

**SUPPLIER RELATIONSHIP MANAGEMENT INFLUENCE ON THE  
PERFORMANCE OF AN ORGANISATION : A CASE STUDY OF CROWN  
BEVERAGES LIMITED PEPSI COMPANY UGANDA**

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**S21B12/083**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT  
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## DECLARATION

### DECLARATION

I Achen Grace Tracy hereby declare that this dissertation was produced out of my own effort with the guidance of the supervisor and has never been submitted to any other institution for any award.

Signature.....*Acht*..... Date.....*11/09/2024*.....

ACHEN GRACE TRACY

S21B12/083

## APPROVAL

### APPROVAL

This Research titled Supplier Relationship Management Influence on the Performance of an Organization. (A Case Study of Crown Beverages Limited Pepsi) has been submitted by Achen Grace Tracy for examination with my approval and is ready for presentation to the School of Business for Award of Bachelors Degree in Procurement and Logistic Management of Uganda Christian University.

Signature.......... Date..........

MR.TUMUHAMYE DUNCAN

(Academic Supervisor)

## **DEDICATION**

I dedicate this research to my dear loving parents Late Mr. Aryaka John and Mrs. Aryaka Rose who have supported me through all my education. The dissertation is also dedicated to my brothers Godfrey, late Jimmy, Denis, Stephen, Edward, Robinson and my lovely twin sister Lucy, as well as my beloved Aunties Joyce and Rosemary and all my friends. Above all, I thank the Almighty God for guidance and provision towards the completion of this dissertation.

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I would like to extend my gratitude to the staff of Crown Beverages Limited (Pepsi) for giving me relevant information that made the study successful.

Lastly, I thank the Almighty God through Jesus Christ who has given me good health and strengthen to carry out the research right away from the beginning to the end and successfully.

## **ABSTRACT**

The study examined the supplier relationship management influence on the performance of an organization: A case study of Crown Beverages Limited. The study was guided by objectives which included; the specific supplier relationship management practices used by Crown Beverages, the relationship between supplier relationship management SRM and company performance at Crown Beverages Limited, how supplier involvement affects organizational performance of Crown Beverages.

The study was carried out using a case study research design. The data were collected using questionnaire and during the data collection, purposive sampling method was used. A sample size of 52, as only 50 respondents were able to respond. Crown Beverages Limited (Pepsi) was used in the case study. The findings suggest that robust SRM practices significantly enhance operational efficiency, reduce costs and improve product quality, leading to higher customer satisfaction and competitive advantage. The research concludes that Crown Beverages Limited's strategic approach to SRM, including rigorous supplier selection, collaborative integration, and performance monitoring, has a substantial positive impact on its operational performance.

Finally, the study recommends that establishing strong communication channels, scheduling regular meetings with suppliers to discuss performance, challenges and improvements. This fosters transparency and strengthens relationships.

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Introduction

The study was about the influence of supplier relationship management on organizational performance of Crown Beverages Limited, commonly known as Pepsi. This chapter provides the background to the study, statement of the problem, objectives, scope of study, research questions, and significance of the study.

#### 1.2 Background of the study

Supplier relationship management (SRM) is the profession that provides guidance on establishing and preserving connections with suppliers. It also happens when consumers and sellers use one another's resources to get a competitive edge in the market as a result of associations being formed (Lii&Kuo, 2016). SRM's main goal is to improve and expedite the sourcing procedures that a business uses to find suppliers. As a result, many firms may use various SRM -related strategic sourcing practices. However, supplier segmentation, supplier strategy creation, and supplier strategy implementation are the three primary components of supplier relationship management. (SRM)

SRM has become an essential corporate practice due to the need to consider sustainability and risk, competitive pressures, achieve cost efficiency to stay cost-competitive, and establish stronger relationships with key suppliers who have the knowledge necessary to create innovative products and successfully introduce them to the market. The remaining stages of SRM include material selection, product design, innovation, knowledge sharing, long-term collaboration agreements, and technological investments are some of the other stages of SRM. Scholars have shown that collaborative strategies are essential for achieving a competitive edge in the increasingly competitive global supply chain environment (Li &Kuo, 2016, Liao et al., 2010). These partnerships with important suppliers have the potential to co-create value, and when properly applied, they have aided enterprises in resources and commodities they need, reducing costs, being more flexible, ensuring quality,

correctly utilizing technology, and improving the effectiveness of their supply chains overall performance.

Performance is a crucial concern for all individuals and businesses. According to Tseng (2014), a group of special resources that are priceless, uncommon, hard to replicate, and irreplaceable by other resources are the primary factor influencing a company's performance. Moreover, the secret to obtaining a competitive advantage is effective organizational performance. As a result, firm performance illustrates how well an organization function accomplishes its aim or goal, connecting to obtaining services, materials, cost, and a fair price at the appropriate quantity and making sure that these resources are acquired in accordance with an objective standard or condition in the appropriate time or period. When businesses are able to control expenses, fulfill deadlines, and generate high-quality products, they can do well. As a result, operational capabilities now have a chance to affect company performance.

In addition, poor supplier performance, dishonesty in the buyer-supplier chain opaque business practices, and communication failures are further sources of uncertainties or difficulties that impact performance. Poor supplier training, failing to look into a supplier's track record of success, disagreements over the terms of the contract, forgetting about the relationship at the time of a damaged delivery, and ignorance of the business culture of their industry. Bottlenecks must be reduced, and performance metrics centered on supplier relationship management throughout the process, in order to produce win-win outcomes. Achieving client satisfaction upon delivery and ongoing process improvement are the objectives. Furthermore, organizational performance concerns the manner in which a business strives to achieve both financial and market-oriented objectives. The SRM's immediate goals are to lower costs, accelerate the goods-to-service cycle, and boost inputs. Long-term objectives include increasing each supply chain member's market share and earnings. The objective of SRM and other performance organizational initiatives must be to improve the company's performance. Given the higher performance of procurement in various firms that researchers have noticed, this study

uses flexibility capability as a mediating function to evaluate and investigate the relationship between supplier relationship management and procurement performance, given the greater performance of procurement in various businesses that scholars have observed.

## **1.2 Statement of the problem**

Organizations invest a lot of money on methods that in the competitive climate of today, produce organizational performance. SRM is becoming more and more important in achieving this aim. Growing in popularity and frequency, outsourcing calls for a higher level of critical and in-depth understanding of supplier or buyer relationships. SRM is essential to the company and might cause problems if it is not handled properly. Supply uncertainty is influenced by a number of factors, including shifts in demand patterns, fluctuations in currency values, changes in governmental regulations, inflationary pressures, and others. On the other hand, creating and maintaining those connections is not free.

Crown Beverages Limited (Pepsi) continues to struggle with managing its suppliers despite efforts to improve supplier relationship management practices. This results in a number of problems, including: delays in the delivery of raw materials and packaging materials; frequent stock outs and shortages of necessary supplies; high costs associated with expediting shipments and maintaining inventory buffers; problems with quality control brought on by inconsistent supplier performance; inefficient use of resources; and decreased financial performance. These difficulties have a substantial negative influence on Crown Beverages Limited's (Pepsi) performance, leading to lower consumer satisfaction and loyalty, a decline in market share and revenue growth, more expenses and lower profitability, inefficient resource usage, and a decline in competitiveness. According to studies (Kakembo, 2019; Kyesi, 2020), effective supply chain management (SRM) techniques have been linked to higher financial performance, lower costs, and better supply chain performance. However, there is limited research on the precise SRM procedures that affects the performance of Pepsi Uganda.

Thus, the issue that needs to be looked into is: What specific supplier management

practices affect Crown Beverages Limited (Pepsi) performance, and how can these practices be adjusted to increase the effectiveness of the supply chain, lower costs, and improve financial performance.

### **1.3 Purpose of the study**

The purpose of the study was to examine the relationship between supplier relationship management influences on the performance of an organization: a case study of Crown Beverages Limited (Pepsi).

### **1.4 General objective**

The general objective of the study was to examine influence of supplier relationship management on performance of Pepsi Company.

#### **1.4.1 Specific objectives**

1. To explore the relationship between SRM and performance of Crown Beverages Limited (Pepsi).
2. To determine the specific supplier relationship management practices used by Crown Beverages Limited (Pepsi).
3. To establish how supplier involvement affects organizational performance of Crown Beverages Limited (Pepsi).

### **1.5 Research questions**

1. What is the relationship between supplier relationship management and performance of Crown Beverages Limited (Pepsi)?
2. What are the specific supplier relationship management practices used by Crown Beverages Limited (Pepsi)?
3. How does supplier involvement affect organizational performance of Crown Beverages Limited (Pepsi)?

### **1.6 Scope of the study**

The scope of the study was covered in three dimension which were: content scope, geographical scope and time scope as discussed below.

### **1.6.1 Content scope**

This study focused on, supplier relationship management influence on the performance of an organization.

### **1.6.2 Geographical scope**

This study was carried out in Kampala at Nakawa plant Crown Beverages Limited (Pepsi) Uganda. There was easy accessibility.

### **1.6.3 Time scope.**

The study focused on the period between 2016 to 2020, a time during which Crown Beverages Limited faced a lot of challenges which involved failure to get sufficient supplies from its suppliers, low sales, poor quality products that could not compete favorably in the market, price fluctuations in the market and high cost of operations and legal litigations by the supplier.

## **1.7 Significance of the study**

It is intended that the recommendations and research findings will be very helpful to various stakeholders, as indicated below.

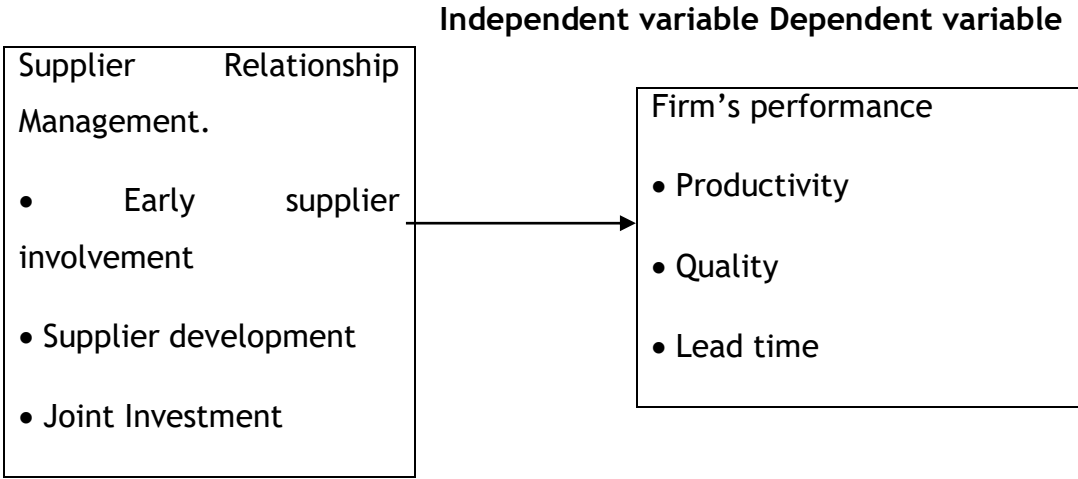
Crown Beverages Limited (Pepsi) management will benefit from reviewing their strategy and investing more in customer relationship management techniques as a result of the research findings and recommendations. This will be of help to them in becoming more resilient to factors related to supplier actions and achieve greater organizational growth.

In order to attain reciprocal advantages in their business operations, Crown beverage suppliers will find it useful to illustrate to their clients the importance of supplier relationship management and their respective roles and duties.

The study's conclusions and suggestions will be of use to the beverage industry, particularly in the downstream sector, to improve organizational performance through the implementation of Supplier Relationship Management.

To the public and commercial sector policy makers: The study's development of supplier relationship policy guidelines will be of aid in the optimization of organizational performance.

1.9 Conceptual frame work



1.10 Key definitions

**Supplier Relationship Management (SRM)**, is the process of systematically evaluating an organization's suppliers' strengths, performance, and capabilities in relation to the overall business strategy, choosing which activities to undertake with various suppliers, planning and carrying out those activities, and coordinating all of the interactions with those suppliers in a coordinated manner throughout the course of the relationship life cycle. (In 2024, David, India)

**Firms' performance**, describes how well a business performs overall in reaching its aims and objectives. It's a multifaceted concept that includes a range of elements, including staff, the workplace environment, operations, finances, and employment results.

**Key performance indicators (KPIs)**, is a tool used to track and assess a company's management effectiveness in addition to measuring performance. (Prokuria, 2021)

**Lead time** refers to amount of time needed to finish a project or production process. (Safety Culture, 2024)

**Joint investment** refers to the collaboration between two or more parties working together to attain a shared financial objective by pooling their resources, capital, and skills. (Elton, Stephen; Brown, Edwin J., 2014)

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

A literature review is a body of text that aims to review the critical points of current knowledge or methodological approaches on a particular topic. Literature reviews are secondary sources and as such do not report any new or original experimental work.

This chapter is meant to present literature on what supplier relationship management (SRM) is, different solutions of supplier relationships, their processes, benefits and challenges.

#### 2.1 The Relationship between SRM and Performance of Crown Beverages Limited, (Pepsi).

SRM encompassed the strategies and processes used for managing supplier interactions that can maximize value from those relationships. It involved activities such as supplier selection, segmentation, performance evaluation, and collaboration. Effective SRM was aimed to foster strong, mutually beneficial relationships with key suppliers.

#### Cost Reduction

The goal of cost reduction was to reduce production costs per unit basis and maximize company profitability. Cost reduction aimed to lower production costs per unit while maintaining the quality of the final product and making non-volatile savings. Aditya (2018) claimed that achieving profit maximization had been the organization's objective, driving management to grow sales, which in turn led to increase in production capacity and a rise in production costs. In a competitive market, profit maximization requires measures for cost reduction.

#### Quality Improvement

Quality management was a critical aspect of SRM that affected financial performance. Suppliers who were closely managed and involved in the early stages of product

development tended to produce higher-quality goods, reducing defects and returns. This led to lower warranty costs and improved customer satisfaction, which positively impacted financial performance (Tracey and Tan, 2001).

## **Risk Management**

Effective SRM also played a crucial role in risk management. By diversifying the supplier base and establishing strong relationships with key suppliers, organizations were able to mitigate risks related to supply chain disruptions. This risk mitigation translated into financial stability and resilience. As evidenced by Tang (2006).

## **2.2 The specific supplier relationship management practices used by Crown Beverages Limited, Pepsi.**

### **Supplier Segmentations**

Supplier segmentation involved categorizing suppliers based on their strategic importance and the value they bring to the organization. This practice enabled companies to allocate resources and attention according to the supplier's impact on the business (Rezaei&Ortt, 2018)

- **Strategic Suppliers:** These were suppliers that had a significant impact on the company's competitive position, they were likely to be your most long-term suppliers and provided goods or services that were difficult to obtain anywhere else. Managing relationships with these suppliers involved high levels of collaboration, transparency and information sharing.
- **Leverage Suppliers:** These were suppliers for which more than one source was often available, allowing some room for price negotiations because the supplier knew there were other alternatives. The focus was on optimizing cost and efficiency.
- **Bottleneck Suppliers:** These were suppliers that provided unique items or items that were difficult to replace, with limited alternatives available for services or materials. The relationship involved risk management strategies.

- **Non-Critical Suppliers:** These suppliers provided products or services were relatively low-risk and easily replaceable, as they may not have a significant strategic impact on the business. However, managing them effectively was still important for overall supply chain efficiency.
- **Supplier Performance Management:** Supplier performance management (SPM) was a business practice that focused on assessing, monitoring and managing the performance of a company's suppliers so that they met the organizational standards. This was a critical process for evaluating and improving supplier performance (Jarrod McAdoo, 2024).
- **Establishing key Performance Indicators (KPIs):** This involved setting clear expectations and defining the metrics against which supplier performance was evaluated. KPI helped suppliers perform well by guiding them on aspects like quality, cost saving and delivery.
- **Regular Performance Reviews:** The actual performance of suppliers was continuously monitored and assessed against the predefined targets. This involved collecting data on various aspects of the supplier performance such as quality, cost and delivery timelines.

## Supplier Development

Supplier development involved working closely with suppliers to improve their capabilities and performance (Krause, Handfield, & Tyler, 2007). Key activities included:

- **Training and Education:** Providing training programs to enhance supplier skills and knowledge.
- **Process Improvement:** Collaborating on process improvements to enhance efficiency and quality.
- **Investment in Supplier Capabilities:** Investing in supplier technologies and infrastructure to boost their performance.

## **Risk Management**

Managing risks associated with supplier relationships was a critical SRM practice (Zsidisin& Wagner, 2010). This involved:

- **Risk Assessment:** Identified and assessed risks related to suppliers, such as financial instability or geopolitical factors.
- **Contingency Planning:** Developed contingency plans to mitigate the impact of potential disruptions.
- **Diversification:** Diversifying the supplier base to reduce dependency on any single supplier. Having a number of suppliers helped reduce on the challenge of delays of products or services.

### **2.3 How supplier involvement affects organizational performance of Crown Beverages Limited (Pepsi).**

Supplier involvement referred to the degree to which suppliers were integrated into the strategic and operational activities of the company. This practice was crucial for optimizing supply chain performance and achieving competitive advantages. Crown Beverages Limited in Uganda, a major player in the beverage industry, relied heavily on its suppliers for raw materials, packaging, and other essential inputs. This literature review explored the impact of supplier involvement on the organizational performance of Crown Beverages Limited, drawing insights from both general and specific studies on supplier involvement.

## **Supplier Involvement**

Supplier involvement involved the active participation of suppliers in various stages of product development, production, and other business processes. This collaboration could take many forms, including early supplier involvement (ESI) in product development (Van Weele, 2010), joint problem-solving, and continuous improvement initiatives.

## **Organizational Performance**

Organizational performance referred to how well an organization achieved its market oriented and financial goals (Krajewski and Ritzman, 2017). In the context of supplier involvement it was measured through various indicators such as cost efficiency, product quality, innovation, flexibility, and overall profitability.

## **Impact of Supplier Involvement on Organizational Performance**

### **Cost Efficiency**

Effective supplier involvement can led to significant cost reductions. By working closely with suppliers, Crown Beverages Limited was able to negotiate better terms, streamline procurement processes, and reduce waste. For instance, close collaboration with packaging suppliers (Sustainable Packaging Logistics) resulted in cost savings through bulk purchasing and optimized logistics (Gracia-Arca et al., 2014)

### **Product Quality**

Involving suppliers early in the product development process enhanced the quality of the final product. Suppliers provided valuable inputs and innovations that improved product design and functionality. This was particularly relevant for Crown Beverages, where the quality of raw materials directly affected the taste and safety of their beverages (EV Karanina, 2018).

### **Innovation**

Supplier involvement fostered innovation by leveraging the expertise and capabilities of suppliers. Joint development efforts led to new product formulations, packaging innovations, and process improvements. For example, suppliers of flavorings and sweeteners collaborated with Crown Beverages to develop new beverage variants that met emerging consumer preferences (Suurmond et al., 2020)

### **Risk Management**

Supplier involvement also played a critical role in risk management. By developing strong relationships with key suppliers, Crown Beverages ensured a more reliable supply of critical inputs and mitigate risks associated with supply chain disruptions. This included diversifying the supplier base and establishing contingency plans with suppliers (Tang, 2006)

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

The chapter details the study methodology which was used by giving the research design and the target population. It also explains sampling procedures and data collection instruments used, modes of analyzing and presenting the data.

#### **3.1 Research Design**

According to Fisher (2007), a research design is defined as a detailed outline of how an investigation took place. The research design typically includes how data is collected, what instruments are used and the intended means for analyzing data collected. This research was done using a case study research design. A case study involves an in depth and detailed examination of a subject or the case,(Babbie, 2014). Furthermore, quantitative analysis was used in this study as questionnaires were given to the selected staff at Crown Beverages Limited (Pepsi) for proper collection of the data from the respondents. This helped in the proper collection of numerical data because it allowed the gathering of measurable data. This included multiple questions with different rating scale choices.

#### **3.2 Study area and population.**

This study was carried out from Nakawa plant in Kampala at Crown Beverages Limited (Pepsi) Uganda. Pepsi workers were the main target as they were helpful in determining supplier relationship management influence on the performance of Crown Beverages. The study population consisted of 50 respondents among whom which was the manager, assistant manager and other workers from the different departments of procurement, finance, quality assurance and the production department.

#### **3.3. Sample Size**

A sample constitutes a population that is representative of the entire population. Sampling is a way of gathering statistical information using a few elements chosen out of the study population to represent the whole population. The sample size of 52

members was selected from the target population of 60 members. The 52 members sample size was determined using the Krejcie and Morgan table for finding sample size.

**Table 1 study population**

Category	Target population	Sample size	Sampling technique
Manager and Assistant	02	02	purposive
Workers	58	50	random
Total	60	52	

Source: Krejcie and Morgan (1970)

### **3.4 Sampling technique**

Simple random sampling and purposive technique were employed. During the study. A simple random sampling design was used to select the required respondents so as to minimize bias. This was done by giving the questionnaires to the following departments; procurement, production, quality assurance and finance as anyone under those departments had access to the questionnaires. This technique was used to get the respondents. As out of 52, 50 responses were received. Purposive sampling was also used to select only those respondents with importance attached to their office.

### **3.5 Sources of data.**

The data required for the study was classified as primary and secondary data. Primary data was obtained from the respondents in the field through use of questionnaires. Secondary data on the other hand was obtained from educational journals, articles, educational websites, textbooks, company magazines as well as other sources of literature having a similar topic.

### **3.6 Data collection instruments**

#### **(a) Primary Data**

#### **This was conducted using the following instruments**

During the data collection process, questionnaires were the instrument used for collection of appropriate and reliable data from the respondents.

#### **3.6.1 Questionnaire**

This was the only instrument used during data collection and it was self-administered questionnaires because of its advantages such as quick data collection and ease to explain to respondents questions they do not understand.

Questionnaires were used to collect quantitative data (numerical responses). The questionnaires were divided into three sections based on the flow of the objectives as this enabled to acquire the relevant and accurate data for the study.

#### **(b) Secondary Data**

This was obtained by using the available literature for example journals, magazines, reports, text books, product catalogue and the internet.

### **3.7 Validity and reliability of data**

#### **3.7.1 Validity**

Refers to the extent to which data collection instruments employed (to measure variables) in the study actually measures what is claimed (or are intended) to measure. In this regard attention was paid to the content and construct validity of the data collection instruments which deals with the degree to which instruments relevantly and adequately explores the variables under investigation and how well the constituent element of the instruments were arranged for the purpose of accurately extracting the data require for the study.

#### **3.7.2 Reliability**

Reliability was estimated by comparing different versions of the same measurement. This refers to how consistently the same results can be achieved by using the same

method under the same circumstance. Thus is the description of the degree of precision, constituency, repeatability and dependability with which the instruments extracted the data that were required for the study. This was established through a plot test of questions.

### **3.8 Data analysis**

After collecting the data, the researcher arranged answered questionnaires and did analysis using computer program, Frequencies and percentages were also used were data was presented in table form.

## CHAPTER FOUR

### DATA PRESENTATION ANALYSIS AND INTERPRETATION OF FINDINGS.

#### 4.1 Introduction

This study focused on the relationship between supplier relationship management influences on the performance of Crown Beverages Limited (Pepsi)

These includes early supplier involvement, Supplier development, Joint Investment. This chapter indicates the response rates, the questionnaires and the respondents' background variables first before presenting the findings of the study for the dependent and independent variables.

#### 4.2 Response rate

In this study, 52 category of respondents that is to say, company administrators and employees were sampled and only 50 questionnaires were returned indicating the percentage of 96% which shows a good response rate in this study.

**Table 2. Response rate**

Number of Questionnaires Administered	Number of Questionnaires Returned	Response Rate (%)
52	50	96

Source: Primary Data (2024)

#### 2. Demographic Characteristics of Respondents

Information about the respondents' background was collected as follows. This was important because it could offer vital data concerning the present research problem and supplement on the information. The information included gender, highest qualification and period of service.

**Table 3. Gender of the Respondents**

Gender	Frequency	Percentage (%)
--------	-----------	----------------

Male	27	54
Female	23	46
<b>Total</b>	50	100

**Source: Primary Data (2024)**

Table 3 reveals that the study comprised of all genders even though the male population dominated a lot for example 27 (54%) were male and 23 (46%) were female. Therefore, gender was considered for the purpose of validity of information but does not promote biasness.

**Table 4. Department of Respondents**

Description	Category	Frequency	Percentage (%)
<b>Department</b>	Procurement	12	24
	Finance	09	18
	Quality Assurance	05	10
	Production	24	48
	<b>Total</b>	50	100

**Source: Primary Data (2024)**

According to table 4, the majority of the respondents 48% were from the production department, followed by 24% who were from the procurement department, followed by 18% who were from the finance department and 10% from the quality assurance department in this study.

**Table 5. Period of Service**

Description	Category	Frequency	Percentage (%)
<b>Period of service</b>	1-5 years	11	22

	6-10 years	25	50
	11 and above years	14	28
	<b>Total</b>	<b>50</b>	<b>100</b>

**Source: Primary Data (2024)**

From **table 5**, 11 respondents (22%) have worked at Pepsi Company for a period of 1-5 years of service, 25 respondents (50%) have worked for a period of 6-10 years and 14 respondents (28%) have worked for a period of 11 years and above at Pepsi Company. This therefore indicates that a lot of workers had adequate knowledge about supplier relationship management in organizations which is a good period of service considered by the researcher for collecting vital information.

#### **4.3.1 Quantitative results on assessing Relationship between Supplier Relationship Management (SRM) and Company Performance at Crown Beverages Limited (Pepsi)**

**Table 6. The Relationship between Supplier Relationship Management (SRM) and Company Performances at Crown Beverages Limited (Pepsi)**

No.	STATEMENT	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Effective SRM practices contribute positively to overall company performance.	–	–	8(16%)	19(38%)	23(46%)
2	Strong supplier relationships enhance our competitive advantage.	–	–	6(12%)	19(38%)	25(50%)
3	Improved supplier performance leads to better company financial outcomes.	1(2%)	1(2%)	8(16%)	15(30%)	25(50%)
4	SRM initiatives help in reducing operational costs and increasing	1(2%)	1(2%)	8(16%)	14(28%)	26(52%)

	profitability				%)	
5	Successful SRM leads to higher quality products and services, benefiting company performance	–	1(2%)	6(12%)	16(32%)	27(54%)
6	Investing in SRM has a direct positive impact on customer satisfaction.	–	–	8(16%)	15(30%)	27(54%)
7	Collaborative SRM efforts contribute to innovation and product development.	–	–	6(12%)	17(34%)	27(54%)

**Source: Primary Data 2024**

From table 6 the respondents were asked whether effective SRM practices contribute positively to overall company performance. The results from the study revealed that, of the total respondents, 16% were neutral, 38% agreed and 46% strongly agreed. On whether strong supplier relationships enhance the company’s competitive advantage the study revealed that; of the total respondents, 12% were neutral, 38% agreed and 50% strongly agreed. On whether Improved supplier performance leads to better company financial outcomes, of the total respondents, 2% strongly disagreed, 2% disagreed, 16% were neutral, 30% agreed and 50% strongly agreed. On whether SRM initiatives help in reducing operational costs and increasing profitability, 2% of the respondents strongly disagreed, 2% disagreed, 16% were neutral, 28% agreed with the statement and 52% strongly agreed with the statement. On whether the company invests in SRM has a direct positive impact on customer satisfaction, none of the respondents strongly disagreed, non-disagreed, 16% were neutral, 30% agreed and 54% strongly agreed with the statement.

Lastly, on whether collaborative SRM efforts contribute to innovation and product development, no strongly disagreed, non-disagreed, 12% were neutral, 34% agreed, and 54% strongly agreed.

#### **4.4.1 Quantitative results on determining the specific supplier relationship management practices used by Crown Beverages Limited (Pepsi)**

**Table 7. The specific supplier relationship management practices used by Crown Beverages Limited (Pepsi)**

No.	STATEMENT	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Our company engages in regular communication with suppliers.	–	–	–	17(34%)	33(66%)
2	Our company reviews and updates its SRM strategies.	–	–	4(8%)	18(36%)	28(56%)
3	The company carries out joint problem-solving initiatives with suppliers.	–	–	10(20%)	21(42%)	19(38%)
4	The company carries out Long-term collaboration agreements with suppliers.	2(4%)	3(6%)	7(14%)	16(32%)	22(44%)
5	Contracts with suppliers are negotiated and managed effectively.	–	–	6(12%)	19(38%)	25(50%)
6	We have strategies to handle supply chain disruptions.	–	3(6%)	6(12%)	18(36%)	23(46%)
7	Our supplier selection criteria include cost, quality, delivery, and reputation.	3(6%)	4(8%)	7(14%)	15(30%)	21(42%)

Table 7.above shows that 66% of the respondents strongly agreed that the company engages in regular communication with suppliers, 34% agreed, none were neutral, non-disagreed with the statement and non-strongly disagreed with the statement. Furthermore, when asked whether the company reviews and updates its SRM

strategies, 56% of the respondents strongly agreed with the statement, 36% agreed with the statement, 8% of the respondents were neutral with the statement, non-disagreed and non-strongly disagreed with the statement. None of the respondents strongly disagreed that the company carries out joint problem-solving initiatives with suppliers, 20% were neutral with the statement, 42% agreed with the statement 38% of the respondents strongly agreed with the statement.

Furthermore, when asked whether the company carries out Long-term collaboration agreements with suppliers, 4% of the respondents strongly disagreed with the statement, 6% disagreed with the statement, 14% were neutral, 32% of the respondents agreed with the statement, and lastly 44% strongly agreed with the statement. The respondents were asked whether contracts with suppliers are negotiated and managed effectively, the results from the study revealed that, of the total respondents no strongly disagreed, non-disagreed, 12% were neutral, 38% agreed, and 50% strongly agreed. In determining whether the company has strategies to handle supply chain disruptions, 6% of the respondents disagreed with the statement, 12% were neutral with the statement, 36% agreed with the statement and 46% strongly agreed with the statement.

Lastly, on whether supplier selection criteria include cost, quality, delivery, and reputation, 6% strongly disagreed, 8% disagreed, 14% were neutral, 30% agreed with the statement. This implies that Pepsi Company uses SRM strategies like regular communication with suppliers, contract negotiation with suppliers to influence the organization's performance.

**4.5.1 Quantitative results on establishing how supplier involvement affects organizational performance of Crown Beverages Limited (Pepsi)**

**Table 8. How supplier involvement affects organizational performance of Crown**

No	STATEMENT	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Involving suppliers early in the product development process improves performance.	-	3(6%)	6(12%)	15(30%)	26(52%)
2	Supplier involvement in decision-making enhances overall product quality.	–	2(4%)	2((4%)	17(34%)	28(56%)
3	Collaborative supplier relationships lead to more efficient production processes.	–	–	5(10%)	16(32%)	28(56%)
4	Engaging suppliers in strategic planning improves organizational agility.	–	2(4%)	6(12%)	14(28%)	28(56%)
5	Supplier input helps in reducing time-to-market for new products	–	-	5(10%)	17(34%)	28(56%)
6	Active supplier participation enhances cost management and reduces expenses.	–	–	–	18(36%)	32(64%)
7	Suppliers who are closely involved contribute to better innovation.	–	–	5(10%)	15(30%)	30(60%)

**Beverages Limited (Pepsi)**

**Source; Primary Data 2024.**

Table 4.5.1 above shows that 6% of the respondents disagreed that involving suppliers early in the product development process improves performance, 12% of the respondents were neutral with the statement, 30% agreed with the statement and 52% strongly agreed with the statement. When asked whether supplier involvement in decision-making enhances overall product quality, none of the respondents strongly disagreed, 4% of the respondents disagreed with the statement, 4% were neutral, 34% agreed with the statement, and 56% strongly agreed with the statement.

When asked whether collaborative supplier relationships lead to more efficient production processes, none of the respondents strongly disagreed with the statement, none of the respondents disagreed then 10% were neutral, 34% of the respondents agreed and 56% strongly agreed with the statement. None of the respondents strongly disagreed that engaging suppliers in strategic planning improves organizational agility, 4% disagreed, then 12% of the respondents were neutral, 28% agreed and 56% strongly agreed with the statement.

None of the respondents strongly disagreed that active supplier participation enhances cost management and reduces expenses, none of the respondents disagreed with the statement, then 36% of the respondents agreed with the statement and lastly 64% of the respondents strongly agreed with the statement.

Lastly, on whether suppliers who are closely involved contribute to better innovation, none of the respondents strongly disagreed, none disagreed and 10% were neutral, 30% of the respondents agreed and 60% of the respondents strongly agreed with the statement. This showed that the company involves suppliers to contribute to better innovation.

## CHAPTER FIVE

### DISCUSSION OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS.

#### 5.0. Introduction.

This chapter presents conclusion and recommendations made in reference to supplier relationship management influence on the performance of an organization and areas of further research that can supplement this study were also suggested.

#### 5.1. Discussion of Findings

This was aimed at determining the influence of supplier relationship management on performance of Crown Beverages Limited (Pepsi).

The findings on background characteristics revealed that the study involved 50 employees. The findings from the research objectives were discussed below.

##### 5.1.1 The relationship between SRM and performance of Crown Beverages Limited Pepsi.

From the research it showed that effective SRM involves optimal allocation of resources, including financial, human, and technological assets. Crown Beverages Limited's ability to allocate resources efficiently can lead to improved production processes and cost management.

**Resource Utilization**, the efficient utilization of resources such as raw materials, machinery, and workforce directly impacts operational performance. Crown Beverage Limited's practices in utilizing resources can affect production efficiency and product quality.

From the research it showed that SRM practices contribute to higher operational efficiency by minimizing waste and optimizing processes. Research revealed that Crown Beverages Limited benefits from streamlined operations, leading to cost savings and increased output.

SRM can influence financial metrics such as profitability, return on investment (ROI), and cost reduction. Analysis might show that effective SRM practices contribute to improved financial performance for Crown Beverages Limited. (Cousins, et al. 2018).

### **5.1.2 The specific supplier relationship management practices used by Crown Beverages Limited (Pepsi).**

The research reveals that Crown Beverages Limited implements a comprehensive and strategic approach to supplier relationship management, which aligns with industry best practices and Pepsi global standards. Key practices observed include:

1. **Rigorous Supplier Selection and Evaluation:** Crown Beverages Limited employs a meticulous process for selecting and evaluating suppliers, focusing on criteria such as quality, cost-effectiveness, and reliability to ensure high standards in their supply chain operations.
2. **Collaborative Integration:** The Company fosters strong collaborative relationships with its suppliers through joint planning and regular communication. This integration helps in aligning supply chain activities, improving forecasting accuracy, and enhancing operational efficiency.
3. **Performance Monitoring and Feedback:** Crown Beverages Limited maintains a robust system for monitoring supplier performance using key performance indicators (KPIs). This includes regular performance reviews and feedback mechanisms aimed at continuous improvement in product quality and delivery reliability.

### **5.1.3 How supplier involvement affects organizational performance of Crown Beverages Limited (Pepsi).**

From the research it showed that active collaboration with suppliers has led to improvements in operational efficiency. By involving suppliers in the planning and forecasting processes, Crown Beverages Limited benefits from better alignment of supply chain activities, which reduces lead times and minimizes inventory costs.

Engaging suppliers early and consistently has resulted in higher product quality and reliability. Supplier input into product development and quality control processes ensures that materials and components meet the required standards, leading to fewer defects and higher customer satisfaction.

Supplier involvement has fostered innovation within Crown Beverages Limited. Collaborative efforts with suppliers have led to the introduction of new products and processes, providing a competitive edge in the market and supporting the company's growth and differentiation strategies. Involving suppliers in risk management discussions has strengthened Pepsi's ability to anticipate and respond to potential disruptions. This proactive approach to risk management ensures greater supply chain resilience and reduces the likelihood of operational interruption

## **5.2 Conclusion**

The study on supplier relationship management (SRM) and its influence on the performance of Crown Beverages Limited in Uganda Provides valuable insights into how effective SRM practices can significantly enhance organizational performance. The key conclusions drawn from the research are as follows:

**Strategic Supplier Relationships Drive Performance:** The research demonstrates that Crown Beverages Limited's strategic approach to SRM, including rigorous supplier selection, collaborative integration, and performance monitoring, has a substantial positive impact on its operational performance. Active and effective management of supplier relationships contributes to improved efficiency, higher product quality, and better overall supply chain performance.

**Enhanced Operational Efficiency and Cost Management:** Supplier involvement in planning and forecasting processes has led to notable improvements in operational efficiency. By working closely with suppliers, Crown Beverages Limited has been able to optimize inventory management, reduce lead times, and achieve significant cost savings, thereby enhancing its financial performance.

**Innovation and Competitive Advantage:** Collaborative relationships with suppliers have fostered innovation, enabling Crown Beverages Limited to introduce new products and processes that differentiate it from competitors. This innovation not only supports market growth but also strengthens the company's competitive position within the beverage industry.

**Risk Mitigation and Supply Chain Resilience:** Effective SRM practices have strengthened Pepsi company's ability to manage risks and ensure supply chain resilience. Proactive risk management strategies, developed in collaboration with suppliers, have minimized potential disruptions and enhanced the company's ability to respond to unforeseen challenges.

In conclusion, the research underscores the critical role of robust supplier relationship management in driving organizational performance. For Crown Beverages Limited, effective SRM practices have not only improved operational efficiency and cost management but also supported innovation, risk management, and sustainability. These factors collectively enhance the company's overall performance and competitive advantage, illustrating the profound impact that strategic supplier relationships can have on achieving organizational success.

### **5.3 Recommendations from the findings**

From the study came up with the following recommendations.

Crown Beverages Company should invest in building stronger partnerships with key suppliers, through regular communication, joint planning sessions, and shared performance metrics. This will ensure that customers are more aligned with the company's goals and objectives leading to better product quality.

The company should invest in technology through utilizing advanced SRM software for better tracking of supplier performance, communication and data analytics.

The company should train employees in relevant functions to improve the skills, competence and expertise so as to fully address the prevailing challenges of Crown Beverages Limited (Pepsi).

To reduce dependency on a limited number of suppliers and mitigate risks, Crown Beverages should diversify its supplier base. Engaging with multiple suppliers will enhance supply chain resilience and reduce the impact of disruptions from any single supplier.

#### **5.4 Areas of further study;**

Supplier Development and Innovation.

Role of Technology in Enhancing SRM.

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## APPENDICES

### Appendix 1: Questionnaire

#### QUESTIONNAIRE TO RESPONDENTS AT CROWN BEVERAGES LIMITED (Pepsi).

Dear Respondents,

I am Achen Grace Tracy, a final year student of Uganda Christian University Pursuing a Bachelor's Degree of Procurement and Logistic Management. Am Conducting a Study on Supplier Relationship Management Influence on the performance of an Organization. The research study is a partial fulfillment requirement leading to the award of a degree. Therefore, the information provided therein shall only be used for academic purposes and will be highly treated with utmost confidentiality; therefore, it is my humble request that you fill this questionnaire.

**Please tick your appropriate option.**

#### Part I: Demographic Information

##### 1. Gender

Male.  Female

##### 2. Marital status.

Married.  Single

##### 3. Position/Role:

Procurement Manager.  Operations Manager

Quality Assurance Manager.  Other (please specify): \_\_\_\_\_

##### 5. How long have you been working with Crown Beverages Limited (Pepsi)?

Less than 1 year.  1-3 years.  4-7 years.  8+ years

**PART II. The specific supplier relationship management practices used by Crown Beverages Limited (Pepsi)**

No.	STATEMENT	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Our company engages in regular communication with suppliers.					
2	Our company reviews and updates its SRM strategies.					
3	The company carries out joint problem-solving initiatives with suppliers.					
4	The company carries out Long-term collaboration agreements with suppliers.					
5	Contracts with suppliers are negotiated and managed effectively.					

6	We have strategies to handle supply chain disruptions.					
7	Our supplier selection criteria include cost, quality, delivery, and reputation.					

**PART III. The Relationship between Supplier Relationship Management (SRM) and Company Performance at Crown Beverages Limited (Pepsi)**

No.	STATEMENT	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Effective SRM practices contribute positively to overall company performance.					
2	Strong supplier relationships enhance our competitive advantage.					

3	Improved supplier performance leads to better company financial outcomes.					
4	SRM initiatives help in reducing operational costs and increasing profitability					
5	Successful SRM leads to higher quality products and services, benefiting company performance					
6	Investing in SRM has a direct positive impact on customer satisfaction.					
7	Collaborative SRM efforts contribute to innovation and product development.					

**PART IV. How supplier involvement affects organizational performance of Crown Beverages Limited (Pepsi)**

No .	STATEMENT	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Involving suppliers early in the product development process improves performance.					
2	Supplier involvement in decision-making enhances overall product quality.					
3	Collaborative supplier relationships lead to more efficient production processes.					
4	Engaging suppliers in strategic planning improves organizational agility.					

5	Supplier input helps in reducing time-to-market for new products					
6	Active supplier participation enhances cost management and reduces expenses.					
7	Suppliers who are closely involved contribute to better innovation.					

**Thank you for accepting and sacrificing your time to answer my questionnaire.**

**May the Loving Lord Bless you**

## Appendix ii introductory letter



**UGANDA CHRISTIAN  
UNIVERSITY**

A Centre of Excellence in the Heart of Africa

SCHOOL OF BUSINESS

19<sup>th</sup> Aug, 2024

TO WHOM IT MAY CONCERN

Name: ACHEN GRACE TRACY Reg. No S21B12/083

A bachelor's student who is seeking permission from your office to collect data for her dissertation titled

**Supplier relationship management influence on the performance of an organization. A Case Study Of Crown Beverages Limited (Pepsi)**

We shall be grateful if you could render assistance to her in collecting the necessary data for her dissertation

The Uganda Christian University School of Business thanks you in advance

.....  
Mukisa Simon Peter  
Research coordinator