EFFECT OF INVENTORY MANAGEMENT ON FINANCIAL PERFORMANCE

A case of Crown Beverages Limited Kampala

ANITA CHELIMO

J21B05/459

A RESEARCH DISSERTATION SUBMITTED TO FACULTY OF BUSINESS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A BACHELORS DEGREE IN BUSINESS ADMINISTRATION OF UGANDA CHRISTIAN UNIVERSITY

July, 2023

UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

Declaration

I hereby declare that this report is from my own knowledge and effort. It has never been submitted by any other person for a degree in any university or institution of higher level.

Signed-----Anita-------------------------------

CHELIMO ANITA

J21B05/459

Date--29th July, 2023--------------------------

Approval

This report has been prepared under my guidance. It is hereby submitted with my approval.

Signed------ HA HENRY --

DR. MUGISHA HENRY

(SUPERVISOR)

Date—- 29th July, 2023

Dedication

This is for my wonderful parents, Chelimo Alex and Chelimo Jackline who have been there for me in every way possible. To be honest words cannot describe how grateful I am to you. And this is yours too, Atuhura Patience, for encouraging and being there for me, emotionally, spiritually, financially, and every other way till the very end.

Table of Contents

List of tables

List of Figures

List of appendices

Acknowledgement

I thank the Almighty God for making it possible for me to complete this piece of work. Special thanks to him for the knowledge, wisdom, courage and determination He has granted me.

Furthermore, I would also like to acknowledge with much appreciation the crucial role of my academic supervisor, Mr. Dr. Mugisha Henry who held meetings every week with us to ensure that we were on the right track of things, also for your time, motivation and effort and for really making us a priority. You are a wonderful supervisor indeed.

Thanks also go to the employees and management of Crown Beverages Limited, Nakawa Branch, who allowed me to do research on the company. Respondents who sacrificed their time in giving me relevant information that backed my research.

Last but not least, I express my gratitude to Uganda Christian university, all my lecturers who prepared us, guided us on report writing.

I cannot forget my special friends; Apiness, Ritah, Simon, and Reagan, for moral support. May the good Lord reward you abundantly.

List of acronyms

W.I.P	Work In Progress
MRO	Maintenance, Repair and Operations.
MRP	Materials Requirements Planning
MRP	Manufacturing Resources Planning
EDI	Electronics Data Interchange
LIFO	Last In First Out
FIFO	First In First Out
JIT	Just in Time
US	United States
UGX	Uganda Shillings
UN	United Nations
ROI	Return On Investment

Abstract

The overall objective of the study was to find out the effect of inventory management and financial performance while basing on Crown Beverages Limited Nakawa. The study was guided by three objectives; to examine the effect of inventory planning on financial performance, to examine the effect of inventory documentation on financial performance and to examine the effect of inventory tracking on financial performance at Crown Beverages Limited.

The population of the study was one hundred (100). A sample size of fifty (50), was derived from a finite population. Data were generated using questionnaire, oral interviews, observations, books, journals and the internet. Data were presented in tables and analyzed using simple percentages. The findings indicate that inventory management significantly affects financial performance at Crown Beverages Limited. The study found out that inventory management is essential in the operation of any business. Inventory as an asset on the balance sheet of companies has taken on increased importance because many companies are applying the strategy of reducing their investment in fixed assets.

The study also recommended that organizations should train their personnel in the area of inventory management that will empower them to be in charge for the smooth running of the inventory management activities and organizations should adopt the inventory keeping method that best suits their operations. Management in manufacturing companies to always forward planning, centralize the purchase and store function, carry out stock taking exercise periodically, top management in most organizations to emphasis on the proper inventory management techniques and measuring of efficiency deviations to identify weaknesses in the process of managing inventories, managers in organizations to undertake forward production planning. Lastly, further studies are suggested on the following areas as: the effect of materials handling techniques on employees efficiency in private organizations and the relationship between labour turnover and employees' efficiency among private organizations in Uganda.

CHAPTER ONE

1.1 Introduction

This chapter presents the background study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, significance of the study, limitations and the scope of the research and the conceptual framework.

1.2 Background of the study

Inventory management is an attempt to balance inventory needs and requirements with the need to minimize costs resulting from obtaining and holding inventory. Inventory management also refers to the process of managing the stock of finished products, semi-finished products and raw materials by a firm. Smart companies have found that the ability to manage this asset is a key factor in their ultimate success or failure. For organizations striving to compete in fierce market place, effective inventory management helps them avoid over stocking too much of wrong product and not enough of what customers want. It allows meeting and exceeding customers' expectations of products, ensuring availability while maximizing profits (Arnold, 1991).

Inventory management involves the planning, ordering and scheduling of the materials used in the manufacturing process. It exercises management over three types of inventories that is raw materials, work in progress and finished goods. Purchasing is primary concerned with management over the raw materials inventory, which includes; raw materials or semi processed materials, fabricated parts and MRO items (Maintenance, Repair and Operations) (Garry, 1997).

According to Basheka (2005), inventory is a major cost in the supply chain and it has a huge effect on the procurement efficiency of an organization. In the recent past, East African Countries (EAC), used "eyes ball inventory method" of inventory control where managers would stand in the middle of the store house or manufacturing work station and look around. If the store manager happened to notice that some inventory items were of stock, they were reordered. The biggest risk with this system was that, an important item may be out of stock for some time without being noticed. Such kind of inventory control and management was expensive to the firms; increases back orders, delays cash flows and also lead to accelerated loss of customers (Berry, 1998).

Modern inventory control systems are almost exclusively based on barcode technology. Though barcodes were initially developed to automate the process of grocery store checkout, their ability to encode a wide variety of alphabetic and numeric symbols makes them ideal for encoding merchandise for inventory applications. Inventory control systems work in real-time using wireless technology to transmit information to a central computer system as transactions occur. Inventory control systems are employed in a wide variety of applications, but they all revolve around tracking delivery of goods to customers. Inventory control is crucial in retail stores, especially those with a large number or variety of merchandise items for sale. Inventory control is also used in warehouses to track orders and shipments, and for automated order processing.

Today, inventory control and management directly affects the procurement efficiency and general performance of the firm and in order to achieve cost effective management and control of inventory, procurement and materials, managers must migrate from traditional methods of eye ball inventory control to the modern management techniques in order to enhance organizational performance. It's against this background that this research report was set up to come up with a clear picture of the relationship between inventory management and organisational performance and how it can be enhanced.

1.2 Statement of the problem

In previous years, there have been many registered cases of poor inventory management which is evident by the level of theft and loss of items in stores. There have also been many occasions inventory running out of supplies hence paralyzing operations of the organisations. They have also been reports of poor procurement procedures that are responsible for acquisition of poor inventories and loss/wastage of funds (PPDA report, 2005). Despite many efforts by Crown Beverages Limited, having an operational department in-charge of Inventory Control (Procurement Department) all geared towards improving inventory control, there are still problems of controlling inventory. Poor inventory management has become an issue of great concern since the effects retard the development of organizations. A truly effective inventory management system minimizes the complexities involved in planning, executing and controlling a supply chain network which is critical to business success. The opportunities available by improving a company's inventory management can significantly improve bottom line business performance. Many organizations in Uganda that do not have proper stock management systems in their operations face a lot of challenges most of which include dependency on the efficiency of the supplier, missed sales in case of stock outs, high costs of obtaining materials and poor customer service. (Frazelle, 2002; Jessop, 1986).

Crown Beverages Limited still struggles with poor inventory management which is evidenced by the persistent profitability, growth, liquidity problems against increasing operational costs over the years (CBL Performance Report, 2014). Also pointed out by the reports were the increasing importation costs of raw materials rising by 10%-15% annually which affected the company's performance. It is upon this background that this study attempted to examine the relationship between inventory management and organizational performance of the company.

1.3 Purpose of the study

The main purpose of the study is to establish the effect of inventory management on financial performance.

1.4 Main objectives

i) To examine the effect of inventory planning on financial performance.
ii) To examine the effect of inventory documentation on financial performance.
iii) To examine the effect of inventory tracking on financial performance at Crown Beverages Limited.

1.5 Research Questions

i) What is the effect of inventory planning on financial performance?
ii) What is the effect of inventory documentation on financial performance?
iii)What is the effect of inventory tracking on financial performance at Crown Beverages Limited?

1.6 Scope of the study

1.6.1 Geographical Scope

The study will be focused on Crown Beverages Limited located in Nakawa Industrial Area, Kampala district. It will be focused in this organisation because it is quite close to where the researcher is studying and therefore it will be much easier to move there and gather information necessary to complete this research.

1.6.2 Content Scope

The subject scope will be limited to inventory management on financial performance. Crown beverages has been having inventory management related issues according to the (CBL Performance Report, 2014), increased thefts in the warehouses etc. This has prompted the researcher to look into inventory management.

1.6.3 Time Scope

Time scope will cover three months from June to August, 2023. The research will be done for three months because that is the allocated time to do the research by the university the researcher is studying in.

1.7 Significance of the study.

i) It will serve as a reference for different scholars and academicians. The study hopes to guide and stimulate other researchers who may wish to undertake a similar research in the field of inventory management within the country in order to understand the current situation of inventory management in all the organizations within the country.

ii) Different people like managers, employees, government bodies will acquire information as far as inventory control on performance of organisations is concerned. The findings of the study will be beneficial to organizations in understanding inventory, to the policy makers of organizations to help them understand how best they can control their inventories. This will help these policy makers to ensure that these organizations have appropriate inventory controls that allow proper production as well as improved performance.

iii) The study will help the researcher to identify current challenges affecting inventory management and how the organizations control their inventory management. This is so since the researcher is a business administration student and may wish to own a company or get exposure to the fields of inventory management.

1.8 Limitations of the study.

In carrying out the study, the researcher was faced by the following major limitation;

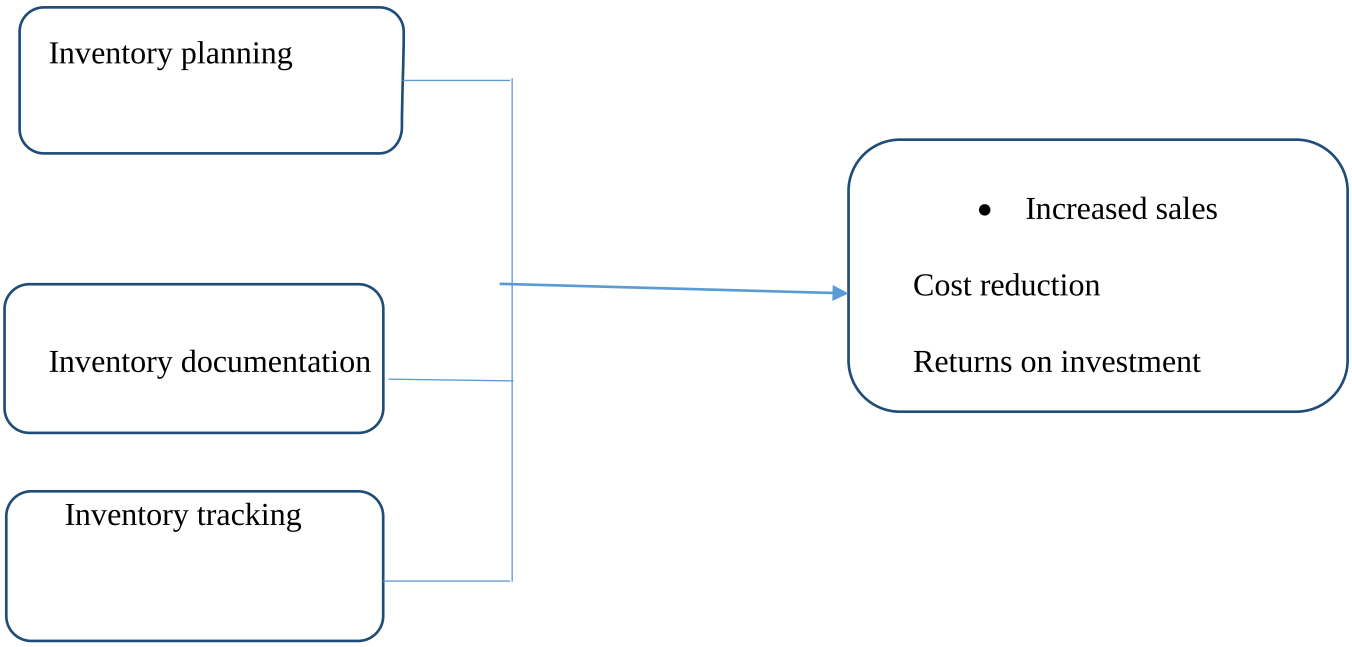
i) Unwillingness of the respondents to disclose all the information concerning inventory management due to fear of being victimized. Some respondents are not ready to provide that could really be necessary to competition of this research report.

ii) Lack of enough time to carry out the research since the researcher is a student in her final year. It is hard to balance all the activities that are going on and also give adequate time for research.

iii) Permission to carry out the study. Getting permission from the people in charge of the organisation will be hard in order to get the necessary information needed.

1.9 The conceptual framework.

The conceptual framework shows the relationship between the study variables under investigation. The independent variable was inventory management with organizational performance as the dependent variable. The model shows how inventory management influences organizational performance.



Source: Field Survey February, 2019

Figure 1: The model shows how inventory management influences organizational performance

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter provides information on topics related to the research objectives. The chapter examines the theoretical review, empirical review, what various scholars and authors have said about the inventory planning, documentation and tracking and summary.

2.2 Theoretical review

Efficient market hypothesis or EMH is an investment theory which suggests that the prices of financial instruments reflect all available market information. Hence, investors cannot have an edge over each other by analysing the stocks and adopting different market timing strategies in order to avoid over trading in stock that is unnecessary (Kolias, 2011). According to this theory developed by Eugene Fama in 1970 investors can only earn high returns by taking more significant risks in the market.

The efficient market hypothesis has three forms: weak-form efficient markets, semi-strong form efficient markets, and strong-form efficient markets. Each category is dependent on the availability of information to test the idea that all information is known according to (Dilworth, 2004). The weak-form states past price information is unrelated to future price action, so historical price data (technical analysis) does not yield an advantage. The semi-strong form states prices currently reflect all public information such as financial statements, so fundamental analysis should not yield an advantage because prices rapidly respond to new information as released. The strong-form states all information, both public and private, is priced into markets. (Holmberg, 2004)

The efficient market hypothesis is widely debated in the finance community. Many believe in some level of weak and semi-strong efficiency, but not the strong form. However, there are entire industry groups devoted to finding value through fundamental analysis or technical analysis. The hypothesis states that all known variables are automatically factored into an asset's price by the collective trading in the marketplace and its participants. Because there is no way to find value in asset prices, it is believed to be impossible to outperform the market. (Mandal, 2012) Technical or fundamental analysis provides no edge, and investors must take on disproportionate risk, or have access to inside information, to achieve consistent returns.

Also referred to as an efficient market theory, EMH is based on the following assumptions. Stocks are traded on exchanges at their fair market values in line with (Salami et al, 2012) This theory assumes that the market value of stocks represents all the relevant information. It also assumes that investors are not capable of outperforming the market since they have to make decisions based on the same available information.

EMH is gradually gathering popularity among traders. Market participants who advocate this theory usually tend to invest in index funds and exchange-traded funds (ETFs) which are more passive in nature. This is one of the main advantages of the efficient market hypothesis. These traders are reluctant to pay the high charges imposed by the experienced fund managers as they don't even rely on the experts to outperform the market. However, recent data suggests that there are a few fund managers who have been consistent in beating the market and that it can actually be relied on to avoid making big losses and risks. (David, 2009)

2.3 Empirical Review

2.3.1 Effect of Inventory Planning and financial performance.

This is the process of determining the optimal quantity and timing of inventory for the purpose of aligning it with sales and production capacity. Inventory planning helps lower the costs of keeping items in stock and makes sure there is enough stock for making and selling items. A good stock plan set in advance will enable planners to set procurement/purchase dates and quantities that are consistent with the plan to avoid disruptions due to inventory shortages (Dilworth 2004).

According to Garry, J.Z, (2002) inventory management involves the planning, ordering and scheduling of the materials used in the manufacturing process. It exercises control over three types of inventories i.e. raw materials, work in progress, and finished goods. Purchasing is primarily concerned with control over the raw materials inventory, which includes; raw materials or semi-processed materials, fabricated parts and maintenance, repair and operations.

It is consequently very essential for the procurement characteristic in a corporation to efficiently manipulate their inventory and use all strategies that they see match for his or her sort of enterprise. Through doing this they could decrease overhead fees and increase their purchaser pleasure by way of having goods available when the consumer demands them hence enhancing the organizational productiveness. Onwubolu and Dube (2006) be aware that proper stock management with the aid of the procurement characteristic also way having correct forecasting and correctly timed replenishments. In most companies, inventories constitute up to 50% of the full product fee, the money entrusted on stock, thereby affecting the performance of the procurement characteristic and the overall productiveness of the organization.

In step with David (2009), stock is a totally high-priced asset that can be changed with information that's a much less expensive asset but to do this, the facts have to be correct, well timed, reliable and regular. While this happens, you bring fewer inventories, lessen cost and get merchandise to clients quicker. This consequently implies that stock planning could be very crucial if a company wants to reap a balance among performance and responsiveness. David (2009) explains the following targets of stock management: maximizing customer service, maximizing the efficiency of purchasing and production, maximizing stock funding and maximizing earnings.

It is well worth noting that the assembly of these goals requires balancing quick-term in addition to long-time period goals. Whether or not used to provide customer service or to reap efficiencies, the want to hold inventories conflicts with the management's desire to limit inventory investments. Stock management systems and stock manage techniques offer information to effectively control the go with the flow of materials, effectively utilize people and equipment, coordinate internal activities and speak with customers (Wolcott, 2010). Efficiency implies minimization of overall machine extensive charges from transportation and distribution to inventories of raw substances, paintings in manner and finished items.

Powerful inventory planning determines how earnings of an agency can be maximized. Maximizing of earnings rely upon minimizing cost and maximizing revenue. Maximization is a good concept which requires growing income without growing the sources used (Hugo et al., 2009). The import of stock management in corporation is to make certain that at any point in time the capital of the business is not necessarily tied down in shape of fabric in the store, which may additionally offer possibility for fraud and theft. In different word the management desires to place at minimal charge inventory losses, which emanate from store operation (Letinkaya & Lee, 2010). As a result, as a commercial enterprise inventory planning is of paramount importance likewise the earnings of the commercial enterprise.

2.3.2 The effect of inventory documentation and financial performance

According to Jessop and Morison (1994), a stock record system is the means of capturing and storing information and a facility for the analysis and use of this information so that the operation of the stores function and the control of stock can be performed in an efficient manner. The author further says that the system of stock recording and the mechanism for the use of recorded must be very carefully selected. Records and techniques should be appropriate to the items in question and the cost implication taken into account. An organization should carefully choose the best system suitable to it to avoid a situation whereby a lot of money would be spent on maintaining a very expensive system for items of low value. A stock record system can be manual or computerized. Cole (1997), defines a stock record system as a formal set of records that contain information about stock held within the stores system. The range of this information will depend upon the system employed and the scope of the operation. However, there are basic functions which every stock record system should aim to cover the fundamental one being data held at any given time. It is because of the wide range of information held within a good record system that Carter and Price calls it the “clerical memory”

Inventory personnel must review various inventory records to ensure accuracy. During the review, they should ensure that quantities are legible and have a correct unit of issue, and that all added items are identified and legibly recorded. Enter any remarks legibly and state them explicitly, Jessop and Morrison (1994). Physical inventory procedures include comparing the inventoried quantities with the quantities in stock records to check if there are differences. If the inventory and stock quantities match, post the inventory and date of inventory in the stock records. Also, enter the inventoried quantity in the stock record to reflect the on-hand balance. If differences exist, stock control personnel should reconcile their records. Reconciliation is a process of resolving inventory discrepancies. Reconciliation process consists of several steps. t is dependent upon the type of material, cost and the circumstances that led to a discrepancy, Carter and Price (1993). A major difference exists when the physical count of a stock item differs from the confirmed stock record balance by 10% or more. A minor difference exists if the count differs less than 10 percent.

Adequate, updated and correct inventory records are to be set up and maintained in stores. All transactions of all inventories are to be properly documented and sufficient audit trail is to be submitted. In the classification of the items, the same definitions should be used. These guidelines should apply to all non-expandable and attractive items, Carter and Price (1993). According to the GOK Supplies Manual, (2010), storekeepers must verify the issue request before issuing the items and require the receiving staff to acknowledge receipt on the form with a copy sent to the accounts section. Issue stocks on a ‘’first-in first-out" basis, particularly for items with an expiry date or a limited shelf life is recommended and Update the inventory movement records without delay.

According to the GOK Supplies Manual, (2010), it is important for a stores organization to have a common supply language which is used to positively and identify any item in a supplies range. This is achieved through the introduction of a single name for an item of supply and a code number assigned to it. This code number represents the maximum data required to adequately identify the essential characteristics of the item. After clear identification and assignment of a code number, a catalogue is prepared and distributed to users who must use the codes consistently when communicating their needs to the storehouse.

2.3.3 Effect of inventory tracking and financial performance

Inventory tracking refers to the process of a business continually monitoring all of the inventory that it owns. Wolcott, (2010). Inventory practices sometimes suffer or are unable to keep up with demand, therefore enforcing inventory tracking is a great way to turn things around. In fact, in the last few years there has been a 25% increase in the number of businesses investing in better ways to manage inventory according to the PPDA report,(2005). Shockingly, for many retail businesses, inventory is only accurate about 63% of the time. This is a pretty low number when you realize how damaging an inaccurate order can be. One of the most fundamental benefits of inventory tracking is that it reduces the amount of inventory that companies have to keep on hand while improving order accuracy. By decreasing held inventory, companies can save massive amounts of cost and effort. Some companies that use modern inventory management can actually close down one or more warehouse locations, and save money associated with these cost centers. Miller (2010).

Along with the emergence of new inventory tracking software, there is the idea of just-in-time inventory. A just-in-time or lean inventory strategy involves a company closely tracking its inventory levels, and only keeping what's needed in the immediate short-term on hand as David (2004) emphasizes. Companies can leverage the powerful features of inventory management and the benefits of inventory tracking software to remain agile and slim down your inventory. Adopting a few of these strategies can boost effectiveness for the system that has been integrated. This also means that accuracy will increase because fewer errors mean fewer resources spent fixing them after all. More accuracy equals fewer errors which also equals less expenditure on damage control. Cole (1997)

Organizing inventory cuts back on money spent housing unnecessary items. As the tracking system identifies the proper quantities of certain products, inventory managers can rest knowing the important things are set to renew automatically. This opens up room for a wider array of products and cuts back on money spent holding onto inventory. Integrating automation into your inventory management processes also saves a good deal of time and money, Basheka (2005) Fewer hands are needed to pick, pack and prepare items for shipment if robotics and AI are being properly leveraged. Bar code scanning and other features mentioned above allow for easy data transfers, and in conjunction with a central data warehouse, companies can build up their data assets to more closely analyze what's happening within the business. Using this information, companies can answer questions such as: Where is inventory going and what customers are being served? how can agile inventory make these processes even better? and what does customer demand tell the company about its customers, and how can that be applied to marketing operations?

In today's high-tech business world, business intelligence is key and this intelligence is collected from inventory tracking. It allows companies to fine-tune their marketing and outreach processes to products that their customers want, which boosts conversions and drives profits. So while inventory management is very helpful on the production side, it's also helpful on the marketing side as well. Garry, J.Z, (2002). Keeping inventory levels properly balanced is a daunting task that inventory managers have to deal with daily. Allowing inventory levels to go without regular checks can quickly lead to excess or lack of necessary stock. Either scenario is bad; not ordering enough of a popular product can lead to stock-outs and angry customers. Having too much of something and not being able to move it out eats up valuable warehousing space. Effective inventory management can step in and prevent these dreaded events from occurring and throwing the entire supply chain off. For example, if you have a popular product that needs regular orders, re-order points are set up within a system that automatically purchases more when levels reach a certain number. Adeyemi and Salami, (2010)

According to Bloomberg et al, (2010) increasing accuracy ensures the right product is delivered to the right place while the quickness of automated tasks gets the item in question out the door even faster. Some systems come with real-time update features that notify customers when their shipment is leaving the warehouse and when they can expect it to arrive. Giving customers the tools to find out when something is set to arrive and where it is in real-time helps lessen their worries and saves you from answering questions. Happy customers mean good reviews and return business. Not only that, you'll build a trusted name in the marketplace as you quickly and accurately fulfill customer's orders. Inventory management is meant to boost and help raise you up in the eyes of your customers. Many of the best tracking systems involve barcode scanning or other agile inventory processing features. This can eliminate labor-intensive and manual processes like individually typing in product numbers or box numbers. With this type of technology integrated into your inventory management processes, employees or robotics can drastically up the number of scans they complete. Peacock (2013).

2.3.4 Financial performance

Financial performance according to Dawson (2010), is a complete evaluation of a company's overall standing in categories such as assets, liabilities, equity, expenses, revenue, and overall profitability. For internal users, financial performance is examined to determine their respective companies' well-being and standing, among other benchmarks. For external users, financial performance is analysed to dictate potential investment opportunities and to determine if a company is worth their while. Before calculations can be made on certain financial indicators that establish overall performance, a financial statement analysis must occur. According to Peter (2011) Financial performance refers to the measure of how well a company or organization is performing financially. It provides an assessment of its ability to generate profits and manage its resources efficiently.

Financial performance is typically evaluated through various financial metrics and indicators, which may include, revenue which is the total income generated by the company from its core business activities, net Income, which is he profit earned by the company after deducting all expenses, taxes, and interest from its total revenue, profit margin which is the percentage of revenue that represents the company's profit. It indicates how efficiently the company is managing its costs, return on investment (ROI), a measure of the profitability of an investment. It shows the return generated on the investment relative to its cost. These metrics and indicators, along with others, help stakeholders, such as investors, analysts, and management, assess and compare the financial health and performance of a company over time and peers.

The financial performance of businesses plays a key role in achieving this aim. Financial performance analysis is an effective criterion for businesses to achieve their goals, to adapt to changing conditions in the market, to improve the way of doing businesses and to be able to take measures against possible problems. Therefore, financial performance is an increasingly important issue not only for businesses but also for economies of countries. Financial performance analysis is an essential tool in evaluating the commercial activity of businesses. While the businesses are analysing their financial situations, they try to calculate and evaluate the financial ratios through the statistical and econometric analysis with the data they obtain from financial statements such as balance sheet, income statement and cash flow statement. Evaluating the financial status of businesses is a complex and multivariate process based on predicting the future using historical data. Financial performance evaluation helps businesses to make the right decision and to fulfil their planning and control functions effectively.

2.4 Summary of the Literature

The literature review shows that there was a great influence of inventory management practices on the organizational productivity. It is important to have a good inventory system as it helps in preventing stock outs, overstocking, deterioration, obsolescence and high carrying cost. According to the review, bureaucratic procurement procedures, documentation /stores record failure, low funding and poor employee skills etc. are some of the factors that limit inventory management thus influencing the organizational productivity. Lyson (2006) states that inventory serves as an insurance policy against the unexpected breakthrough, delays and other disturbance that could disrupt ongoing activities. A sound inventory management system is therefore vital for decision making in the procurement function and the company as a whole.

CHAPTER THREE.

METHODOLOGY

3.1 Introduction

This chapter presents the methods that will be used in the study. It describes the research design, study population, sample size and selection, data collection methods and instruments, validity and reliability of findings, data analysis of quantitative and qualitative data and the measurement of variables.

3.2 Research Design

The study will adopt a descriptive cross-sectional survey design using both qualitative and quantitative approaches. The cross-sectional approach will be used because the issues of inventory management and financial performance are to be collected at one point in time. The quantitative approach is used to answer the questions of how much and how many and was concerned with the casual relationships between variables (Polit and Beck, 2004). Qualitative approach will be used to examine the subjective experience of a phenomenon or process holistically and thoroughly when little is known about the topic (Polit and Beck, 2004).

3.3 Study Population

The study will be conducted in Crown Beverages, Nakawa Branch. The target population is 70 employees comprising of staff from both inventory and procurement departments that will be selected to represent the 50% of the entire population. The category comprised of 8 senior managers, 2 and 60 purchasing, warehouse staff totaling to 70 as shown in the table below.

3.4 Sample Size and Selection

A sample size of 62 respondents will be selected using statistical tables for Morgan and

Krejcie (1970). The sampling approach is shown in table 2 below:

Table 1: Study population and sample structure

Category of Staff	Population	Sample size	Sampling Technique
Senior Management	2	2	Purposive
Purchasing staff	8	8	Purposive
Warehouse staff	60	40	Simple random sampling
Total	70	50	

Source: Primary data

The table above shows the population, sample size and sampling strategy that will be used in this study.

3.5 Sampling techniques and procedures

The researcher will use both probability and non-probability sampling techniques. In this study, the senior management and the purchasing and warehousing staff will be purposively selected because they are equipped with important information required for the objectives of the study. The staff will be subjected to simple random sampling to avoid bias.

3.6 Data Collection Methods

The study will utilize both qualitative and quantitative methods of data collection. Qualitative methods will involve the use of open-ended questionnaires and interviews on inventory management and organizational performance, while quantitative will involve the use of closed ended questionnaires.

3.6.1 Questionnaires Method

Questionnaire method will be used in the collection of quantitative data. The questionnaire method will help in eliciting specific responses which are easy to analyses. This method will be economical in terms of time management as questionnaires are easy to fill and will take less of respondents` time and that of the researcher in administering and analyzing them (Amin, 2005). The questionnaires will be issued to all the 50 selected respondents.

3.7 Data Collection Instruments

3.7.1 Questionnaires

A structured questionnaire with closed ended questions will be used to collect information from the randomly sampled respondents.

3.7.2 Interview Guide

The interview guide will be developed by the researcher to be used when conducting interviews for the purposive sampling strategy as guided by Marjorie (2003). Marjorie asserts that in every community, family, neighborhood, workplace and schools, there are people who have knowledge and skills to share.

3.8 Pretesting of data collection instruments

The research instruments will be pretested amongst 10 of the chosen staff of the bank to ensure validity and reliability of the instruments before distribution to the actual respondents.

3.8.1 Validity tests

The study will use a content validity index (CVI) based on expert judgment taking only variables scoring above 0.70 accepted for social sciences (Amin, 2005) to establish the validity of the study instrument.

3.8.2 Reliability tests

Reliability measures the degree to which a research instrument yields consistent results or data after repeated trials (Amin, 2005). The reliability of a measure indicates the extent to which it is without bias and hence ensures consistency measurement across time and across the various items in the instrument (Sekaran, 20003). In this study a Cronbach's alpha coefficient will be used to show how reliable the data is using Software Package (SPSS).

3.9 Procedure of data collection

Prior to primary data collection, an introductory meeting will be held with the inventory management team of Crown Beverages Limited to explain the purpose of the study. An accompanying letter from Uganda Christian University explaining the purpose of the study will be presented by the researcher to provide further proof of the researcher`s intention and to seek permission to carry out the study. Questionnaires will then be distributed to the subjects and then later collected after one week for sorting, coding and data analysis. Appointments for interviews will be sent via email for the two interviewees to be interviewed each one separately so as to allow for individual opinions and openness during the interview. All data will be compiled, sorted, edited and organized and then written in a meaningful manner for presentation.

3.10 Data Analysis

Data will be organized in a manner that facilitates analysis and it involves data being converted to numerical codes, a process known as coding (Mugenda & Mugenda, 1999). Completed questionnaires will be edited for completeness, accuracy, uniformity and comprehensiveness. The interview guide will be used to check the feedback from the respondents, noting the relationships between the given answers and asked questions. The data analysis will help the researcher to make conclusions on the previously stated hypothesis.

The data collected will be summarized using descriptive analysis such as frequencies and measures of central tendency that is; mean and standard deviation statistics by use of SPSS to enable the researcher to meaningfully describe a distribution of scores or measurements. The data will be presented in the form of descriptive tabulations, percentages, frequencies, mean and standard deviation before a comprehensive analysis of statistics was generated to determine their relationships.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, INTERPRETATION OF STUDY FINDINGS

4.1 Introduction

The chapter involves presentation, analysis and interpretation of the study results. Data presented, analyzed and interpreted according to the research objectives. It is presented in the form of tables and figures basing on the responses got from the study respondents that were selected during the process of data collection.

From the total number of 50 questionnaires which were administered to the employees and management of Crown Beverages Limited. All 50 questionnaires were properly answered. A total of 30 questionnaires were collected from the management staff, while total of 20 questionnaires were collected from employee staff respectively. Therefore, the research opinion and analysis will be based on 50 questionnaires that were properly administered.

4.2.1 Gender composition of the respondents

The study targeted both male and female which gave a variety of findings that were not biased making it gender sensitive.

Table 2: Gender composition of respondents

Gender	**Frequency**	**Percentage (%)**
Male	41	82
Female	09	18
Total	**50**	**100**

Source: Field data, 2023

As illustrated in table 3, the study found out that the majority of the respondents were male as compared to the female. The number of males who participated in the study was represented

41(82%) as compared to less number 09(18%) of the female respondents. The less involvement of women at Crown Beverages Limited could be that most of the work done requires more energetic people since it is mostly manual and can best be done by men.

4.2.2 Age composition of respondents

The age composition of the study respondents was also an important factor in the process of understanding the relationship between inventory management and financial performance of Crown Beverages. This was so because different age groups were assumed to understand the study variables differently yet considered vital to the study.

Table 3: age composition of the respondents

Age range	Frequency	Percentage (%)
Below 30	02	04
30 -40	15	30
40 – 50	23	46
51 & above	10	20
Total	**50**	**100**

Source: Field data, 2023

The table above 4 shows that most of the respondents were between the ages of 40 – 50 accounting for 23(46%). This implied that they were likely to understand the objective questions better and they were in position to provide to the study information as majority reported to have stayed dealing in the firm for a long time. The other category of the respondents was in the age range of 30 -40 as reported by 15(30%) of the study respondents and these respondents' views were very important for the study as most of them were participating in the managing of inventories at the company who were the employees of the firm selected in the study area.

More so, 10(20%) of the study respondents were in the category age of 51 & above. These respondents' views were so great in the process of analyzing the study variable that helped to understand the problem. Finally, 02(04%) of the respondent indicated to be of below 30 years as these were of the least in number. The age composition of the study respondents could therefore be an important factor in generating valid information in relation to the objective questions.

4.2.3 Level of education of respondents

In order to get information from all categories of people, those that have attained primary, secondary, tertiary, and university levels of education were all approached during the study process. This established the levels of education of the respondents as indicated in table 4.

Table 4 : Level of education of the respondents

Level of education	**Frequency**	**Percentage (%)**
Primary level	05	10
Secondary level	26	52
Tertiary level	11	22
University level	08	16
Total	**50**	**100**

Source: Field data; 2023

The table showed that all the study respondents who had attained secondary and primary levels of education were mostly people in the production department as some were also performing differing tasks like offloading and loading the truck at the company. The above findings show that secondary level takes a lead in participating at Crown Beverages as compared to those with primary level, tertiary levels of education and University level of education. This is a manifestation that the information was from literate people and who understood the relationship between the study variables.

Table 5: Inventory planning and costs of storage keeping

		Frequency	% percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	12	24.0	24.0	24.0
	Agree	30	60.0	60.0	84.0
	Undecided	1	2.0	2.0	86.0
	Disagree	6	12.0	12.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 5 indicates that, 24% of the respondents answered Strongly Agree, 60% of the respondents answered Agree, 2% answered Undecided, and 12% of the respondents answered Disagree, while 2% answered Strongly Disagree. It indicates that inventory planning lowers storage keeping costs as seen by the above conclusions.

Table 6:Inventory planning and its effect on the timely delivery of goods and services

		Frequency	% percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	44	88.0	88.0	92.0
	Undecided	1	2.0	2.0	94.0
	Disagree	2	4.0	4.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 6 indicates that, 4% of the respondents answered Strongly Agree, 88% of the respondents answered Agree, 2% answered Undecided, 4% of the respondents answer Disagree, while 2% answered Strongly Disagree. It shows that inventory planning has an effect on timely delivery of goods and services as seen by the answers provided by the respondents which is an advantage to the company.

Table 7: Inventory planning and reduction on stock wastage

		Frequency	% Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	45	90.0	90.0	94.0
	Undecided	1	2.0	2.0	96.0
	Disagree	1	2.0	2.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 7 indicates that, 4% of the respondents answered Strongly Agree, 90% of the respondents answered Agree, 2% answered Undecided, 2% of the respondents answer Disagree, while 2% answered Strongly Disagree. It shows that inventory planning reduces on stock wastage, therefore the company should invest in inventory planning.

Table 8:Inventory planning and improved customer service

		Frequency	% Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	42	84.0	84.0	88.0
	Undecided	0	0.0	0.0	88.0
	Disagree	5	10.0	10.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 8 indicates that, 4% of the respondents answered Strongly Agree, 84% of the respondents answered Agree and 10% of the respondents answer Disagree, while 2% answered Strongly Disagree. It shows that inventory planning leads to improved customer service as seen by the majority falling on agree.

Table 9: Inventory planning on disruptions due to shortages.

		Frequency	% Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	42	84.0	84.0	88.0
	Undecided	0	0.0	0.0	88.0
	Disagree	5	10.0	10.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 9 indicates that, 4% of the respondents answered Strongly Agree, 84% of the respondents answered Agree and 10% of the respondents answer Disagree, while 2% answered Strongly Disagree. It shows that inventory planning reduces disruptions due to shortages as seen by the above results.

Table 10:Inventory tracking and cost reduction

		Frequency	%Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	47	94.0	94.0	98.0
	Undecided	0	0.0	0.0	0.0
	Disagree	1	2.0	2.0	100.0
	Strongly Disagree	0	0.0	0.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 10 indicates that, 4% of the respondents answered Strongly Agree, 94% of the respondents answered Agree, 0% answered Undecided, and 2% of the respondents answer Disagree, while o% answered Strongly Disagree. This indicates that inventory tracking has helped in cost reduction.

Table 11: Inventory tracking and improved order accuracy

		Frequency	% Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	12	24.0	24.0	24.0
	Agree	30	60.0	60.0	84.0
	Undecided	1	2.0	2.0	86.0
	Disagree	6	12.0	12.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 11 indicates that, 24% of the respondents answered Strongly Agree, 60% of the respondents answered Agree, 2% answered Undecided, and 12% of the respondents answered Disagree, while 2% answered Strongly Disagree. It indicates that inventory tracking leads to improved order accuracy.

Table 12: Inventory tracking and keeping up to date with customer needs

		Frequency	% Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	44	88.0	88.0	92.0
	Undecided	1	2.0	2.0	94.0
	Disagree	2	4.0	4.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 12 indicates that, 4% of the respondents answered Strongly Agree, 88% of the respondents answered Agree, 2% answered Undecided, 4% of the respondents answer Disagree, while 2% answered Strongly Disagree. It shows that inventory tracking helps the company to keep up to date with customer needs.

Table 13: Inventory tracking and easy storage and retrieval of materials

		Frequency	%Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	45	90.0	90.0	94.0
	Undecided	1	2.0	2.0	96.0
	Disagree	1	2.0	2.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 13 indicates that, 4% of the respondents answered Strongly Agree, 90% of the respondents answered Agree, 2% answered Undecided, 2% of the respondents answer Disagree, while 2% answered Strongly Disagree. It indicates that inventory tracking leads to easy storage and retrieval of materials.

Table 14:Inventory tracking and purchase of only necessary stock

		Frequency	% Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	42	84.0	84.0	88.0
	Undecided	0	0.0	0.0	88.0
	Disagree	5	10.0	10.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 14 indicates that, 4% of the respondents answered Strongly Agree, 84% of the respondents answered Agree and 10% of the respondents answer Disagree, while 2% answered Strongly Disagree. This indicates that inventory tracking leads to purchase of only necessary stock.

Table 15: Customer satisfaction and inventory documentation of the business.

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	42	84.0	84.0	88.0
	Undecided	0	0.0	0.0	88.0
	Disagree	5	10.0	10.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 15 indicates that, 4% of the respondents answered Strongly Agree, 84% of the respondents answered Agree and 10% of the respondents answer Disagree, while 2% answered Strongly Disagree. It shows that customers are actually satisfied with inventory documentation.

Table 16: Documentation systems and their effectiveness and efficiency

		Frequency	% Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	47	94.0	94.0	98.0
	Undecided	0	0.0	0.0	0.0
	Disagree	1	2.0	2.0	100.0
	Strongly Disagree	0	0.0	0.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 16 indicates that, 4% of the respondents answered Strongly Agree, 94% of the respondents answered Agree, 0% answered Undecided, and 2% of the respondents answer Disagree, while 0% answered Strongly Disagree. This indicates that documentation systems effective and efficient.

Table 17: Inventory documentation and cost reduction

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	12	24.0	24.0	24.0
	Agree	30	60.0	60.0	84.0
	Undecided	1	2.0	2.0	86.0
	Disagree	6	12.0	12.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 17 indicates that, 24% of the respondents answered Strongly Agree, 60% of the respondents answered Agree, 2% answered Undecided, and 12% of the respondents answered Disagree, while 2% answered Strongly Disagree. It indicates that inventory documentation helps in cost reduction.

Table 18: Inventory documentation and accuracy of stock keeping

		Frequency	Percentage	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	44	88.0	88.0	92.0
	Undecided	1	2.0	2.0	94.0
	Disagree	2	4.0	4.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 18 indicates that, 4% of the respondents answered Strongly Agree, 88% of the respondents answered Agree, 2% answered Undecided, 4% of the respondents answer Disagree, while 2% answered Strongly Disagree. It shows that inventory documentation improves accuracy of stock keeping.

Table 19: Targeted sales revenue for the first quarter in the last financial year

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	45	90.0	90.0	94.0
	Undecided	1	2.0	2.0	96.0
	Disagree	1	2.0	2.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 19 indicates that, 4% of the respondents answered Strongly Agree, 90% of the respondents answer red Agree, 2% answered Undecided, 2% of the respondents answer Disagree, while 2% answered Strongly Disagree. It indicates that Crown beverages Limited achieved the targeted sales revenue for the first quarter in the last financial year.

Table 20: Targeted sales revenue for the second quarter in the last financial year.

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	42	84.0	84.0	88.0
	Undecided	0	0.0	0.0	88.0
	Disagree	5	10.0	10.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 20 indicates that, 4% of the respondents answered Strongly Agree, 84% of the respondents answered Agree and 10% of the respondents answer Disagree, while 2% answered Strongly Disagree. It shows that the company achieved the targeted sales revenue for the second quarter in the last financial year

Table 21: Crown Beverages and growth in its profits from the previous financial year

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Strongly Agree	2	4.0	4.0	4.0
	Agree	42	84.0	84.0	88.0
	Undecided	0	0.0	0.0	88.0
	Disagree	5	10.0	10.0	98.0
	Strongly Disagree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2023

Table 21 indicates that, 4% of the respondents answered Strongly Agree, 84% of the respondents answered Agree and 10% of the respondents answer Disagree, while 2% answered Strongly Disagree. It shows that Crown Beverages has achieved a higher growth in its profits from the previous financial year.

CHAPTER FIVE

SUMMARY, CONCLUSION, DISCUSSIONS AND RECOMMENDATIONS

This chapter provides the summary of findings, gives the conclusions and recommendations of the study based on the objectives of the study.

5.1 Summary of key findings

The study revealed that inventory management practices boosts employee work morale, enhances continuous production and reduces resource wastage, likewise, respondents agreed that inventory planning minimizes scrap and rejects. The respondents agreed that inventory documentation reduces production costs and reduces delivery lead time. Finally, respondents also agreed that inventory tracking prevents shortages and stock out costs.

Based on the study findings, it is concluded that a significant and a positive relationship exists between inventory management practices and financial performance at Crown Beverages. In order to effectively automate inventory management, several systems have been developed so as to ensure that the firm holds the right quantities of stock so as to strike a balance between the costs involved and customer satisfaction. Economic Order Quantity (EOQ) practices have enabled the firm to estimate how much of an item should be ordered and when it should be ordered. Crown beverages limited orders that optimal quantity for an item of stock that minimizes cost. The total inventory-associated cost curve has a minimum point and this is the point where total inventory costs have been successfully minimized.

5.2 Conclusion

It is revealed that 77% of the respondents said that the documentation systems were effective and efficient where only 3% were not sure which lead to effective inventory management in the company which is a good thing. Inventory documentation is therefore very essential because records are kept safe and items can easily be retrieved which saves time and improves customer satisfaction.

A large number 99.3% of respondents agreed that improved inventory planning helped improve clients’ needs and preferences by the firm since the inventory managers are able to identify fast moving items hence making them available hence leading to high customer satisfaction. If inventory management is not adequately maintained and planned, production cannot meet the aspirations of customers which is loss of revenue to the organization. Right from procurement to the time of processing, quality of raw material is the chief determinant of the productive efficiency of any manufacturing concern. This varies from organization to organization.

On the question of whether improved inventory tracking reduces stock wastage 90% of the respondents strongly agreed that the company's ability to track its goods hence avoiding overstocking which leads to wastage. 50% of the respondents agreed that improved inventory tracking leads to easy storage and retrieval of materials. This showed that in this facility, they use coding as a method of serving their customers hence high consumer satisfaction.

Inventory management is very vital to the success and growth of organizations. The entire profitability of an organization is tied to the volume of products sold which has a direct relationship with the quality of the product. Management does a lot to present a good organization to the public in terms of quality production. Good inventory management in any manufacturing organization saves the organization from poor quality production, disappointment of seasoned customers, loss of profit and good social responsibility (Johnson, 2008). This is done by ensuring timely delivery of raw materials to the factory and distribution of finished goods, in order of production to the warehouse.

5.3 Recommendations

In light with the above study findings and conclusions, the following recommendations are made as under;

Since inventory management techniques do not normally lead to immediate efficiency of the company for improved performance, the study recommends management in manufacturing companies to always forward planning, centralize the purchase and store function, carry out stock taking exercise periodically as if such factors are adopted together then performance and efficiency of the company will be greatly influenced positively.

The study also recommends top management in most organizations to emphasis on the proper inventory management techniques and measuring of efficiency deviations to identify weaknesses in the process of managing inventories.

In addition, the study recommends managers in organizations especially those in developing countries like Uganda to always undertake forward production planning, this is because they will be able to know when the incoming sales orders can be scheduled for delivery and also takes into account current backlogs so that production and delivery schedules are realistic which will minimize inventory management costs.

It is also recommended that whether or not a perpetual/continuous stock control system is maintained, there should be continuous annual stocks take at the company. To this, procedures can be prescribed for this with emphasis on identifying damaged, slow moving, and obsolete stock and cut-off procedures.

In addition, inventories should be continuously checked with actual stocks held by independent officials, and inquires made into all reconciling differences. If this is done, theft challenge associated with inventory management will be minimized at the company premises.

5.4 Suggested areas for further research

The study was set to find out the impact of inventory management and performance of private organizations in Uganda while considering Crown Beverages Limited, further studies are suggested on the following areas as under;

i. The effect of materials handling techniques on employee's efficiency in private organizations
ii. The relationship between labor turnover and employees' efficiency among private organizations in Uganda.

REFERENCES

Adeyemi, S.L. & Salami, L.O. (2010). Inventory Management: A Tool of Optimizing Resources in a Manufacturing Industry. *Journal of Social Science,* 23(2), 135-142.

Anichebe, N. & Agu, O. (2013). Effect of Inventory Management on Organizational Effectiveness. Information and Knowledge Management, 3(8), 92-101.

A'Razi, J. Michael T., (2003). "An applied model for improving inventory management in ERP systems", Logistics Information Management, 16: 2, 114 – 124.

Bailey, P., & Farmer, D. (2012). Managing Materials Handbook. Aldershot: Gower Press.

Bassin, H. (2014). Multi-Item Inventory Control: A Multi Criteria View. European *Journal of Operational Research, 87, 685-692.*

Bicheno, J. (2014). Supplier Partnerships. National Institute for Manufacturing Management

Bloomberg, D., LeMay, S., & Hanna, J. (2012). Logistics, Supper Saddle River: Prentice Hall.

Borg, W. R., & Gall, M. D. (1989). Educational Research: An Introduction (5ed.). New York: Longman.

Brason, S. (2005). Strategic Operations. Management, (2nd ed), Butterworth, Heinemann, UK

Brent, D., Williams, F. & Travis, T. (2008). "A Review of Inventory Management Research In Major Logistics.

Buffa, M., & Sarin, K. (2007). The Effect of Inventory Management on Firm Performance. *International Journal of Productivity and Performance Management, 57,* 355-369.

Chalotra, V. (2013). Inventory Management and Small Firms Growth: An Analytical Study in

Supply Chain. Vision, 17(3), 213–222

Chase, Bai, L., & Zhong, K. (2009). Inventory Policy for Dense Retail Outlets. *Journal of Operations Management,* 18, 303-16.

Cheng, T., Chao-Kuei, H. & Kuo-Chao, Chen. (2004). "Inventory model involving lead time and setup cost as decision variables." *Journal of statistics and management systems 7*(1), 131-141.

Colvin, J.G. & Slevin, D.P. (2007). The Structures in Fives: Designing Effective Organizations.
Englewood Cliffs, N.J., Prentice-Hall.

David, B. (2009). The Why of Inventory Management. England, Pearson Education Ltd.

David, J. & Alex, M. (2014). Storage and Supply of Materials, (6th ed), Prentice Hall Publishing.

Dawson, K. (2010). Analysing Planning in an Organization, a *Journal of Management, university of London,* Macmillan Press, Lagos

Dess, C. & Robinson, W. (2014). Manufacturing planning and control for supply chain management. New York: McGraw.

Dimitrios, P. & Koumanakos, U. (2008) "The Effects of Inventory Management on Firm Performance", *International Journal of Productivity and 458 IJISET - International Journal of Innovative Science, Engineering & Technology,* www.ijiset.com 2348 – 7968

Dimitrios, P. (2008). The effect of inventory management on firm performance. International *Journal of Productivity and Performance Management,* 57, 215-223 40.

Dobler, K. & Burt, H. (2008). Purchasing management. (6th ed.). Mcgraw Hill international Edition.

Drucker, P. F. (2011). The Theory and Practice of Management, a broader perspective, (4th ed),
New York Press.

Drurry, C. (2004). Management and Cost accounting. London: Prentice Hall.

Malcom, S. (2005). Strategic Purchasing and Supply Chain Management 2nd edition, Pittman Publishing, 128, long acre London wc2e 9an.

Farzaneh, D.P. (2012). The Effect of inventory management on firm performance. *International Journal of Productivity and Performance Management,* 57(5), 355-369.

Feng Yang, Wade, D. & Cook, J.Z. (2006). DEA models for supply chain efficiency evaluation,
Annals of Operations Research, July 2006, 145, (1), 35-49.

Frahm, S. (2003). Vendor Managed Inventory (VMI): Three steps in making it work, http://scm.ncsu.edu/scm-articles/article/vendor-managed-inventory-vmi-threesteps-in-making-it-work.

Gary, J.Z. (1997). Purchasing and the Management of Materials Florida State University, 7th Edition, Simultaneously, Canada, USA.

Gregory, A.G. & Michael, J.M. (2006) "Implementation Issues Influencing the Decision to Adopt Postponement", *International Journal of Operations & Production Management, 26*(10), 1068–1083.

Goldratt, I. (2004). Procurement Principles and Management. Harlow: Pearson Education.

Gonzalez, G. & Gonzalez, K. (2010). What actually happened to the inventories of American Companies between 1981 and 2000? Management Science, 51(7), 1015-31.

Halldorsson, M. (2007). Aligning Supply Chain Strategies with Product Uncertainties. California Management Review, 44(3), 105-19.

Hau L. Lee & Corey Billington (2000), Managing Supply Chain Inventory, Magazine: Rabinovich, Elliot, and philiptoddevers." postponement effects on inventory performance and the impact of information systems." International Journal of Logistics Management (2003).

Holmberg, S. (2009). A systems perspective on inventory measurements. *International Journal of Physical Distribution and Logistics Management, 30*(10), 847–68

Hugo, M. Etim, J.J. & Eckert, S.G. (2009). Inventory Management and its effects on customer satisfaction. *Journal of Public policy.*

Jessop, D. (2009). Storage and supply of materials: (6th ed). London: Financial Times

Jones, T. C., & Riley, D. W. (2009). Using inventory for competitive advantage through supply chain management. *International Journal of Physical Distribution & Logistics Management, 15*(5), 16-26.

Kazim, S. (2008). Inventory inaccuracy and performance of collaborative supply chain practices. *Industrial management and data systems, 108*, 495-509.

Kabossa, (2003) "Purchasing and supply chain management practices in Botswana", Supply Chain Management: *An International Journal, 8*: 1, 7.

Ken, L. (2010). Management Information. Systems, Managing the Digital Firm, Pearson Education Ltd. New Delhi, India

Kenneth, A., & Kenneth, D. A. (2008). Explorations in classical Sociological theory: Seeing the Social World. Pine Forge Press. pp. 172–176.

Kimaiyo, K.K. & Ochiri, G. (2014). Role of Inventory Management on Performance of Manufacturing Firms in Kenya – A case of new Kenya Cooperative Creameries. *European Journal of Business Management, 2*(1), 336-341. 41

Lau A., & Snell R. (2006); Structure and growth in small Hong Kong enterprises. International
Journal of Entrepreneurial Behaviour & research, 2 (3), 29-47.

Lau, A., & Snell, Mirr Jansen, (2006). Article tittle. Core concepts for professional role development

Lee, L., Burt, D. (2000), Purchasing and materials management: text and cases, McGraw-Hilll,
New York, NY Performance Management, Vol. 57 Iss: 5, pp.355 – 369

Lin Y. & Yao L. (2000). An application of fuzzy sets theory to the EOQ model with imperfect quality
items Original Research Article Computers & Operations Research, Volume 31, Issue 12, October 2004

Morris, M. (2002). Quantitative Approach in Business Studies: London: Pitman Publisher. Nigeria Bottling Company. 2002. Annual Report

Ogbo, O. & Wilfred, R. (2014). The effect of inventory management on firm performance. *International Journal of Productivity and 458 IJISET International Journal of Innovative Science, Engineering & Technology, 1*(4), June 2014. www.ijiset.com ISSN 2348– 7968.

Peter, F., Wanke, H. & Walter, Z. (2004) "Strategic logistics decision making", International Journal of Physical Distribution & Logistics Management, 34 (6), 466 – 478.

APPENDICES

APPENDIX ONE; STRCTURED QUESTIONAIRE

I am Chelimo Anita a student of Uganda Christian University conducting a research study on "the effect of inventory management and financial performance using Crown Beverages as the case study in Nakawa District, as a requirement for the award of Bachelor's degree in Business Administration.

I am kindly requesting you to assist me in this study by answering the following questions. I assure you that your information will be treated with utmost confidentiality.

SECTION A: Demographic Data Please tick (√) in the appropriate box as the most agreed answer to the following statements.

1. Gender of the respondent.

☐ Male ☐ Female

2. Age group of the respondent.

☐ 21-30 years ☐ 31-40 years ☐ 41-50 years ☐ above 50 years

3. Marital status of the respondent.

☐ Single ☐ Married ☐ Widow ☐ Widower ☐ Divorced

4. Education level of the respondent.

Primary level ☐ Secondary level ☐ Certificate level ☐

Diploma level ☐ Bachelor's level ☐ Masters Level ☐

Others specify……………………………………………………………………………………….

5. For how long have you been working with this organisation?

0 – 5 years ☐ 6-10 years ☐ 11-15 years ☐ Above 15 years ☐

SECTION B

Indicate the extent at which you Agree or Disagree with each of the statements. Strongly Agree=SA, agree= A, Undecided=U, disagree= D, Strongly Disagree=SD. Please tick [√] were necessary

INVENTORY PLANNING

S/N	**QUESTIONS**	SA	A	U	D	SD
1.	Does inventory planning lower costs of storage keeping?					
2.	Does inventory planning have an effect on the timely delivery of goods and services ?					
3	Does inventory planning reduce on stock wastage?					
4	Does inventory planning lead to improved customer service?					
5	Does inventory planning reduce disruptions due to shortages?					

INVENTORY TRACKING

	QUESTIONS:	SA	A	U	D	SD
1.	Indicate whether inventory tracking has helped in cost reduction					

2.	Does inventory tracking lead to improved order accuracy?					
3.	Does inventory tracking help the company to keep up to date with customer needs?					
4.	Does inventory tracking lead to easy storage and retrieval of materials?					
5.	Does inventory tracking lead to purchase of only necessary stock?					

INVENTORY DOCUMENTATION

S/N	**QUESTIONS**	SA	A	U	D	SD
1.	Are customers satisfied with inventory documentation of the business?					

QUESTIONS	**SA**	**A**	**U**	**D**	**SD**

2.	Are documentation systems effective and efficient ?					
3.	Does inventory documentation help in cost reduction ?					
4.	Does inventory documentation improve accuracy of stock keeping?					
5.	Does inventory documentation lead to increased safety of items?					

Crown beverages Limited achieved the targeted sales revenue for the first quarter in the last financial year					
It achieved the targeted sales revenue for the second quarter in the last financial year					
Crown Beverages Limited achieved the targeted growth in its revenue for the third quarter in the last financial year					
Crown Beverages has achieved a higher growth in its profits from the previous financial year					
It has achieved a higher growth in its Return on Equity from the previous financial year					

FINANCIAL PERFORMANCE

UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

SCHOOL OF BUSINESS

1st Aug 2023

TO WHOM IT MAY CONCERN

Name: CHELIMO ANITA Reg. No. J21B05/459

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

"Effect of Inventory Management on Financial Performance"

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

The Uganda Christian University School of Business thanks you in advance

....

Mukisa Simon Peter
Research coordinator