CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter relates to major findings presented in chapter four and in reference to the objectives of the chapter hence forth draws conclusions with recommendation on what can be done and therefore recommends areas for further study.

5.1. Summary

lmplementntion of e-procurement. The research results showed that e-procurement is still in its early stages of adoption in most organizations and because of this, e-procurement drivers are tactical in nature. Coercion itself is a driver and that the organization applies the entry barrier of conformity to its e-procurement system. It was found out that firms whose e-procurement is in its curly stages tend to identify drivers that are service related as they are easy to realize.

This means that a company would have to be more strategic in its operations in order to realize benellts such as improved visibility of customer demand, b<:tter market intelligence, and enhanced decision making. In summery. the benefits on offer and the likelihood of their Hchievemenl are the primary drivers to the implementation of e-procurement.

~'leusures of' supply chain performance. The research results further show that supply chain performance measures are still tactical and are atTected by both internal and external !itctors. This is due to the various ways and methods that different companies and firms employ in Hsscssing their supply performance. Supply chain pertormance measures used by both IHrge and small firms are of' vital importance in monitoring the firms' perlonnance and progress in order to ck-termim' till' efficiency and effectiveness of' the organization. In summery, measures of supply ch~tin performance are crucial indicators of performance in a firm.

f'he relationship between e-procurement and supply chain perf(>rnwnce. It was found out that firms in diverse industries use e-procurement in an attempt lc> improve their supply chain pc · ri'ormance and that it increases their perl(1l'mance by 65 percent compared to "traditional" procurement transactions. It further showed that the different e-procurement applications like e-

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sourcing, c-tendering and e-informing avail information that is needed by the organization about the potential suppliers on matters of quality certification, price of goods and services, and their linancial status which simplifies the supplier selection process.

Findings also revealed that there is a strong positive relationship between e-procurement and supply elwin performance. This relotes to the findings of Livingston (200 I) who noted that a procurement contract should provide due regard for the 11elfare o f those involved in consumption of the i~nal product or service and ensures that appropriate 'tools are employed' to address issues concerning value for money.

5.2 Condusion

In wday's global business environment. lirms must be competitive in order to survive.

To use technology as a competitive tool, a firm must first analyze the nature of the environment in which it operates in order to understand where and how it should position its self within its industry. This will help it to determine if application of electronic procurement for managing its supply chain

perlornwnce is the right technology tor gaining a competitive advantage. This
should act as a guiding tool to asses the company's actual perlonnance against the expected
performance.

5.3 Recommendations.

It is very vital for org:mization to select proper e-procurement tools that can appropriately suit its
purchasing needs. Mnny nrms are experkncing a number of problems of considerable media and
soliware vendor type. and often no theoretical basis behind the determination ofapplication are
most appropriate to attain the greatest benefit. A purchasing process should be evaluated and
approved before adopting e-procurement.

Org~Jnizations should consider taking e-procurement as a key aspect in the process of
improving !heir suppl) chain performance. This is because e-procurement tools work hand in hand
vv ith supply chain perlormance systems to make the organizational goals a reality. £-procurement
is likely to be beneficial in dispersed supply chains because it helps coordination. Large
organizations should give assistance in terms of information to small organizations to enable them
to adopt e-procurement applications.

Ihe greatest bt·nelits uf e-procurement occur when its application is fully integrated through the
supply chain as this brings up the possibilities of greater integration in collaboration across e-
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business supported supply chains. Therefore organizations should make sure that integration of
the e-procurement through out the supply chain is achieved for realization of long term goals in this
ever dynamic global environment.

5.-1 Areas suggested for fm·ther research

i. It is important for academicians to understand the extent of each e-procurement tool and its
effects on the implementation ofe-procurement.

ii. Future research can be done to address ways on howe-procurement can be improved.
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