
**THE EFFECT OF SUPPLIER DEVELOPMENT ON PROCUREMENT
PERFORMANCE OF MANUFACTURING FIRMS IN UGANDA
ACASE STUDY OF KAKIRA SUGER FACTORY
IN JINJA DISTRICT**

**BY
HAMONYE MARIKO
BU/UP/2018/2876**

**A RESEARCH PROPOSAL SUBMITTED TO THE FACULTY OF MANAGEMENT
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FULFILLMENT FOR THE REQUIREMENT OF A WARD OF A BACHELORRS
DEGREE IN BUSINESS ADMINISTRATION OF**

BUSITEMA UNIVERSITY.

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DECLARATION

I HAMONYE MARIKO do hereby declare that this research proposal has been my own original work and it has not been submitted to any other University/Institution by anybody else for any other degree award.

Student's Signature:

Date:

APPROVAL

This research proposal has been submitted for examination with the approval of my supervisor and is for the award of a Bachelor of Business Administration of Busitema University.

Supervisor: Mr. EMOJONG RONALD

Signature:

Date:

DEDICATION

This research project is dedicated to my loving parents, Mrs. Auma Justine my father, Mr. Onyango Paul, my sister Nabwire Angela and my wife Kagoya Emilly not forgetting the team that helped me in compiling this work.

I also dedicate this research to the staff members of Busitema University. On a special note I also dedicate this research to my supervisor, Mr. Emojong Ronald for his endless guidance and my Lastly, to my friends and fellow researchers at Busitema University specifically Ojiambo vincent, Jamada Jamiru, without forgetting Okirori ismeal for the corporation and love exhibited. May God reward you accordingly, Amen!

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May God bless you ALL.

ABSTRACT

The study was carried out with the purpose of examining the effect of supplier development on procurement performance of kakira manufacturing firm. The objectives for the study was; To determine the effect of supplier training on procurement performance, to determine the effect of financial support on procurement performance and to determine the effect of supplier involvement on procurement performance. The researcher applied both qualitative and quantitative techniques in designing the research. A total of 36 respondents participated in the study and were selected using random sampling method. The data was collected using questionnaires and interviews and presented using tables, graphs and pie charts for easy analysis. The research findings revealed that indeed supplier development is crucial in improving the supplier performance and the organisation performance. The study established a significant positive relationship between two elements of supplier development namely financial support and supplier involvement and organization performance; therefore, firms in manufacturing industry ought to engage more in activities that help improve the operations of their suppliers. The study also established a significant negative relationship between supplier training activities and procurement performance hence, thus organization performance also in conclusion this study suggests financial support is very important and that manufacturing firms should be able to provide financial support to their suppliers. However, there are challenges of finances as deduced from the study but all the firms need to do is work hand in hand with the financial institutes It was however study recommends that the kakira manufacturing firm should work hand in hand with the financial institutes to curb the challenge of finances because providing funds to the supplier is not easy but when money is available it becomes much easier. Also the study recommends that the organization should fund well the training programs that they administer to their suppliers this will indeed to better performance.

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LIST OF ABBREVIATIONS AND ACRONYMS

SD	Supplier development
PP	Procurement performance
SDT	Resource dependence theory
PPDA	Public procurement and disposal assets
DOC	Document
KSMC	kakira sugar manufacturing company

CHAPTER ONE:

INTRODUCTION

1.0 Introduction

The chapter presents the introduction, background of the study, problem statement, purpose of the study, objectives, research questions, scope of the study, conceptual framework, and significance of the study and definition of key terms.

1.1 Background of study

Supplier development is defined as any effort by a buying firm to increase the performance and capabilities of their supplier. It is the process of working collaboratively with suppliers to improve or expand their capabilities (Dominick, 2006). Procurement performance is an important role in supply chain management, potentially influences the firm's quality performance, product innovation, customer responsiveness, and the firm's financial performance (Chen, 2011). Internal and external customers judge the value received from procurement and will defect if their expectations are not satisfied. In this regard, procurement would be expected to emphasize value creation and delivery, not procedures. Cooper and Gardner, (2013) contended that supplier relationship management is a comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services it uses. The goal of supplier relationship management (SRM) is to streamline and make more effective the processes between an enterprise and its suppliers just as customer relationship management (CRM) is intended to streamline and make more effective the processes between an enterprise and its customers (Ahmad, Schroeder & Mallick, 2010). Supplier involvement in product development allows a firm to make better use of their supplier's capabilities and technology to deliver competitive products. Coordinating operational activities through joint planning also results in inventory reduction, smooth production, improved product quality, and lead time reductions. They argue that integration is an effective strategy in working with suppliers throughout the product lifecycle and an effective strategy in reducing supply uncertainty (Burnes & Whittle, 2005). According to Carr and Pearson, (2009) supplier relationship management entails determining how company buyers interact with suppliers. It is a mirror image of customer relationship management. Just as a company needs to develop relationships with its customers, it needs to foster relationships with its suppliers to ensure quality goods and services, timely and assured deliveries and information flow to assist both organizations in planning (Burnes & Whittle,

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