INFLUENCE OF SUPPLY CHAIN MANAGEMENT PRACTICES ON COMPETITIVE ADVANTAGE IN CEMENT MANUFACTURING INDUSTRY: A CASE OF EAST AFRICAN PORTLAND CEMENT COMPANY LIMITED

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ABSTRACT
The supply chain management practices in manufacturing firms in Kenya are weak and there also exists little inter-industry integration in the country. They also encounter problems in materials management and lack of well integrated database system to support information flow as well as stiff competition in the current markets. The objective of the study was to look into the influence of supply chain management practices on competitive advantage in the cement manufacturing industry, with a focus on East African Portland Cement Company Limited. The study specifically sought to examine the effect of strategic supplier partnership and customer relationship on competitive advantage of cement manufacturing firms in Kenya. The study adopted descriptive research design. The target population was 676 staff from three departments, namely, supply chain department, sales & marketing and production department in EAPCC. The sample size for the study was determined using Yemane’s formula (2007). The study collected primary data using questionnaires. Statistical Package for Social Sciences (SPSS) version 21 was used in the data analysis. The study found that strategic supplier partnership influenced competitive advantage in cement manufacturing industry. Strategic supplier partnership enhanced joint inventory management between the organization and the supplier and helped promote shared benefits and ongoing collaboration in key strategic areas like technology, products and market, strategic partnership promotes collaboration in products design. Customer relationship influenced competitive advantage at EAPCC. Close relationships with customers enabled the organizations’ customers to distinguish its products to competitors. The study recommended that manufacturing companies should strive to create and abide more on the strategic supplier partnership to create their competitive advantage. Companies should create better relations with their customers to earn their loyalty through improving their services and responding timely to customer complains which in turn will create their competitive advantage over competitors.

Key Words: Strategic Supplier Partnership, Customer Relationship, Supply Chain Management
INTRODUCTION
As global competition increases, manufacturing companies should be more involved in how their suppliers and customers conduct their businesses. To compete successfully in today’s challenging business environment manufacturing companies should be able to effectively integrate the internal functions within a company and effectively link them with the external operations of suppliers and supply chain members. They need to focus on supply chain management practices that have an impact on enhancing SCM activities and ultimately performances (Arawati, 2011).

Modern supply chain managers are confronted with dynamic and complex supply chains and therefore with trends and developments that are hard to predict. These trends include ongoing globalisation and the increasing intensity of competition, the growing demands of security, environmental protection and resource scarcity and last but not least, the need for reliable, flexible and cost-efficient business systems capable of supporting customer differentiation. In order to respond to these changes and remain competitive, supply chain managers need to be able to understand and identify highly efficient supply chain operations to create sustainable, long-term customer-focused supply chains.

According to Muhammad, Qayyum, Ali and Shazad (2012), effective and efficient supply chain management has become a very valuable and important way to remain competitive in the market and to improve the organizational performance. It plays a very important role in staying competitive because the competition among the organizations is effected by the SCM. However, several external factors continue to thrust the organization to adopt the new way of conducting businesses; that is, increasing globalization, decreased barriers to international trade, improvement of information availability through information technology and increasing customer demand (Sahay & Mohan, 2013). In order to survive companies must be able to reduce cost, improve quality and provide fast response to the customer needs. One of the ways of achieving that competitive edge is through the implementation of SCM practices (Muhammad, 2014).

The supply chain concept is theorized from the formation of a value chain network consisting of individual functional entities committed to providing resources and information to achieve the objectives of efficient management of suppliers as well as the flow of parts. Supply Chain (SC) is a homogeneous and interconnected network of firms which manages supplies, storages and handles material, information, personnel, equipment and final products throughout its length. The SC can be the means by which businesses add value to customers and therefore competitive advantage in the international market. Competitiveness no longer exists among individual members of a SC but between SCs (Tsironis & Matthopoulos, 2015).

Supply chain management (SCM) includes a set of approaches and practices to effectively integrate suppliers, manufacturers, distributors and customers for improving the long-term performance of the individual firms and the supply chain as a whole in a cohesive and high-performing business model (Chopra and Meindl, 2011). As defined by the Council of Supply Chain Management Professionals (CSCMP), SCM encompasses the planning and management of all activities involved in sourcing and procurement, conversion and all logistics management activities as well as coordination and collaboration with channel partners. Zuckerman (2014) also asserts that supply chain encompasses all activities associated with the flow and exchange of goods and services from raw material stage to the final
product usable by the client and supply chain management emphasis on integration of supply chain activities and information flows associated with them through improved supply chain relationships.

In Africa, a number of studies have been conducted to establish the relationship between supply chain management practices and competitive advantage and organization performance. For instance Adebayo (2012) revealed that in Nigeria, manufacturing companies involve suppliers in the product design process which could offer more cost effective design choices, help select the best components and technologies, and help in design assessment. In Ghana, a study by Mensah et al. (2014) noted that supply chain management practices and its effects on the performance found out that due to strategic supplier partnership relationship and investment in suppliers, the supply of raw materials was continuous. The findings indicates that suppliers and the company have adopted an open book concept to continuously explore areas of product and cost improvement, thereby selling product at competitive prices as compared to their competitors.

The Kenyan Manufacturing sector contributes to 10% of the Gross Domestic Product (GDP), 13% of formal employment and 12.5% of exports. As at 2015 there were approximately 2,300 manufacturing firms registered under the sector with a majority of 80% being owned by Kenyans. Most manufacturing firms are family-owned and operated. In addition, the bulk of Kenya’s manufactured goods (95 per cent) are basic products such as food, beverages, building materials, plastic house ware and basic chemicals. Only 5 per cent of manufactured items, such as pharmaceuticals, are in skill-intensive activities (KAM, 2013).

Growth in the Kenyan construction sector is driven by major infrastructure projects. In the year 2014, construction accounted for 4.8% of GDP (Kenya National Bureau of Statistics (KNBS) Economic Survey, 2015). Kenya’s building and construction sector is amongst the most rapidly growing. Cement consumption in particular is highly correlated to a country’s construction sector (Dyer & Blair Report, 2012). Rising activity has led to demand for cement in Kenya increasing at a rate of 21.8% in 2014 to a total 5.2m tonnes, according to government figures, just under half the total volume for East Africa as a whole. The key drivers of this growth in consumption included rising demand for housing (which triggered an upsurge in private sector funded housing developments), the commercial construction boom fuelled by increased foreign investment, and extensive government and donor-funded spending on the country’s mega infrastructure projects such as Standard Gauge Railway which reached 13.1% year-on-year in 2014, more than double the 2013 figures (KNBS Economic Survey, 2015).

Statement of the Problem

Supply chain management is one of the most effective ways for firms to improve their performance and remain competitive (Ou, Liu, Hung and Yen, 2010). Kenya’s cement manufacturing firms are currently not able to meet the current demand which has increased at a rate of 21.8% in 2014 to a total 5.2m tones (KNBS Economic Survey, 2015). This demand has attracted competition from within and without. For instance, new companies have come to invest in Kenya, while there are increased imports. For example the total import volumes of clinker from all foreign countries increased by 51% in 2015 from 1.31Mt in 2014, the largest increase in at least five years (KNBS, 2015).
Local cement manufacturing firms have had tougher times. East African Portland Cement for example issued a profit warning of a loss and expected reduced profits despite a rise of 12% in sales revenue for its half-year that ended on 31 December 2015. The company is also under pressure to meet the demands of all its stakeholders: For instance, customers expect good quality products at a fair price. This calls for the firms in the cement industry to devise ways to enable them stay competitive (Onyango, 2011). One of the ways is to reduce on the supply chain costs by effectively managing their supply chains. Some of the SCM practices in this industry include the use of distributors or authorized agents to distribute their products.

A review of the studies conducted locally on supply chain management practices shows that, Manyura (2012) did a study on the influence of vendor inventory management practice on organizational performance in retail outlets in Kenya. He found out that vendor inventory management influences the economic order quantity thereby affecting organizational performance. Gituro and Bolo (2014) also conducted a study on supply chain management best practices in large private manufacturing firms in Kenya however, the study did not investigate how these practices influence competitive advantage of the manufacturing firms and more so, those in the cement industry where currently there is stiff competition. It is this gap that this study sought to determine the influence of supply chain management practices on competitive advantage of cement manufacturing industry in Kenya.

**Objectives of the Study**
The general objective was to determine the influence of supply chain management practices on competitive advantage in cement manufacturing industry: a case of East Africa Portland Cement Company Limited. The specific objectives were:-

- To examine the influence of strategic supplier partnership on competitive advantage of East Africa Portland cement Company Limited.
- To determine the influence of customer relationship on competitive advantage of East Africa Portland cement Company Limited.

**LITERATURE REVIEW**

**Theoretical Review**

**Network Theory (NT)**
The performance of a firm depends not only on how efficiently it cooperates with its direct partners, but also on how well these partners cooperate with their own business partners. NT can be used to provide a basis for the conceptual analysis of reciprocity (Oliver, 1990) in cooperative relationships. Here, the firm’s continuous interaction with other players becomes an important factor in the development of new resources (Haakansson and Ford, 2002). Relationships combine the resources of two organizations to achieve more advantages than through individual efforts. Such a combination can be viewed as a quasi-organization (Haakansson & Snehota, 1995). The value of a resource is based on its combination with other resources, which is why inter-organizational ties may become more important than possessing resources per se. Thus, the resource structure determines the structure of the supply chain and becomes its motivating force. The network theory (NT) contributes profoundly to understanding the dynamics of inter-organizational relations by emphasizing the importance of “personal chemistry” between the parties, the build-up of trust through positive long-term cooperative relations and the mutual adaptation of routines and systems through exchange processes. Through direct communication, the relationships
convey a sense of uniqueness, ultimately resulting in supply chains as customization to meet individual customer requirements. The parties gradually build up mutual trust through the social exchange processes (Johanson & Mattsson, 1987). A network does not seek an optimal equilibrium, but is in a constant state of movement and change. Links between firms in a network develop through two separate, but closely linked, types of interaction: exchange processes (information, goods and services and social processes) and adaptation processes (personal, technical, legal, logistics, and administrative elements) (Johanson & Mattsson, 1987). NT is descriptive in nature and has primarily been applied in SCM to map activities, actors, and resources in a supply chain. The focus has been on developing long-term, trust based relationships between the supply chain members. Examples of issues include buyer-supplier relationships (Gadde & Haakansson, 2001), third party logistics (Halldorsson, 2002), and management roles in supply networks (Harland and Knight, 2001). The theory therefore informs the first objective of the study on the influence of strategic supplier partnership on competitive advantage of East Africa Portland cement Company Limited.

**Resource-Based View (RBV)**
This theory was developed by Birge Wenefeldt in 1984; it is also called the Resource Based Theory (RBT). It is a method of analyzing and identifying a firm’s strategic advantages based on examining its distinct combination of assets, skills, capabilities and intangibles as an organization. The RBV’s underlying premise is that a firm differs in fundamental ways because each firm possesses a “unique” bundle of resources-tangible and intangible assets and organizational capabilities to make use of those assets. Each firm develops competencies from these resources and when developed especially well, these become the source of the firm’s competitive advantage (Pearce & Robinson, 2007).

Barney (1991) suggests that firms succeed through developing resources that provide unique sources of competitive advantage. These may include physical, financial, human and organizational resources; and confer competitive advantages based on their value, rareness, uniqueness (inimitability), and embeddedness in the organization fabric. Learned et al., (1969) noted that the capability of an organization is its demonstrated and potential ability to accomplish against the opposition of circumstance or competition, whatever it sets out to do.

Every organization has actual and potential strengths and weaknesses; it is important to try to determine what they are and to distinguish one from the other. Thus what a firm can do is not just a function of the opportunities it confronts; it also depends on what resources the organization can master. Learned et al. proposed that the real key to a company’s success or even to its future development lies in its ability to find or create a competence that is truly distinctive. According to Su et al., (2009) capabilities can’t be bought; rather, they must be built; with internal capabilities and combined with external partnerships. These external partners include the customers. Companies are seeking to build a long-term relationship with its customers so as to sustain customer loyalty which is a source of competitive advantage. This theory informs the second objective of the study which seeks to determine the influence of customer relationship on competitive advantage of East Africa Portland Cement Company Limited.
Conceptual Framework

[Diagram showing Conceptual Framework with Strategic Supplier Partnership (SSP) and Competitive Advantage]

Independent Variables
- Strategic Supplier Partnership
  - Product-design
  - Market forecast
  - Technology sharing
  - Joint Inventory Management

Dependent Variable
- Competitive Advantage
  - Market Share
  - Products Quality
  - Cost leadership

Figure 1: Conceptual Framework

Strategic Supplier Partnership (SSP)
Strategic supplier partnership is defined as the long term relationship between the organization and its suppliers. It is designed to leverage the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits (Li et al., 2006). Strategic partnerships with suppliers enable organizations to work more effectively with a few important suppliers who are willing to share responsibility for the success of the products. Suppliers participating early in the product design process can offer more cost effective design choices, help select the best components and technologies, and help in design assessment (Tan et al., 2012). Strategically aligned organizations can work closely together and eliminate wasteful time and effort (Balsmeier & Voisin, 2006). An effective supplier partnership can be a critical component of a leading edge supply chain (Noble, 2013).

SSP is viewed as the firm’s ability to coordinate and integrate resources with their respective partners. The ability to coordinate inter-organizational relationships effectively is one of the important resources of the firms. Wu et al., (2016) viewed SSP as one of the key supply chain capabilities and refer SSP to the ability in coordinating the partner’s transaction-related activities. These capabilities improve operational efficiency and performance between the partners. Similarly, supply chain leaders viewed the ability to integrate strategies in an effort to jointly execute a collective activity as an important capability. In a similar notion, SSP represents this ability. Hence, strategic partnering with suppliers will be able to enhance the supply chain efforts to better performances. Adopting early supplier involvement, operational activities, such as product development projects, can offer more cost effective design choices, and improved product quality and reduction in lead time (Tan et al., 2012). Through strategic supplier partnerships, organizations can work closely with suppliers who can share responsibility for the success of the products (Li et al., 2015). Such strategic supplier partnerships should enable successful SCM.

A result of increasing reliance on suppliers has been that shortcomings in supplier performance and/or competency may present buying firms with problems such as missed shipping dates and inferior quality levels. For other companies however, superior supplier performance or capability may lead to superior quality and/or rapid integration of the latest technological breakthroughs into buying firm’s own products through early supplier involvement. Suppliers may also participate earlier in the product design process to render more cost-effective design choices, develop alternative conceptual solutions, select the best components and technologies and help in design assessment (Monczka et al., 2012). Emphasizing internal competencies requires greater reliance on external suppliers to support non-core requirements,
particularly in design and engineering support. Firms may thus find that they have replaced the need for one set of competencies with another, that of effectively managing relationships with suppliers.

Customer Relationship

Customer relationship comprises the entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction (Tan et al., 2012). Close customer relationship allows an organization to differentiate its product from competitors, sustain customer loyalty and dramatically extend the value it provides to its customers (Magretta, 2012). Increase in coordination with customers could be achieved through forming close partnerships with customers. For example, potential customer orders could be negotiated and clarified jointly (Wu et al., 2014). This may help to reduce late design changes and/or order changes, which subsequently affect the delivery performance of the company.

Close relationships with customer organizations enables to distinguish their products to competitors, retain customer loyalty and this value is protected largely to consumers (Li et al., 2016). Customer relationship goals can be mentioned as follows: identifying new business opportunities, reduce missed opportunities, reducing customer defection, creating customer loyalty, improve customer service, improve organization appearance, reduce costs, increase revenue and decrease rework marketing (Niknia, 2013).

Competitive advantage

Competitive advantage is the strategic advantage one business entity has over its rival entities within its competitive industry. Competitive advantage is what enables a business organization to thrive. The term competitive advantage is the ability gained through attributes and resources to perform at a higher level than others in the same industry or market (Christensen and Fahey, 2014). Thus competitive advantage is the ability gained through attributes and resources to perform at a higher level than others in the same industry or market. A firm has a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors (Barney, 2011).

Empirical Review

Strategic Supplier Relationship

Li et al. (2016), on the other hand, investigated the relation among five SCM practices (strategic partnership with suppliers, customer relationship, level of information sharing, information quality and postponement), competitive advantage and organizational performance. The findings of the study highlight that the implementation of practices such as strategic leadership of suppliers, building a relationship with suppliers and postponement gave the organization a competitive advantage concerning cost, quality, reliability, flexibility and delivery. The results indicate that higher levels of SCM practice can lead to enhanced competitive advantage and improved organizational performance. Also, competitive advantage can have a direct, positive impact on organizational performance.

Thatte (2016) conducted a study on competitive advantage of a firm through supply chain responsiveness and SCM Practices. It was a large scale web-based survey and it yielded 294 responses from industry professionals in the manufacturing and supply chain area. The study found out that strategic partnership between organizations promotes shared benefits and ongoing collaboration in key strategic areas like technology, products and market. He indicated that
strategic supplier partnership is the long-term relationship between the organization and its supplier. Gunasekaran et al. (2011) asserted that a strategic partnership emphasizes long-term relationship between trading partners and promote mutual planning and problem solving efforts. Strategic partnerships with suppliers lead organization working closely and effectively with a few suppliers rather than many suppliers that have been selected on the basis of cost efficiency. Greatest advantage of early supplier involvement in the product-design process are that suppliers can offer cost effective design alternative, assist in selecting better components and technologies, and aid in designing assessment (Thatte, 2016). Koh et al. (2016) also did study to determine the underlying dimensions of supply chain management (SCM) practices and to empirically test a framework identifying the relationships among SCM practices, operational performance and SCM-related organizational performance with special emphasis on small and medium size enterprises (SMEs) in Turkey. SCM practices were grouped in two factors: outsourcing and multi-suppliers and strategic collaboration and lean practices. Data for the study was collected from a sample of 203 manufacturing SMEs operating in the manufacturing sector in Istanbul in Turkey. The study found out that both factors of strategic collaboration and lean practices and outsourcing and multi-suppliers have direct positive and significant impact on operational performance.

In contrast, strategic collaboration, lean practices and outsourcing multi-suppliers do not have a significant and direct impact on SCM-related organizational performance. Also, as the direct relationship between the two performance-constructs was found significant, both factors of SCM practices have an indirect and significant positive effect on organization through operations (Koh et al., 2016).

**Customer Relationship**

Li et al., (2006) stated that customer relationship is the entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction. Vickery et al. (2013) emphasize the importance of establishing a close customer relationship as a major practice of supply chain integration to enable organizations to respond faster to customers. Customer relationship consists of all the ways that will be used for the purpose of controlling and managing customer complaints, creating long-term relationships with consumers and to improve consumer satisfaction. Also customer relationship management as an important component of SCM procedures has been used and is among the most stable benefits. Nowadays the development of customization and customer expectations lead to a period that customer relationship management is vital to the survival of the company. Good relationships with members of the supply chain, including customers are required to run successful SCM applications (Li et.al, 2016).

A study by Sukati (2011) investigating the relationship between supply chain management practices and competitive advantage of the firm indicated that firms should integrate with customers including: planning, implementing, and evaluating a successful relationship between the provider and recipient of both upstream and downstream of the supply chain. They revealed that customer relationship management (CRM) is not only focused on inbound customer relationships but also on outbound customer relationships in SCM. Customer relations related to the company’s ability to communicate to the delivery of appropriate
products and services to customers locally and globally in the right time, right place and appropriate quantity and quality. Customer linkage especially sharing product information with customers, receiving customer orders, interact with customers to manage demand, after placing the order system, share the status of orders with customers on scheduling orders and product delivery stage (Lee et al., 2007).

The above findings agrees with those of Thatte (2016) who found out that effective relationships with customers were found to positively influence a firm’s ability to be operationally responsive. He indicated that the success of supply chain management encompasses customer integration at the downstream and supplier integration at the upstream, considering that each entity in a supply chain is a supplier as well as a customer. The findings also agrees with Turner (2013) who indicated that a firm’s customer relationship practices can generate the organizational success in supply chain management practices efforts as well as its performance.

In the competitive business, better relationship management with customers is crucial for organization success (Wines, 2016). Good relationship with business partners, including key customers are an important role to success of supply chain management practiced by organization (Moberg et al, 2012). Customer relationship is recognized as an internal component of an organization’s market strategy to increase sales and profits. Close customer relationship allows product differentiation from competitors; helps sustain customer satisfaction and loyalty and elevated the value provided to the customer (Thatte, 2016).

**Competitive advantages**

Wambugu (2012) conducted a study on the factors influencing competitive advantage of firms in the micro finance industry in Kenya. To achieve this objective the study made use primary data only collected through questionnaires sent to 37 Micro Finance companies. The study found that that Marketing strategy, networks effects, strong research and development capabilities, Cost leadership and redefining customer value were used by many MFIs as competitive strategies. It was also concluded that being a low cost provider, use of technology, support structures Risk, Service offered, quality, location, an embedded customer base and innovation have at least more than moderate influence in the competitive advantage.

Karaba (2012) conducted a study on the analysis of factors influencing competitive advantage in organizations in the financial sector in Kenya: a case of standard chartered Bank Kenya Limited. Descriptive research design was used. The target population was 900 staff members at the headquarters in Nairobi as per data provided by the human resources department of Standard Chartered Bank in 2011. The data was analyzed using both descriptive statistics and inferential statistics. The study found out that service provision was considered key in attaining competitive advantage as it was rated highest of the five. Technology was rated second from service provision with 96 % of the respondents stating that over 80% of their operations were automated and further indicating that they felt that the automation help in meeting customer need and thus ability of the bank to attain competitive advantage. The study also revealed that product innovation help attaining competitive advantage of Standard Chartered Bank in the banking industry Kenya as 81.2% rated product innovation as the third factor.

Mwaniki (2014) conducted a study on the investigation of determinants of competitive advantage of firms within the telecommunication industry in Kenya: a case of Safaricom limited. The
Study targeted a total of 200 Safaricom Employees at the top and middle level management. Stratified random sampling technique was used to select a sample of 10% (20) respondents. The study collected primary data where a self-administered questionnaire was used. Quantitative data collected was analyzed by descriptive analysis techniques such as percentages, frequencies, means and standard deviations. The data was coded and analyzed using SPSS and MS Excel. The study found out that customer orientation and services were determinants of competitive advantage.

RESEARCH METHODOLOGY
The study adopted descriptive research design. Robson (2002) points out that descriptive study portrays an accurate profile of persons, events or situation. The descriptive design was appropriate for this study since it helped in collecting data in order to answer the questions of the current status and describe the nature of existing conditions of the subject under study. The target population was the staff in the supply chain department, sales & marketing and production departments in EAPCC. There were approximately 676 staffs in these three departments. The sampling frame in this study included 128 employees in the supply chain department, 76 in the sales and marketing department, and 472 in the production system. The study collected primary data. The data was collected using a questionnaire. The data collected by the questionnaire were edited, coded, entered into Statistical Package for Social Sciences (SPSS) version 21 which also aided in the data analysis. This study generated qualitative and quantitative data.

DATA ANALYSIS AND INTERPRETATIONS
The study had a sample population of 251 respondents. Of the sample population 201 respondents completed the questionnaires making a response rate of 80.1 %. The study sought the respondent’s gender and thus requested the respondents to indicate their gender. From the study findings, 58.2% of the respondents were male while 41.8% were female. On the respondents’ age, the study found that 36.3% of the respondents were aged 35-44 years, 28.9% of the respondents were 25-34 years, and 27.8% were aged 45-54 years, while 7% were aged above 55 years. The findings implied that respondents with different ages were involved in the study. Majority of the respondents 50.7% had attained bachelor’s degree, 36.3% had Diploma while 12.9% had master degree. The respondents’ education level was adequate for them to understand and respond to the questions sought by the study. The study sought to find out the period served by the respondents in the organization. From the study findings, most of the respondents 41.3% of the respondents had served in the organization for 6-10 years, 23.9% for 1-5 years, 27.8% for 11-15 years while 7% had served for 16-20 years.

Influence of Strategic Supplier Partnership

<table>
<thead>
<tr>
<th>Statements on Strategic Supplier Partnership</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic partnership promotes collaboration in products design</td>
<td>4.06</td>
<td>0.253</td>
</tr>
<tr>
<td>Strategic partnership promotes collaboration in market forecasting</td>
<td>3.96</td>
<td>0.249</td>
</tr>
</tbody>
</table>
Strategic partnership promotes collaboration in technology use and sharing in the supply chain 4.04 0.240
Strategic supplier partnership enhances joint inventory management between the organization and the suppliers. 4.08 0.234
Building a relationship with suppliers give the organization a competitive advantage through flexibility and delivery 4.05 0.233
Strategic partnership help promote shared benefits and ongoing collaboration in key strategic areas like technology, products and market 4.07 0.248

The study sought to find out the respondents agreement with the statements relating to the influence of strategic supplier partnership on competitive advantage. From the study findings, majority of the respondents agreed that strategic supplier partnership enhanced joint inventory management between the organization and the supplier, strategic partnership help promote shared benefits and ongoing collaboration in key strategic areas like technology, products and market, strategic partnership promotes collaboration in products design, building a relationship with suppliers give the organization a competitive advantage through flexibility and delivery, strategic partnership promotes collaboration in technology use and sharing in the supply chain and that strategic partnership promotes collaboration in market forecasting as shown by the mean of 4.08, 4.07, 4.06, 4.05, 4.04 and 3.96. The responses had a low variation as all the standard deviations were below 1. Similarly Tan et al., (2012) stipulated that strategic partnership can offer more cost effective design choices, and improved product quality. Monczka et al., 2012) as well found that strategic partnership enhances the selection of the best technologies and help in design assessment.

Table 2: Extent to which strategic supplier partnership influence competitive advantage

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>very great extent</td>
<td>37</td>
<td>18.4</td>
</tr>
<tr>
<td>great extent</td>
<td>117</td>
<td>58.2</td>
</tr>
<tr>
<td>moderate extent</td>
<td>33</td>
<td>16.4</td>
</tr>
<tr>
<td>Little extent</td>
<td>14</td>
<td>7.0</td>
</tr>
<tr>
<td>Total</td>
<td>201</td>
<td>100</td>
</tr>
</tbody>
</table>

From the study findings, majority of the respondents as shown by 58.2% were of the opinion that strategic supplier partnership influence competitive advantage in the organization to a great extent, 18.4% to a very great extent, 16.4% to a moderate extent and 7% to a little extent. This implied that strategic supplier partnership influenced competitive advantage to a great extent.

On how else strategic supplier relationship could influence competitive advantage in EAPCC, respondents indicated that strategic supplier relationship allowed for reductions in supplier numbers, creating a more streamlined and efficient supply chain. This could reduce internal workloads and soft costs, whilst providing increased opportunity to reduce costs through economies of scale.
Influence of Customer Relationship on competitive advantage

Table 3: Statements on customer relationship and competitive advantage

<table>
<thead>
<tr>
<th>Statements on Customer Relationship</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer relationship ensures the company manages customer complaints</td>
<td>4.11</td>
<td>0.229</td>
</tr>
<tr>
<td>Customer relationship ensure the company improves customer satisfaction</td>
<td>3.89</td>
<td>0.227</td>
</tr>
<tr>
<td>Customer relationship ensure our organization sustain customer loyalty</td>
<td>3.75</td>
<td>0.261</td>
</tr>
<tr>
<td>Customer relationship helps improve customer service</td>
<td>3.92</td>
<td>0.232</td>
</tr>
<tr>
<td>Customer relationship helps create customer loyalty thus the organization remain competitive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Close relationships with customer organizations enables to distinguish our products to competitors</td>
<td>3.94</td>
<td>0.231</td>
</tr>
<tr>
<td>Customer relationship goals helps in reducing customer defection</td>
<td>4.07</td>
<td>0.258</td>
</tr>
<tr>
<td>Customer relationship ensure the company manages customer complaints and that customer relationship goals helps in reducing customer defection as shown by a mean of 3.61 in each case. Vickery et al. (2013) concurs with the findings and emphasize the importance of establishing a close customer relationship as a major practice of supply chain integration to enable organizations to respond faster to customers. Similarly according to the findings of Thatte, (2016) close customer relationship allowed product differentiation from competitors; helped sustain customer satisfaction and loyalty and elevated the value provided to the customer. The study requested the respondents to indicate the extent to which customer relationship influence competitive advantage in the organization. The responses were as shown in table 4.</td>
<td></td>
<td></td>
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</tbody>
</table>

Table 4: Extent to which customer relationship influence competitive advantage

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>very great extent</td>
<td>41</td>
</tr>
<tr>
<td>great extent</td>
<td>109</td>
</tr>
<tr>
<td>moderate extent</td>
<td>35</td>
</tr>
<tr>
<td>Little extent</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>201</td>
</tr>
</tbody>
</table>

From the study findings, majority of the respondents as shown by 54.2% indicated to a great extent, 20.4% indicated to a very great extent, 17.4% indicated to a moderate extent while 8%...
indicated to a little extent. This implied that customer relationship influence competitive advantage in EAPCC to a great extent.

The study further sought to find other factors on customer relationship that would influence competitive advantage in EAPCC. From the findings respondents indicated that customer relationship could provide an efficient and convenient way to centralize operations across the organization, while providing efficient and quality service. Customer relationship can allowed the organization businesses to have information that was immediately available, complete and up-to-date and would enable the organization to respond appropriately and quickly to any requests to empower it to work at peak efficiency. The findings agreed with Turner (2013) who indicated that a firm’s customer relationship practices can generate the organizational competitive edge by providing first-hand information from the customers and enabling the organization to respond to customer complains.

**Competitive edge**

**Market share of the company in the last five years**
The study sought to find out the market share of the company in the last five years.

![Graph: Market Share]

*Figure 2: Market share of the company in the last five years*

From the study findings, the market share of the company had increased over the years. In 2012 the market share was at 10%, in 2013 the market share was at 10%, in 2014 the market share rose to 11%, in 2015 the market shares rose to 12% and in 2016 the market share stood at 13%. From the findings the market share over the last five years rose from 10% to 13%.

**Cost reduction of the company in the last five years**
The study requested the respondents to indicate the rate at which cost had reduced or increased in the last five years.
From the study findings, in 2012 and 2013 the cost did not change, in 2014 the cost reduced by 1%, in 2015 the cost reduced by 2% while in 2016 the cost reduced by 3%. The findings revealed that the cost had reduced over the past five years.

The study further sought to find out how the supply chain management practices enhanced cost reduction in the operations of EAPCC. The respondents indicated that establishing and developing long term relationships with the suppliers some costs were offset, with both parties actively looking to avoid any unnecessary costs which may arise from re-tendering, re-negotiating or being forced to exit an existing contract early. Better relationships and increased interaction would lead to less incidents or issues of poor performance, which in turn lead to lower costs for managing the relationship and reduced costs through failures. Similarly Agus and Hajinoor (2012) argue that reducing surplus and having better relationship with suppliers and customers reduces the costs of operating business.

The study requested the respondents to indicate how product quality had changed in the last three years and how differently the organization can employ the supply chain management practices to improve the product quality in EAPCC. Respondents indicated that the product has remained the same according to the standards required by Kenya bureau of standards over the three years. Supply chain practices can provide the opportunity for the organization to engage suppliers in a process of continual improvement of both products and services provided and of the accompanying service levels. This could be achieved through product development, development of new processes and procedures and through developing KPI’s and SLA’s over the course of the contract. The company could as well improve the product quality by employing innovative manufacturing. By taking an active approach to ensuring that contractual performance is met, the organization could ensure that suppliers continue to improve in the ways which provide the most substantial improvement to the customer organisation’s products and services. Innovation improvement (Chong et al., 2011), concurs with the findings by observing that supply management practices creates room for innovation which enables companies to improve their products and services.

**SUMMARY, CONCLUSION AND RECOMMENDATIONS**

On the influence of strategic supplier partnership on competitive advantage, the study revealed that strategic supplier partnership enhanced joint inventory management between the organization and the supplier, strategic partnership helped
promote shared benefits and ongoing collaboration in key strategic areas like technology, products and market, strategic partnership promotes collaboration in products design. The study found that building a relationship with suppliers gave the organization a competitive advantage through flexibility and delivery. More so strategic partnership promoted collaboration in technology use and sharing in the supply chain and promoted collaboration in market forecasting.

The study established that other ways in which strategic supplier relationship could influence competitive advantage in EAPCC, were that strategic supplier relationship could allow for reductions in supplier numbers, creating a more streamlined and efficient supply chain. This could reduce internal workloads and soft costs, whilst providing increased opportunity to reduce costs through economies of scale.

The study revealed that close relationships with customer organizations enabled to distinguish our products to competitors. Customer relationship helped create customer loyalty thus the organization remain competitive and helps improve customer service. The study further found that customer relationship ensured the company improved customer satisfaction and ensured organization sustained customer loyalty as well. Customer relationship goals helped in reducing customer defection. Customer relationship ensured the company managed customer complaints. On other factors on customer relationship that would influence competitive advantage in EAPCC the study revealed that customer relationship could provide an efficient and convenient way to centralize operations across the organization, while providing efficient and quality service. Customer relationship could allow the organization businesses to have information that is immediately available, complete and up-to-date and would enable the organization to respond appropriately and quickly to any requests to empower it to work at peak efficiency.

Conclusion of the Study
The study concluded that strategic supplier partnership influenced competitive advantage of in cement manufacturing industry. Strategic supplier partnership enhanced joint inventory management between the organization and the supplier and helped promote shared benefits and ongoing collaboration in key strategic areas like technology, products and market, strategic partnership promoted collaboration in products design. Strategic supplier relationship allowed for reductions in supplier numbers, creating a more streamlined and efficient supply chain. The study revealed that customer relationship influenced competitive advantage at EAPCC. Close relationships with customer enabled the organizations’ customers to distinguish its products to competitors. Customer relationship helped create customer loyalty thus the organization remain competitive and helped improve customer service. Customer relationship could provide an efficient and convenient way to centralize operations across the organization, while providing efficient and quality service.

Recommendations for the Study
Manufacturing companies should strive to create and abide more on the strategic supplier partnership to create their competitive advantage through enhancing joint inventory management between the organization and the supplier and promoting shared benefits and ongoing collaboration in key strategic areas like technology. The study revealed that customer relationship helps create customer loyalty thus the organization
remain competitive. The study therefore recommend that manufacturing companies should create better relations with their customers to earn their loyalty through improving their services and responding timely to customer complains which in turn will create their competitive advantage over competitors.

**Areas for Further Research**
The study aimed at determining the influence of supply chain management practices on competitive advantage in cement manufacturing industry. The findings revealed the influence of strategic supplier partnership and customer relationship on competitive advantage in the manufacturing firms. However other supply chain management practices such as postponement, green procurement and outsourcing may have an influence in the competitive advantage of manufacturing firms. The study therefore suggests that a similar study be conducted to establish the influence of supply chain management practices on competitive advantage but this time with other supply chain management practices.

**REFERENCES**


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