systems than advanced technologies

Statement/Opinion.	Frequency (f)	Percentage (%)
Strongly Agree	32	64
Agree	08	16
Not Sure	04	08
Disagree	01	02
Strongly Disagree	05	10
Total	50	100

Source: Primary Data

From the table above, research results reveal that 64% of the respondents strongly agree that the firm continues to rely mainly on traditional procurement systems even if more advanced

technologies are available. 16% agreed, 08 % were not sure, 02% of the respondents disagreed and 10% strongly disagreed.

This implies that e-procurement is used at a considerably lower extent in the company as compared to the traditional procurement practices.

Table 8: Opinions on the challenges faced by the firm in embracing e- procurement

Statement/Opinion.	Frequency (f)	Percentage (%)
Strongly Agree	35	70
Agree	15	30
Not Sure	00	00
Disagree	00	00
Strongly Disagree	00	00
Total	50	100

Source: Primary Data

From the table above it was found out that 70% of the respondents strongly agreed that the company has actually faced a number of challenges in implementing E-procurement and the remaining 30% also agreed. This simply means that implementing E-procurement and its mechanisms within the company's traditional procurement operations has faced a number of challenges.

Table 9: Responses on information Technology systems in the company

Statement/Opinion.	Frequency (f)	Valid Percent (%)
Strongly Agree	10	20
Agree	00	00
Not Sure	05	10
Disagree	20	40
Strongly Disagree	15	30
Total	50	100

Source: Primary Data

From the table above research results further showed that 20% of respondents strongly agree that the company's procurement staff have the necessary knowledge and expertise in information

technology systems to embrace E-procurement, 10% were not sure while 40% disagreed, and 30% strongly disagreed. This means that the company's procurement staff lacks the technical know how in information technology systems to easily embrace E-procurement mechanisms.

4.4 Supply chain performance

Table 10: Standards to guide in the practice of measuring supply chain performance

Statement/Opinion.	Frequency (f)	Percent (%)
Strongly Agree	10	20
Agree	06	12
Not Sure	10	20
Disagree	13	26
Strongly Disagree	11	22
Total	50	100

Source: Primary Data

From the table above, the research results indicate that 20% of the respondents strongly agree that the company develops sets of standards to guide in the practice of measuring supply chain performance, 12% agree, 20% were no sure, 26% disagreed and 22% strongly disagreed. This implies that the company does not have standards in place for measuring its supply chain performance.

Table 11: Shows systems for tracking customer requests

Statement/Opinion.	Frequency (f)	Percentage (%)
Strongly Agree	00	00
Agree	00	00
Not Sure	00	00
Disagree	02	04
Strongly Disagree	48	96
Total	50	100

Source: Primary Data

From the above table, research results show that 96% of the respondents disagree with the view that the firm develops good systems for tracking customer's interests in making sure that these requests get a timely follow up, and the remaining 4% also strongly disagreed. This implies that the organization has no mechanism in place for tracking its customer's interest or even ensuring that they get a timely follow up.

Table 12: shows whether information sharing is encouraged by the company

Statement/Opinion.	Frequency (f)	Percentage (%)
Strongly Agree	09	18
Agree	04	08
Not Sure	02	04
Disagree	12	24
Strongly Disagree	23	46
Total	50	100

Source: Primary Data

From the table above, 18% of respondents strongly agree that there are mechanisms in place to encourage smooth flow and exchange of information between the company, its customers and suppliers as a way of building trust and personal relationships, 8% agreed, 4% were no sure while 24% disagreed and 46% strongly disagreed. This means that the organization puts little emphasis in building long and lasting relationships (loyalty) with its customers and suppliers.

Table 13: shows company's investment in technology

Statement/Opinion.	Frequency (f)	Percentage (%)
Strongly Agree	05	10
Agree	05	10
Not Sure	10	20
Disagree	17	34
Strongly Disagree	13	26
Total	50	100

Source: Primary Data

The above table, shows that 10% of the respondents strongly agree with that fact that the organization greatly invests in technology to keep track of its suppliers as a basis for making

continuous improvements, another 10% also agreed, 20% were not sure while 34% disagreed and the remaining 26% strongly disagreed. This means that the organization does not monitor its suppliers and their performances especially in meeting the required specifications and company goals.

Table 14: shows opinions on whether quality is emphasized

Statement/Opinion.	Frequency (f)	Percent (%)
Strongly Agree	17	34
Agree	13	26
Not Sure	10	20
Disagree	10	20
Strongly Disagree	00	00
Total	50	100

Source: Primary Data

From the table above, research results indicate that 34% of the respondents strongly agreed that quality is emphasized as a basis for ensuring customer satisfaction. 26% also agreed, 20% were not sure while 20% disagreed. This implies that delivering quality products or services is one of the company's primary objectives as one way through which customer satisfaction can be achieved hence customer loyalty.

4.5 The relationship between E-procurement and Supply chain performance in the New Vision Printing and Publishing Company limited.

SPSS was used to find out the relationship between E-procurement and Supply chain performance in the New Vision Printing and Publishing Company as evidenced in the table below.

Table 15; shows the relationship between E-procurement and Supply chain performance
Correlation matrix

		E-procurement	Supply chain performance
E-procurement	Pearson Correlation	1.00	.832**
	Sig. (2-tailed)		.144
	N	50	50
Supply chain performance	Pearson Correlation	.832**	1.00
	Sig. (2-tailed)	.144	
	N	50	50

*** Correlation is significant at the 0.01 level

Source; Primary Data

From the table above, results revealed that there is a strong positive relationship between E-procurement and Supply Chain performance at Pearson Correlation coefficient $r=0.832$ implying that E-procurement directly affects Supply Chain performance by 83.2% and the remaining 16.8% by other factors.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter relates to major findings presented in chapter four and in reference to the objectives of the chapter hence forth draws conclusions with recommendation on what can be done and therefore recommends areas for further study.

5.1. Summary

Implementation of e-procurement. The research results showed that e-procurement is still in its early stages of adoption in most organizations and because of this, e-procurement drivers are tactical in nature. Coercion itself is a driver and that the organization applies the entry barrier of conformity to its e-procurement system. It was found out that firms whose e-procurement is in its early stages tend to identify drivers that are service related as they are easy to realize.

This means that a company would have to be more strategic in its operations in order to realize benefits such as improved visibility of customer demand, better market intelligence, and enhanced decision making. In summery, the benefits on offer and the likelihood of their achievement are the primary drivers to the implementation of e-procurement.

Measures of supply chain performance. The research results further show that supply chain performance measures are still tactical and are affected by both internal and external factors. This is due to the various ways and methods that different companies and firms employ in assessing their supply performance. Supply chain performance measures used by both large and small firms are of vital importance in monitoring the firms' performance and progress in order to determine the efficiency and effectiveness of the organization. In summery, measures of supply chain performance are crucial indicators of performance in a firm.

The relationship between e-procurement and supply chain performance. It was found out that firms in diverse industries use e-procurement in an attempt to improve their supply chain performance and that it increases their performance by 65 percent compared to "traditional" procurement transactions. It further showed that the different e-procurement applications like e-

sourcing, e-tendering and e-informing avail information that is needed by the organization about the potential suppliers on matters of quality certification, price of goods and services, and their financial status which simplifies the supplier selection process.

Findings also revealed that there is a strong positive relationship between e-procurement and supply chain performance. This relates to the findings of Livingston (2001) who noted that a procurement contract should provide due regard for the welfare of those involved in consumption of the final product or service and ensures that appropriate 'tools are employed' to address issues concerning value for money.

5.2 Conclusion

In today's global business environment, firms must be competitive in order to survive.

To use technology as a competitive tool, a firm must first analyze the nature of the environment in which it operates in order to understand where and how it should position its self within its industry. This will help it to determine if application of electronic procurement for managing its supply chain performance is the right technology for gaining a competitive advantage. This should act as a guiding tool to asses the company's actual performance against the expected performance.

5.3 Recommendations.

It is very vital for organization to select proper e-procurement tools that can appropriately suit its purchasing needs. Many firms are experiencing a number of problems of considerable media and software vendor type, and often no theoretical basis behind the determination of application are most appropriate to attain the greatest benefit. A purchasing process should be evaluated and approved before adopting e-procurement.

Organizations should consider taking e-procurement as a key aspect in the process of improving their supply chain performance. This is because e-procurement tools work hand in hand with supply chain performance systems to make the organizational goals a reality. E-procurement is likely to be beneficial in dispersed supply chains because it helps coordination. Large organizations should give assistance in terms of information to small organizations to enable them to adopt e-procurement applications.

The greatest benefits of e-procurement occur when its application is fully integrated through the supply chain as this brings up the possibilities of greater integration in collaboration across e-

business supported supply chains. Therefore organizations should make sure that integration of the e-procurement through out the supply chain is achieved for realization of long term goals in this ever dynamic global environment.

5.4 Areas suggested for further research

- i. It is important for academicians to understand the extent of each e-procurement tool and its effects on the implementation of e-procurement.
- ii. Future research can be done to address ways on how e-procurement can be improved.

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APPENDIX 1

BUDGET

The research was self sponsored and the cost is as follows

ITEM	AMOUNT
Transport	40,000
Data analysis	40,000
Research helpers	40,000
Stationary	35,000
Welfare	50,000
Proposal and final write up	50,000
Dissertation	50,000
Other costs	50,000
TOTAL	<u>355,0000</u>

WORK PLAN

Activity	DURATION					
	Jan	Feb	March	April	May	July
Proposal Writing						
Data collection						
Data analysis						

QUESTIONNAIRE FOR STAFF MEMBERS OF THE NEW VISION PRINTING AND PUBLISHING COMPANY ON E-PROCUREMENT AND SUPPLY CHAIN PERFORMANCE.

Dear respondent.

The questionnaire below has been designed by a student of Supplies and procurement management at Kampala International University for his research on the above topic. The information you are going to give is purely for academic purpose and will be treated and regarded as confidential. Therefore, you are kindly requested to give positive responses to the questions asked below so as to assist the researcher accomplish his task. Your cooperation is highly appreciated.

SECTION A: BIODATA

1. What is your gender?

- a) Male b) Female

2. What age bracket do you belong to?

- a) 21-30 b) 31-40 c) 41-50 d) 51 and above

3. State the highest educational level attained.

- a) Diploma b) Bachelors degree c) Masters degree
d) PHD e) others (specify).....

4. What post do you hold in the company?

- a) Contract committee member b) Procurement officer
c) Evaluation committee member d) IT officer
e) Others (please specify)

5. For how long have you worked in this company?

- a) Less than a year b) 1-5 years
c) 5-10 years d) above 10 years

SECTION B: E. PROCUREMENT IN THE NEW VISION PRINTING AND PUBLISHING COMPANY

This section seeks your opinion on e-procurement practices in place. Please tick in the box against which you feel is most appropriate by selecting; *strongly agree (S/A)*, *agree (A)*, *not sure(N/S)*, *disagree(D)* and *strongly disagree (S/D)* by the boxes provided.

	S/A	A	N/S	D	S/D
6. The firm implements e-procurement as a strategy due to increased competitor activity.					
7. E-procurement is still in its early stages of adoption in this company.					
8. The firm continues to rely on mainly traditional procurement systems even through more advanced technologies are available.					
9. The firm has faced a number of challenges in implementing E-procurement.					
10. The firm's procurement staff have the necessary knowledge and experience in information technology systems to handle e-procurement					

SECTION C: THE SUPPLY CHAIN PERFORMANCE.

	S/A	A	N/S	D	S/D
11. The company develops sets of standards to guide the practice of measuring supply chain performance.					
12. The organization normally develops good systems for tracking customer requests and makes sure these requests get a timely follow-up.					
13. As way of building trust and personal relationship with customers and supplies, mechanisms are put in place to					

encourage smooth flow and exchange of information.					
14. The organisation has greatly invested in technology to keep track of its suppliers as a basis for making continuous improvements.					
15. Quality is emphasized as one way of ensuring customer satisfaction in the supply chain.					

SECTION D: RELATIONSHIP BETWEEN E-PROCUREMENT AND SUPPLY CHAIN PERFORMANCE.

	S/A	A	N/S	D	S/D
16. Supplier appraisal is carried out to determine whether a prospective vender meets all the predefined requirements on the buyers (procuring company) appraisal list in order to improve their performance.					
17. The company enters service-level agreements with suppliers which normally prescribe penalties for non-compliance to the prescribed performance levels.					
18. Performance indicators such as product prices, delivery performance, customer satisfaction and minimum percentage of defects and errors in delivered products are used to measure the suppliers' competence before entering into contract with them.					
19. The organization engages suppliers in joint problem solving through scheduled meetings drawn from both sides using electronic data interchange systems.					
20. The company designs special websites where it meets and transacts business with its suppliers.					