FACTORS AFFECTING INVENTORY MANAGEMENT IN MANUFACTURING INDUSTRY IN KENYA: A CASE STUDY OF SAMEER AFRICA LIMITED

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L126/14970/2010

THIS IS A RESEARCH PROJECT FOR THE PARTIAL FULLFILLMENT FOR THE AWARD IN DIPLOMA IN PURCHASING AND SUPPLIES OF THE UNIVERSITY OF NAIROBI

JULY 2012
DECLARATION

Declaration by the Student
This is my original work and has not been submitted for any academic award in any institution.
Name [Name] Signature [Signature] Date [Date]

L126/14970/2010

Declaration by the Supervisor
This research project has been submitted for examination with my approval as a University Lecturer
Name [Name] Signature [Signature] Date [Date]

Lecturer Supervising

For and on behalf of University of Nairobi
Name [Name] Sign [Sign] Date [Date]

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ABSTRACT

The general objective of this study was to investigate the Factors affecting Inventory Management in Manufacturing Industry in Kenya: a case study of Sameer Africa Limited, Koinange Street Nairobi Central Business District. The study was intended to determine the extent of the effect of these factors to the manufacturing industry in the country. The specific objectives of the study were to determine the effect of the following factors: Carrying Cost, Order level, Information Technology and Stock Control; which all intended to enlighten other researchers of the effects of these factors towards Inventory Management in enhancing their understanding of the same now and in the future.

The researcher used descriptive research design. The design enabled the researcher to collect information by administration of questionnaires. The identified target population was 124 respondents of the Sameer Africa Limited at Koinange Street Branch. The study adopted stratified random sampling which was considered because of the heterogeneous population under study. The study then resorted to a sample size of 50 respondents. The data collected was analyzed both qualitatively and quantitatively. This was then presented in form of tables and figures.

The study results clearly showed that all the four factors do affect Inventory Management in manufacturing industry in Kenya; with 79% for Carrying Cost, 86% for Order level, 74% for Information technology and 81% for Stock control. This was in regards to the great response attained concerning these factors effects to Inventory Management. It was recommended that the manufacturing industry should consider carrying cost of inventory when replenishment is to be done, as it influences the efficiency and effectiveness of Inventory management. They should also set their own order levels effectively as this will regulate the quantity to be procured each time an order is to be placed. Moreover, the companies should embrace the efficient and effective technology at their disposal as this will promote faster data analysis and effectiveness in procurement. Finally, with regards to stock control, the industry should comply with their stock regulating mechanism, for this will ensure what is procured, does flow efficiently and effectively.