

**THE PARTICIPATION OF END USERS AND  
PROCUREMENT EFFECTIVENESS  
A CASE STUDY KAWACOM**

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF BUSINESS AND  
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### DECLARATION

I, *Omwony Patrick*, hereby declare to the best of my knowledge that the work embodied in this research paper is my original work arrived at through reading and research and has not been submitted to any university or any other institution of high learning for any academic award.

Signature.....

Date.....12/08/2009

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### APPROVAL

This research dissertation has been submitted for examination with my approval as the supervisor:

Signature.....

Date.....14/08/09

Mr. Matovu

(Supervisor)

### **DEDICATION**

This work is dedicated to my great father Mr. OKIDI QUENTINO and my lovely mother Mrs. AKULU ESTERINA

Special dedication go to my brother Fr OKOT WILLIAM PACITTA, who has inspired me for as long as I can remember.

Special dedicated also go to my uncle Mr. OTTO SAMUEL, the family of Mr. OKIDI FAUSTINO, the family of Mr. LEOBEN LUYAMA, the family of engineer OYUGI JACOB, the family of Sister AWOR the family of Mrs. OWOR JULIANA the family of Sister ACAN HELLEN and to my late sister AKOT JANE who never lived longer to enjoy the benefit of my education, and finally to my future children and wife

I dedicate this proposal in full gratitude for what you have done for me both materially and spiritually and for believing in me despite all odds in all humility, this dedication is my humble recognition of your importance to me and my destiny. May the almighty God bless you all

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## **LIST OF ACRONYMS**

KIU-Kampala International University

CTB- Country Tender Board

BSP-Bachelor of Supplies and Procurement Management

PPDA- Public Procurement and Disposal of Public Assets

CPAR- Country Procurement Assessment Report

WAGUR- Washed Uganda Arabica

DRUGAR- Dried in Uganda Arabica

BOD- Board of Directors

LTD – Limited

HU- Harvard University

ULTD- Uganda Limited.

## ABSTRACT

The research study inspired by the concern about the participation of the end user and procurement effectiveness in KAWACOM. The objectives of the study were to find out the contribution of end users towards price reduction, how end users influence the production of quality products and to establish how end users contribute to timely delivery of goods and services.

The research covered the Department of Marketing, Procurement, Account and Transport. The methods used were qualitative and quantitative and the tools used during the study included interviewing and questionnaire.

The data was presented and analyzed quantitatively (use of tables, frequencies and percentages) and qualitatively (by explanation).

The findings of the study indicate that the end users greatly contribute toward procurement effectiveness in KAWACOM-Uganda limited , that is, on average, 83% of the respondents responded that the end users influence quality; on average 71% of the respondents responded that the end users influence timely delivery of goods and services; on average 92% of the respondents responded that the end users influence the prices at which they purchase.

In line with the findings above, the researcher recommends the following; the manufacturers to be end users oriented, government to give assistance to manufacturers and the general public to always understand the economic changes in the world.

The researcher suggests that further study should be conducted in the following areas; How the end users contribute to profitability of the organization, the contribution of consumers towards stock turnover.

## **CHAPTER ONE**

### **1.1 INTRODUCTION**

The focus of this study was mainly on the contribution of the end- users towards procurement effectiveness with specific attention to KAWACOM. This chapter present the preliminary sections of the research proposal and in broader sense includes the following: background to the study, problems statement, general objectives, research, specifics objectives, research questions, definition of key terms, scope of the study and significance of the study

### **1.2 BACKGROUND TO THE STUDY**

The public procurement and disposal of public assets act 1(2003:9) defined procurement as successive stages in the acquisition of supplies, services or works for any project by purchases, rental, lease, hire purchase, license, franchise and tenancy

**Lysons and Galling ham (2000:20)** defined procurement which is also known as purchasing or organizational buying or external sourcing as a function responsible for obtaining by purchases, lease or any other legal means equipments. Components, supplies or services received by the entity for use

Despite of the long history about procurement. It's comparatively recent that the importance, effectiveness and efficiency have become wide spread. This has been due to a number of factors and some of such factors includes;

**Jessop al (1998)** argues that the growth of procurement to its level of strategic importance within the public and private sector institutions has been its involvement in strategic decision making process right from product development up to the ultimate point of consumption

**Hugo, Bandenharst and Rooyen (2002:8)** however argued that the increase of interest on procurement come up since the beginning of 1970s, when inflation had become a

serious input problem to the extent that buyers had to pay special attention to prices (Purchasing costs) and to price tendencies and needed strategic purchasing planning had therefore become increasingly tough completion. Therefore to maintain and even expand their relative market share, they had to ensure that they buy at a lowest price possible and continuously received their requirement on time.

**According to Balley, Famer, Jessop and Jones (1998:3)** the role and contribution up charge in the activity taking place in the last few years. This shift in the importance and recognition is due to the leading edge opportunities to the management of materials are putting in to practice integrative ideas which are at least in part based on strategic and integrated role for purchasing. The demonstrated success of these organizations is stimulating interest and as other organizations attempt to replicate their success. So purchasing is brought to the forefront.

**According to Kenneth Lysons and Brain Farrington,** procurement is a very ancient activity despite long history it was only in the later half of the twentieth century that the importance of efficient purchasing was widely reorganized and even later when its strategic aim is opposed to operational significance was acknowledge within and emphasis on purchasing process, relationship and performance rather than products.

Furthermore the recognition of procurement up to its prominence has been due to the increase growth and development of many procurement related institution around the world. A case in point is Kyambogo University. Havods University among others. These institution train professional in the field of procurement, set standard and organize seminars and workshops related to procurement which has lead to the growth and development of procurement. Its therefore important to note that the first text Book in procurement was authorized by Howard T. Lewis of Harvard university (1933) as revealed by the internet.

Harvard University about the importance of purchasing and supplies management and its first course was offered in the 1917-1918 academic year. Today Harvard business review countries with the Harvard tradition by producing timely articles on the subject.

**Dabber B. (1998)** suggests that by the end of 1970s the market environment had been more international from both market and supply point of view. Computer began to help in the management of inventory and the cost of materials had become the most important topics of the day as oil embargoes and inflation drove unit cost up. Change in the nature of business also brought about significant changes in procurement activities which lead to it increased recognition to its performance level.

However, taking critical considerations of procurement, it had been looked at as a clerical function of a service function or a service function concerned with spending. Today, there is growing awareness about procurement function as a strategic function due to the increased acknowledgement of materials.

However to narrow the long history of the origin of procurement to Uganda, it was it was in the hand of country tender Board (CTB) which did not include the districts. This made procurement to face a lot of problems like; outdated laws, and procedures, bureaucratic delays and lack of intuitional coordination and lack of skilled man power to handle government purchases professionally and malpractices and unethical conducts that characterized the entire system.

Later on the logistic revolution in public sector procurement preserved from donor community. The government of Uganda set up a task force of twelve (12) people in may 1998. In 2001, a country procurement assessment report (CPAR) of Uganda was conducted with returns. These returns which started earlier as 1998 climaxed in to formation of public Assets Act 1 (2003).

The study however, will be based on the participation of end users and procurement effectiveness with specific attention or reference to KAWACOM-Uganda

**KAWACOM** is coffee processing company located in Ntinda along kyambogo road about 100meter from Kampala –Jinja high way. It was started in 1996 and it's a privately

owned company which was formally called CARGL it is predominantly engage in Arabica and Robuster coffee for exportation and it exports in two kinds, which is woshed Uganda Arabica (WAGUR) and dried in Uganda Arabica (DRUGAR). It export to Asia, Europe, and Austria. CAWACOM various branches all over the country where it sources its coffee for processing. Some of these branches are found in Kasese, Bushenyi, Rukungiri, Ishaka and Mbarara.

### **1.3. STATEMENT OF PROBLEM**

Many organization seem not to have valued the contribution of end-users towards procurement effectiveness

The reason for this have however not yet been explained. The researcher therefore sought to understand and undertake conscious approach to establish the contribution of end –users toward procurement effectiveness especially in the area quality, delivery and value for money or price in organizations with specific attention to KAWACOM.

### **1.4. THE OBJECTIVE OF THE STUDY**

#### **1.4.1 THE GENERAL OBJECTIVE OF THE STUDY**

The main objective of this study was to establish the contribution of end-users toward procurement effectiveness in organization, in this case KAWACOM

#### **1.4.2 SPECIFIC OBJECTIVE OF THE STUDY.**

**Below are the specific objectives of the study**

- To establish how the end-uses or consumers influence the production of a quality goods and services by the organization

- To investigate how the end-users contribute to timely delivery of good and services by KAWACOM.
- To establish the contribution of end-users towards value for money or prices

### **1.5 RESEARCH QUESTION**

How do end-users influence production and distribution of quality goods and services?

What is the contribution of end-users towards timely delivery of goods and services?

How do end-users contribute towards the attainment of value for money or price?

### **1.6 THE SCOPE OF THE STUDY**

The scope of the study covered geographical, periodic and subject scope.

#### **1.6.1 GEOGRAPHICAL SCOPE OF THE STUDY**

This concern the area where the research was conducted and in this case KAWACOM – Uganda limited located in Ntinda along Kyambogo road about 100meters from Kampala Jinja highway.

#### **6.2 PERIODIC SCOPE OF THE STUDY**

The research began with writing research proposal which the researcher started on 15<sup>th</sup>/10/2008 and finished on 20<sup>th</sup> /13/2008. The actual research was conducted for four months from February 2009 up to June 2009.

#### **1.6.2 SUBJECT SCOPE OF THE SYUDY**

The subject covered during the study was determined, and in reference to KAWACOM, the subjects included; procurement, marketing, production and logistics department



## 1.7 SIGNIFICANCE OF THE STUDY

The discipline of procurement is one of the aspects of curriculum whose pose of development in Uganda still leave a lot to desire. It's therefore my hope that the study will go far away to rekindle the enhancement of procurement oriented discipline in the country by sensitizing the various parties that are charge with educational planning development and implementation of the procurement function and the contribution of end-users towards it effectiveness to achieve the best value for money.

- The research work will be of great importance to the curriculum development. These are authorities entrusted with planning, designing, evaluating and implementing educational programs in the country. This is because the discipline is still new and developing
- The administration of KAWACOM will also benefit from the finding of the research and reorganize the contribution of end-users towards the effectiveness of their procurement function.
- The research will also encourage the research in procurement related field especially on private sector.
- The research also benefits KAWACOM to know who their potential end-users are and their contribution towards their success in procurement field.

## 1.8 DEFINITION OF KEY TERMS

**1.8.1 Procurement.** According to the PPDA Act 1 (2003), procurement refers to acquisition by purchase, lease, rental, hire purchase, license or any other contractual means of any type of works, services or supplies or any other combination.

**1.8.2 Participation.** Is the active involvement and control in all decision related to objectives and activities as well as the implementation of the activities.

**1.8.3 End-users.** Refers to the final consumes of a commodity, works or services.

**.8.4 Effectiveness.** Means producing the result that was expected to be obtained

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

The reviewing of literature involved the systematic identification, location and analysis of documents containing information related to the research problem that was investigated. It gave a good understanding of research topic, reviewed theories that informed the topic which was investigated and identified research gaps in which the researcher located the study. It was thus extensive and thorough because it helped to obtain delivered knowledge of the topic of study. It involved reading and relating reports of research as well as reports of observation, discussions, and opinions that are related to the researcher's planned research project. This chapter is arranged according to:

#### **Definition of end-users or consumers and explanation**

Definition of procurement and effectiveness, and how consumers or the role of consumer participation towards procurement effectiveness specifically inform of delivery, cost and quality of goods and services in an organization

#### **2.2 Definition of end-users or consumers.**

2.2.1 according to carol corytorth, mavreen Rawlinson, and mike Neild (1995). Consumers are the final users of goods and services and they include individuals, business organization and the government. Throughout the world a huge number of goods and services are purchased by consumer every day and this make such consumers to become customers. This is due to regular purchase they make.

**2.2.2 In a related development**, the PPDA act section 3 defines users department as any department division, branch or section of procuring and disposing entity, including any project unit working under the authority of the procuring and disposing entity, which initiates procurement and disposal requirement and works.

## **Customer service**

Customer service consists of all arrangement and activities carried out by an organization to ensure that its clients get what they need. Usually an organization designed a specific category of staff to deliver a particular form of service.

**According to Zeithaml and Bitner (2003,page 4) defined customer service ;** “customer service is the service provided in support of a company’s core product. Customer service most often includes answering questions, taking orders, dealing with billing issues, handling complaints and perhaps scheduling maintenance and repairs”

**According to Mital (2000, page 491) describe customers service as:** -----nothing but output of a supply chain logistic services after performing interrelated activities. Effectiveness of these activities determines the level of the customer’s service. Those logistic services that directly affect customer’s service should receive greater focus for improvement

### **Internal customer verses external customers**

A customer is a person who needs the services of another person; an internal customer is an employee who needs the services of fellow employees within the firm. On the other hand, an external customer is a person outside the firm who need the services of the staff of the firm. Wellemin (1998 page 25) defines the customers as: “everyone who uses the output of our work is a customer be that person inside the company or an external users”, this inclusive definition put the logistic need of KAWAKOM in a better focus

### **2.3.0 Definition of procurement.**

**2.3.1 procurement according to PPDA act 1 2003** means acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise or any other contractual means of any types of work, services or supplies or any combination.

**2.3.2 However Lyson and Gallingham (2000:20) defined procurement which is also**

known as purchasing or organizational buying or external sourcing as a function responsible for obtaining by purchase, lease or any other legal means. Equipments, component, supplies or services required by an entity for use

**2.3.3 In a similar development,** Lenders Fearon (1997) says procurement is concern what abrader term and includes purchasing, stores, receiving, inspection, and salvage.

## **2.4 Definition of effectiveness**

**According to oxford Advance learner dictionary,** effectiveness refers to producing the expected result or result that is wanted or is intend

### **2.5.0 The contribution of end- user towards procurement effectiveness**

Having looked at the introduction and definition of key words in the topic, the next task is to look at the combinations of end-users toward procurement effectiveness and in this case in term of quality, delivery and value for money or cost or price.

#### **2.5.1 How end-users contribute to quality of goods, services or works.**

**According to Dave Needham and Rob Dransfield,** consumers lead to provision of quality services in order for them to get satisfied. That consumer service has become increasingly important in a rapidly changing market place. It has become more closely linked with the core product. Consumer service is associated with developing bonds with consumers in order to create long term relationship that lead to advantage for all groups

However, consumer service is something that does not just happen, it's a process that involves pre-transaction, transaction and post transaction considerations in order to determine the level of quality they require.

**Still according to Dave Needham and Rob Dransfield,** the changing preferences consumers may provides signals for them to develop new strategies to produced quality and various product and services. This can be done by identifying, anticipating and satisfying consumer's requirement using marketing strategies that fit together in a way that meets the quality required by the consumers of their products and services

In another development, David Symons and Andrew Adams, consumers identified their needs, make choices of products that meet their needs and carry out transaction with the need of gain satisfaction. A seller meets the buyers and communicates, gives fair and honest information

Complaint of consumers. There will always be occasion when a consumer feels he or she has a cause to complain. Its here that the truly successful retailer will stand above the completion by converting a decertified consumer to acetified one who will reform with the high cost of marketing in today`s highly competitive retailing sense, its less expensive to resolve a current consumers problems than o win new consumers. Such complaint always relates to poor quality goods or services which does not satisfy the requirement of the consumers as pertain the area of quality.

**According to Carol Carysforth and Mike Neiled (2002),** consumers or customers always raised complaint on issues relating to damages of products, after delivery, poor quality and high prices. Most businesses have an official procedure for dealing with consumer`s complaints. This may be receive face to face when a consumer visit the store, over the telephone or in writing. Complaints must be dealt with promptly and any serious issues must be investigated properly as pertain quality, price or damages after delivery by the organization on which the complaints have been raised. If necessary, steps must be taken to ensure that the problem does not occur again. Normally senior staff monitor complaint as this provides useful information on the standard of the goods sold, the services offered and the helpfulness of the staff

**Furthermore, Carol Carysforth and Mike Neild (2002)** expectation of satisfaction by the end-users from the services and goods they purchase as regard quality. The end users expect to get satisfaction by goods and services they purchase from an organization. It`s therefore essential for organizations to know whether existing customers are satisfied both with their purchase and the service they have received or not. Business can use this information to improve their products or services in terms of quality, prices charged and delivery.

**Still according to Carol Cary forth and Mike Neild.** End users provide information about the products of the organization. The information becomes a two way process if consumer service is good. The business may provide consumers with additional information on new or different products which are most popular. Customer surveys add to this information and can be used to help improve future services.

#### **2.5.2. The contributions of end users towards value for money or price or cost reduction.**

**According to Betty J.Brown, John E.Clow and Kenneth W.Brown,** consumers check the prices and quality of products in more than one store. Comparison shopping is of most value in making major purchase. This will help consumer save money, get quality products for purchase and get honest sellers as well as gain value for money spent.

Furthermore, consumers make choice or choose what they want at the price they can afford and from where they are offered depending on quality, price convenience of the place and location. Consumers therefore buy from cheap providers and of good quality which reflect value for money.

Consumers compare and plan. Responsible consumers make comparisons to find the best product or service at the best price. Which stereo company offers the best guarantee which can have the best record for reliability? How many hours will the light bulb last before they burn out?. Responsible consumers also think before they buy. They consider whether a product really meet their wants and needs and their budget. Do you really need the extra features offered by a \$300 sleeping bag? Will a \$75 bag meet your demands just as well? You receive the best value if you pay only for what you need.

**According to Carol Carysforth and Mike Neild (2002).** There is consumers need for the labeling of products. It's clear from the sale of goods Act and the consumer protection

Act that consumers must not be misled. Descriptions and prices must be absolutely clear as must credit charges. In addition, the trade descriptions Act cover other types of descriptions including assurances by a sales person. The labeling of products help avoid selling goods which are wrongly described by the manufacturer and price labeling avoid charging consumers expensively by dishonest retailers or distributors.

**According to Dave Neethham and Rob Dransfield (2000)** organization use marketing strategy that fit together in a way that meet customers' needs within a given cost. The use of pricing and the techniques of pricing, communication with consumers through promotion, branding, Advertising, Direct mail, public relation, sales promotion, product presentation and direct selling

**According to David Symons and Andrew Adams (1993)**, end-users compare prices on offer with that of other stores. Organizations which need to attract and retain many consumers tend to lower it prices compare to other stores. Consumers buy cheaply from such stores within their budget limits

According to Carol Carysforth, Maureen Rawlinson and Mike Neild (1995), the buying behavior of consumers influences the price at which organization sells their product. End-users buys from sellers who offers low prices and quality product the organizations are then challenge to produce quality product and sell relatively at a cheaper price

### **2.5.3 How end-users contribute towards delivery of goods, services and works.**

**According to David Symons and Andrew Adams (1993) , the following are the contribution of end-users towards delivery of services, goods and works**

The customers required proper delivery of goods and services they needs. The provision of a delivery service is a essential for a certain type of merchandise for example furniture or heavy durables such as watching machines. For other products, delivery can give a retailer a valuable competitive advantage by providing customer with what is called "time and placed convenience". Some first food operators for examples carry express offers delivery service to put them self ahead of competition

Many avoidable problems come when offering a delivery service. It's advisable to set up a system to handle them. The greatest problem is to minimize cost particularly when there are large swings in demand. A second problem is that when consumers purchased a product, they will want immediate possession. A delivery service can cause consumer dissatisfaction if it fails to deliver on time or if the product gets damage in transit. Other initiation that can damage the image of an efficient business is when the customers are not at home on the agreed delivery date. Some retailers try to avoid this by phoning the customer before a delivery is made. Certain types of products will require more than just delivery for example; the purchase of a gas fire and alert retailer will decide if a second sale can be made such as the installation of the fire or an annual maintenance agreement.

The consumers also need easy accessibility of what they want to purchase. Services and goods should be run to suit the conveniences of consumers not the staff. This means that flexible opening hours, nearby location of what consumers requires and telephone inquiry points that direct callers quickly to someone who can help them. Easy accessibility of the product makes consumers to buy without difficulties

**Dave Needham, and Rob Dransfield** also suggested effective logistic and placement in a process of distribution of the product to the consumers. This concern delivering without damages, to the right place near the targeted consumer and can make them easily access such product

**However, according to Carol Carysforth and Mike Neild (2002),** consumers raised complain after delivery. They always rose complains on issues relating to damages of products and delays after delivery. Damaged products are always returned and the consumers is provided a new one or refunded the price he or she paid. Consumers requires possession of products as soon as possible and delivery on time is always emphasized by the supplying organization in order to avoid problems which arise due delays during deliveries



## **CHAPTER THREE**

### **3.0 METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter presents the strategies which were used in capturing data and how the data will be analyzed to obtain meaningful information. The research was pushed on the analysis of the contribution of end users towards procurement effectiveness in organization. The research was carried out in KAWACOM coffee processing factory. This chapter therefore brings out the data collection methods and procedures to use selection of the study subject, data presentation, data analysis, and the likely limitation to the study.

#### **3.2 DATA COLLECTION METHOD OR INSTRUMENT**

For the purpose of gathering information, the researcher used the following methods; questionnaire, observation, and interviewing.

##### **3.2.1 Questionnaire**

With this the researcher set relevant questions on the research problem and compile them forming a questionnaire. This was produced and sent to targeted respondent which constitutes the procurement, marketing, production and transport department. The information got was used for data analysis and presentation

The selection of this methods was due to it ability to give detail information on the subject matter, cheapness, time saving, flexibility and the convenience to the respondent since it give them time to respond to the question

##### **3.2.3 Interview method**

This method involved direct participation of the researcher in the process of data collection. The researcher asked relevant questions on the research problem to obtain the

required data. This method was chosen because the data can be entered directly in to the computer during the time of the interview and it also saves time.

### 3.3 Procedures

When the introduction letter was provided by the research coordinator business department Kyambogo University, it helped the researcher to get authority from KAWACOM coffee processing factory. Upon such permission from the relevant authority of KAWACOM, the researcher got the opportunity to collect data by employing the above two mentioned and explained techniques.

### 3.4 SELECTION OF THE STUDY SUBJECT

The study was conducted in the department which was predetermined that is procurement, marketing, production and transportation department. The departmental heads and employees in each department were the sample depending on their positions in the organization in question. This was basically to ensure easy collection of data since the whole population could not be studied. The sample of the study which were selected is indicated in the table below.

**Table 1; Showing the departments which were selected and the number of employees per department both male and female**

Department	male	female	total
Procurement	4	3	7
Production	5	3	8
Transport	4	2	6
Marketing	5	4	9
T[otal	18	12	30

### **3.5 DATA PRESENTATION**

The data collected is using tables. This is because tables are easy to read and interprets and gives good visual impression to the reader

### **3.6 DATA ANALYSIS**

The researcher analyzed the information collected using quantitative method. This is the method that analyses the data collected in descriptive form. It is only used to address questions introduced by which, how, what, and where?

### **3.7 LIMITATION TO THE STUDY**

The researcher experienced some problems during the study which limited him from making a comprehensive research. Below are some of the limitations to the study.

#### **Time limitation**

Time limitation aroused because the researcher had to balance data collection exercise with studies which did not avail adequate time for the exercise. Even after exams the researcher had to prepare for internship hence not availing enough time.

#### **Financial limitation**

The process of carrying out research was hard to the researcher because the whole exercise was so demanding financially. This was basically in terms of transport, typing and printing, binding and other facilitation

**Non respondent.** Non respondents were another source of limitation. This is because some respondents always fail to understand the meaning and think the researcher is trying to carry out some form of audit hence fail to respond to the researcher's questions.

## CHAPTER FOUR

### 4.0 PRESENTATION OF FINDINGS AND INTERPRETATIONS

#### 4.1 INTRODUCTION.

This study sought to find out the contribution of end-users towards procurement effectiveness of KAWACOM (U) LTD

Thirty (30) questionnaires were administered to the subjects who were from various department s in KAWACOM, that is to say, procurement, production, transport and marketing department. All the respondents returned their questionnaires.

The interviews were also conducted among the various staff of KAWACOM (W) LTD about the contributions of the end-users of their products to word procurement effectiveness.

In his chapter the researcher presents the results of the analysis and interpretation of data (information)

#### 4.2 ANALYSING AND INTERPRETING DATA:

**Item B (i); whether the end-users contribute to specification**

**Table 2; showing whether the end-users contribute to specification.**

Response	Frequency	Percentage
Yes	25	83%
No	5	17%
Total	30	100%

From the table above, 25 which is 83% of the respondents acknowledged that the consumers of KAWACOMS products make contribute to specification. While 5 which constitute 17% disagreed that consumers do not make specification.

**Item B (ii)** On what basic does your organization make product design; (i) engineering, (ii)BOD (iii)consumers ideas.

**Table 3; Showing basis on which KAWCOM (U) Ltd make product design.**

Response	Frequency	Percentage
a) I and II	---	---
b) I and III	22	72%
c) II and III	---	---
d) I,II and III	08	27%
Total	30	100%

From the table above 22 respondents who make 73% acknowledged that the product design of KAWCOM is made on the basis of engineering and where as, of the respondents who make 27% however acknowledged that the product designs based on engineering, board of directors and consumers ideas.

**Item B (iii)** Have your organization relieved returned goods.

**Table 4; Showing whether KAWCOM (U) LTD has ever received returned goods**

Response	Frequency	Percentage
Yes	18	60%
No	12	40%
Total	30	100%

As indicated by the above table, 18 of respondents which constitute 60% agreed that they have ever received returned goods from their end-users. Whereas, 12 who make up 40% disagreed that they have never received returned goods from their end-users.

**Item B (iv); basis on which goods are returned.**

If yes on what basis (i) quality, (ii) excess supply (iii) wrong good.

**Table 5; Showing the basis on which the goods of KAWCOM(U)LTD are returned**

Response	Frequency	Percentage
a) I and II	---	---
b) I and III	17	57%
c) II and III	13	43%
d) I, II and III	---	---
Total	30	100%

In the above table, 17 respondents who constitute 57% acknowledged that they receive returned goods from the end-users basing on quality and wrong goods supplied. While 13 who constituted 43% acknowledged that they received returned goods from the endures on the basis of excess supply and wrong goods supplied.

**Item B (v)** Does your organization receive complaints from consumers on quality.

**Table 6; Showing whether the consumers receive co complain on quality.**

Response	Frequency	Percentage
Yes	16	53%
No	14	47%
Total	30	100%

Of all those who gave response, 53% indicate that consumers complain above quality especially poor quality. While 47% gave response which indicated that consumer's do not complain about quality.

**Item B (VI)**How does it respond

**Table 7; Indicating how the complains of consumers on quality handled.**

Response	Frequency	Percentage
Up grading immediately	26	87%
Maintaining at its current status	04	13%
Total	30	100%

As the above table indicates, 87% of the respondents indicated that the quality of receiving complaints, from the consumers where as 13 % indicated that quality is maintained at its current status.

**Item B (vii); whether the company emphasizes quality control.**

**Table 8; Showing whether the company emphasizes quality control.**

Response	Frequency	Percentage
Yes	30	100%
No	-	-
Total	30	100%

All respondents indicated that quality control is emphasized by their organization as illustrated in the table above.

**Item B (viii); the purpose of emphasizing quality control**

**Table 9; Showing the purpose of emphasizing quality control.**

Response	Frequency	Percentage
a) I and II	29	97%
b) I and III	01	03%
c) II and III	--	---
d) I, II and III	--	---
Total	30	100%



As the above table indicates, 97% of the respondents indicate that quality control is emphasized for satisfying customer and maximizing profits. While 03% indicated that quality control is emphasized to satisfy customers and imitating competitions

**Item c (i); the delivery arrangement used by the organization**

**Table 10; Showing the delivery arrangement used by the organization.**

Response	Frequency	Percentage
KAWACOM	---	---
Consumers	---	---
Both	30	100%
Total	30	100%

As portrayed by the above table, 100% of the respondents indicated that the delivery arrangement used is by both KAWAOM and consumers.

**Item C (ii) ; period taken by KAWACOM to deliver ordered goods.**

**Table 11; Showing period taken by KAWACOM to deliver ordered goods.**

Response	Frequency	Percentage
On receiving order	20	67%
One week	10	33%
Three weeks	--	--
Above three weeks	--	--
Total	30	100%

Sixty seven (67%) percent of the respondents indicated that the organization deliver on receiving order as shown by the table above. Whereas 33% indicated that it's delivered after one week.

**Item c (iii) fourteen tables showing whether organization receives complain or delay of delivery.**

**Table 12: Showing how the organization responds to the consumers complaints**

Response	Frequency	Percentage
Yes	17	57%
No	13	43%
Total	30	100%

The table shows that 57% of the respondents indicated that the organization receives complain on delay of delivery. While 43% of respondents disagree

**Item c (IV) How the organization respond to consumers complaint.**

Twelve respondents (40%), responded that the organization speed up and communicate in case of delay and meet the damaged caused,

**Item D (i); the basis on which the organization changes prices**

**Table fifteen 13; Showing the basis on which the organization changes prices.**

Response	Frequence	Percentage
Affordability	---	---
Profit	---	---
Competition	---	---
All above	30	100
Total	30	100%

As shown by the table above, all respondent (100%) indicate that the organization change prices basing on affordability profit and competition.

**Item D (ii)**

**Table 14; Showing whether the prices of organizations products have been increasing for the lost two years.**

Response	Frequency	Percentage
Yes	30	100
No	--	--
Total	30	100%

The table above showing that the prices for KAWACOM's products have been increasing for the lost two years.

**Item D (iii); the effect of price increase on demands of the organization's products.**

**Table 15; Showing the effect of price increase on demands of the organization's products.**

Response	Frequency	Percentage
Increase	23	77%
Decrease	--	--
stable	07	23
Total	30	100%

The table above shows that increase in price of the organizations products leads to increases in demand as indicated by 77% of the respondents. Whereas 23% of the respondents indicated that demand remain stable when the price increases.

## CHAPTER FIVE

### 5.0 DISCUSSION, CONCLUSION, RECOMMENDATIONS AND SUGGESTIONS

#### 5.1 INTRODUCTION

This chapter comprises of the discussions, conclusions, recommendations suggestions made by the researcher.

#### 5.2. DISCUSSIONS.

**Item A;** This item is to find out the contributions of end users toward the production of quality products

As shown by the table 4 in chapter four, 83% of the respondents acknowledged that End – users contribute to specification.

This means that the end – users always get products or goods which are of quality in accordance to their specifications, which satisfy their needs.

David Symons, and Andrew (1993), also gave the same view that consumers identify their needs, make choices of products that meet their needs and carry out transactions with the need of gaining satisfaction.

However, 17% of the respondents indicated that consumers do not contribute to specification, meaning they just purchase\se without considering the situation they will gain from such products.

**Table 5.** Still in chapter four, shows that 73% of the respondents indicated that product design in KAWACOM is based on the Engineering and consumer's ideas. This means consumers, influence the quality of the coffee products being produced by KAWACOM since their ideas are also considered during product design.

This is in line with the ideas of Carol and Mike (2002) that end – users provide information about the products of the organization and can be used to help improve the quality in future.

According to table six in chapter four, 60% of the respondents indicated that the organization has ever received returned goods. In related development, table seven shows that 57% of the respondents acknowledge that the organization receive returned goods on the basis of poor quality and supply of wrong goods. In an interview to one of the staff, he responded that this happened in 1998: this means that consumers require quality products in order to gain satisfaction since they returned poor products. This made the organization to emphasis quality improvement.

Carystirth and Neild, also have the views related to this, consumers return goods after delivery on realizing that it is of low quality, damaged or not was ordered.

In accordance to the table eight (8) in chapter 4, 53% of the respondents indicated that the organization always receives complains from the consumers of its coffee products especially on poor quality. This shows that consumers are very concerned about the quality of what they purchase. Whenever there arise complaints on low quality, the organization try to improve on the quality so as to reduce on such complains next time especially when the improvement of quality meet their needs.

This can further e seen in table nine (9) where 87% of the respondents acknowledged that whenever there arise complaints from consumers KAWACOM respond by upgrading immediately. Therefore, the complaints of the consumers which lead to the response by the management to upgrading the quality immediately shows that consumers lead to production of quality coffee products.

This is supported by the ideas of Carol and Mike (2002), consumers always raise complaints. Consumers raise complaints on issues relating to dam sages of products after delivery, low quality and low quantity. They went ahead to say most businesses have an official procedure for dealing with consumers complaints. Those complaints must be

dealt with investigated properly by the organization. Normally senior staff monitors the complaints as this provides useful information on the standard of the goods sold, the services offered and the helpfulness of the staff.

**Item A (vii);** Whether your company emphasize quality control

According to table ten (10) in chapter four, 30 (100%) of the respondents indicates that quality control is emphasized by their organization. This means that they intend to supply the best to their customers. In an interview with the operations manager, he responded that their main intention of emphasizing quality control is to meet their need or requirements of their end – users.

Carol and Mike (2002), when consumers buy goods and services they expect them to be good quality. That the more they pay, the better the quality they expect.

The table eleven in chapter four shows that 97% of the respondents indicated that, quality control is emphasized because of the need to satisfy consumers and, maximizing profits.

**Item (B)** This item is to find out how the end users contribute to timely delivery of goods and services by KAWACOM Uganda limited

**Item B (i);** The delivery arrangement used by the organization.

According to table twelve, 30 (100%) of the respondents indicated that the organization uses both its own delivery means and the transport manage, he responded that they use their lorries and trucks to assemble the coffee products to the main branch in Kampala from Mbale branch. They later use their aero plane to transport to Europe, and Asia where their consumers are located. This is intended to make the consumers to easily access their coffee products of the organization, since they are located in long distances.

This same issue is embraced by David and Andrew (1993) that consumers need easy accessibility of what they want to purchase. Services and goods should be run to suit the conveniences of consumers, not staff.

**Item B (ii);** The periods taken by the organization to deliver ordered goods.

67% of the respondents indicated that the organization deliver on receiving order. This means that there is no delay in delivering as required by the consumers.

In an interview to the general manager, he responded that consumers always require quick delivery and as such, they always deliver on receiving their orders.

**Item B (iii);** Whether your organization receive complaints on delay of delivery.

In chapter 4, table 14, shows that 57% of the respondents indicated that the organization receives complaints on delay of delivery. This was coupled with an interview, to the management of the organization where they responded that consumers complain that they always run out of their requirements especially when they fail to deliver in time. This implies that the complaint make the organization to always meet the time the consumers require delivery. Hence showing that consumers contribute to timely delivery which is an element of procurement effectiveness. According to the PPDA Act No 1 2003, it requires all providers of works, services, or goods to deliver at the time it is required without delay.

Dave and Rob also suggested in their book effective logistics in the process of distribution of the products to the consumers.

**Item B ( iv);** How the organization respond to consumers complaints.

Twelve (40%) of the respondents answered that the organization speed up and deliver in time whenever there arise complaints on delay of delivery.

In the same development, ten (33%) respondents answered that the organization communicate in case of delay of \delivery, giving the cause of delay and compensate for the damage caused by delay of delivery. The above two responses shows the organization intends to serve the consumers. By complaining, and the organization responding in such



a ways, shows that the end – users, contribute to procurement effectiveness in KAWACOM.

**Item C;** This item is to establish the contribution of end – users towards price reduction (value for money).

**Item C (I);** The basis on which the organization charge prices.

According to chapter 4 table 15, all the respondents (100%) indicated that the organization charge prices basing on the affordability, profit and competition. However, in an interview to the marketing manager, he responded that in most cases they charge prices basing on affordability by customers. This is because, when they charge basing on profits, consumers do not buy since it will be expensive for the consumers.

This is in line with the views of Betty, John and Kenneth that consumers check the prices of products in more than one store. They end up buying from the store which charges low price. This will help consumers save money. This means that the organization charges prices basing on the affordability in order not to lose customers. This is the same view in the PPDA Act No 1 (2003), where the organization considers the lowest bidder to win the contract during bidding.

**Item, C (ii);** Whether the prices of the organization's products have been increasing for the last two years.

**Table 16** shows that 100% of the respondents indicated that the prices of the organization's products have been increasing for the last two years. In an interview, they responded that the prices have been increasing due to increase in cost of production, and continuous improvement of quality of their products. This means that consumers buy quality products even if the price is high.

**Item C (iii);** The effect of price increase on demand on the organization's products. 77% of the respondents indicated that the increase in price of the organization products lead to increase in demand.

This was because of the increase in quality of the products. This means that consumers do not only look at price but quality as well.

This is in accordance to the PPDA Act 1 (2003), where organizations do not only consider prices during evaluation but the quality of works, goods or services to be supplied or provides by the supplying organization.

### **5.3. CONCLUSIONS**

According to the study conducted, its clear that the end users of KAWACOM contribute greatly towards the effectiveness of procurement. This means that all the procurement activities conducted by the organization is intended to satisfy the consumers of its products.

### **5.4. RECOMMENDATIONS.**

The researcher recommends that the government should give some assistance to the manufacturers. These may include tax reduction and tax holidays which will reduce on the cost of production and hence they charge prices which can be afforded by the consumers. The government should also give some loans at low interest rates. This will enable manufacturers to buy their inputs at low costs and hence enable them avail what consumers want

To the manufacturers, the researcher recommends that they should be consumers oriented. this means that they should produce according to consumers needs and

specifications, deliver goods at the time it is wanted and charge prices which and be afforded by the consumers.

To the general public, the researcher recommends that they should always study and understand the world changing economic situations. This will help the reduce on complains since they will have understood world standards and prices.

### **5.5. SUGGESTIONS**

The researcher suggests the following areas for further study;

How consumers influence the profitability of privately owned Organizations

How the customers influence the stock turnover rate of the Organization

## APENDIX I

### Questionnaire to the Management and staff of KAWACOM limited Uganda about the contribution of end users toward procurement effectiveness.

This questionnaire is aimed at collecting data to facilitate a study on the contribution of end users toward procurement effectiveness in your organization. The information collected will be treated with confidentiality and will be used to arrive at the final result and draw conclusions.

Please spare some time and answer the following questions. Your participation will highly be appreciated as it will contribute to my award of bachelor degree in **PROCUREMENT AND LOGISTICS MANAGEMENT**.

Tick where appropriate and fill the missing space

#### SECTION A

##### (Personal data)

1. Sex                      Male ☐      Female ☐

2.      Position held in this organization

.....  
.....

3.      In which department do you work?

.....  
.....

#### SECTION B

4. Do the consumers of your products contribute to specification?

Yes ☐                      No ☐

5. On what basis does your organization make product design? I, Engineering II, Board of directors III, consumers ideas

- (a) I and II
- (b) I and III
- (c) II and III
- (d) I, II and III

6. Have your organization ever received returned goods?

Yes ☐ No ☐

7. If yes on what basis? I, quality II, excess supply III, wrong good

- (a) I and II
- (b) I and III
- (c) II and III
- (d) I, II and III

8. Does your organization receive complaints from consumers on quality?

Yes ☐ No ☐

9. If yes, how does it respond?

Upgrading immediately ☐ maintaining at its current status ☐

10. Does your company emphasis quality control?

Yes ☐ No ☐

11. If yes, for what purpose?

I, satisfying consumers' II, maximizing profits III, imitate competitors.

- (a) I and II

(b) I and III

(c) II and III

(d) I, II and III

### SECTION C

12. What delivery arrangement does your organization use? KAWACOM  
Consumers ☐ Both ☐

13. How long does your organization take to deliver ordered goods? On receiving  
order ☐ One week ☐ Three weeks ☐

14. Does your organization receive complains on delay of delivery?

Yes ☐ No ☐

15. If yes how does it response to their complains?

.....  
.....

### SECTION D

16. On what basis does your organization charge prices?

Affordability ☐ Profit ☐ competition ☐ All above ☐

17. Have your prices been increasing for the last two years?

Yes ☐ No ☐

18. If yes, what has been the effect on demand?

Increase ☐ Decrease ☐ Stable ☐

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