

PARTNERSHIP SOURCING AND ORGANISATIONAL
PRODUCTIVITY. CASE STUDY: GM TUMPECO,
NAKAWA KAMPALA

BY
KABASINGUZI CHRISTINE
REG. NO: BSP/7872/51/DU

A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILMENT
FOR THE AWARD OF THE DEGREE OF BACHELORS
OF SUPPLIES AND PROCUREMENT
MANAGEMENT OF KAMPALA
INTERNATIONAL UNIVERSITY.

SUPERVISOR:
MR. WANDIBA AUGUSTINE

APRIL, 2008

DEDICATION

This piece of work is dedicated to my God almighty for having seen me victoriously and my beloved Mr. and Mrs. Kasoro Atwooki Silver. Thank you so much for your love and care throughout my childhood.

DECLARATION


I Kabasinguzi Christine hereby declare that the content of this book are a result of my own research and have never been presented for any award.

Name KABASINGUZI CHRISTINE Signature 

Date 10th JUNE, 2008

APPROVAL

This is to acknowledge that Kabasinguzi Christine's work has been under my supervision and is now ready for presentation for the award of a degree of bachelors of supplies and procurement at Kampala International University.

Signature 

Date 12-06-2008

Mr. Wandiba Augustine

Supervisor

ACKNOWLEDGEMENT

There are many people without whom this work would not have been possible and thereby deserve acknowledgement.

Special thanks to God almighty who enabled me go through all kind of situations.

I awe special thanks to my supervisor Mr. Wandiba Augustine for the guidance and advice accorded to me throughout the research period. The quality and integrity that this report has is a direct derivative of this proper support.

Special appreciation is extended to my Uncle and Auntie Mr. and Mrs. Kasoro Silver, my sister Violet, and Cousins Isaac and Allan for their tireless effort and unconditional endeavour to bring me up.

All my class mates and friends especially procurement class, thanks you much for encouraging and supporting me throughout the course. May God bless each one of you.

I am also indebted to my friends including but not limited to; Bridget, Abasi, Hellen, Fahad, Isaac, Dismus, Martin, Justine and Bashir for their tireless efforts towards the accomplishment of this project.

Finally, I would like to thank God for his love and faithfulness that has sustained me and still leads me on.

ABSTRACT

The study sought to establish the relationship between partnership sourcing and organization productivity in *GM TUMPECO* with objectives such as; investigation of the contribution of partnership sourcing towards organization productivity, identification of ways of developing world-class partnerships and identification of the barriers of partnership sourcing.

The purpose of the study was to assess the impact of partnership sourcing on organization productivity since organizations had not achieved the desired benefits from partnership sourcing.

In the process of data collection, the researcher used instruments such as self-administered questionnaire and interviewing for primary data and extensive library research which data was analysed and presented in form of tables, percentage distribution, as well frequency distribution.

Therefore, the study found out that the contributions of partnership sourcing towards productivity in *GM TUMPECO* were great since the productivity levels were low before development of the concept and high after the concept was developed. More so, development of world class partnership in *GM TUMPECO* was found out to be in a good path since the organization observed all the requirements as identified by some authors. Lastly, it was identified that there were barriers to the implementation of partnership sourcing that in turn affect the productivity levels.

It was therefore concluded that partnership sourcing plays a big role as far as productivity is concerned since productivity levels increased after the development of the concept. It was further observed that the concept is not adequately established due to the loop holes that were identified and a lot of problems that hinder the implementation of the concept were also identified.

Thus, recommendations to the management of *GM TUMPECO* and intending researchers were; *management should fully understand the concept before implementing it, embrace change positively and parties involved in such relationships should be proactive.* The intending researchers should carry out an in depth research about the loopholes in development of partnership sourcing.

TABLE OF CONTENTS

EDICATION	i
ECLARATION	ii
PPROVAL	iii
CKNOWLEDGEMENT	iv
BSTRACT	v
ABLE OF CONTENTS	vi
IST OF TABLES	viii
IST OF FIGURES	ix
CHAPTER ONE	1
1 Background of the study	1
2 Statement of the problem	2
3 Purpose of the study	3
4 Objectives of the study	3
5 Research Questions	3
6 Scope of the study	3
7 Significance of the study	3
8 Limitation of the study	4
CHAPTER TWO	5
LITERATURE REVIEW	5
2.0 Introduction	5
2.1 Theoretical frame work	5
2.2 Conceptual Frame work	6
2.3 Related literature	7
2.3.1 Contribution of partnership sourcing towards organisational	7
2.3.2 Ways of developing world class partnerships	8
2.3.2.1 Building good working relationships	9
2.3.2.2 The Kettering relationship life cycle model	11
2.3.3 Barriers to partnership sourcing	13
CHAPTER THREE	17
METHODOLOGY	17
3.0 Introduction	17
3.1 Research Design	17
3.2 Population and sample	17
3.3 Data collection procedures	17
3.4 Instruments of data collection	18
3.4.1 Self administered questionnaire	18
3.4.2 Interviewing	18
3.5 Data analysis and procedures	18
CHAPTER FOUR	19
4.0 FINDINGS, INTERPRETATION AND ANALYSIS	19
4.1 Introduction	19
4.2 Contributions of partnership sourcing towards organization productivity	19
4.3 Development of world-class partnerships in GM TUMPECO	22
4.4 Barriers to partnership sourcing	25

CHAPTER FIVE.....	27
0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.....	27
1 INTRODUCTION.....	27
2 DISCUSSION.....	27
3 CONCLUSIONS.....	28
4 RECOMMENDATIONS.....	29
REFERENCES.....	31
APPENDIX.....	33
WORK PLAN.....	33
RESEARCH BUDGET.....	34
RESPONDENT QUESTIONNAIRE.....	35

LIST OF TABLES

Table 1: Responses on whether partnership sourcing contributes towards Organizational Productivity.....	20
Table 2: Contributions of Partnership Sourcing.....	20
Table 3: Responses on Levels of output before development of partnership Sourcing.....	22
Table 4: Responses on whether Partnership Sourcing has greatly increased in productivity Levels.....	22
Table 5: Responses on how Partnership Sourcing has been Developed	23
Table 6: Responses on whether there are problems faced in implementing partnership Sourcing..	25
Table 7: Responses on the barriers of Partnership Sourcing.....	25
Table 8: Responses on how the problems faced have affected Organizational Productivity.....	26

LIST OF FIGURES

figure 1: Contributions of Partnership Sourcing towards Organizational productivity.....	21
figure 2: Responses on how partnership Sourcing has been maintained.....	24

CHAPTER ONE

1.1 Background of the study

Partnership sourcing is a new area of study in the business environment today which most organisations have not embraced with a positive interest that in turn has resulted productivity in organisation in terms of poor quality. More so, the organisations that have embarked on it have not fully understood the concept and its best practices that in turn have lowered their productivity.

Partnership sourcing is described in Webster's dictionary as a relationship involving close cooperation between parties having specified and joint rights and responsibilities. Partnership sourcing represents a collaborative approach in which a buying organisation and a small number of suppliers work closely together, sharing the risks and rewards of a cooperative relationship that focuses on continuous improvement. (Ellram & Edis 1996). The concept of partnership sourcing has become increasingly popular in the purchasing and supply chain management as firms use more of outside supply sources and develop closer working relationships suppliers and logistics service providers.

Ramsay(2004) traces the evolution of partnership sourcing to the development of sourcing strategies, which he describes as deciding to buy from a single source, you can decide to buy from more than one source, which is also known as multiple sourcing. Deciding to buy the source itself that is backward integration and if this particular strategy is implemented, it becomes the decision to supply the materials or services yourself (make-in). Finally, we have what is referred to as supplier relationships or partnerships. Partnership sourcing approach and the development of supplier relationships are becoming the modern way of doing business.

Partnership sourcing owes most of its background to the Japanese company successes that prompted western countries from Europe and America to study and understand the reason behind this success leading to the famous Japanese "best practice" factory tour of the 1980's.

According to Sir Derek Hornby, partnership sourcing is where customer and supplier develop such close and long term relationship that the two work together as partners. It is not philanthropy; the aim is to secure the best possible commercial advantage. The principle is that team work is better than combat. If the end customer is to be best served, then the parties to a deal must work together and both must win. Partnership sourcing works because both parties have an interest in each other's

success. Like all the best ideas, it is a simple one, though it demands considerable work, commitment and patience and its reward can be immense.

Johnson(2003) define partnership sourcing as an effective supplier management organisation thinking of itself as high jump coach, continually rising the bar on performance while giving supplier tips to help them attain higher and higher targets hence increased productivity.

Baily et al(1998) define partnership sourcing as a commitment by customer or supplier regardless of size, to long term relationships based on clearly mutually agreed objectives to strive for world-class capabilities and competitiveness.

The current interest in forging partnerships between organisation and their suppliers, which have traditionally viewed each other with a degree of suspicion, has its origin in observation of Japanese business practices, which have long been observed to foster close collaboration between buyers and suppliers to the point not only of sharing sensitive information on costs and swapping staff, but even of helping each other out during periods of economic difficulty.

Almost half of supply chain leaders say business performance is hindered by poor partnership *strategies in distribution and supply*. Some claimed a lack of partner competencies was a barrier to better performance according to management consultancy PRTM's fifth annual supply chain study. Partnerships have to be put in context of other business relationships in order to make sense and add value. Mutual trust, cooperation, understanding and synergy are essential ingredients for successful business relationships.

1.2 Statement of the problem

Despite the many attempts at partnering, the concept has failed. There is evidence to suggest that organisations have not achieved the desired benefits from partnership sourcing (A.T. Keamey 1994) Also, serious concerns have been expressed over organisations that have embarked upon partnership sourcing without fully understanding the concept (Burnes and New). Doubts have also been expressed about the *interpretation of buyer-supplier relationships in Japanese automotive industry* that led top interest in lean production by western organisation has, in many cases, been shown to be misleading with buyers often retaining considerable economic power in comparison with suppliers.(Van Weele 1994).

Therefore, this has raised the interest of the researcher to go and assess the impact of partnership sourcing on organisational productivity, a case of GM TUMPECO.

1.8 Limitation of the study

1. The greatest constraint was inadequate resources in terms of time and funds limited the coverage and scope of the study.
2. The time frame work within which the research proposal was to be completed was not enough yet proposal work took some time.
3. Respondents were reluctant to give enough information concerning the topic under study because it concerns the organization directly.
4. Negative attitude of some respondents towards the researcher hindered the possibility of clarification

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter covers the analysis and critical view on issues that have been put forward by different scholars and academicians about partnership sourcing and its impact on organisational productivity where both primary and secondary data are used.

2.1 Theoretical frame work

Procurement is often in the front line when it comes to dealing with new suppliers, customers and partners. It is up to the department to secure the best interests of the organisation, and this means striking a deal that poses little or no risk to the business which is partnership sourcing..

John Carlisle & Parker (1989) provide some interesting and useful definitions of partnership sourcing as;

- A trust both parties will do what they said they will do.
- A willingness to become vulnerable to the other party supported by a firm belief that the other party will not take unfair advantage of that vulnerability.
- A sensitivity to each other's needs and an active dedication to seeing that both party's needs are met so far as that relationship can meet them.
- A high level of clear and candid communication, which leaves neither party in doubt, about the feelings of the other towards the relationship and understanding within the relationship.

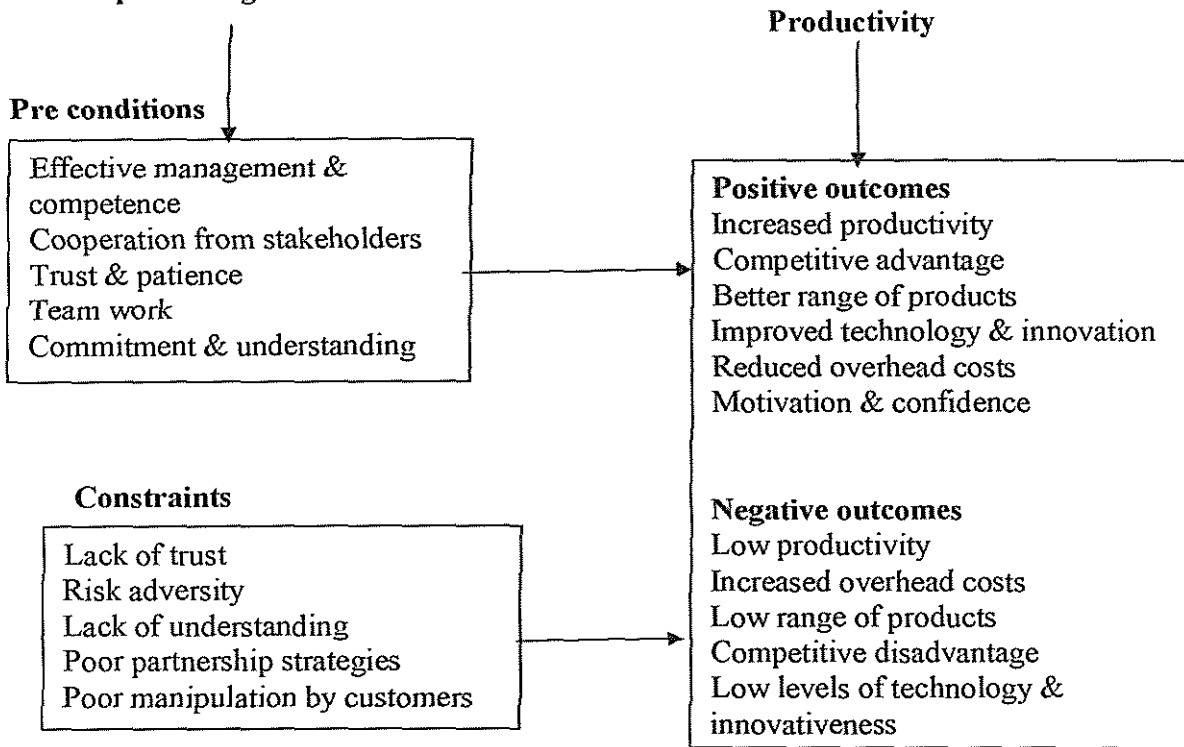
Thus, according to Baily et al, Partnership sourcing implies a radical change in the way people work, including team work, joint decision making and collaborative activity. The more radical these changes are, the more difficult the task of implementing them is likely to be. Partnership sourcing implies changes to the social systems of at least two organisations with the scope of resistance being considerable.

Good supplier relations have always been an important factor in the maintenance of supplies, particularly during periods of shortage, but over recent years, attitudes towards supplier relationships have gradually changed from adversarial to a partnership approach. This change has

been brought about by the increasing use made by buyers of techniques such as quality assurance, zero defect policies, statistical process control(SPC) and just in time(JIT) all of which place additional responsibilities on suppliers, who will only be willing to accept them if they see some long term benefit for themselves in the relationship. So in return for accepting these additional responsibilities, it has become common to offer the supplier a long term prospect of business in what is referred to as a partnership relationship, with both offering and accepting complementary responsibilities to solve problems to their mutual benefit.

2.2 Conceptual Frame work

Partnership sourcing



Self initiated

Partnership sourcing is the independent variable and productivity is the dependent variable since it depends on productivity with in the organisation.

When the pre conditions of partnership sourcing are fulfilled, the contribution on productivity will be positive and when there are constraints (barriers) to the implementation of partnership, it will negatively contribute on productivity as illustrated in the above figure.

Thus productivity will be high when the pre conditions are fulfilled and be low when constraints hinder the implementation of the concept with in the organisation.

2.3 Related literature

2.3.1 Contribution of Partnership sourcing towards Organisational

Productivity

Today, it is hard to find a business publication that does not talk about partnering, collaboration across industry alliance and government initiatives to engage more effectively with industry. It is argued that partnership sourcing leads to superior performance because it creates long term collaboration based on trust between the buyer and the supplier. (Lamming 1993 ; Macbeth & Ferguson 1994).

According to a discussion with buyers about how partnerships affect their profession, buyers said *partnerships usually produced a better range of products or services, while allowing the supplier to extend the best technology from the combined companies across the whole organisation.*

Partnership sourcing can exploit the best processes from cache of the acquired companies, share market knowledge and create greater leverage with its supply chain to extend products or services.

Neil Dixon, purchasing manager for Tetley Group, said the supplier could reduce overheads and invest in the latest technology; *“there may also be geographical advantages in better supply chain structure or closeness to customer’s facilities.”*

According to Lee Jackson, corporate procurement officer at Derwentside district council, *collaboration between public sector bodies is key to making efficiency savings. Aggregation and collaboration between organisation can achieve benefits for all the parties involved in terms of cost saving, efficiency and contract performance.*

The contributions are most apparent as partnership sourcing gives suppliers a strong motivation to perform to the best of their ability, because they know that the results will be a reliable stream of work. They also give needed encouragement if the buyer depends on the supplier to invest in research and development in order to improve state-of-the-art solutions to manufacturing problems.

Tacit knowledge resources through collaboration of organisations with suppliers and customer are difficult to formalise, making it difficult to copy hence a source of competitive advantage.

Marketing advantage through stability that is long term agreement since the supplier will gain a much better understanding of the buyer organisation and its needs, larger share of orders placed, ability to plan ahead and invest since the supplier will be kept informed of the buyer's forward plans, ability to work with key customers on products and/services as the buyer will appoint a vendor manager to develop the relationship and the supplier will always know who to deal with in the buyer organisation and scope to increase sales without increasing overheads.

Lower cost through cooperative cost education programs such as Electronic data interchange (EDI); supplier participation in new designs, lower inventory through better production availability, improved logistics, reduced handling and reduced number of understanding orders plus reduced expenditure of time and effort in evaluating and managing supplies which are all indicators of good performance.

Purchasing advantage through quality assurance where the supplier will be actively involved with the buyer in the quality improvement process, reduced supplier base whereby the buyer focuses attention on improving the relationship with key suppliers; assured supplies through long term agreements, ability to plan long term improvement rather than supplier's awareness of the buyer's requirements will mean that the supplier is more likely to be successful in meeting them thereby improving on organisation performance.

2.3.2 Ways of developing world class partnerships.

The changing face of the business model and the growth in outsourcing and globalisation offer greater interdependence between organisations. It would perhaps be more productive to raise the level of awareness rather than regurgitating the traditional myths. There is certainly a case to recognise that effective collaboration and partnership requires increased commercial and interpersonal skills. Looking to the future we should support partnering and provide constructive input, not sound-bites based on myths.

There are a number of scholars who have come up with different ways of developing world class partnerships which are discussed in the following themes;

2.3.2.1 Building good working relationships

Christopher Barrat a CIPS premier conference speaker stated;

“To Network” has changed its common meaning dramatically over the past 20 years. Having never previously been outside of your IT department, it is now vital in modern business. It is also a skill in the true sense of the word, something you can learn, and with practice, become good at.

And it is not just about meeting people at one-off events. More often it involves building successful business relationships with suppliers and internal customers. Here, we will explore to tackle both activities. Social change, market forces and technological capability have all played their part in making networking so popular and powerful.

The social forces are well illustrated by the old saying, *“It’s not what you know, but who you know.” This is still true today, but for different reasons. We are moving rapidly a way from a hierarchical society to one that is based more loosely on networked alliances. In our own area of business, the more traditional pyramid of reporting lines, a dominant head office and rapid company protocol are being replaced by matrix management structures and independently focused units. The old “who you know” is all about influence and persuasion. And to this, the constant round of re-organisations, mergers and acquisitions, and you can no longer afford simply to be aligned to the most powerful player in town because they may not be there next month.*

Market forces have also taught us to value our informal connections more highly than formal ones. Two factors are at work here; *the first is over communication. We are bombarded with information and our main method of coping is to ignore it and only selectively respect information from previously tried and trusted sources.*

Second, there is the damaging effect of ‘spin’ on our view of messages from authority. We distrust these messages, or try to read between the lines to see they will be far more willing to act on those sources than anything we have heard from officialdom.

The last of these factors is technology, which has itself contributed to over communication’. *The real benefit of technology is our ability to stay in touch with wide range of people, even if they are geographically remote or in a different time zone.*

With these three factors combined, the case for being good at networking becomes even more compelling. If purchasers want to be more involved and valued in the business, they need to stop complaining, demanding or pushing benefits to the business and, instead, network their way into hearts and minds. The key skills are simple, but there are some classic pitfalls to avoid.

The biggest pitfall is to confuse networking with selling. It is not the same thing. People who see it as selling are likely to come across as pushy, and to force the pace of the process. Networking is about creating sustainable relationships over time, and the best ones involve considerable up front investment. For the investment to succeed, the following are important:-

Be interested before being interesting. Every time you contact your network, you want to be interested in them, what is happening in their world, and how can you help them succeed. Networking is not philanthropy, you in this to get something back, and the best networks have many and varied connections. The breadth and strength of a network is built by knowing” who knows who” and the various skills and influences they have. This comes from listening to your net work before telling your own story.

The second concept “giver’s gain”, builds on the knowledge you have got to create positive debt equity in others. Seeing how you can focus you efforts to help them, irrespective of what they can do for you. The ‘spin’ factor has caused people to question promises that are made about the future. If you have already delivered for them before you look for help in return, you have proved your credentials. Not only will your partner want to invest in return, it will often go out of its way to do so, creating an upward spiral of positive behaviour. When time comes to ask for something back from your partner, think strategically and look for oblique rather than direct support.

Lastly, you need to see your network as a living organism. It needs food and nurturing to sustain it, you need to be proactive in letting it flourish. Technology can help in this but, ultimately, it is a human process. Making time in canteen, corridor or coffee break to positively grow your network will be time well spent. We all know how our work grinds to a halt when the ‘network’ is down, so make sure yours is up 100 percent of the time.

2.3.2.2 The Kettering relationship life cycle model

As developed by Mike Fogg consultant with PMMS consulting group, Relationships, like products and services, have a life cycle. Just as the place of a product within its life cycle affects the purchasing strategy, the buyers' and suppliers' understanding of where they are within the relationship cycle will affect their behaviour. Like young lovers, both parties will be more guarded during the early steps in a relationship and more open when they know each other better.

The Kettering model recognises that relationships exist between organisations and their people, whether an active supply of goods and services exists between them or not. The model identifies three core segments, around which 25 numbered process steps. These are;

- Initiation- both parties discover each other and their needs and aspirations
- Agreement- the parties develop an agreement together.
- Delivery- receipt to payment process occurs; further opportunities are recognised.

It is worth bearing in mind that this model recognises that the process of relationship development, from say, only a sense of awareness to a closer collaborative relationship may take several orbits. Some steps may be used more often than others and some may be omitted altogether. Relationships are dynamic and developing them requires alertness and effort.

Despite the development of this model, there are challenges for buyers and analysis of the model highlights some central challenges for buyers and their organisations as discussed;

- Sometimes, relationships can be limited to "old faithful" suppliers. Buyers should think about how much effort they are putting into developing new relationships with other key providers in the market place.
- While suppliers engage in a range of activities to create and develop goods and services, buyers need to assess how proactive they are in influencing this development. Buyers need to contribute to this process, rather than simply accepting what is offered to them.
- Attention needs to be given to the robustness of the buyer's process when dealing with suppliers stakeholders need to be aware that sales professionals can seek to meet their objectives by choosing a path through the model and business process need to be able to handle this.
- There should be an increased emphasis on innovation. While the enquiry process is popular, there are other ways of dealing with suppliers. For instance proactive research carried out by

the buyer can lead to successful negotiations. Generating the best responses from suppliers should be the main aim.

- While buyers need to ensure that the product meets their customer's needs, the way in which they do this can have a big effect on their relationship with suppliers. Buyers need to ensure they encourage suppliers to perform to the highest standards and must not accept second best
- Continuous improvement should be the hall mark of all buyer or supplier relationships. Length of contract, importance of the requirement and risk are factors for both parties and buyers should meet suppliers to search for improvement. Often, it is the case that suppliers are only contacted when there is already a problem.
- Buyers need to be aware of the business development opportunities sought by suppliers in the process called 'deep mining'. This is when suppliers seek to identify further business opportunities with their customer, either by gaining additional work in different areas or *introducing additional products or services*. Supplier's people may be deep mining your organisation may be inadvertently assisting them.
- Regular and continuous improvement and development should allow both organisations to develop a closer relationship from which they benefit and gain competitive advantage. Assuming this is the case, there will still be elements of the selling process in this relationship development, but enquiry and quotation will be omitted and implementation and delivery reached in a much more collaborative manner.
- The process of extension, renewal or termination, need to be handled with care. Public sector apart, there seem to be two extremes. Contrast the buyer who always extends or renews and the buyer who always re-bids. Neither is likely to get the best result for their purchasing organisation. An informed decision is needed, based upon the benefits obtained and projected. And suppliers will evaluate customers in exactly the same way.
- Making the decision to stop purchasing from a supplier can have effects that stretch further than the short term. However, the supplier feels at the end of the process could affect the relationship if it is renewed. For instance, the supplier may feel they have a score to settle at negotiation. Conversely, it could result in the resumption of the old alliance. Again, there is a range of reasons for termination from the natural end of the requirement to a feeling of violation by one or both parts of the relationship. Consider that if a situation ended in poor circumstances this may affect the people involved if they meet again in the same or different organisation.

2.3.3 Barriers to partnership sourcing

As with any new theory or innovative idea, the challenge lies not just with understanding the concept but also the process by which it can be successfully implemented. This is especially true of supply chain management and partnership sourcing. In its work with many hundreds of firms there is a common theme; companies that have grasped the essential message of partnership sourcing and its relevance to their operations, have then wanted to make it happen in their organisation. They will often have had some in implementing Total Quality management practices in their environment and hence expect that 'doing partnership sourcing' will not present too many problems. However, few have been totally successful in converting the theory onto effective practice.

Thus the barriers to implementation of partnership sourcing lie in a number of areas but two key issues are; commitment & understanding.

Dealing firstly with commitment, (or more importantly lack of it); this can manifest itself in a number of ways;

- Most management practices are to some degree risk averse that is to say there is a tendency to go for the most conservative solution to avoid any potential criticism or blame. Partnership sourcing requires a commitment from both sides for some quite radical change.

The risk adversity can manifest itself at the beginning of the change program with individuals regarding the development of new relationships as being "new fangled" and alien to the existing culture. Commitment is therefore never fully established and reversion to the old ways is always at hand. More commonly is that many companies embark upon partnership sourcing program and discover half way along that there is need some radical decisions. One of two things can then happen; either the middle manager will seek guidance from senior management only to that they do not appreciate the problem and take a negative view point or the middle manager decides to put the particular issue to one side. In any case, the implementation process becomes ineffective.

- Lack of trust with respect to suppliers is endemic in most firms who are about to tackle partnership sourcing. In fact, it could easily be argued that without partnership sourcing being in place, there can be no "corporate" trust. The lack of trust is an obvious barrier to gaining commitment to the relationship change process, on both sides. The scepticism

which greets the suggestion of forming a collaborative relationship with an organisation which has normally been adversarial usually means that there is going to be impetus to the implementation process. However, the realisation that there is mutual responsibility for problems can sometimes avert the feeling of non-trust and open the door to more objective discussion.

- A very salient comment was made on partnership sourcing by a Managing Director in a small machining company that had a 'partnership' with a major OEM; 'it sounds good, but will it last when things get tough?' The application of external stress to the relationship can seriously dilute commitment to building true partnerships. Very often it's a case of "everyone for themselves" when the recession comes along or the competition gets tougher. However, there are many examples which have emerged of customers who are prepared to support their supplier partners when times are hard in the belief that this is a lower cost option for the medium to longer term than the risk of losing the supplier and having to re-source. This perhaps illustrates best of all the depth of commitment that is required.
- A lack of mandate for the individual(s) who are trying to progress the relationship improvement program usually results in a serious under commitment to the change. Without the proper backing from senior management to pursue the relationship change program the champion will find it hard to get the rest of the organisation. A common situation which occurs is that partnership sourcing is seen as a rather alien concept to the company but allowed a 'trial run' any way and senior management then delegates the task to an enthusiastic individual, without keeping it on their agendas. Other managers in the champion's peer group will tend to take the attitude that their method of dealing with suppliers is fundamentally sound and that there is not much that they can be taught about the subject. This endemic arrogance means that any champion of the relationship change, without the express backing of their senior management, faces an uphill struggle in gaining true commitment from these managers. They will go along with the idea to a certain extent, talk the right language among others, but when it comes to the crunch they will revert back to the established attitudes and systems. The individual pushing for change must be empowered to set directions and build appropriate structures to realize the change in relationship style.

- Lack of understanding about the range of issues involved. This is very common. Many companies like the concept of partnership sourcing as a means to save them money but very few have a total grasp of all the areas which have to be tackled in putting it into practice.
In particular, there is a tendency to tinker with what already exists in the belief that cranking up contracts, for example, will cement the relationship. There often is not the realization that partnership sourcing is rather revolutionary concept which requires the discarding of many traditional attitudes and practices and the establishment of new goals and systems.
- Allied to the above, the power manipulation by the customer can be a serious impediment to the development of collaborative relationship. There needs to be an understanding that the master-servant situation has to be relaxed through out the change process to allow the best opportunity for the relationship issue to be explored in a frank and honest manner. Without this realization, there is little possibility of the relationship becoming a true partnership.
- A major problem is to do with a lack of company-wide understanding of what partnership sourcing is all about. This is a feature of companies which are heavily compartmentalized. The theory of partnership sourcing and the building of collaborative relationships will be regarded as issue for purchasing department only and hence the topic is never fully pursued with functions other than purchasing. The resultant lack of awareness and understanding can lead to conflict within the company and the eventual breakdown of the implementation process.
- Further to the above, there has to be an understanding the there is often a need for cross-functional solutions to problems with relationships. Hence there is a requirement for more functions to become involved with and understand the company's suppliers. The lack of the basic understanding is most prevalent in the relatively 'unsophisticated' company which works in an essentially traditional manner. This type of company will not have had any background in TQM or any other practice which involves a holistic approach to managing the business.

- Finally, there is a lack of understanding about the most appropriate program of change to ensure that the adoption of partnership sourcing is effectively managed. In essence, this lack of understanding can give rise to all of the other problems listed above and all too often managers prefer to "play things by ear" rather than attempt to manage what is quite often a difficult and complex problem. Even when an efficient manager sits down and tries to think through what action is required and when, the manager is overwhelmed with the potential barrier to the implementation and finds hard to identify precisely what is required. There is still a prevalent view point that the implementations of partnership sourcing involves a bit of "black magic" and worse still, is solely dependent upon inter-personal relationships, rather than being a managed and controlled business process.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter gives methods that the researcher used to analyse and present data from the field of study.

3.1 Research Design

The researcher used co-relational method when conducting her research. The reasons for proposing this method was because the title of the study had two variables that is partnership sourcing and organisational productivity. The method was easy to find out the relationship between the two variables.

3.2 Population and sample

Selection of cluster was based on a preliminary stratification distinguish the several strata in the organisation. Thus, random stratification was used. The need for stratification was due to the diverse economic characteristics of the various parts of the organisation. Grouping of identical units into one strata that is, a homogeneous set of groups of units resulted to increased precision in estimates of the characteristics of population as the variance was substantially reduced. The researcher carried out her research in GM TUMPECO within Kampala district. The reason for choosing this organisation was because of the corporate image and its location which made it easier for her to access.

3.3 Data collection procedures

Primary and secondary data were used to obtain the information .Collection of secondary data involved extensive library research to obtain related literature.

3.4 Instruments of data collection

3.4.1 Self administered questionnaire

This is where the researcher developed questions that were answered by the respondents about the research topic. The advantage of using these self administered questionnaires was; allowed the respondent to express him/her self clearly compared to interviewing since enough time was available. More so, questionnaires can be used for reference purposes and the method was less costly as compared to other methods of data collection.

3.4.2 Interviewing

Using this as an instrument of data collection, the researcher asked questions related to the topic under study and obtain answers from the interviewee as there was personal contact. This was in form of face to face interviews which helped the researcher in avoiding biasness on the data collected. More so, this instrument helped the researcher in obtaining information that would not have been possible to get using other instruments of data collection.

3.5 Data analysis and procedures

The researcher used pie charts, tables and percentage distribution as well as frequency distribution.

a. Percentage distribution

It involved the conversion of frequency into percentage and the researcher presented them in form of pie charts and bar graphs where it was possible.

b. Frequency distribution

It involved counting the number of respondents who gave similar to the questions.

CHAPTER FOUR

4.0 FINDINGS, INTERPRETATION AND ANALYSIS

4.1 Introduction

This chapter analyses data collected from the field based on the question proposed in the objectives in the first chapter. The researcher involves presentations, interpretations and analysis of the collected primary data. The presentation is done in tables with illustration to make sure that research biases are eliminated. It continues in presenting the finding of the study by use of responses, frequencies and percentages in order to reach at the true findings. The findings, interpretation and analysis is presented under the following areas.

4.2 Contributions of partnership sourcing towards organization productivity

Many organizations have not fully embraced the concept of partnership sourcing meaning that few have implemented the concept. However during the study, the researcher found out that GM TUMPECO practices partnership sourcing since all the respondents agreed that partnership was being practiced in their organization. More so, the researcher further discovered that the contributions of partnership sourcing towards the productivity of the organization were high as illustrated in table 1 below.

Table 1**Responses on whether partnership sourcing contributes towards organization productivity**

Scale	Frequency	Percentage
Yes	7	87.5
No	1	12.5
Total	8	100

Source; primary data

From the table above, 87.5% of the total respondents agree that the contributions of partnership sourcing towards the productivity of GM TUMPECO are immense while 12.5% believe that partnership sourcing has not contributed positively the organization productivity due to the high costs associated with its implementation. With this in mind, the researcher further continued to find out the contributions of partnership sourcing and the results obtained were as indicated in table2

Table 2

Response category	Frequency	Percentage
Better range of products	8	100
Reduced overhead costs	8	100
Improved technology and innovation	8	100
Increased efficiency	8	100
Just in time delivery	7	87.5

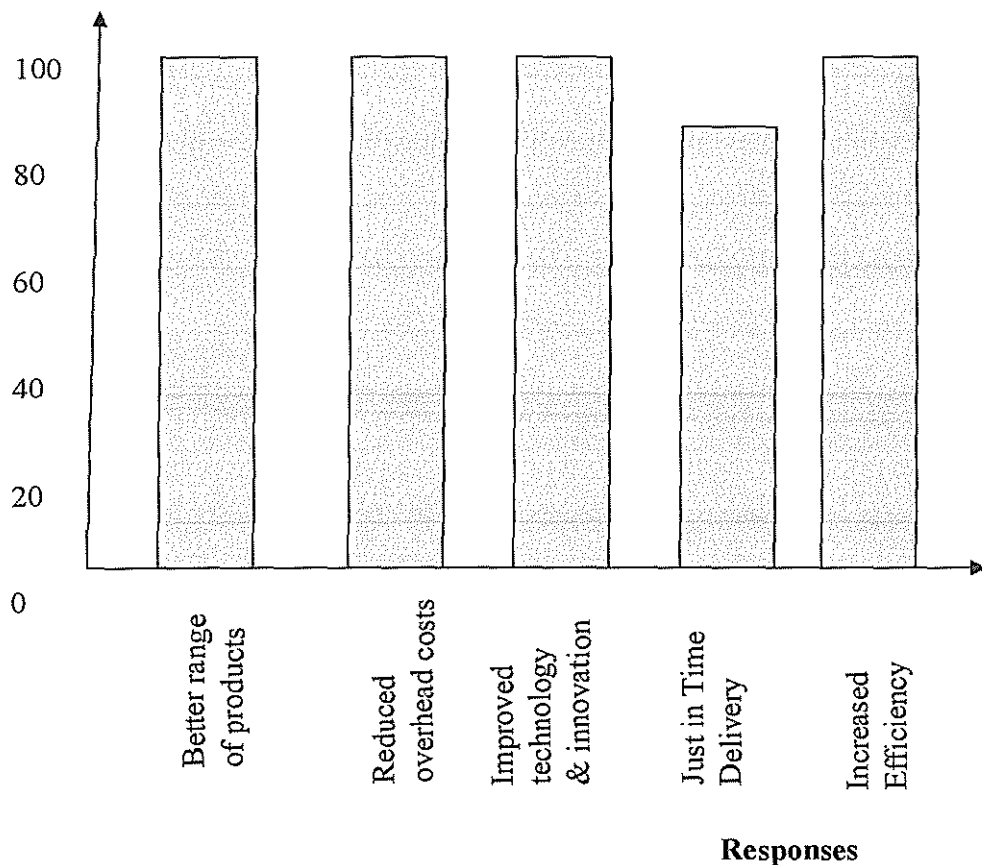
Source; primary data

From the table above, better range of products, improved technology and innovation, reduced overhead costs and increased efficiency were the most frequent contribution of partnership sourcing towards organization productivity with 100% and Just In Time delivery with 87.5%.

This can well be illustrated in the graph below

Chart 1

Contributions of partnership sourcing towards organization productivity



Source; primary data

Further more, the researcher went ahead to find out how the productivity levels of GM TUMPECO were before implementing the partnership concept and the results are shown in the table below

Table 3
Responses on the levels of out put before the development of partnership sourcing

Response category	Frequency	Percentage
Very high	0	0
High	1	12.5
Average	5	62.5
Low	2	25

Source; primary data

Out of the 8 respondents, 12.5% said that GM TUMPECO's productivity was high before the implementation of partnership sourcing, 62.5% were for average while 25% said that the productivity was low before the concept was developed. Therefore, the researcher went further to find out whether the development of partnership sourcing has greatly increased productivity and the results are presented in the table below.

Table 4

Responses on whether partnership sourcing has greatly increased on the productivity levels

Response category	Frequency	Percentage
Strongly agree	6	75
Agree	2	25
Disagree	0	0
Don't know	0	0

Source; primary data

From the table above, 75% of the total respondents strongly agree that partnership sourcing has greatly increased on the productivity level, 25% agree with the statement while none of the respondents disagree with the statement meaning that the contributions of partnership sourcing towards the productivity of GM TUMPECO are great thereby confirming Lamming, Mcbeth and Ferguson's argument that the development of partnership sourcing in organizations leads to superior performance through increased productivity.

4.3 Development of world-class partnerships in GM TUMPECO

The changing face of the business model and the growth in outsourcing and globalization offer greater interdependence between organizations. There is certainly a case to recognize that effective collaboration and partnership requires increased commercial and inter personal skills (Lamming, Mcbeth and Ferguson). This hypothesis is supported by the results obtained in the study about how partnership sourcing has been developed and the responses obtained are summarized in the table below

Table 5

Responses on how partnership sourcing has been developed in GM TUMPECO

Response category	Frequency	Percentage
Increased communication and interpersonal skills	8	100
Initiation	8	100
Agreement	8	100
Delivery	8	100
Social change	7	87.5

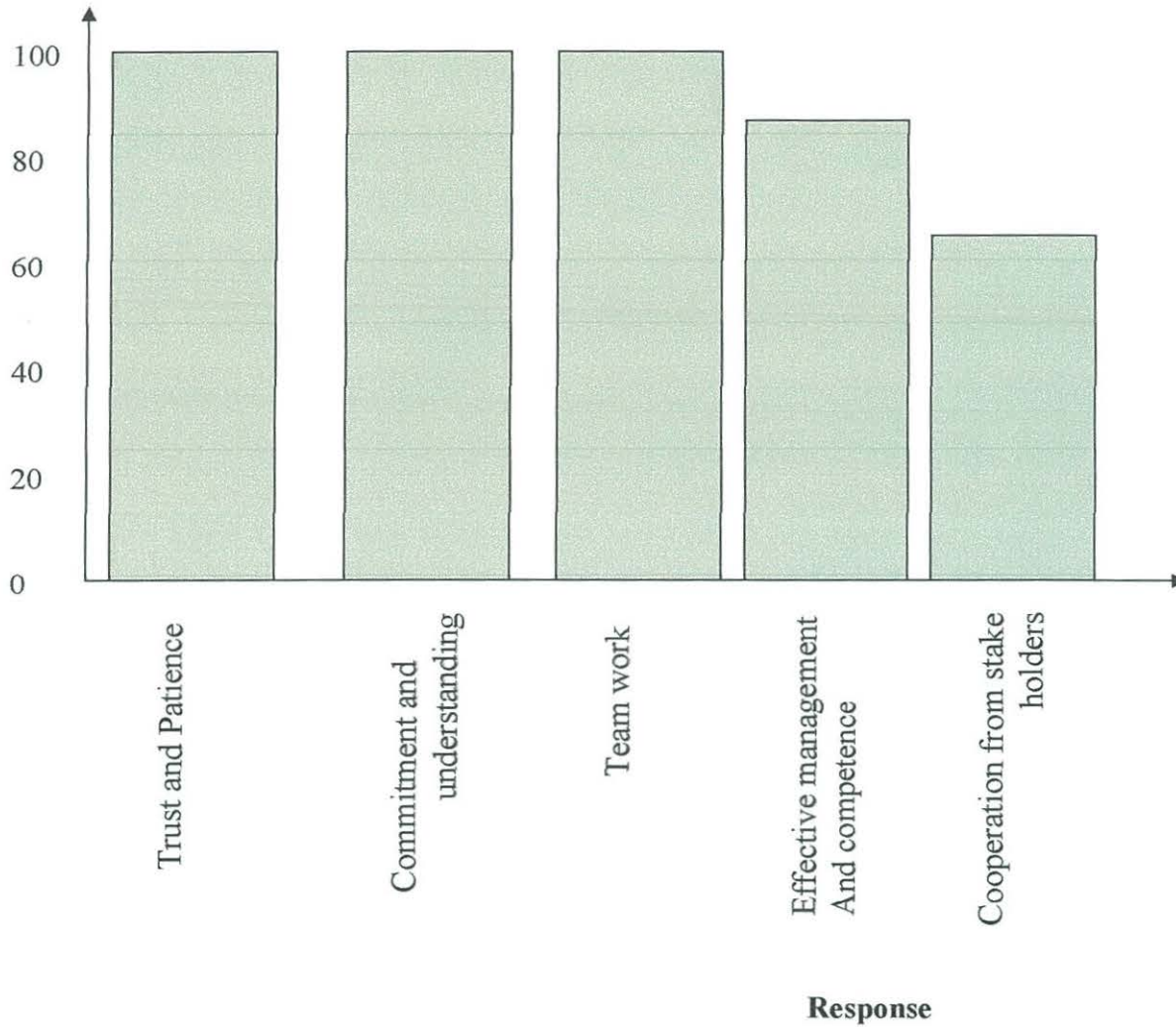
Source; primary data

Findings as far as table 5 indicates clearly that initiation, agreement, increased communication and inter personal skills plus delivery are the important steps that GM TUMPECO has put in place to develop world-class partnership. This is indicated by their frequency in the table above making it 100% and social changes as also another step taken by GM TUMPECO with 87.5% of the total respondents.

The researcher went further to find out how the partnering relationships have been maintained in GM TUMPECO and the following results were obtained

Chart 2

Responses on how partnership sourcing has been maintained in GM TUMPECO



Source; primary data

From the chart above, GM TUMPECO has managed to maintain partnership sourcing through the application of strategies such as trust and patience, commitment and understanding, team work with 100% frequency basing on the results obtained form respondents within the organization and effective management and competence and cooperation from stakeholders as another strategy with 87.5 and 60.5 respectively. The results obtained therefore supports Lamming and Ferguson argument on how effective collaboration can be sustained with in the organization.

4 Barriers to partnership sourcing

As with any new theory or innovative idea, the challenge lies not just with understanding the concept but also the process by which it can be successfully implemented. Thus the researcher found out that GM TUMPECO faced some problems during the implementation of the concept basing on the responses obtained on whether there were problems faced or barriers met which results are analyzed in the table below.

Table 6

Responses on whether there are problems faced in implementing partnership sourcing

Scale	Frequency	Percentage
Yes	8	100
No	0	0

Source; primary data

From the table above, the researcher found out that despite the grasping of the concept of partnership sourcing in GM TUMPECO, there were problems faced or barriers to its implementation which results were reached basing on the responses whereby all the respondents identified that there were problems faced during the implementation as shown in the table above.

This prompted the researcher to go further to find out the problems faced and the responses were as follows

Table7

Responses on the barriers of partnership sourcing

Response category	Frequency	Percentage
Lack of trust	8	100
Lack of commitment	8	100
Lack of understanding about the concept	8	100
Lack of top management support	7	87.5

Source; primary data

From the table above, lack of trust, lack of commitment and lack of understanding about the concept were the major problems that lie in the implementation of partnership sourcing in GM TUMPECO since all the respondents identified them as shown in the above. Lack of top management support was also another barrier identified with 87.5% as shown in the table.

There fore, the problems have greatly affected the productivity of GM TUMPECO in a number of ways. This prompted the researcher to find out how productivity was lowered due the problems faced and the following results were obtained.

Table8
Responses on how the problems faced have affected organization productivity in GM TUMPECO

Response category	Frequency	Percentage
Low range of products	8	100
Low levels of technology and innovation	8	100
Increased overhead costs	7	87.5
Competitive disadvantage	6	75

Source; primary data

From the Table above, low range of products and low levels of technology and innovation were identified as the major outcomes of the barriers faced by GM TUMPECO which directly affect the organization's productivity with 100%. The respondents further identified increased overhead cost as another outcome with 87.5% and finally competitive disadvantage with 75%.

All these have lowered GM TUMPECO's productivity levels hence evidence that problems to the implementation of partnership sourcing have a direct influence on the productivity of an organization.

CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents summary and conclusions derived and drawn from the study after having presented, analyzed and discussed the findings. Recommendations that can be adopted and implemented to overcome the problems highlighted are also presented in this chapter.

5.2 DISCUSSION

Procurement is often in the front line when it comes to dealing with new suppliers, customers and partners. It is up to the department to secure the best interests of the organization. And this means striking the best deal that poses little or no risks to the business, which deal is partnership sourcing. *Therefore, during the research the contributions of partnership sourcing towards productivity in GM TUMPECO were high since 87.5% of the respondents agreed that the contributions were very high.* However 12.5% of the total respondents believed that partnership sourcing has not contributed positively towards organization productivity due to the high cost associated with implementation which belief is overridden by the contribution that the researcher found out such as reduced overhead cost, better range of products, increased efficiency and improved technology and innovation with 100% of the total respondents. This is in line with Neil Dixon saying that "supplier could reduce overhead and invest in the latest technology through use of partnership sourcing.

Hence partnership sourcing leads to superior performance since it improves on the productivity of organization. According to the research, levels of productivity were low before implementation of the concept and high after the concept's implementation thus a proof of learning. McBeth and Ferguson argue that partnership sourcing leads to superior performance. This is also in line with McHugh's arguments of supplier cost reduction and good delivery and logistics management as a result of partnership sourcing. This is further supported by Lord Simon of Highbury during a partnership lecture who identified similar combinations such as cost competitive advantage.

However the changing face of the business model and globalization offer greater interdependence between organizations which recognize that effective collaboration and partnership requires increased commercial and interpersonal skills according to Laming, McBeth and Ferguson and Mike Fogg suggest three core segments that is initiation, agreement and delivery. This is proved by

the findings from the research where by 100% of the total respondents identified initiation agreement delivery and increased communication and interpersonal skills as the major strategies on how partnership sourcing has been developed in GM TUMPECO. This is in line with Boddy et al who identifies that the concept implies changes to the social systems of organization and in line with Faw and Rob on their stated arguments on how to develop partnership sourcing. This relationship has been maintained through application of team work trust and patience, commitment and understanding as identified during the research with a percentage of 100% and effective management and competence with 87.5% of the total respondents hence in line with Laming, Mcbeth and Ferguson argument on how effective collaboration can be sustained. This also concurs with Boyle E argument on how to successfully establish partnerships.

As with a new theory or innovative idea, the challenge of partnership sourcing lies not just with understanding the concept but also the process it can be successfully implemented. This is proved basing on the responses obtained where by 100% of the total respondents concurred with the statement that there are problems in implementing partnership sourcing hence in line with Laming Mcbeth and Ferguson argument about the problems that lies the implementation of partnership sourcing which includes lack of trust, lack of commitment and lack of understanding about the concepts. This was further proved by the frequency with which these problems were identified constituting a percentage of 100% of the total respondents. This is in line with Van Weele who argues that the interpretation of the concept has been shown to be misleading. It also concurs with A. T Keamey and Burnes and Dale B G arguments about the barriers to partnership sourcing. These problems faced greatly affect the productivity through the low range of products, low level of technology and innovation as identified by the total respondents with 100% and increased overhead costs with 87.5% thus an indication that productivity is directly affected by the problems faced during the implementation process.

5.3 CONCLUSIONS

It has been observed that partnership sourcing has a big role to play towards organizational productivity especially in the ever changing and competitive business environment whereby organizations need to have good suppliers with whom they can be able to develop products and share information so as to meet the ever changing demands of customers.

The main objective of the study was to examine organization productivity in relation to partnership sourcing at GM TUMPECO. It was therefore observed that partnership sourcing is of great importance as far as productivity is concerned since the levels of productivity in GM TUMPECO were low before the implementation of the concept and drastically increased when the concept was developed.

It was further noted that the contribution of partnership sourcing towards productivity ranges from fast in time delivery, improved quality competitive advantage to increased efficiency and profitability.

The findings reveal that the concept is not adequately established in GM TUMPECO since some loopholes in the process of developing partnership sourcing were identified such as lack of a clear exit strategy which affects the organization in future contracts.

Moreover, a lot of problems that hinder the implementation of partnership sourcing were observed in GM TUMPECO which ranged from lack of top management support to lack of a clear understanding about the concept amongst the workers at GM TUMPECO, which in turn reduces the productivity.

5.4 RECOMMENDATIONS

On the basis of the results obtained from the study, the researcher has the following recommendations both to the intending researcher on the same topic and to the management of GM TUMPECO so as to improve their productivity levels through development of world-class partnerships.

It is recommended that the management of GM TUMPECO should fully understand the concept of partnership sourcing before implementing it and should make sure that all the members involved in such kind of relationship are aware of the developments of the idea so as to effectively work together and experience the contributions of partner sourcing towards productivity of the organization.

More so, change should be embraced positively within the organization and among its trading partners so as to successfully implement the concept of partnership sourcing whose rewards are immense towards productivity.

It is recommended that parties involved in such relationships should be proactive meaning that they should generate solutions to the anticipated problems instead of being reactive where by parties wait for the problem to happen and then find ways of overcoming them since reactivity in such relationships as partnerships as partnership sourcing can greatly impact negatively on productivity due to the high costs that can be involved.

Thus, buyers should work with and challenge others internally and externally to develop relationships to meet everyone's needs, see the purchasing cycle as an interactive evolutionary process worth investing time in, rather than a single "reg-to-checke" process. The more important the purchase, the more vital this consideration is. Lastly, there is need to understand as much as possible about suppliers and try to establish what their objectives are.

The intending Researchers should carry out an in depth research about the loopholes in development of partnership sourcing and possible solutions to the barriers.

REFERENCES

Kenneth Lyson & Micheal Gillingham, *Purchasing & Supply Chain Management* Sixth edition

Douglas K. Macbeth & Neil Furgerson, *Partnership sourcing*

Faw, Rob *Developing world-class partnership* Publication ; communication news July 2000

Brown A.D, Boyett I & Robinson P ,*The dynamics of partnership sourcing*

A. T Keamey (1994): *Partnership or Power Play?*

Bennet J. Jayes. S. (1995): *Trusting the Team: The best Practice Guide to Partnering in Construction*, Centre for strategic studies in construction.

Building Services (1995); *Why Partnering is such a god thing? Building Services*. The CIBSE Journal, No. 11.

Burnes B. Dale BG (Eds): *Working in Partnership*

Hines P (1994): *Creating World Class Suppliers; Unlocking mutual competitive advantage*.

Lamming R (1993) *Beyond Partnership; Strategies for Innovation and lean supply*

John Cockaday, *Partnership Sourcing* (March 2001)

Boyle E. *Creating an Organizational network out of the Ashes of despair*.

Mchugh, Marie; *Partnership Sourcing; An Organization Change Management Perspective* (2000).

DTI (1992); *Supplier innovation: The Role of Strategic Partnership in the UK Automotive Components Sector*.

www.businesszone.co.uk

www.allbusiness.com/management/609991-1

www.allbusiness.com/management/583691-1

www.ingentaconnect.com

www.dti.gov.uk

Supply management 26th April 2007 volume 22 issue 9

Supply management 10th May 2007 Issue 10

Supply management 29th March, 2007 Volume 12, Issue 17

Supply management 16th Nov, 2006 Volume 11, Issue 23

Supply management 8th Sept, 2005 Volume 10, Issue 18

Supply management 6th July, 2006 Volume 11, Issue 14

Supply management 24th May, 2007 Volume 12, Issue 11

APPENDIX

WORK PLAN

Activity,	Time Period (in Weeks)
Visiting library for Preparation for study	12
Pilot study	02
Data collection	06
Entry of data into the Computer	02
Analyzing of data	03
Printing first draft	01
Correction	04
Handing over the final report	01
Total	32

RESEARCH BUDGET

Item	Cost
Visiting study area	60,000/=
(Transport)	
Stationary	40,000/=
Internet usage	60,000/=
Secretarial work	250,000/=
Miscellaneous	<u>90,000/=</u>
Total	500,000/=

RESPONDENT QUESTIONNAIRE

Dear sir/ madam,

I am a third year student at Kampala International University pursuing a degree in Supplies and Procurement Management kindly requesting for access to data collection concerning Partnership sourcing and organizational productivity in your organization. The data given will just be for academic purposes where it will be treated with full confidential. Please comment on the given space or simply tick the correct answer. Thanks.

Background information

1) Age

a) 20-30

b) 30-40

c) 41 and above

2) Sex

Male Female

3) What is the name of your organization?
.....
.....

4) Position of respondent in organization
.....
.....

5) What are the goals of your organization?
.....
.....
.....

6) How are your reporting lines? (Which do you report to?)
.....
.....

Does your organization engage in extra curricular activities?

Yes

No

Why or why not?
.....
.....

Part two.

1. Do you have relationships with your suppliers?

Yes

No

2. What kind of relationships are these?

Long term

Short term

Contractual

Don't know

3. How have you established these supplier relationships?
.....
.....

4. How has your organization tried to maintain those relationships?
.....
.....
.....

5. Are those relationships of any benefit to the organization in terms of output?

Yes

No

Give reasons and rank the benefits according to their contribution levels
.....
.....

6. How the levels of output of the organization before your organization were developed
supplier relationships?

Very High

High

Average

Low

7. Supplier relationships have greatly increased on the levels of output in your organization

Strongly agree

Agree

Disagree

Don't know

8. Have you faced any problems in developing relationships with suppliers?

Yes

No

9. What are these problems and rank them accordingly.

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

10. How have you tried to overcome the problems faced in developing supplier relationships?

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

11. Do you think productivity of your organization will increase as a result of having good supplier relationships?

Yes

No

Don't Know

12. What advise would you give organizations that have not yet developed supplier relationships and why?

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