

**THE EFFECTS OF INVENTORY MANAGEMENT ON SALES PERFORMANCE OF  
LOGISTIC COMPANIES IN UGANDA: A case study of Bollore Transport Logistics**

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**UGANDA CHRISTIAN  
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**DECLARATION**

I, **TAHINDUKA RHONAH** hereby declare that this work is original and never has been submitted to any other institution for a ward of any Degree. Where the work of others has been used, reference has been made there of.

**Signed:** ..... **Date:** .....

**TAHINDUKA RHONAH**

## **APPROVAL**

This report titled the impact of inventory management on the sales performance of logistic companies in Uganda. The case of Bollore transport and Logistics Uganda Ltd has been submitted by TAHINDUKA RHONAH for examination with my approval as the University Supervisor, and it's now ready for presentation for the award of a bachelor's degree of procurement and logistics management of Uganda Christian University.

**Signed:** ..... **Date:** .....

**MISS NASSUNA KWAGALA RACHEAL**

## **DEDICATION**

I dedicate this piece of work to my parents MR. Kwetegyeka John and MRS. Kwetegyeka Mary. This research paper is sincerely dedicated to my supportive parents MR. Kwetegyeka John and MRS. Kwetegyeka Mary who encouraged and continuously gave me moral, emotional, and financial support while i conducted this study. Moreover, I dedicate this research paper to my lovely siblings and friends for always giving me good advice and cheering me on.

Lastly, I dedicate this research paper to the Almighty God who gives me strength, wisdom, guidance, power of thinking, security, competence, and for giving me good health while conducting my studies.

## **ACKNOWLEDGEMENT**

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**May the Almighty God reward them all.**

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## **ABBREVIATIONS/ACRONYMS**

USA	United States of America
VMI,	Vendor managed inventory
SDV	Special Delivery Vehicle
TCA	Task Control Area.
ROA	Return on Assets
MRO	Maintenance, repair and operations.
COVID-19	Corona Virus Disease of 2019
SPSS	Statistical Package for the Social Scientists

## ABSTRACT

The study found out the impact of inventory management on the sales performance of logistic companies in Uganda. The three research objectives that guided the study included examining the impact of inventory turnover on total revenue, identifying the impact of stock out on market penetration and finding out the impact of order cycle time on the lifetime value of a customer. The study employed a cross sectional research design that was descriptive in nature, used to describe characteristics of the population and other phenomenon studied. The researcher also used quantitative data that was analysed using the Statistical Package for the Social Sciences (SPSS) computer program to come up with the findings. that the impact of stock out on market penetration included; stock out has resulted into loss of revenue for a business, Stock outages has decreased customer retention at the company, Out of stock has constantly developed a negative perception to customers about its brand products, Stock out has brought about costs relating to canceled orders and lost customers, Stock outs has lead potential customers to other retailers who will be delighted to immediately fulfill their order, the company has reduced how much it stores to reduce costs and customer reviews have an impact on both acquiring new customers and encouraging repeat custom. The study concluded that, the impact of order cycle time on the lifetime value of a customer included; order cycle time provided us with valuable information about the quality of our supply chain process, knowing the customer order cycle time helped us decide if we are ready to expand operations and reducing customer order cycle time help improve consumer retention. The study recommended that, there is need to detect issues in the supply chain. Knowing the business's order cycle time help detect issues in the supply chain that could be causing delays in order fulfilment process. A long order cycle time is an indicator that one need to review the supply chain process to identify any inefficiencies or unnecessary steps that need to be optimized or removed entirely.

The study was undertaken to find out the impact of inventory management on the sales performance. Data was collected using questionnaires which were based on set objectives that included examining the impact of inventory turnover on total revenue, identifying the impact of stock out on market penetration, and finding out the impact of order cycle time on the lifetime value of a customer.

This chapter presents a summary of findings observed and inferred from the data presented in chapter four. The summary of findings is based on the literature available in chapter two. This chapter also provides the conclusions, recommendations and suggested areas for further study.

## **CHAPTER ONE**

### **1.1 Introduction**

This chapter looked at the background of the study, problem statement, purpose of the study, objectives of the study i.e., the main objective and the specific objectives, research questions, scope of the study which includes the time scope, system scope and geographical scope, and the significance of the study.

### **1.2 The background of the study**

Inventory is a significant constituent of a firm and ought to be managed prudently considering that it ties up a substantial percentage of an organization capital. The main objectives of firms are to boost productivity with fewer resources while also enhancing quality (Etim, 2015). As opined by (Bouckart, 2015), the inventory of a firm is one of its chief resources and embodies a venture that is tied up till the article is sold or used in producing the final merchandise. Furthermore, it costs finances to store, track as well as to insure inventory. Inventories which are mismanaged are likely to create considerable financial problems for a firm whether the mismanagement leads to an inventory surplus or shortage. Critical decisions regarding inventory are undertaken by managers entrusted to run the business by its owners. These are decisions which will affect the business in terms of its profitability, financial performance and increased market share which contributes to the maximization of the shareholders wealth (Slevin, 2018)

Inventory management play a vital role in enhancing performance in controlling inventory in manufacturing companies. Companies in developed countries such as China, USA have continually tried to maintain in the competitive market through firm operations. It is high time for companies in developing countries such in Africa and India to implement effective inventory management systems in order enhance competitive advantage (Bouckart, 2015). Handling of inventories such as raw materials, work in progress, and finished goods are stored as buffer stock in order to manage running out of goods (Likert R., 2016). Too much of handling of stock especially finished goods occupy a lot of space hence increasing inventory costs such as handling costs and negatively affects business operations (Lei, 2019).

In Africa, inventory plays a significant role in the growth and survival of an organization in the sense that ineffective and inefficient management of inventory will mean that the organization loses customers and sales will decline. Prudent management of inventory reduces depreciation, pilferage, and wastages while ensuring availability of the materials as at when required (Snell, 2016). Inventory management is critical to an organization's success in today's competitive and dynamic market. This entails a reduction in the cost of holding stocks by maintaining just enough inventories, in the right place and the right time and cost to make the right amount of needed products. High levels of inventory held in stock affect adversely the procurement performance out of the capital being held which affects cash flow leading to reduced efficiency, effectiveness and distorted functionality (Hellen, 2017).

Inventory management has not been effectively embraced in Ugandan trade industry and this has made major companies such as Uchumi and Nakumatt to fail to achieve performance goals in terms of realization of increased sales revenue (Adam, 2017). Nakumatt which was the leading supermarket in Uganda despite warming up to vendor managed inventory (VMI) still struggled to effectively embrace the concept of VMI as a strategy to reduce inventory management cost and realize increased profit margin hence its close-up. Most organizations have entered contracts with various suppliers where they supply directly to the selves. However, this has brought numerous challenges to the organizations ranging from stock run out because of the uncertain leads periods to overstocking by some suppliers resulting to increased storage costs (Ochiri, 2014).

Bolloré transport and logistics is a profit-making organization located on plot No.M-611-Ntinda road, with its headquarters in Puteaux on the western outskirts of Paris, France, the company runs a global network of 601 agencies and employs 21000 professionals worldwide in 105 countries. Previously known as SDV and rebranded as of January 1, 2016. Bolloré logistics is the transport and logistics business unit of Bolloré transport and logistics, a fully owned subsidiary of the Bolloré group. Bolloré transport and Logistics has been present in Uganda over the past 44 years. The company was founded in 1968 as Creation of Transintra Uganda Limited, in 1984, Transintra merged with AMI to form Transami Uganda Limited. To further strengthen the company, in 1995, Transami merged with Notco to form SDV Transami Uganda Limited. Following the acquisition of SDV by Bolloré Group, today SDV becomes Bolloré transport and Logistics Uganda Limited. The Ugandan office also serves as the hub for the East Africa Region operations which spans 10 countries: Kenya, Uganda, Tanzania, Rwanda, Burundi, Sudan, South Sudan, Ethiopia, Djibouti, and Eastern

DRC. In recent years, Uganda has been labelled as a viable business hub in the East African region. Bolloré transport and Logistics Uganda Ltd is actively involved in providing transport solutions for heavy lifting of out-of-gauge cargo related to large energy infrastructure, coffee, tea and other commodity exports. The company manages over 39,831m<sup>2</sup> square miles of warehousing in different locations. (Industrial Area, Namuwongo, Namanve and Hoima) and operates a fleet of 50 trucks to support local and international transport requirements for general cargo, containers and out of gauge equipment.

### **1.3 Problem statement**

The major problem is inappropriate inventory management practices. In Uganda, failure to choose appropriate inventory management practices in the most effective way usually led to poor performance of organizations. Despite the increasing participation of Nongovernmental organizations and other business training agencies among Uganda's informal sector to train logistics companies about inventory management, their training programs have had little or no impact on the change of attitude and acquisition of inventory management skills to target beneficiaries, (Halachmi, 2019). The reason for this mismatch remains largely unexplored and neither do we have empirical evidence to explain them. Hence, the need to carry out this study to establish the cause for this mismatch.

### **1.4 Purpose of the study**

The main purpose of the study was to find out the impact of inventory management on the sales performance of logistic companies in Uganda.

### **1.5 Specific objectives of the study**

- i. To examine the impact of inventory turnover on total revenue.
- ii. To identify the impact of stock out on market penetration
- iii. To find out the impact of order cycle time on the lifetime value of a customer.

### **1.6 Research problems**

- i. What is the impact of inventory turnover on total revenue?
- ii. What is the impact of stock out on market penetration?
- iii. What is the impact of order cycle time on the lifetime value of a customer?

## 1.7 Scope of the Study

### 1.7.1 Content Scope

The study was limited to finding out the impact of inventory management on the sales performance. The study then refocused on examining the impact of inventory turnover on total revenue, identifying the impact of stock out on market penetration and finding out the impact of order cycle time on the lifetime value of a customer.

### 1.7.2 Time Scope

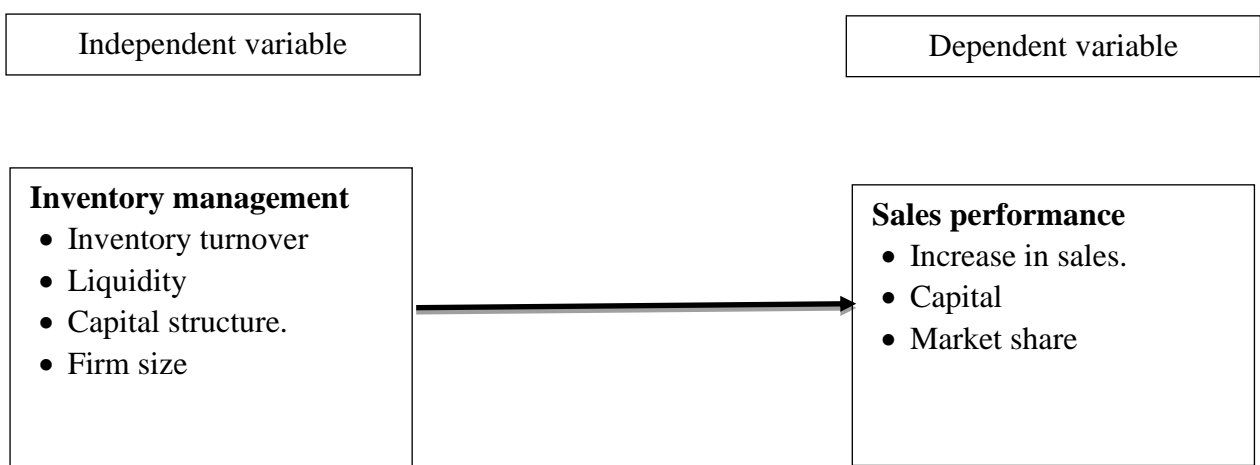
This study considered a period of 5 years that is from 2017-2022 and this period was used because of the availability of good quality and reliable data.

### 1.7.3 Geographical Scope

Geographically, the study was limited to the premises of Bollore transport logistics located in Nakawa plot No.M-611-Ntinda road.

## 1.8 Conceptual framework

A conceptual framework is a theoretical structure of assumptions, principles, and rules that holds together the ideas comprising a broad concept (Huberman, 1994). A conceptual framework is a basic structure that consists of certain abstract blocks which represent the observational, the experiential and the analytical/ synthetic aspects of a process or system being conceived. It is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. The interconnection of independent and dependent variables completes the framework for certain expected outcomes.



## 1.9 Significance of the study

The study findings aimed at benefitting major stakeholders in the inventory management field, namely financiers, non-government organizations, institutions of higher learning (tertiary colleges and universities) and the government in pursuing capacity enhancement policies for all categories of enterprise operators. These are also for those involved in supervision and monitoring of training agencies.

Policy makers and political leaders may also benefit from the study because findings could guide them in prioritizing resource allocation. The study's conclusions and recommendations as a case of reference necessary in identifying the potential gaps will facilitate this.

The findings of the study may further act as reference data for other scholars/researchers.

To the researcher, the study would lead the researcher in obtaining bachelor's degree of procurement and logistics management of Uganda Christian University since it is one of the prerequisites for the award.

Its findings will help the researcher to fully understand the underlying concepts of field research very well including data collection, information compiling, gathering and analysis skills. After gaining such skills, the researcher will ably carry out business research related activities both on work and in personal consultancies.

## 1.10 Definition of key terms

According to Stoner, (2020) **Performance** refers to the ability to operate efficiently, profitability, survive, grow and react to the environmental opportunities and threats.

According to (Miller, 2019), **inventory management** involves all activities put in place to ensure that customer has the needed product or service. It coordinates the purchasing, manufacturing and distribution functions to meet the marketing needs and organizational needs of availing the product to the customers.

**Order cycle time** refers to the average time taken to ship out an order from the time it was placed, excluding the actual shipping time, Genevieve Mills Oct 13, 2022.

**A stockout** is an event in which a product is exhausted in inventory and, therefore, unavailable to fulfill an order.

**Inventory turnover** is the number of times a business sells and replaces its stock of goods during a given period. Jason Fernando March 27, 2023

**Market penetration** refers to the successful selling of a good or service in a specific market. It is measured by the amount of sales volume of an existing good or service compared to the total target market for that product or service. Kenton,2023.

Customer lifetime value is a metric that represents the total net profit a company can expect to generate from a customer throughout their entire relationship. It takes into account the customer's initial purchase, repeat purchases, and the average duration of their relationship with the company Shopify Staff Backoffice July 5, 202

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.0 Introduction.**

This chapter dealt with review of the related literature on the study of the variables specifically on finding out the impact of inventory management on the sales performance. The study then refocused on examining the impact of inventory turnover on total revenue, identifying the impact of stock out on market penetration and finding out the impact of order cycle time on the lifetime value of a customer.

### **2.1 Theoretical review**

A literature review is Theories which are formulated to explain, predict, and understand phenomena and, in many cases, to challenge and extend existing knowledge within the limits of critical bounding assumptions. The theoretical framework is the structure that can hold or support a theory of a research study.

#### **2.1.1 Transaction Cost Analysis theory.**

According to Hall (2014) Transaction Cost Analysis (TCA) is a theory that guarantees expenses of the supply chain are maintained to a minimal level TCA was widely adopted in a number of areas, specifically in the study of economics and organizational structures and performance In the beginning of 1970s, the mathematicians and economist, Williamson, integrated TCA into the model of general equilibrium and established his transaction costs economics in the novel theory of an organization. Williamson (2015) argued that firms can reduce their costs of transaction via vertical integration, as well as enhancing the degree trust simultaneously.

#### **2.1.2 Trade-Off Theory**

This theory was proposed by Myers (1984). Trade-off model shows that a firm determines its optimal level of holding cash based on a comparison of the marginal costs and the benefits of holding cash. Investing heavily in current assets in certainty translate to low ROA of the firm since over investing in current assets was not bring sufficient returns. The most crucial goal of a firm is to maximize profits, but it also must ensure that it always maintains favourable liquidity. An attempt to increase profits by writing down liquidity can result in detrimental results to the firm (Shin & Soenen, 1998).

### **2.1.3 Operating Cycle Theory.**

Richards and Laughlin (1980) developed this theoretical approach where they focused their attention at looking at management of working capital and its individual elements. The liquidity flow concept development is through the extension of the analysis of static balance sheet to identify the capability of liquidation coverage of the value including measures of income statement of the operating activity of a firm. Specifically, receivable accounts and measures of the inventory turnover when incorporated into the concept of operating cycle gives a more precise perception of management of liquidity than the solvency indicators which are the current and acid taste ratio.

## **2.2 The impact of inventory management on the sales performance**

In any business or organization all functions are interlinked and connected to each other and are often overlapping. Some key aspects like supply chain management, logistics and inventory from the backbone of the business delivery function (Shin, 2017). Therefore, these functions are extremely important to marketing managers as well as finance controllers. Inventory management is a very important function that determines the health of the supply chain as well as the impacts the financial health of the balance sheet. Every organization constantly strives to maintain optimum inventory to be able to meet its requirements and avoid over or under inventory that can impact the financial figures. Inventory is always dynamic. Inventory management requires constant and careful evaluation of external and internal factors and control through planning and review (Mayanja, 2014). Most of the organizations have a separate department or job function called inventory planners who continuously monitor, control and review inventory and interface with production, procurement and finance departments.

According to Halldorsson et al (2017), inventories are stockpiles of raw materials, supplies, components, work in process and finished goods that appear at numerous points throughout a firm's production and logistic channel. Inventories are frequently found in such places as warehouses, yards, shop floors, transportation equipment and on retail store shelves. Having these inventories on hand can cause between 20 and 40 percent of their value per year. Therefore, carefully managing inventory levels makes good economic sense in relation to the performance of the business organization. Even though many strides have been taken to reduce inventories through just in time, time compression and quick response purchases applied throughout the supply channel, the annual investment in inventories by manufacturers, retailers and merchants' wholesalers.

Inventory management process is the science-based art of controlling the amount of stock held in various forms, within a business to meet economically the demands placed up on that business. The aim of inventory control system is to maintain the quantities of stock held by a business at a level which optimizes some management criteria such as minimizing the costs incurred by the whole business enterprise for improved performance (Halachmi and Bouckart, 2015).

Rosenblatt (2017), Buffer or uncertainty or safety stocks exist because of uncertainties in demand or supply. Raw materials, purchased parts or MRO buffer stocks give some protections against the uncertainty of supplier performance due to shut down, strikes, led time variations, late deliveries to and from suppliers, inferior quality units that cannot be accepted and so on. Work in process buffer inventories protect against machine breakdown, employee illness and so on. Finished goods buffer protect against unforeseen demand or production failures (Shah, 2017). Management efforts to reduce supply uncertainty may have substantial pay off in reduced inventories.

### **2.3 The impact of inventory turnover on total revenue**

According to Kotler (2020), inventory turnover is measurement of the activity or liquidity of a firm's inventor and according to Wachowicz (2018) inventory turnover ratio is measurement to indicate the liquidity and effectiveness of the firm to manage their inventory. Low number of this ratio means big number of unused inventories, while high number of this ratio means inventory is quickly sold as firm manage their inventory efficiently. When inventory quickly sold so profit that company earns is higher.

There is need for a striking balance or tradeoff between profitability and liquidity and this has always been a dilemma in not only inventory management but working capital management. According to Hodge, (2017), the major objective of a firm is to maximize profits but by doing so it should preserve liquidity. If a company wants bumper profits, it should minimize its working capital, but this would reduce profitability. Too much liquidity highlights the existence of used or idle funds which do not yield any returns (Peter, 2018). This excess capital will be detrimental to the company because it uses funds to bring in no revenue and this in turn will lead to a fall in share prices.

Inventories also need to be funded and the interest in this financing is a carrying cost that reduces the company's profitability. On the other hand, insufficient liquidity has

consequences, for example lost sales because of inventory shortages. This may cause bankruptcy which might lead to insolvency. Therefore, the key is to maintain an optimal level of working capital that balances the needed financial strength with satisfactory investment effectiveness. Investing idle cash but not losing out on liquidity. However, Man, (2018), contends that overtime profitability and liquidity relationship could be positive.

Inventories constitute the most significant part of current assets. Because of the generous size of inventories maintained by firms, a considerable amount of funds is required to be committed to them. It is therefore imperative to manage inventories efficiently and effectively to avoid unnecessary investment. The reduction in excessive inventories carries a favourable impact on company's revenue (Pandey, 2020). Maintaining high levels of inventories helps in reducing the cost of supply products and protects the firm against price fluctuation because of adverse macroeconomic factors.

#### **2.4 The impact of stock out on market penetration**

**Loss of revenue.** One of the main effects of a stock out is the loss of revenue for a business. When items are out of stock, customers can't purchase them, meaning the business can't make money unless it receives more stock (Eckert, 2017). This may also lead to fewer sales in the future if customers decide to purchase items from other companies instead.

**Customer frustration.** If an item is not in stock when customers want to buy it, they may become frustrated. Customer retention may decrease in the event of stock outages. Keeping customers' desired items in stock can help prevent customer loss and keep customer satisfaction high (CPIM, 2017).

**Negative perception of a brand.** Customers may start to develop a negative perception of a brand if its products are constantly out of stock. This can also happen if customers purchase an item online, then the business notifies them that the item is unavailable (Mercado, 2017). Stock outs can cause customers to feel that a brand is unreliable, and they may write negative reviews online or share their opinion of the business with friends and family.

**Lower turnover.** Stock out results in several missed sales opportunities, which in turn means lower turnover. A factor which undermines the financial stability of a business. Another impact on cash flow to note costs relating to canceled orders and lost customers, as orders placed could not be fulfilled (Mahadevan, 2017).

**Customer dissatisfaction.** For customers, finding yourself unable to order in a sufficient quantity or having a limited choice of items can cause frustration: no incentive to buy, disappointment at not receiving the product, and feeling like time has been wasted (Chen, 2015). As well as representing a shortfall, stock outs can lead potential customers to other retailers who will be delighted to immediately fulfill their order.

**Damage to the business's image.** We all know that negative reviews proliferate when there is dissatisfaction in the air and that is bad for a business's brand image. Customer reviews have an impact on both acquiring new customers and encouraging repeat customs (Chen, 2015). And the more frequently stock outs occur, the more the business's reputation will be affected.

**Increased storage costs.** The more merchandise a business stores, the higher storage costs are. A lot of businesses reduce how much they store to reduce costs. In this scenario, you have room to store inventory, but not enough products to meet customer demand. This therefore causes needless storage costs of paying for unused space (Colburn, 2017). These costs could have been invested in other areas of the business.

**Supply chain chaos.** A season like Christmas entails an explosion in market demand. And finding yourself inundated overnight is never fun. Inventory errors, impact on logistics you need to be able to deal with an increase in returns and a faster work pace, which can affect order processing quality when teams find themselves swamped (Frank, 2015). When it is rushing, orders can soon go awry.

## **2.5 The impact of order cycle time on the lifetime value of a customer.**

**Provision of valuable information.** Calculating customer order cycle time provides companies with valuable information about the quality of their supply chain process. It allows businesses to identify if they need to make any improvements to the process, including updating software or troubleshooting processes within the automated order management system, (Gurbaxani, 2021). Many companies may also use the customer order cycle time as a key performance indicator, as it can directly impact customer satisfaction rates.

**Helps in making decisions.** Knowing the customer order cycle time is also important because it can help businesses decide if they are ready to expand operations. Expanding into

new markets or offering new products requires a supply chain process capable of handling more customers (Chalotra, 2021). Having high customer order cycle times can also make a company less competitive, which can affect its ability to expand into new markets.

**Improved customer satisfaction.** One of the main benefits of reducing customer order cycle time is improved customer satisfaction. This is because by making the order placement and checkout process of your e-commerce website more efficient, you can reduce any potential delays or errors that may cause customer frustration (Dedrick, 2016). This, in turn, can help improve customer satisfaction rates and result in repeat customers.

**Increased online sales.** Another benefit of reducing customer order cycle time is increased online sales revenue. This is because improving the efficiency of this process allows customers to complete their purchases on your website more, which can ultimately drive-up online conversions and increase revenue for your business (Gurbaxani, 2017). As a result, by reducing the cycle time for orders on your e-commerce site, you can help improve the overall profitability of your business over time.

**Growth in consumer retention.** In addition to increased sales revenue, reducing customer order cycle time can also help improve consumer retention. This is because, by increasing efficiency and improving the checkout process on your website, customers are more likely to come back and make additional purchases in the future. As a result, investing in strategies that focus on reducing this cycle time can effectively increase customer retention rates and attract repeat business over time (Eckert, 2017).

**Detecting issues in the supply chain.** Knowing the business's order cycle time can help detect issues in the supply chain that could be causing delays in order fulfilment process. A long order cycle time is an indicator that one need to review the supply chain process to identify any inefficiencies or unnecessary steps that need to be optimized or removed entirely (Cole, 2017).

**Measuring readiness to scale.** As the scale of business, the order cycle time is a good indicator of whether the business is ready for the next step. Scaling the business requires an efficient supply chain that's capable of handling more orders without affecting your overall performance (MAX, 2017). A short order cycle time means you're likely ready to expand your operations.

**Gauging readiness to Scale.** A short order cycle time indicates whether the business is ready for the next step in operation. To expand business operations, there is need for a supply chain that can handle more orders without affecting overall performance. A short order cycle time may be a good indicator of your readiness (Ellram, 2019). If a company is making this calculation for a specific time, they need to look at the date the customer received their order and the date on which the order is placed (Agu, 2019). The number of orders shipped refers to the number of orders shipped within that specific time frame.

## **2.6. Research Gap**

The past research indicates that the adoption and effective implementation of inventory management techniques impact positively to the sales performance of logistic companies. And all researchers focused on other countries such as Rwanda, Kenya, and Ghana, no one focused on logistic companies in Uganda during after COVID-19 period. The researcher in this study has put emphasis on inventory management and sales performance of logistic companies in Uganda specifically Bollore transport logistics as a case study. This research study aims at filling these knowledge research gaps.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter presented the research design, the study population, the sampling technique, the sample size, and the types of data to be used, and the data collection methods, data collection procedures to be used as well as data analysis.

### **3.2 Research Design**

The study used a cross-sectional research design to be able to find out the impact of proper inventory management on the sales performance of logistics companies in Uganda. This study used quantitative method. Quantitative data was collected by use of questionnaires mainly close ended questions to capture numerical information about the study for the purpose of describing and explaining the phenomenon under investigation. Quantitative data was presented in form of descriptive statistics using percentages and frequencies for each of the variables used and was again presented by using graphs, pie charts and tables with the help of Statistical Package for the Social Scientists (SPSS) computer program. The researcher thereafter evaluated and analysed the adequacy of information in answering the research questions through coding of data, identifying categories and parameters that emerged in the responses to the variables of the study.

### **3.3 The Study Population**

The study population included all employees and senior staff members of Bollore transport and logistics. According to human resource management of Bollore transport and logistics authority records of 2022, there are 70 workers at the headquarters and this number was the source of the sample size respondents that helped the researcher to get the required information. The sample was selected from the study population. This was done after getting the names and addresses of the staff members in the targeted study area.

### **3.4 Sample Size and Selection Technique**

According to (Sekeran, 2003) a sample is a subset of a population. It comprises some selected members who are referred to as elements. Sampling is the process of selecting enough

elements from the population so that a study of the sample and an understanding of its characteristics would make it possible to generate such characteristics to the population elements. The study selected up to 59 respondents based on Kish and Leslie 1965' formulae as shown below,

$$n = \frac{Z^2 * (p) * (1-p)}{(e^2)}$$

Where n= the required number of sample size

E=margin of error (5%)

p=estimated proportion of compliance 3%

z= standard normal deviate corresponding to 95%

Confidence level=1.96

Therefore, Z=1.96(From normal distribution table. This value of 1.96 is standard for C1 of 95%)

$$1.96^2 * (0.04) * (1-0.04) / 0.05^2$$

n=59.

Therefore, the sample size is 59.

**Table 1: Population Category and Sample Size of the Respondents**

Population category	Total population	Sample size	Sampling Techniques
Senior staff members	20	17	Purposive
Employees	50	42	Simple random sampling
<b>Total</b>	<b>70</b>	<b>59</b>	

*Source: researcher's primary data 2023*

The table above indicates the sampled respondents who total to 36 and are inclusive of senior staff members and employees.

### 3.5 Sampling Techniques

The study used both purposive and simple random sampling techniques. This study used simple random sampling which is a sample obtained from the populations in such a way that samples of the same size have equal chances of selection (Amin, 2005). As indicated in table above, the study used simple random sampling for getting respondents who are employees. This is because when a sample is selected at random, a lot of issues associated with survey bias are eliminated. In using simple random sampling, the study used the lottery approach where names in each category were written on tag, and one picked at a time until the required

number was reached. To arrive at the sample size the study used proportionate sampling (59/70\*the No in the population category). This study also used purposive sampling which involves the researcher using own judgment or common sense regarding the participants from whom the information was collected. This enabled the researcher to squeeze a lot of information out of the data she had collected hence allowing her to describe the major impact their findings had on population. Thus, the selection of the respondents was based on the researcher's experience with the respondents' possession of the required information. This study used purposive sampling for the senior staff respondents.

### **3.6 Data Sources**

The information in this research was majorly primary data; however, secondary data from journals, internet books, Bollore transport and logistics records provided explanation to the abstract primary data. The primary data was from the respondents themselves using questionnaires.

### **3.7 Data Collection tools**

The study will use a survey approach where only quantitative data will be collected. There are several survey approaches, however for the purpose of this study the questionnaire approach will be used.

#### **3.7.1 Questionnaire Survey tool**

The questionnaire was issued to all the selected respondents at Bollore transport and logistics. The researcher administered the questionnaires to the sample respondents. The questionnaire consisted mostly of close ended questions. The questionnaire consisted of Likert questions measuring in a scale from 1-5 that is; strongly disagree 1, disagree 2, not sure 3, agree 4, and strongly agree 5.

### **3.8. Data collection procedure**

The researcher obtained a letter of introduction from the faculty of Business and administration Uganda Christian University Mukono, to conduct research at Bollore transport and logistics. A letter of permission to carry out the research was obtained from Bollore transport and logistics offices for the researcher to carry out the study. The researcher then obtained documents such as list of respondent's names, previous records and the areas in

which the selected respondents stay. The researcher distributed questionnaires herself with the help of an office messenger who knew all the selected respondents very well and 59 respondents received these questionnaires. A period of one week was given to the respondents to fill them and this was done to give time to respondents for probing and clarification of questions where they had not been understood clearly. Afterwards data collected was checked for errors and complied for analysis.

### **3.9 Validity and Reliability**

#### **3.9.1 Validity**

In this study, the questionnaires were pre-tested before commencement of data collection. This was done to ensure content and construct validity such that the data collected represented the observable facts about Bollore transport and logistics as regards this study.

#### **3.9.2 Reliability**

The study instruments were pretested for its reliability on a sample of 10 respondents from Bollore transport and logistics to examine individual questions as well as the whole questionnaire very carefully (Amin, 2005). Reliability measures the consistence of the instrument in measuring what it is supposed to measure (Amin, 2005). In this study a Cronbach's alpha coefficient was computed to show how reliable the data was using Statistical Package for Social Sciences (SPSS) taking only variables scoring 0.70 and above as suggested by Nunally (1978).

### **3.10 Data Processing and analysis**

The data collected was edited, coded and later analysed using Statistical Package for the Social Sciences (SPSS) computer program. Quantitative data was presented in form of descriptive statistics using percentages and frequencies for each of the variables used. Quantitative data was then be presented by inform of Univariate analysis. The data was examined to extract the themes and sub-themes in relation to the research objectives, and then used to describe and explain the phenomenon about the impact of inventory management on the sales performance of logistics companies in Uganda.

### **3.11 Limitations of the study**

The researcher experienced a problem of limited finances with respect to this study. Costs regarding this limitation include transport, printing and photocopying of relevant materials. However, the researcher had to borrow some money from relatives, friends and use it sparingly to overcome the cost constraint.

The researcher experienced a time constraint in data collection, analysing of data and in final presentation of the report. However, the researcher overcame this problem by ensuring that the time element is put into consideration and that all appointments agreed upon with respondents were fully met.

The researcher was not able to probe deeper into the subject matter because some respondents hide some information because it was regarded as confidential. However, the researcher assured the respondents that any information given was to be treated with maximum confidentiality.

### **3.12 Ethical considerations**

The rules or criteria for behavior that provide a distinction between right and wrong are known as ethics. Honesty, objectivity, esteem for intellectual property, civic duty, discretion, non-discrimination, and a host of other virtues (Bhardwaj, 2019). The respondents were kindly asked to participate in the study after receiving a thorough explanation of the study objectives. Another issue mentioned by (Denscombe, 2018) is anonymity. To achieve this, the promise and principle of anonymity will be upheld, along with confidentiality. Following this, the names of the respondents were not required, and emphasis was placed on the fact that the information was only used in aggregate and for research.

## CHAPTER FOUR: PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

### 4.0 Introduction

The study was undertaken to find out the impact of inventory management on the sales performance. Data was collected using questionnaires which were based on set objectives that included examining the impact of inventory turnover on total revenue, identifying the impact of stock out on market penetration, and finding out the impact of order cycle time on the lifetime value of a customer.

### 4.1 General characteristics of respondents.

The characteristics of respondents in terms of Gender (sex), Age bracket and level of education were as shown below.

#### 4.1.1 Gender of respondents

		Frequency	Percent	Valid Percent
Valid	Male	24	54.5	54.5
	Female	20	45.5	45.5
	Total	44	100.0	100.0

**Primary source:**

According to the table above, majority (54.5%) of the respondents were males and the minority (45.5%) were Females. This showed that there was gender imbalance in the study which was related to the recruiting procedures of Bollore transport logistics. This however assisted the researcher to obtain distinct data from respondents of different sex which was unbiased. this means that work at Bolloré transport and Logistics Uganda Ltd is too heavy, hence requiring more men.

#### 4.1.2 Age of respondents

**Table 2: Showing age of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
20-25 years	10	22.7	22.7	22.7
26-30 years	7	15.9	15.9	38.6
31-35 years	10	22.7	22.7	61.4
Valid 36-40 years	12	27.3	27.3	88.6
Above 40 years	5	11.4	11.4	100.0
Total	44	100.0	100.0	

**Primary source.**

According to the table above, majority (27.3%) of the respondents were between 36-40 years, (22.7%) both had years ranging 20-25 years and 31-35 years respectively, (15.9%) had 26-30 years whereas the minority; (11.4%) were above 40 years. This also helped the researcher to obtain varying views about the study under investigation since the study involved respondents with different age groups. this means that Bolloré transport and Logistics Uganda Ltd like workers who have experience in what they are doing.

#### 4.1.3 Education level of respondents

**Table 3: showing Level of education of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Diploma	9	20.5	20.5	20.5
Valid Bachelors	20	45.5	45.5	65.9
Postgraduate	14	31.8	31.8	97.7
Certificate	1	2.3	2.3	100.0

Total	44	100.0	100.0	
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**Primary source.**

According to the table above, majority (45.5%) of the respondents were bachelor’s degree holders, (31.8%) had postgraduates, (20.5%) had attained diploma whereas the minority; (2.3%) had attained certificate. This implied that all the respondents had obtained some kind of education which assured the researcher that the respondents could easily interpret the questionnaires and raise views relevant to the study under investigation. This means that Bolloré transport and Logistics Uganda Ltd like employing workers who are qualified in what they are doing, and this is why most of the respondents had bachelors’ level of education.

**4.1.4 Period worked.**

**Table 3: showing period worked.**

	Frequency	Percent	Valid Percent
Below one year	1	2.3	2.3
1-5	9	20.5	20.5
6-10	20	45.5	45.5
10 and above	14	31.8	31.8
Total	44	100.0	100.0

**Primary source.**

According to the table above, majority (45.5%) of the respondents had worked for 6-10 years, (31.8%) had worked for 1-5 years, (20.5%) had attained diploma whereas the minority; (2.3%) had worked for below 1 year. This implied that all the respondents had experience in what they were responding to as they had worked in the organisation for a good period. This implies that Bolloré transport and Logistics Uganda Ltd workers are committed, and this is why majority of the respondents have been in the organization for so long.

**4.2. The impact of inventory turnover on total revenue**

The first objective of the study was to examine the impact of inventory turnover on total revenue. To accomplish this, the researcher examined the extent to which the respondents agreed and disagreed on the impact of inventory turnover on total revenue. The findings are presented in table 4.2 below. The following abbreviations were used; **SA** = (Strongly Agree),

A= (Agree), N= (Neutral), D= (Disagree) and SD= (Strongly Disagree).

**Table 4: showing the impact of inventory turnover on total revenue.**

The impact of inventory turnover on total revenue	SA		A		N		D		SD	
	(F)	(%)	(F)	(%)	(F)	(%)	(F)	(%)	(F)	(%)
Has inventory turnover increased company profits	21	47.7%	15	34.1%	4	9.1%	2	4.5%	2	4.5%
Has inventory turnover improved liquidity of the company	7	15.9%	11	25.0%	15	34.1%	7	15.9%	4	9.1%
Too much liquidity highlights the existence of used or idle funds which do not yield any returns	22	50.0%	9	20.5%	10	22.7%	2	4.5%	1	2.3%
Has reduction in excessive inventories impacted on company's revenue	18	40.9%	0	0.0%	11	25.0%	15	34.1%	0	0.0%
Maintaining high level of inventories helps in reducing the cost of supply products and protects the firm against price fluctuation	31	70.5%	10	22.7%	2	4.5%	0	0.0%	1	2.3%
Is having insufficient liquidity has consequences of lost sales because of inventory shortages.	27	61.4%	15	34.1%	0	0.0%	1	2.3%	1	2.3%
Has minimization of working capital resulted into bumper profits	38	86.4%	6	13.6%	0	0.0%	0	0.0%	0	0.0%

**Source: Primary data**

The table above indicated that majority (47.7%) of the respondents strongly agreed that inventory turnover has increased company profits, (34.1%) agreed, (9.1%) were not sure whereas the minority; (4.5%) both disagreed and strongly disagreed respectively.

More to this, the study findings indicated that majority (34.1%) of the respondents were not sure about inventory turnover has improved liquidity of the company, (25.0%) agreed, (15.9%) strongly agreed and disagreed respectively whereas the minority; (9.1%) strongly disagreed.

Also, the study findings stipulated that majority (50.0%) of the respondents strongly agreed that too much liquidity highlights the existence of used or idle funds which do not yield any returns, (22.7%) were not sure, (20.5%) agreed, (4.5%) disagreed whereas the minority; (2.3%) strongly disagreed.

In line to the study findings, majority (40.9%) of the respondents strongly agreed that reduction in excessive inventories has impacted on company's revenue, (34.1%) disagreed, (25.0%) were not sure.

Furthermore, the study findings showed that majority (70.5%) of the respondents strongly agreed that maintaining high level of inventories helps in reducing the cost of supply products and protects the firm against price fluctuation, (22.7%) agreed, (4.5%) were not sure and the minority; (2.3%) strongly disagreed.

Similarly, the study findings highlighted that majority (61.4%) of the respondents strongly agreed that having insufficient liquidity has consequences of lost sales as a result of inventory shortages, (34.1%) agreed whereas the minority; (2.3%) both disagreed and strongly disagreed respectively.

Lastly the study findings acknowledged that majority (84.6%) of the respondents strongly agreed that minimization of working capital has resulted into bumper profits and the minority, (13.6%) agreed. From the study above, majority of the respondents were in agreement that maintaining high level of inventories helps in reducing the cost of supply products and protects the firm against fluctuation and this was related to E. Mayanja, (2014) who stressed that very organization constantly strives to maintain optimum inventory to be able to meet its requirements and avoid over or under inventory that can impact the financial

figures. Inventory is always dynamic. Inventory management requires constant and careful evaluation of external and internal factors and control through planning and review.

### 4.3. The impact of stock out on market penetration

The second objective of the study was to identify the impact of stocks on market penetration. To accomplish this, the researcher examined the extent to which the respondents agreed and disagreed on the impact of stock out on market penetration. The findings are presented in table 4.2 below. The following abbreviations were used; **SA** = (Strongly Agree), **A**= (Agree), **N**= (Neutral), **D**= (Disagree) and **SD**= (Strongly Disagree).

**Table 5: showing the impact of stock out on market penetration.**

The impact of stock out on market penetration	SA		A		N		D		SD	
	(F)	(%)	(F)	(%)	(F)	(%)	(F)	(%)	(F)	(%)
Has stock out resulted into loss of revenue for a business	0	0.0%	25	56.8%	18	40.9%	1	2.3%	0	0.0%
Stock outages has decreased customer retention at the company	23	52.3%	9	20.5%	7	15.9%	5	11.4%	0	0.0%
Out of stock has constantly developed a negative perception to customers about its brand products.	7	15.9%	11	25.0%	17	38.6%	9	20.5%	0	0.0%
Stock out has brought about costs relating to canceled orders and lost customers	12	27.3%	9	20.5%	14	31.8%	8	18.2%	1	2.3%
Stock outs has led potential customers to other retailers who will be delighted to immediately fulfill their	26	59.1%	16	36.4%	2	4.5%	0	0.0%	0	0.0%

order.										
Has the company reduced how much it stores to reduce costs	20	45.5%	13	29.5%	7	15.9%	3	6.8%	1	2.3%
Customer reviews have an impact on both acquiring new customers and encouraging repeat custom										

**Source: Primary data**

The table above stressed that majority, (56.8%) of the respondents agreed that stock out has resulted into loss of revenue for a business, (40.9%) were not sure and the minority; (2.3%) strongly disagreed.

Also, the study findings showed that majority (52.3%) of the respondents strongly agreed that Stock outages has decreased customer retention at the company, (20.5%) agreed, (15.9%) were not sure and the minority, (11.4%) disagreed.

More to this, the study findings stipulated that majority (38.6%) of the respondents were not sure whether out of stock has constantly developed a negative perception to customers about its brand products, (25.0%) agreed, (20.5%) disagreed whereas the minority; (15.9%) strongly agreed.

In line to the study findings, (31.8%) of the respondents were not sure whether Stock out has brought about costs relating to canceled orders and lost customers, (27.3%) strongly agreed, (20.5%) agreed, (18.2%) disagreed and the minority, (2.3%) strongly disagreed.

Furthermore, the study findings highlighted that majority (59.1%) of the respondents strongly agreed that Stock outs has led potential customers to other retailers who will be delighted to immediately fulfill their order, (36.4%) agreed and the minority; (4.5%) were not sure.

Lastly the study findings stressed that majority (45.5%) of the respondents strongly agreed that Customer reviews have an impact on both acquiring new customers and encouraging repeat custom, (29.5%) agreed, (15.9%) were not sure, (6.8%) disagreed whereas the minority; (2.3%) strongly disagreed. The study findings too acknowledge that stock out has brought about costs relating to canceled orders and lost customers with the highest score of

(95.5%) and this was like Eckert, (2017) who stated that the main effects of a stock out is the loss of revenue for a business. When items are out of stock, customers can't purchase them, meaning the business can't make money unless it receives more stock.

#### 4.4. The impact of order cycle time on the lifetime value of a customer

The first objective of the study was to find out the impact of order cycle time on the lifetime value of a customer. To accomplish this, the researcher found out the extent to which the respondents agreed and disagreed on the impact of order cycle time on the lifetime value of a customer. The findings are presented in table 4.2 below. The following abbreviations were used; **SA** = (Strongly Agree), **A**= (Agree), **N**= (Neutral), **D**= (Disagree) and **SD**= (Strongly Disagree).

**Table 6: showing the impact of order cycle time on the lifetime value of a customer.**

The impact of order cycle time on the lifetime value of a customer.	SA		A		N		D		SD	
	(F)	(%)	(F)	(%)	(F)	(%)	(F)	(%)	(F)	(%)
Has order cycle time provided us with valuable information about the quality of our supply chain process	29	65.9%	12	27.3%	2	4.5%	1	2.3%	0	0.0%
Has knowing the customer order cycle time helped us decide if we are ready to expand operations	14	31.8%	29	65.9%	0	0.0%	0	0.0%	1	2.3%
Order cycle time help improve customer satisfaction rates and result in repeat customers	18	40.9%	23	52.3%	3	6.8%	0	0.0%	0	0.0%
Has reducing customer order cycle time help us	18	40.9%	21	47.7%	4	9.1%	1	2.3%	0	0.0%

improve consumer retention										
Knowing the business's order cycle time help us detect issues in the supply chain that could be causing delays in order fulfilment process	15	34.1%	19	43.2%	7	15.9%	3	6.8%	0	0.0%
The order cycle time is a good indicator of whether the business is ready for the next step	24	54.5%	18	40.9%	2	4.5%	0	0.0%	0	0.0%
A short order cycle time indicates whether the business is ready for the next step in operation	24	54.5%	19	43.2%	1	2.3%	0	0.0%	0	0.0%

**Source: Primary data**

The study findings indicated that majority (65.9%) of the respondents strongly agreed that order cycle time has provided us with valuable information about the quality of our supply chain process, (27.3%) agreed, (4.5%) were not sure and the minority; (2.3%) disagreed.

More to this, the study findings showed that majority (65.9%) of the respondents agreed that knowing the customer order cycle time helped us decide if we are ready to expand operations, (31.8%) strongly agreed and the minority, (2.3%) strongly disagreed.

Similarly, the study findings stressed that majority (52.3%) of the respondents agreed that Order cycle time help improve customer satisfaction rates and result in repeat customers, (40.9%) strongly agreed and the minority; (6.8%) were not sure.

In line to the study findings, majority (47.7%) of the respondents agreed that reducing customer order cycle time help improve consumer retention, (40.9%) strongly agreed, (9.1%) were not sure whereas the minority; (2.3%) strongly disagreed.

Similarly, the study findings acknowledged that majority, (43.2%) of the respondents agreed that knowing the business's order cycle time help detect issues in the supply chain that could be causing delays in order fulfilment process, (34.1%) strongly agreed, (15.9%) were not sure while the minority; (6.8%) disagreed.

Furthermore, the study findings highlighted that, majority (54.5%) of the respondents strongly agreed that the order cycle time is a good indicator of whether the business is ready for the next step, (40.9%) agreed and the minority; (4.5%) were not sure.

Lastly the study findings indicated that majority, (54.5%) of the respondents strongly agreed that a short order cycle time indicates whether the business is ready for the next step in operation, (43.2%) agreed and the minority; (2.3%) were not sure. From the study findings, respondents were in agreement that a short order cycle time indicates whether or not the business is ready for the next step in operation, as this obtained the highest score (98.7%) and this was in agreement with (Ellram, 2019) who stressed that a company is making this calculation for a specific time, they need to look at the date the customer received their order and the date on which the order is place.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.0 Introduction**

This chapter presents a summary of findings observed and inferred from the data presented in chapter four. The summary of findings is based on the literature available in chapter two. This chapter also provides the conclusions, recommendations and suggested areas for further study.

### **5.1 Summary of the Findings.**

#### **5.1.1 The impact of inventory turnover on total revenue**

From the study, it was highlighted that the impact of inventory turnover on total revenue included; inventory turnover has increased company profits, inventory turnover has improved liquidity of the company, Too much liquidity highlights the existence of used or idle funds which do not yield any returns, reduction in excessive inventories impacted on company's revenue, Maintaining high level of inventories helps in reducing the cost of supply products and protects the firm against price fluctuation, having insufficient liquidity has consequences of lost sales as a result of inventory shortages and minimization of working capital resulted into bumper profits.

#### **5.1.2 The impact of stock out on market penetration**

It emerged from the study that the impact of stock out on market penetration included; stock out has resulted into loss of revenue for a business, Stock outages has decreased customer retention at the company, Out of stock has constantly developed a negative perception to customers about its brand products, Stock out has brought about costs relating to canceled orders and lost customers, Stock outs has lead potential customers to other retailers who will be delighted to immediately fulfill their order, the company has reduced how much it stores to reduce costs and customer reviews have an impact on both acquiring new customers and encouraging repeat custom.

#### **5.1.3 Impact of order cycle times on the lifetime value of a customer.**

lastly, the study findings, it was stipulated that the impact of order cycle time on the lifetime value of a customer included; order cycle time provided us with valuable information about the quality of our supply chain process, knowing the customer order cycle time helped us decide if we are ready to expand operations, reducing customer order cycle time help improve consumer retention, Knowing the business's order cycle time help detect issues in

the supply chain that could be causing delays in order fulfilment process, The order cycle time is a good indicator of whether or not the business is ready for the next step and A short order cycle time indicates whether or not the business is ready for the next step in operation.

## **5.2 Conclusion**

From the study, it was highlighted that the impact of inventory turnover on total revenue included; inventory turnover has increased company profits, inventory turnover has improved liquidity of the company, Too much liquidity highlights the existence of used or idle funds which do not yield any returns, reduction in excessive inventories impacted on company's revenue, Maintaining high level of inventories helps in reducing the cost of supply products and protects the firm against price fluctuation, having insufficient liquidity has consequences of lost sales as a result of inventory shortages and minimization of working capital resulted into bumper profits.

It emerged from the study that the impact of stock out on market penetration included; stock out has resulted into loss of revenue for a business, Stock outages has decreased customer retention at the company, Out of stock has constantly developed a negative perception to customers about its brand products, Stock out has brought about costs relating to canceled orders and lost customers, Stock outs has lead potential customers to other retailers who will be delighted to immediately fulfill their order, the company has reduced how much it stores to reduce costs and customer reviews have an impact on both acquiring new customers and encouraging repeat custom

lastly, the study findings, it was stipulated that the impact of order cycle time on the lifetime value of a customer included; order cycle time provided us with valuable information about the quality of our supply chain process, knowing the customer order cycle time helped us decide if we are ready to expand operations, reducing customer order cycle time help improve consumer retention, Knowing the business's order cycle time help detect issues in the supply chain that could be causing delays in order fulfilment process, The order cycle time is a good indicator of whether or not the business is ready for the next step and A short order cycle time indicates whether or not the business is ready for the next step in operation.

## **5.3 Recommendations**

Inventories also need to be funded and the interest in this financing is a carrying cost that reduces the company's profitability. Therefore, it is key to maintain an optimal level of

working capital that balances the needed financial strength with satisfactory investment effectiveness. Investing idle cash but not losing out on liquidity.

There is need for need for improved customer satisfaction. One of the main benefits of reducing customer frustration is making sure that there are variety of choices for customers to choose from. This is because a shortfall, stock outs can lead potential customers to other retailers who will be delighted to immediately fulfill their order.

There is need to detect issues in the supply chain. Knowing the business's order cycle time help detect issues in the supply chain that could be causing delays in order fulfilment process. A long order cycle time is an indicator that one need to review the supply chain process to identify any inefficiencies or unnecessary steps that need to be optimized or removed entirely.

#### **5.4 Areas for further study.**

The impact of inventory management on financial performance of organizations

The role of inventory management practices on organizational performance

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## APPENDIX 1 Questionnaire

Dear respondent,

My name is **TAHINDUKA RHONAH**, a student at Uganda Christian University carrying out a study on the impact of inventory management on the sales performance of logistic companies in Uganda a case of Bollore transport and Logistics Uganda Ltd as a partial requirement for the award of Bachelor of procurement and logistics management of Uganda Christian University you have been selected to participate in this study as a respondent. Kindly provide the most appropriate information as indicated in the questionnaire based on your objective experiences. The information provided shall be used for academic purpose and will be kept with utmost confidentiality.

**Thank you and may the almighty reward you.**

**Yours faithfully,**

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**TAHINDUKA RHONAH**

### **SECTION A: Demographic Characteristics**

Tick / fill in the most appropriate answer.

1. Gender:

a) Female  b) Male

2. Age

a) Below 20 years  b) 20 – 25 years  c) 26 – 30 years   
d) 31 – 35years  e) 36 – 40 Years  f) Above 40 years.

3. Highest level of education Qualification

a) Not at all  b) Certificate  c) Diploma  e) bachelor's  f)  
Postgraduate

4. For how long have you been working here?

a) Below one year  b) 1-5 years  c) 6-10 years  d) 10 years and above

**SECTION B: The impact of inventory turnover on total revenue. (Tick as Appropriate)**

Indicate the extent to which you agree with the following observations on the impact of inventory turnover on total revenue on a scale of (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree (5) = strongly agree

	Scale					
	<b>The impact of inventory turnover on total revenue.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
A	Has inventory turnover increased company profits.					
B	Has inventory turnover improved liquidity of the company					
C	Too much liquidity highlights the existence of used or idle funds which do not yield any returns					
D	Has reduction in excessive inventories impacted on company's revenue					
E	Maintaining high level of inventories helps in reducing the cost of supply products and protects the firm against price fluctuation					
F	Is having insufficient liquidity has consequences of lost sales because of inventory shortages.					
G	Has minimization of working capital resulted into bumper profits					

**SECTION C: The impact of stock out on market penetration (Tick as Appropriate)**

Indicate the extent to which you agree with the following observations on the impact of stock out on market penetration on a scale of (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree (5) = strongly agree

Scale						
The impact of stock out on market penetration		1	2	3	4	5
A	Has stock out resulted into loss of revenue for a business					
B	Stock outages has decreased customer retention at the company					
C	Out of stock has constantly developed a negative perception to customers about its brand products.					
D	Stock out has brought about costs relating to canceled orders and lost customers					
E	Stock outs has led potential customers to other retailers who will be delighted to immediately fulfill their order.					
F	Has the company reduced how much it stores to reduce costs					
G	Customer reviews have an impact on both acquiring new customers and encouraging repeat custom					

**SECTION D: The impact of order cycle time on the lifetime value of a customer (Tick as Appropriate)**

Indicate the extent to which you agree with the following observations on the impact of order cycle time on the lifetime value of a customer on a scale of (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree (5) = strongly agree

	Scale					
	<b>The impact of order cycle time on the lifetime value of a customer</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
A	Has order cycle time provided us with valuable information about the quality of our supply chain process					
B	Has knowing the customer order cycle time helped us decide if we are ready to expand operations					
C	Order cycle time help improve customer satisfaction rates and result in repeat customers					
D	Has reducing customer order cycle time help us improve consumer retention					
E	Knowing the business's order cycle time help us detect issues in the supply chain that could be causing delays in order fulfilment process					
F	The order cycle time is a good indicator of whether the business is ready for the next step					
G	A short order cycle time indicates whether the business is ready for the next step in operation					

**Thanks for your time.**