

Abstract

This paper presents a case study employing both qualitative and quantitative study of role of supplier development in procurement effectiveness from the buyer perspective. Specifically, it seeks to investigate the role of supplier development in procurement effectiveness in terms of first time quality, delivery and order cycle time, cost and technology. This paper examines the linkages between supplier understanding of goals, presence of buyer coordinator at the suppliers' location, supplier participation and information exchange and the effectiveness of procurement function at the National Cereal and Produce Board. It revealed that, information exchange, supplier participation, supplier understanding of the buyer's goals and buyer coordinator presence influenced procurement effectiveness. However the extent of influence varied among the variables. Both supplier's participation and buyer coordinator's presence influenced procurement effectiveness greatly and information exchange and suppliers understanding of goal influenced procurement effectiveness to a lesser extent. Regression analysis among the variables indicated that supplier participation was the most significant variable, followed by buyer coordinator presence, information exchange and understanding of goals. It was therefore recommended that, in order to enhance the procurement effectiveness, enhanced participation of the supplier in development of specifications be emphasized and implemented, buyer constantly monitor the process execution of contract terms from first time to eradicate any quality and delay problems as early as possible. There is also need to enhance proper communication mechanisms probably through application of information communication and technology. Other supplier development methods that may enhance procurement effectiveness are training, promise of rewards, creation of competition, ethics and integrity which can also form part of future research.