



**CRITICAL SUCCESS FACTORS FOR STRATEGIC SOURCING IN PRIVATE SECTOR:  
A CASE OF FARMERS CHOICE KENYA**

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**Abstract**

Procurement is playing an increasingly important role in helping major companies achieve their savings and lucrative goals. Whatever companies acquire has been increasing and changing in importance, size, and complexity. In today's vibrant environment strategic relationship with suppliers is the key element to the success of a supply chain Management (SCM) which has seen a transformation in the buying process. Today's competitive environment relies on the capability of business enterprises to respond quickly to customer and market demands. To ensure "value for money" when making purchases and to prevent impropriety in the process, it is important for the company or organization to put in place adequate safeguards in the system. Acknowledging these efficiency motives, firms have increasingly turned to strategic sourcing in an effort to not only capture cost savings but also impede malpractices and grab a competitive advantage. It is time to assess the critical success factors necessary for effective strategic procurement practices in business enterprises. The study adopted a case study research design to determine whether technology, Buyer supplier relationship and continuous improvement can contribute to the success of strategic sourcing.

**Key words:** Strategic Sourcing, Procurement, Continuous Improvement, Total Quality Management, Buyer Supplier Relationship

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## Introduction

Procurement is playing an increasingly important role in helping major companies achieve their savings and lucrative goals. Whatever companies acquire has been increasing and changing in importance, size, and complexity. In today's vibrant environment strategic relationship with suppliers is the key element to the success of a supply chain Management (SCM) which has seen a transformation in the buying process. Corporations that have advanced in procurement practices are exploiting numerous opportunities to influence the corporate buy, improve the supply base, reduce related costs in the supply chain process, and maximize the value of goods and services for the users. Recently, the weight on just-in-time (JIT) manufacturing belief and strategic sourcing which establishes a long-term relationship with suppliers has become even more significant for improving organizational performance. Strategic sourcing decisions however must not be solely based on operational metrics such as cost, quality and delivery, but should also incorporate strategic dimensions and capabilities of suppliers. These competencies in the decision-making process include; emphasis on quality management practices, process capabilities, management practices, design and development capabilities, cost reduction among

others. Strategic sourcing can be taken to new levels and applied to the business designs that will shape corporate revenue realization as well as competitive cost position. The popularity of the term "strategic sourcing" was realized through work with a variety of blue chip companies by a number of consulting firms such as A.T. Kearney, Booz Allen Hamilton, KPMG, PricewaterhouseCoopers, and PRTM in the late 80s and early 90s. This methodology has become the norm for procurement departments in large, sophisticated companies.

Farmer's Choice Kenya was founded in 1980, with the central purpose of selling fresh and processed pork products to all income groups in Kenya. To this day, the core business of Farmer's Choice has been the production of fresh sausages, bacon, ham and pork. Beef has also become an important supplementary product. In the mid-1980s, the company expanded into pig production, establishing a new butchery complex and slaughterhouse at Kahawa West just outside Nairobi. An essential feature of this development was Total Quality Control from beginning to end of the production process. Central to the philosophy behind this new complex was that it should be built to international standards, satisfying hygiene and safety criteria laid down by the UN's Food and Agricultural Organisation and

the World Health Organisation, as well as the EU.A Halal certified, state-of-the-art beef slaughterhouse subsidiary has been commissioned and is trading separately under the brand 'Choice Meats'. Today, the company is selling its produce to Uganda, Tanzania, Zanzibar, Ethiopia, Muscat, Bahrain and the United Arab Emirates. New markets are now being established in West Africa. Within Kenya itself, a substantial proportion of the local production is consumed by international tourists. The cornerstone of Farmer's Choice philosophy is that quality products delivered promptly can only be achieved if clients, suppliers and staff are all treated with equal respect. The Production and Quality Assurance teams within the plant are complemented by an equally professional Sales and Marketing team working closely with the customers to ensure satisfaction. Farmer's Choice is particularly sensitive to the dynamic needs of the market, taking care to balance supply and demand as precisely as possible and striving to anticipate and satisfy all global market challenges. Good relations with suppliers are also essential both in terms of ensuring prompt payment and offering support and advice when needed. Contracted farmers are always reimbursed their transport costs, while those with no transport have their pigs collected free of charge. Staff morale is given high priority. The company employs around 1400 people,

many of whom participate actively in the management process; a 'hands on' management

style ensures constant consultation with those on the plant floor and with representatives in the market place. Constant training programmes for staff and management ensure that the staff remains abreast with the latest operational and technological developments in the market. The management strongly believes in investing in its staff and suppliers to ensure strong leadership continuity into the future.

The aim of this study was to assess the critical success factors for strategic sourcing so that business enterprises and government institutions can then focus on these factors and improve their sourcing performance.

### **Problem Statement**

Procurement process is an essential element in any business enterprise. It involves sourcing of goods and services that often use substantial finances (Davila, Gupta, Palmer, 2003). Due to the large amount of funds involved in this process, it is vulnerable to corrupt manipulation and malpractice. To ensure "value for money" when making purchases and to prevent impropriety in the process, it is important for the companies or organizations to put in place adequate safeguards in the system. Historically,

firms have made sourcing decisions commonly referred to as make-or-buy decisions based disproportionately on unit cost, with insufficient concern for strategy or technological issues. This cost-focused method has led to competitive tragedy for many firms. In this view managers require better tools for appraising sourcing decisions. They require tools that can accommodate the long-term, strategic issues (Welch Nayak, 1992). Acknowledging these efficiency motives, firms have increasingly turned to strategic sourcing in an effort to not only capture cost savings but also impede malpractices and grab a competitive advantage (Gottfredson, Puryear, Phillips, 2005). It is time to assess the critical success factors necessary for effective strategic procurement practices in business enterprises. This paper aimed at examining these critical factors for strategic sourcing so that business enterprises and government institutions can focus on them and improve their sourcing performance.

### **Objective**

To assess the critical success factors for strategic sourcing in the private sector.

### **Literature Review**

Today's business environment is intensely competitive coupled with more and more demanding customers and fast technological advancements happening globally. Since sourcing is an essential feature in firms and

business enterprises, it is important to determine the critical success factors and strategies for effective sourcing that will align with the current competitive market forces.

### **Theoretical and Conceptual Framework**

(Narasimhan Das, 1999) defines strategic sourcing as "the process of designing and managing supply networks in line with operational and organizational performance objectives". According to (Eltantawy Giunipero, 2013) past literature on strategic sourcing flows into three streams. The first stream emphasizes on the drivers of the make versus buy decision: i.e. whether in-house production provides the organization with a competitive advantage, whether the technology required for the operation is immature and draws few suppliers. The second focuses on the long-term implications of strategic sourcing for the procurement process and on buyer/supplier relationships. The third focuses on the dimensions of strategic sourcing framework. (Welch Nayak, 1992b) developed a Strategic Sourcing Model (SSM) that examines three factors; (1) the role of process technology in providing competitive advantage, (2) the maturity of the process technology, and (3) competitors' process technology positions. A three dimensional decision table is used to arrive at sourcing decisions in terms of "make," "marginal make," "buy," and "marginal buy." SSM was developed to help managers account

for these strategic and technological factors. By examining various dimensions of the process technologies involved in the sourcing decision, a firm can avoid the pitfalls of the classical make-or-buy exercise where cost alone is used as a decision variable. (Chan Chin, 2007) also came up with 14 key success factors (KSFs) for strategic sourcing. After reviewing the nature of the 14 factors, they were grouped into three Strategic Sourcing Categories (SSCs): “Visionary leadership in strategic sourcing” “Supplier management system” and “Continuous improvement”. The above studies group the factors for strategic sourcing each on their own school of thought. The conceptual framework that will be developed in this study will attempt to incorporate all of the above perceived crucial factors into three variables for exploration namely; Role of technology, Buyer supplier relationship and continuous improvement.

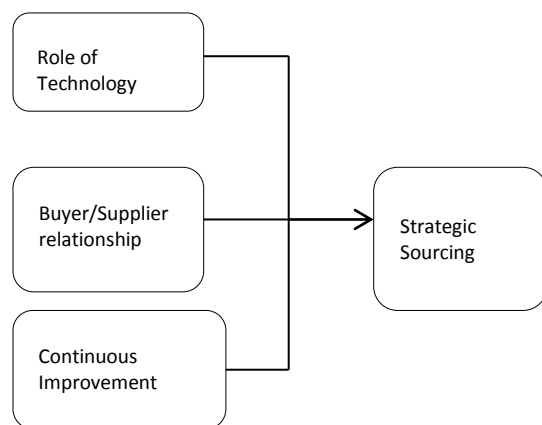


Figure 1 Conceptual Framework

## Strategic Sourcing

According to (Eltantawy Giunipero, 2013) over recent decades, scholars and practitioners have increasingly recognized that strategic sourcing (SS) provides a competitive advantage. Competitive trends drive many companies to emphasize a more integrative dominant logic in their SS practices. So what is this strategic sourcing? (Carter Narasimhan, 1990) described it as “an initiative to build competitive advantage through early supplier involvement in product engineering, sharing of supplier technology, and supplier assistance in developing product and process improvements”. SS is a way to obtain manufacturing capabilities without capital investments. SS goal is to rationalize sourcing and purchasing activities to achieve the overall supply chain vision and service the final customer (Khan Pillania, 2008). The design of SS upholds the competitiveness of the companies’ profile and develops, links and manages the rings constituting the supply chain environment (De Toni, Nassimbeni, Tonchia, 1994). In addition (Talluri Narasimhan, 2004) says SS also provides benchmarks and continuous feedback to suppliers and in some cases engages in supplier pruning activities. The prominence of supply chain management (SCM) according to (Carter Narasimhan, 1996) has intensified, given the challenges of reducing costs at the same time improving service levels

significantly. Purchasing and supply management is one aspect of SCM that promises better cost control and utilization of resources. Within this context, SS is seen as one of the most important purchasing practices for the future (Khan Pillania, 2008). He adds on and says that SS means “moving away from providing services, on a function-by-function or business-unit-by-business-unit basis, to managing services on a company-wide scale”. From the strategic supplier evaluation literature, sourcing decisions significantly impact various aspects of a product such as cost, design, manufacturability, and quality (Burton, 1988).

### **Role of Technology**

Advances in information technology (IT) and systems (IS), provide tremendous opportunities in that they enhance the company's capability to create inventory and capacity buffers to reduce the impact of demand ambiguity (Thawiwinyu Laptaned, 2009). In the present day, the potential for electronically facilitated joint decision making in supply chains according to (Chandrashekar Schary, 1999) is restricted only by organizational constraints of trust, compatibility and commonly recognized goals rather than the restrictions related to the technology itself. In business enterprises developing and sustaining competitive advantage involves access to suitable

technologies and the capability to benefit from or even lead the development of certain key technologies (Jennings, 2002). Although the development of technology can be quite expensive the decision as to which technologies should be developed in house must be made on a careful basis for it to certify support for sustaining competitive edge. (Welch Nayak, 1992b) developed some guiding principles for evaluating the outsourcing technologies. He highlighted on the need to consider the rate of technological change. The adoption and use of IT and IS has a strong effect on business practices. In this perspective it is imperative to appreciate the effect of changing IT on business performance. (Fisher 1997) adds that the growing interest in supply chain management over the last decade has coincided with the emergence of electronic networks that facilitate closer coordination. The introduction and great advancement of telecommunication industry has led to progression of data transfer from firms due to Electronic Data Interchange (EDI). EDI provides the first direct computer to computer data links now known as web based communication largely from within and between firms regardless of physical location. Data flow through enterprise is now real time. In a fully integrated network, production and delivery schedules inventories, order tracking and drawing and design files become open to

view and thus transparent to authorize supply chain members(Jennings, 2002).

### **Buyer/Supplier Relationship**

The interdependence between purchasing and other functions is becoming stronger. Interdependence exists when one actor does not wholly control all of the conditions necessary for realization of an action or a desired outcome. According to (Kocabasoglu, 2002) purchasing has increasingly taken part in activities that have been conventionally presumed to be other functions' responsibilities, such as product design and development. Purchasing decisions on which vendor to select is expanding to involve departments other than procurement, especially when long term relationships and outsourcing are utilized. (Kraljic, 1983) asserts that strategic sourcing affects several functions within an organization; this therefore requires cross-functional communication.

Effective sourcing management entails the need to choose appropriate buyer–supplier (Saeed, Malhotra, Grover, 2005) relationships ranging from within to coordinated relationships in the organization and adapt management practices to fit those relationships. In addition, facilitating technologies that consistently support these relationships are needed. The resulting need of internal coordination is managed through

stronger incorporation among functions and an increase in cross-functional teams.(Kraljic, 1983)adds when there is improved integration among dissimilar functions, it leads to price reduction and savings, inventory reduction, reduced clerical work and better delivery and service. This integrated coordination should not only be within the firm but extend to the suppliers for strategic long term relationship. However, (Kocabasoglu, 2002) asserts that the main challenge in long-term relationships is that unless the buyer and supplier are mutually interdependent, companies place themselves at risk of opportunistic behaviour by their partners. This imposes a risk that can be mitigated by information sharing and supplier development strategies. It is in this line that (Monczka, Petersen, Handfield, Ragatz, 1998) are of the opinion that communication processes and the sharing of information are vital to most aspects of organizational functioning .

### **Continuous Improvement (CI)**

Continuous improvement can be defined generally as a culture of continual enhancement aiming at the elimination of waste in all systems and processes of an organization(Chapman Corso, 2005). Involvement of all members in making improvements without necessarily incorporating huge capital investments is of key importance. CI can occur through evolutionary

improvement, in which case improvements are incremental, or though radical changes that take place as a result of an innovative idea or new technology (Chapman Corso, 2005). Additionally (Saeed, Malhotra, Grover, 2005) opines that the real source of sustainable competitive advantage will rather be the ability to become involved and creation of value in innovation and improvement of processes that involve the entire operations in the entire sourcing process. Often, major improvements take place over time as a result of numerous incremental improvements. Continuous improvement (Bhuiyan Baghel, 2005) opines that CI is a philosophy that consists of Improvement initiatives that increase successes and reduce failures. (Chan Chin, 2007) views CI as a critical component of strategic sourcing. They define it as a strategic activity that arises from competitive pressure in the business environment and aims at cutting on cost and timescales, and to improve standards and productivity. (Chapman Corso, 2005) says is that there is a thin line between continuous improvement and continuous innovation because their concepts somewhat overlap. (Douma, 1997) and other scholars in their studies have emphasized on the need for organisations to change and improve their performance continuously in order to cope with market demands, global competition and changing technology. These requirements

establish the need for firms to be simultaneously good at operational effectiveness and strategic flexibility, attributes previously considered to be hostile. In conclusion, firms should develop systems, procedures and processes by which individuals that have the critical knowledge transmit this information to others who can use it

### **Research Methodology**

The study adopted a case study research design. Both quantitative and qualitative research approach will be used. The population of the study comprised of all 1400 employees' Farmers' Choice Limited. For this study, target population consisted of 140 staff in the Kahawa west plant, Nairobi. From the target population of 1400 employees a sample of 10% was obtained using stratified random sampling technique. This is because the subject within the sample will be divided into three stratus. These are the employees in senior level in the organization, the personnel in the procurement department and other staff from other departments. Structured questionnaires were used to capture primary data. A pilot study was carried out at farmer's choice limited to allow the researcher to find out if the data collection instrument is viable prior to the actual data collection. The data collected from the field was captured using the latest version of Statistical Package for Social Sciences (SPSS) and Microsoft

excel (Microsoft office 2010). Analysis of data involved descriptive statistics including frequency, percentages and means and presented in summary form using graphs, pie charts and frequency distribution tables.

## Findings and Discussions

### Response rate

The research was conducted on a sample of 140 respondents from the Farmers choice Headquarters at Kahawa West Kenya. However, out of the issued questionnaires, 98 were returned suitably filled in making a response rate of 70% which was sufficient for statistical reporting.

### Demographic Data

#### General Information

The study sought to ascertain the information on the respondents involved in the study about the gender, age and the job category. The bio data points at the respondents' aptness in answering the questions.

#### Respondents Gender

In order to understand the respondents' gender distribution, the respondents were asked to indicate their gender category in which they fell. The respondents were asked to indicate their gender by placing a mark next to the relevant option provided (male or female). From the findings, most of the respondents, 56.12% were male while their female counterparts represented 43.88%. This is a

closely equal ratio, possibly because Farmers' Choice could be an equal opportunity employer.

### Job Category versus Years of experience.

The study sort to find out the job category and the number of years the respondents has worked for the company. Cross tabulation was used.

**Table 1: Job category Years of Work Cross-tabulation**

Job category		Years of Work				Total
Count		Less than a year	6-10yrs	1-5yrs	11-20yrs	
Job category	Management	1	2	1	2	6
	Processing	8	10	3	4	25
	Procurement	2	15	10	5	32
	other	12	4	14	5	35
Total		23	31	28	16	98

From the findings most of the management personnel had worked for more than 5 years, this could mean that the position required people who had work experience. Processing and procurement had the majority of the youngest personnel probably because of their zeal and energy.

### Use of technology in cost reduction

The respondents were asked to indicate the degree to which they agreed with the statement "use of technology helps in cost reduction".

Below were the varied views from different job categories:

**Table 2: Job category cost reduction Cross tabulation**

Job category cost reduction Cross tabulation						
Count		Cost reduction				
		Disagree	Neutral	Agree	Strongly Agree	Total
Job category	Management	0	0	3	3	6
	Processing	2	7	11	5	25
	Procurement	0	1	15	16	32
	other	3	8	17	7	35
Total		5	16	46	31	98

From the above findings all the personnel in management agreed to the statement, cumulatively 77 out of 98 (78.6%) respondents agreed with the statement. The findings are in agreement with (Reichheld, 1996) who says that technologies such as CRM have resulted in increased competitiveness for many companies as witnessed by higher revenues and lower operational costs. Also (Subramaniam Shaw, 2002) says that web-enabled B2B e-commerce enhances inter-organizational coordination resulting in transaction cost savings and competitive sourcing opportunities for the buyer organization.

## Use of Technology Speeds up Sourcing Process

The study sort to find out whether use of technology helps speed up the sourcing process. The table below shows the response according to the different job groups.

**Table 3: Job Category Speeds up Sourcing Cross tabulation**

Job Category Speeds up Sourcing Cross tabulation						
Count		Speeds up Sourcing				
		Disagree	Neutral	Agree	Strongly Agree	Total
Job Category	Management	0	0	3	3	6
	Processing	2	11	7	5	25
	Procurement	0	3	18	11	32
	other	0	13	17	5	35
Total		2	27	45	24	98

According to the results, it was noted that a good percentage of the respondents 24.48% strongly agreed that through the use of technology the sourcing process is speeded up. This probably was because of the big percentage of the people using the technology already in place. 45.91% of the respondents agreed that the technology speeds up the process too with 27.55% being neutral. This tally with the literature which shows the procurement process has traditionally involved slow manual

procedures and even slower systematic processes for handling procurement transactions (Hawking et al.2004) whereas E-procurement has had an increasingly important role in business-to-business (B2B) commerce because it enhances inter-organizational coordination resulting in transaction cost savings and competitive sourcing opportunities for the buyer organization (Subramaniam Shaw, 2002).

#### **Buyer Supplier Relationship Enhances Communication for Future Demands**

The respondents were asked their opinion whether the buyer/supplier relationship can enhance communication for future demands. A cross tabulation was used to give the analysis. Below were the findings

**Table 4: Job category Communication for future demands Cross tabulation**

Job category Communication for future demands Cross tabulation		Communication for future demands				
Count		Disagree	Neutral	Agree	Strongly Agree	Total
Job	Managem	0	0	2	4	6
	Processin	0	2	12	11	25
	Procurem	0	6	17	9	32

other	2	9	20	4	35
Total	2	17	51	28	98

According to the findings 80.61% of the respondents agreed that buyer supplier relationship enhances better communication for future demands. This concurs with the literature that shows the aspects of communication behaviour that leads to effective information exchange in an organization include information sharing, and the level of information quality and participation. According to (Daft Lengel, 1986) these aspects of information sharing i.e. (quantity and quality) are required to positively develop supplier alliances. Information quality includes; the accuracy, timeliness, adequacy, and credibility of information. In addition (Monczka et al., 1998) say that the two information attributes are closely related in a strategic supplier alliance and are critical in enabling both parties to synchronize their activities.

#### **Buyer/Supplier Relationship can aid in timely and correct delivery**

The respondents were asked to give their take on the buyer/supplier relationship can aid in timely and correct delivery. Below are the findings.

**Table 5: Job Category Time Delivery Cross Tabulation**

Job Category Time Delivery Cross Tabulation		Time Delivery				
Job Category	Management	Count				Total
		Disagree	Neutral	Agree	Strongly Agree	
	Management	0	0	3	3	6
	Processing	1	3	9	12	25
	Procurement	0	0	27	5	32
	other	0	0	34	1	35
Total		1	3	73	21	98

According to the findings 21.42% of the respondents agreed that buyer/supplier relationship aids in timely and correct delivery. 74.48% agreed with the question and only 1.02% disagreeing. This shows that buyer/supplier relationship is valued in the organization and this goes in line with (Kraljic, 1983) who opines that when there is improved integration among dissimilar functions, it leads to price reduction and savings, inventory reduction, reduced clerical work and better delivery and service. This integrated coordination should not only be within the firm but extend to the suppliers for strategic long term relationship.

### Role of Continuous Improvement in Strategic Sourcing

A cross-tabulation of the job category and different aspects of continuous improvement

was used to give a view on the opinion of the respondents. Below are the findings.

**Table 6: Research and Development for CI**

Job Category Research Development Cross Tabulation		Research Development		
Job Category	Management	Count		Total
		Agree	Strongly Agree	
	Management	3	3	6
	Processing	25	0	25
	Procurement	32	0	32
	other	35	0	35
Total		95	3	98

According to the findings there was a 3.06% and 96.93% response on both strongly agree and agree accordingly. This probably was because the company has a research and development unit that pushes the company to Continuous Improvement. According to (Douma, 1997) and other scholars in their studies have emphasized on the need for organisations to change and improve their performance continuously in order to cope with market demands, global competition and changing technology.

### CI helps Mitigate Duplication of Companies products by the Competitor

The respondents were asked to give their take on how CI can help mitigate duplication of company's products by the competition. Below are the findings.

**Table 7: Job category and Continuous Improvement**

Job category		Continuous Improvement Helps					Total
Count		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Management		0	0	0	1	5	6
Processing		0	2	10	8	5	25
Procurement		0	0	3	15	14	32
other		1	3	4	24	3	35
Total		1	5	17	48	27	98

From the findings 76.5% agreed that the use of CI can help mitigate product duplication by the competition. (Saeed, Malhotra, Grover, 2005) opines that the real source of sustainable competitive advantage will rather be the ability to become involved and creation of value in innovation and improvement of processes that involve the entire operations in the entire sourcing process.(Chapman Corso, 2005)says thatCI can occur through evolutionary improvement, in which case improvements are incremental, or though radical changes that take place as a result of an innovative idea or new technology

### Successful Strategic Sourcing Implementation

In this section the study sought to understand the requirements for successful strategic sourcing.

Cost, design, quality and manufacturing process can affect strategic sourcing. The study asked

the respondents their opinion on the above statement. The responses were rated on a five point Likert scale where a five point Likert scale where: 1 - Strongly disagree 2 – disagree 3 – neutral 4- agree and 5- strongly agree.

**Table 8: Job category and Successful Strategic Sourcing Implementation**

Job category		Successful Strategic Sourcing Implementation cost design					Total
Count		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Management		0	0	0	2	4	6
Processing		0	2	3	18	2	25
Procurement		0	0	4	24	4	32
other		1	3	12	19	0	35
Total		1	5	19	63	10	98

The above finding indicate that majority of the respondents agreed with the statement, that cost design, quality and manufacturability process can affect strategic sourcing. This shows that there is a big effect of technology on strategic sourcing. From the literature reviewed, designing and implementing service propositions that capture enterprise scale and maximize synergies is not easy and requires that a company addresses interconnected needs and capabilities across often far-flung global operations. From the strategic supplier evaluation literature, sourcing decisions

significantly impact various aspects of a product such as cost, design, manufacturability, and quality (Burton, 1988).

### Supplier Collaboration help in strategic sourcing

It was important to find out if supplier relationship can affect strategic sourcing. The table below summarizes the findings.

**Table 9: Supplier Collaboration help in strategic sourcing**

Job category		Supplier Collaboration help in strategic sourcing				
		Cross-tabulation				
Count		Supplier Collaboration help in strategic sourcing				
		Disagree	Neutral	Agree	Strongly Agree	Total
Job category	Management	0	0	3	3	6
	Processing	1	4	17	3	25
	Procurement	1	2	21	8	32
	other	1	10	19	5	35
Total		3	16	60	19	98

The findings indicated that 80.6% opined that collaboration with suppliers can help enhance strategic sourcing. This is as per the literature reviewed which indicated that integrated coordination should not only be within the firm but extend to the suppliers for strategic long term relationship. However, (Kocabasoglu, 2002) asserts that the main challenge in long-term relationships is that unless the buyer and

supplier are mutually interdependent, companies place themselves at risk of opportunistic behaviour by their partners. This imposes a risk that can be mitigated by information sharing and supplier development strategies. It is in this line that (Monczka, Petersen, Handfield, Ragatz, 1998) are of the opinion that communication processes and the sharing of information are vital to most aspects of organizational functioning .

### People management affect strategic sourcing

The study sought to find out if people management can affect strategic sourcing. The table below summarizes the findings.

**Table 10: People management affect strategic sourcing**

Job category		People Management affect Strategic Sourcing				
		Cross-tabulation				
Count		People Management affect Strategic Sourcing				
		Disagree	Neutral	Agree	Strongly Agree	Total
Job category	Management	0	0	3	3	6
	Processing	0	6	17	2	25
	Procurement	1	4	24	3	32
	other	0	10	22	3	35
Total		1	20	66	11	98

77% of the respondents thought that people management was a significant aspect for strategic sourcing. It is the duty of Human resource manager to encourage the

implementation of CI. The people in senior management should also set improvement tasks, allocate resources, provide an organisation-wide culture, arrange for frequent capacity building workshops to motivate, reward and recognize employees to enable CI (Chan Chin, 2007).

### **Conclusion**

The study concludes that technology, buyer/supplier relationship and continuous improvement play a significant role in strategic sourcing. The adoption and use of IT and IS has a strong effect on business practices and overall business performance. It was also concluded that collaboration with suppliers can help enhance strategic sourcing. 80.6% response agreed to this which is in line with the literature reviewed which indicated that integrated coordination should not only be within the firm but extend to the suppliers for strategic long term relationship. It is the duty of Human resource manager to encourage the

implementation of CI. The people in senior management should also set improvement tasks, allocate resources, provide an organization-wide culture, arrange for frequent capacity building workshops to motivate, reward and recognize employees to enable CI (Chan Chin, 2007).

### **Recommendations**

Based on the findings of the study, it is recommended that technology, buyer/supplier relationship and continuous improvement are among the key factors that are critical in strategic sourcing advancement. It is therefore of necessity in any private plus public companies to take seriously the role of technology, buyer/supplier relationship and continue improving all these with the new technology to perform well in business and especially in the line of strategic sourcing.

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