CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

In the face of increasing globalization, technological advancement, and rising customer expectations, organizations are compelled to optimize their supply chains to remain competitive and sustainable. One of the most transformative innovations in this context is electronic procurement (e-procurement)—the use of digital technologies to facilitate and automate the procurement process. E-procurement has emerged as a powerful tool for streamlining supply chain activities, improving transparency, reducing procurement cycle time, enhancing supplier relationship management, and boosting organizational performance (Akinyemi & Adewole, 2021).

Traditionally, procurement was characterized by paper-based transactions, bureaucratic delays, limited data visibility, and susceptibility to corruption or errors due to manual interventions. These inefficiencies often led to increased operational costs, low supplier responsiveness, and inconsistent inventory levels, thereby undermining the performance of the supply chain. As organizations increasingly adopt digital technologies, procurement systems are being integrated into broader supply chain management strategies to drive performance improvements and build more agile and resilient networks (Ibrahim et al., 2022).

E-procurement involves the use of platforms such as Enterprise Resource Planning (ERP) systems, e-marketplaces, e-catalogues, and cloud-based procurement tools to manage end-to-end procurement functions. These functions range from requisitioning, tendering, and supplier evaluation to purchase order generation, invoicing, and payment processing. The automation and standardization that e-procurement offers make it easier to manage large volumes of transactions across multiple suppliers while ensuring compliance and reducing administrative overhead (Ogunyemi & Balogun, 2020). Additionally, e-procurement facilitates better demand forecasting and decision-making through the availability of real-time data analytics.

The adoption of e-procurement has become particularly vital in industries such as manufacturing, where timely access to quality raw materials and equipment is critical to maintaining continuous production. In this regard, Lafarge Africa Plc, a subsidiary of the Holcim Group and one of the leading cement producers in Nigeria, provides a useful case study. Lafarge operates in a supply chain-intensive environment that involves sourcing raw materials like limestone, gypsum, and coal, managing large fleets of trucks, and distributing finished products across Nigeria and beyond. To handle the complexity of its operations and enhance procurement efficiency, Lafarge Africa has invested in digital procurement systems that facilitate effective coordination between suppliers, logistics partners, and internal procurement units (Eze et al., 2023).

Lafarge’s use of e-procurement tools helps the company address procurement

challenges such as delayed order processing, poor supplier tracking, stockouts, and price variability. Through platforms like SAP Ariba and in-house procurement portals, the company is able to automate supplier on boarding, streamline order approvals, and track the procurement lifecycle from requisition to delivery. This not only leads to cost savings but also supports the company's commitment to transparency and sustainability in its procurement operations (Adesanya & Ojo, 2021).

Moreover, the outbreak of the COVID-19 pandemic served as a wake-up call for many firms globally. It disrupted supply chains, restricted physical operations, and exposed the vulnerabilities of manual procurement systems. Organizations that had embraced digital procurement were better positioned to maintain business continuity. For Lafarge and similar firms, the pandemic accelerated the shift toward e-procurement, enabling remote approvals, virtual supplier meetings, and digital documentation, thus ensuring uninterrupted procurement processes despite lockdowns and supply disruptions (Eze et al., 2023).

Given this background, it is important to conduct an in-depth study to evaluate the role of e-procurement in enhancing supply chain performance in a Nigerian manufacturing context. Lafarge Africa Plc presents a suitable case due to its scale of operations, level of technological adoption, and strategic importance in the construction sector. This study will focus on examining how e-procurement has influenced supply chain outcomes such as procurement cycle time, cost efficiency, supplier collaboration, and service delivery. By doing so, it aims to bridge the knowledge gap between e-procurement theory and its practical impact on supply chain performance in the Nigerian context.

The findings of this research are expected to be beneficial not only to Lafarge Africa Plc but also to other manufacturing companies, policymakers, and supply chain professionals. It will provide insights into best practices, implementation challenges, and strategies for optimizing the use of e-procurement in enhancing supply chain efficiency and responsiveness in an increasingly digital economy.

1.2 STATEMENT OF THE PROBLEM

Procurement plays a critical role in the overall efficiency of supply chain management. However, many organizations in Nigeria, including those in the manufacturing sector, face persistent procurement-related challenges such as delays, manual errors, lack of transparency, and poor supplier coordination (Ogunyemi & Balogun, 2020). These problems often lead to increased costs, reduced responsiveness, and disrupted production processes.

E-procurement has been introduced globally to address such inefficiencies, offering benefits like faster processing, cost reduction, and improved supplier relationships (Akinyemi & Adewole, 2021). Yet, in Nigeria, the adoption of e-procurement remains limited and often faces challenges such as infrastructural deficits, poor digital literacy, and resistance to change (Ibrahim et al., 2022).

Lafarge Africa Plc, a leading player in the Nigerian cement industry, has adopted e-procurement tools to enhance its operations. However, there is limited research on how this adoption has impacted its supply chain performance in practical terms. Questions remain regarding the extent to which e-procurement has improved supplier collaboration, inventory efficiency, and procurement cost management within the company (Eze et al., 2023).

There is a need to evaluate how well Lafarge has leveraged e-procurement to optimize its supply chain and what challenges still exist. This study aims to fill that gap by investigating the actual role and impact of e-procurement on the company's supply chain performance.

1.3 OBJECTIVES OF THE STUDY

The primary objective of this study is to evaluate the role of e-procurement in enhancing supply chain performance, using Lafarge Africa Plc as a case study.

The specific objectives are:

To examine the extent of e-procurement adoption at Lafarge Africa Plc.

To assess the impact of e-procurement on supply chain efficiency in terms of cost, speed, and responsiveness.

To evaluate the effect of e-procurement on supplier relationship management and collaboration.

1.4 SIGNIFICANCE OF THE STUDY

This study is significant in both academic and practical terms, providing valuable contributions to the understanding of e-procurement’s role in enhancing supply chain performance. For Lafarge Africa Plc, the findings will offer insights into the effectiveness of its e-procurement system, helping management identify strengths, weaknesses, and opportunities for improvement. This understanding will guide decision-making processes and enhance the company’s procurement efficiency, ultimately boosting its overall supply chain performance.

For the broader manufacturing industry, the study will serve as a benchmark for other firms in Nigeria and beyond that are considering or already implementing e-procurement systems. It will provide a clear understanding of the benefits and challenges associated with e-procurement adoption, offering practical insights on how to optimize procurement processes for greater operational efficiency and cost-effectiveness.

This research is also crucial for policy makers and regulators in Nigeria, as it offers evidence-based recommendations on how to support and promote the digital

transformation of procurement systems in the manufacturing sector. The study highlights critical infrastructural and organizational challenges that may require targeted interventions or regulatory support to facilitate smoother e-procurement adoption.

For the academic community, the study will contribute to the growing body of literature on e-procurement and supply chain management, particularly in emerging economies. It will provide a foundation for future research on digital procurement adoption and its impact on supply chain performance, offering insights that can be applied across different industries or regions.

This study aims to promote innovation, efficiency, and competitiveness within the manufacturing industry by providing a comprehensive understanding of how e-procurement systems can enhance supply chain operations.

1.5 SCOPE AND LIMITATION OF THE STUDY

This study focuses on evaluating the role of e-procurement in enhancing supply chain performance, specifically within Lafarge Africa Plc in Ilorin, Kwara State, Nigeria. The research will examine how Lafarge Africa Plc has implemented e-procurement systems in its supply chain processes and analyze their impact on operational efficiency, cost management, and supplier relationship management.

The study is geographically limited to Lafarge’s operations within the Ilorin region and primarily looks at the procurement functions associated with raw materials, logistics, and supplier coordination in the company’s supply chain. It does not include other aspects of the business, such as marketing, production, or distribution.

The data for this research will be gathered from key stakeholders in the Ilorin operational site of Lafarge, including procurement officers, supply chain managers, and IT staff who are directly involved with the e-procurement process. In addition, secondary data will be sourced from company reports, industry publications, and relevant academic literature to provide a broader understanding of the context of e-procurement in the region.

LIMITATION OF THE STUDY

Limitation of the study while this provides valuable insights into the influence of globalization on procurement strategies within the Kwara State Lafarge Africa it is important to acknowledge certain limitations that may have affected the depth, scope and generalizability of the findings. These limitations include.

1.Limited Access to confidential data due to the sensitive nature of procurement process, especially in the public sector, access to certain documents and detailed financial records and restricted. Some key information such as supplier contracts, pricing structures, and performance report were classified, limiting a through analysis of procurement efficiency and transparency.

2.Time Constraints the study was conducted within a limited timeframe, which restricted the ability to conduct longitudinal analysis. A more extended study period would have allowed for the observation of changes and trends in procurement strategies over a longer period, providing a more comprehensive understanding of the influence of globalization.

3.Limitation sample size although a representative sample of 50 respondents was used, the sample size might not have been large enough to cap0ture the diverse perspectives of all stakeholders involved in procurement.

This includes suppliers, external auditors, and field Lafarge workers who could have provided additional insight into the practical implications of procurement decisions.

4.Respondent bias some respondents may have provided socially desirable answer, especially on sensitive issue like corruption, inefficiencies, or resistance to change. This could affect the authenticity of the data collected, especially, when dealing with government employees who may fear repercussions for honest disclosures.

5.Technological constraints the research reread partly, on digital communication for data collection due to logistical challenges. Poor internet connectivity and lack of technical skills among some respondents hindered the completion of online questionnaires or virtual interview.

6.Geographical limitation the study was confined to the Lafarge Africa Plc, which limits the general liability of the findings to other state or regions. Procurement practices and the level of globalization influence may very across ministries and geographical location in Nigeria due to difference in policies, leadership and available recourses.

1.6 RESEARCH QUESTIONS

This study seeks to answer the following research questions:

1. To what extent has e-procurement been adopted at Lafarge Africa Plc?

2. How has e-procurement affected the efficiency of Lafarge's supply chain in terms of cost, speed, and responsiveness?

3. What effect does e-procurement have on supplier relationship management at Lafarge Africa Plc?

1.7 RESEARCH HYPOTHESES

Based on the objectives and research questions of this study, the following hypotheses are proposed to guide the investigation:

• H_{01}: There is no significant relationship between e-procurement adoption and supply chain efficiency at Lafarge Africa Plc.

• H_{11}: There is a significant relationship between e-procurement adoption and supply chain efficiency at Lafarge Africa Plc.

• H_{02}: E-procurement has no significant effect on supplier relationship management at Lafarge Africa Plc.

• H_{12}: E-procurement has a significant effect on supplier relationship management at Lafarge Africa Plc.

1.8 HISTORICAL BACKGROUND OF THE STUDY

Lafarge Africa Plc, a subsidiary of Lafarge Holcim, is one of the leading manufacturers of cement in Nigeria and a major player in the construction industry. The company's roots in Nigeria trace back to the early 1950s when it first entered the Nigerian market. Initially known as Lafarge Cement WAPCO Nigeria Plc, the company was primarily focused on the production and distribution of cement to meet the growing demand in the country's construction and infrastructure sectors. Over time, Lafarge expanded its operations and became a key player in the Nigerian cement industry, changing its name to Lafarge Africa Plc in 2014 to reflect its broader footprint across the African continent (Lafarge Africa Plc, 2021).

Lafarge Africa Plc's growth and success have been closely tied to its ability to efficiently manage its supply chain, especially in an industry where the timely and cost-effective procurement of raw materials is critical. In recent years, the company has embraced digital transformation in an effort to enhance its supply chain performance and align with global industry trends. One of the key components of this transformation has been the adoption of e-procurement systems, designed to streamline procurement processes, reduce costs, increase transparency, and improve supplier relationship management (Olajide, 2023).

E-procurement, as a technology-driven approach to purchasing goods and services, has gained widespread attention globally due to its potential to improve supply chain efficiency. However, its adoption in Nigeria has been relatively slow, with many organizations still grappling with infrastructure issues, resistance to change, and a lack of digital literacy among key stakeholders. Lafarge Africa Plc, however, has taken significant steps to modernize its procurement processes by integrating e-procurement tools into its operations. This transition has aimed to address the persistent challenges in the company's traditional procurement system, such as long lead times, manual errors, and limited supplier visibility (Adebayo & Okunlola, 2022).

The decision to implement e-procurement systems aligns with global trends where companies are increasingly adopting technology to optimize supply chains and stay competitive. Lafarge's implementation of e-procurement in Nigeria, especially in its Ilorin plant, serves as a case study for understanding the effectiveness of these systems in an emerging market context. This study aims to explore how e-procurement has influenced Lafarge Africa Plc's supply chain performance, identifying both the opportunities and challenges faced during the adoption and integration of these systems (Adedayo, 2024).

1.9DEFINITION OF TERMS

Supply chain performance:- Supply chain performance refers to the effectiveness and efficiency of a company supply chain operations it is measured by various factors including cost reduction speed of delivery, quality control, and supplier relationship management in the study. Supply chain performance is assessed in term of the improvement brought by e-procurement system, such as faster procurement cycle reduced errors, and lower cost.

Procurement process:-The procurement process encompasses all associated with acquiring goods and services, from identifying the need for a product to negotiating prices, selecting suppliers and finalizing contract in this study, the procurement process refers specifically to Lafarge Africa Plc's approach to acquiring raw material logistics service, and other supply chain related goods using both traditional methods and e-procurement system.

E-Procurement:- E-Procurement refers to the use of electronic system and technology to facilitate the purchase and procurement of goods and service. It includes activities such as supplier selection order management invoicing and payment, all conducted through digital platforms, enabling business to streamline procurement process, reduce costs, and increase transparency.

Productivity:- Is the relationship between output and impact, it actually means adding value to input to enhance value of output productivity can be achieved by enhancing of value-added content of product/serves, or by decreasing the unit cost of production or a combination of bolt.