SUPPLIER SELECTION AND ITS EFFECT ON SALES PERFORMANCE IN THE MANUFACTURING INDUSTRY. A CASE STUDY OF TETRA PARK KENYA LTD

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DECLARATION

I undersigned hereby declare that this is my original work and has not been submitted to any, college, institution, University or any other examination body for academic credit.

Signed..................

Date. 15/11/2012

Richard Okech Akede

This project been submitted for the examination to the University of Nairobi with my approval as supervisor

Signed..................

Date. 15/11/2012

Ms. Priscilla Kemunto
ABSTRACT

The objective of the research is to investigate how the selection of suppliers is done and how it affects the sales performance in the manufacturing industry the major factors to consider with special reference to Tetra Pack Company limited.

In chapter one the researcher gives a brief history of the company (Tetra pack). He went further to explain the reasons and problems that induced him to undertake this study. The objectives of the study include: first to determine the effects of price on sales performance, secondly to find out the effect of procurement staff competency on sales performance, thirdly to find out the effect of quality on sales performance, fourthly to determine the effect of lead time consistency on sales performance and lastly to determine the effect of financial condition on sales performance.

The study is deemed to be of great importance by the researcher to the following persons namely, Tetra pack company, especially it procurement department, sales department, management levels, suppliers and other manufacturing companies in Kenya.

The limitations of the study which are likely to be experienced include: limited time, lack of enough funds, interruptions during the interviews and lack of co-operation from the respondents.

In chapter two the researcher looked at different definitions from different scholars. The researcher was able to go through a number of text books, magazines and even internet. It is clear that the selection of supplies and its effect on sales performance in the manufacturing industries have not been well explored by scholars. In conclusion of chapter two, the researcher recommended that the importance of supplier selection based on the major factors considered when selecting a supplier such staff competency, quality, lead time consistency, price and financial conditions should be of more importance to any organization in the current situation of competition in order to have good sale performance at the end.

In chapter three the researcher chose the following methods to collect data: interviews and questionnaires of which semi-in structured and open questions are to be presented to the respondents. The respondents are to be are to be sampled from three departments stratified under procurement, management and sales with each having specified roles as far as selection of supplies and its effect on sales performance is concerned.

The expected findings are that in the manufacturing industries in Kenya the sales performance will depend so much on quality of goods the company produce. This will depend on the quality of goods the company produce. This will depend on quality of goods they get from these suppliers. To have good sales therefore the company needs to choose their suppliers well based on their qualifications in terms of procurement staff competency, lead time consistency, price quality and financial conditions.

Also expected is that proper selection of suppliers will enable the company to develop long term relationship with suppliers which will enable them to invest more.

In this chapter four the researcher chooses to present analyzed and interpreted data in table form. In chapter five the researcher was to get the summary of the findings, conclusions and recommendation of the whole project.