

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND
TECHNOLOGY- KUMASI, GHANA.**

**CLIENT SUPPLIER RELATIONSHIP MANAGEMENT IN
PROCUREMENT OF GOODS**

BY:

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A dissertation submitted to the Department of Building Technology,
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MASTER OF SCIENCE IN PROCUREMENT MANAGEMENT

NOVEMBER, 2015

CERTIFICATION

This is to certify that, no part of this **Dissertation** has ever being submitted to this University nor any other University or body whether for the purpose of assignment, publication or for any other purpose. I therefore declare that except for references to work of other researchers which have been duly cited, this project work consist entirely of my original research finding and that no part of it has been presented for another award elsewhere.

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ABSTRACT

Empirically, causation has been established between procurement, particularly public procurement, and the development of a nation. The probable explanation perhaps lies in the fact that it forms a significant portion of the Gross Domestic Product (GDP). Procurement of goods, as part of procurement, is regularly done unlike the other procurements. Albeit its significance, procurement can be very complicated despite the seemingly linear definition of acquisition of goods. By extension the management of this relationship determines the significance of procurement as it can impact positively or negatively on the procurement process. The aim of this study was tailored to explore this relationship that exists between the major actors of procurement of goods – Client and Suppliers. The study adopted a more hybrid form of research design using a case-study and survey questionnaire to elicit responses from the participants. Out of the twenty questionnaires administered, twenty were completed and returned representing a 100% response rate. The study revealed that the benefits of Client-Supplier Relationship Management (CSRM) are all significant. Key benefits were: *Better access to technological innovations, Reduction of inventory and improved security of supply.* The study also identified top management support, control and compliance, and enabling technologies as the most Critical Success Factors (CSF) to good CSRM. The challenges identified were not significant. However, it suffices to mention here that the challenges should not be overlooked particularly, limited engagement and sponsorship from top-management, lack of specific Supplier Relationship Management (SRM) competencies and skills, and strategic objectives that are not compatible. The main conclusion is CSRM has varying potential benefits which can be generally very high and high implying CSRM has the potential to save the client several millions of Ghana Cedis. Top-management support is critical to the management of client and supplier relationship. It is recommended that the CSRM be given top-management support and be considered as a cooperate strategy in the organisation.

Keywords: Clients, Procurement of Goods, Relationship, Suppliers

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DEDICATION

This work is dedicated to my sweet mother; Madam Agnes Attakora Karikari who financed and encouraged me to persue this programme. May God richly bless you with long healthy life and greater grace.

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ABBREVIATIONS

AHP	-	Analytical Hierarchy Process
ANP	-	Analytical Network Process
CSF	-	Critical Success Factors
CSR	-	Client Supplier Relationship
CSRM	-	Client Supplier Relationship Management
GDP	-	Gross Domestic Product
KNUST	-	Kwame Nkrumah University of Science and Technology
SRM	-	Supplier Relationship Management



CHAPTER ONE

GENERAL INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Procurement impacts on the development of a nation, particularly, public procurement as established by several empirical studies. For instance, McCrudden (2004) alluded that public procurement is significant in the attainment of social outcomes. Not only that, firms also use procurement to improve their global competitiveness (i.e. global outsourcing). Within all these, it is appreciated that procurement is not unilateral, but the active involvement of parties. In consequence, Rotchanakitumnuai (2013) argued that the procurement process is very complicated despite the seemingly easy usual definition of acquisition of goods or services by an organisation. Interestingly, notwithstanding how complex the procurement process may be; the parties traditionally are reduced to two key people – client and supplier. It can be argued that it is the relationship that exists between these parties actually define the complexity of procurement.

Knowing this as a major driver of competition and in consequence growth, van Hoek (2013) outlined various reasons for the practice of Supplier Relationship Management (SRM) in procurement:

1. Aids in negotiated savings
2. Brings innovative suggestions out of suppliers as they see procurement more than just a business; and
3. Promotes quality assurance.

Additionally, procurement excellence dictates the adoption of a value-driven orientation with supplier collaboration as the focal point or a key cornerstone (van Hoek, 2013). These further underscore the essentials of client-supplier relationship in the

procurement process. From a very humble beginning the concept of SRM has matured into a full industry tagged as a Multimillion-dollar industry (Choy et al., 2003); and as such imperative to the survival of businesses in the ever increasing competitive market. Notwithstanding, developing a strong client-supplier relationship involves then investment of huge competitive resources (Gadde and Snehota, 2000).

In view of its imperatives, it is essential to define what constitutes Client-Supplier Relationship. Over the years, many studies have evolved around this theory. Whereas others have looked at the issue of relationships unilaterally: for instance supplier relationship (e.g. Gadde and Snehota, 2000; Nyamasege and Biraori, 2015), some authors have also looked into customer relationship (e.g. Choy et al., 2003); and with the increasing global competition there is the need to examine the issue mutually, combine these forms – customer (client) and supplier (O'Toole and Donaldson, 2002). The overarching goal is to streamline and in consequence make effective the processes between an organisation (client) and suppliers (Nyamasege and Biraori, 2015). By actively involving the suppliers and thereby enhancing relationship between the client and the supplier, the firm or client makes better use of the supplier's technology and capabilities.

Acquisition of goods, although forms part of procurement, is something that is regularly done. Management processes are not complex and as such the relationship between the client and the supplier is more often than not usually neglected. From the foregoing, there is the increasing recognition to improve the relationship that exists between clients and suppliers. It is against this background that the study would look into ways of improving on these relationships that exist between clients and suppliers Bemelmans, et al., 2012.

1.2 PROBLEM STATEMENT

Many researchers and practitioners have alluded to the significance of Client-Supplier Relationship Management in procurement processes. Amidst all these assertions, many organisations and institutions are confronted with the herculean challenge of making this work i.e. starting, developing and managing relationship (van Hoek, 2013). Added to this procedural challenges is the resource-intensive nature of the relationship, and accordingly the demand it places on the scarce purse of the organisations (Gadde and Snehota, 2000). It is therefore not surprising that many organisations faced the procedural challenges of initiating and thus maintaining the relationship since a chunk of these firms are financially constraint.

In Kenya, it was reported that as high as seventy percent (70%) of public sector organisations experience procurement challenges which in turn impact adversely on service delivery (cf. Nyamasege and Biraori, 2015). This situation is nothing different from the happenings of many developing countries, especially in the Sub-Saharan Region. The major difficulty is seen through the lens of relationships. In response to this challenge, many studies have been underlined with themes such as partnership management (Ellram, 1995), outsourcing (Mullin, 1996), strategic alliances, and supply chain co-operation and collaboration (Christopher and Juttner, 2000). Surprisingly, these studies were conducted in a more developed countries that perhaps understand the concept of relationship in business transactions such as procurement of goods. Replicating the findings of these studies in developing countries, and Ghana for that matter would not work because of contextual and geographical differences.

It was therefore imperative to examine the relationship management of ClientSupplier in the acquisition of goods in the Public Sector in Ghana.

1.3 AIM AND OBJECTIVES

1.3.1 Aim

The aim of the study is to assess the impact of relationship between clients and suppliers in procurement of goods.

1.3.2 Objectives

To achieve the aim of this study, three objectives were set. These include:

1. To identify the benefits of Client-Supplier Relationship Management in procurement of goods.
2. To identify the Critical Success Factors (CSF) of Client-Supplier Relationship Management in the procurement of goods.
3. To assess the challenges of Client-Supplier Relationship Management in the procurement of goods.

1.4 SCOPE OF THE STUDY

The study, geographically, is delineated to the Kwame Nkrumah University of Science and Technology (KNUST) in the Ashanti region of Ghana. Specifically, the procurement unit was targeted since they have the onus responsibility of procuring goods. The study population included professionals directly in-charge of procuring goods at the department.

1.5 RESEARCH DESIGN

The study will adopt a mixed methodological stance in the form of qualitative and quantitative research strategies. However, to a very large extent this study shall follow the positivist approach which implies that the dominant research strategy shall be quantitative. Following an in-depth review of literature which would sharply focus on issues related to supply chain management, procurement, supplier relationship

management, etc.; the study shall rely on questionnaire survey to elicit responses from the population of the study. Data analysis shall be undertaken using descriptive statistics using means, standard deviation, and with more detailed analysis with appropriate statistical tools of test significance.

1.6 SIGNIFICANCE OF THE STUDY

A study by PwC in Netherlands revealed that almost all self-respecting procurement organisations have the stated intent to do more in the discipline of supplier relationship management (van Hoek, 2013). This is perhaps stimulated by the growing interest in the relationship between client and suppliers, and the competitive advantage that accompanies it. The study will, therefore, be of significance to many stakeholders. For instance, the results of this study will improve the relationship that exists between the client and suppliers. Plus negotiated benefits are better realised through a good client-supplier relationship, and ultimately the client is likely to cut down cost.

This implies that there is enough compelling evidence, both empirically and anecdotally, to undertake this study.

1.7 DISSERTATION ORGANISATION

The dissertation consists of five chapters. Chapter One outlines the framework within which the research was initiated, and proceeds to define the aim and objectives of the study. The scope and the research design are introduced briefly. The justification, otherwise the significance of the study is presented.

Chapter Two presents the review of related literature focusing on procurement, supplier relationship management, etc. The chapter will identify the gaps, and attempt to tie them together. Here the emphasis will be the lack of supplier relationship management in procurement in Ghana.

In Chapter Three, the research methodology adopted for the study shall be explicitly defined. In this case a quantitative research methodology.

Chapter Four also presents analysis of the data, with discussions outlining the data surveyed. Lastly, Chapter Five closes the study with a summary of the finding and practical implication of the study.



CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

In a world driven by competition, the management of Client-Supplier Relationship is central to the survival of businesses (Ambrose et al., 2010 cited from Harland, 1996). In consequence, competitive forces are fueling the need for improved services and delivery of such innovative services (Kannan and Tan, 2006). At every level of corporate organisation, the benefit of client-supplier relationship management is represented. For example, at an operational level maintaining close relationships with suppliers result in reduced cost, improved quality or delivery service, etc. (Kannan and Tan, 2006). At a strategic level, Kannan and Tan (2006) opined that it should lead to sustainable competitiveness of the firm, market share, etc.

2.2 SUPPLY CHAIN MANAGEMENT

2.2.1 General Overview

Benton et al. (2010) stated that construction and its related processes as a whole has altered in complexity over time but the fundamental objectives of the industry is the same as it was over 100 years ago which is to build infrastructure and other businesses (Benton et al., 2010). Various industries have applied the concept of supply chain management (SCM) like the manufacturing sector and a number of studies have been conducted in attempt to apply the same concept in the construction industry (for example O'Brien et al., 2008; Kara et al., 2008; Yim et al., 2011); nevertheless it is typical to hear people argue that the construction industry is entirely divergent from other industries so obviously concepts that work for other industries for improving performance and efficiency may not entirely apply in the construction industry (Segerstedt and Olofsson, 2010). The supply chain basically talks about all components

that come together to create or manufacture a product. Traditionally, construction supply chain consists of architects and engineers, prime contractors, specialty subcontractors, and material suppliers that come together one time to build a single project for a specific owner (Benton and McHenry 2010).

Specific occurrences in the construction industry intercept the achievement of supply chain flows as effective as in other industries like the manufacturing industry (Koskela 1992). A typical occurrence is that a construction company in charge of a construction project mostly executes only a small percentage of the project by its own resources (personnel and production facilities). The greater portion, of the project is executed with the help of suppliers and subcontractors from other firms (Dubois and Gadde, 2000).

Supply chain management (SCM) is the management of flow of materials and information between facilities (Thomas and Griffin, 1996). Facilities include vendors, manufacturing, assembly plants and distribution centers. Understanding the basic responsibilities of constituent members of the construction supply chain is essential in optimizing the performance of the supply chain (Ganeshan, 1999); so is not surprising that supply chain management (SCM) concept have been propounded as remedies to poor performance of the construction industry as stated by Vrijhoef and Koskela in 2000; and have experienced an outstanding increase in interest in construction research (Latham, 1994). However, the industry in terms of managing the supply chains seems to facing lots of challenges (Briscoe and Dainty, 2005). Varieties of discussions have been held in order to address these problems and many authors came out with solutions such as the fragmentation of the industry (Dainty et al., 2001), and the separation of the design and production processes (Egan, 1998; Cooper et al., 2003). Lack of coordination and communication between participants of the supply chain has been suggested by Cox and Ireland (2002) as the root causes of all the supply chain problems.

2.2.2 Supply chain risk

There are diverse supply chain risks faced in the construction industry and they are under overwhelming pressure to manage, mitigate and transfer them effectively (Wildgoose, 2014). According to Benton et al. (2010) supply chain risks may originate from one or more of the various entities in the supply chain (project owner, architect, prime contractor, subcontractors and suppliers). However, the root cause of the supply chain risk was blamed on the fragmented and distinguished nature of the industry and also stated that the industry is made up of a collection of large and small firms, related bulk material suppliers, and many other support professionals that comes together to form the supply chain.

According to Vrijhoef (2000), a critical look at the construction supply chain unveils the following; there are a lot of wastes and problems in the construction supply chain and also most of these wastes occur in another stage rather than the stage that they were spotted. The waste identified is caused by obsolete control of the supply chain. Unfortunately, construction supply chain management research tends to focus on the end of supply chain networks, examining just one element of the delivery chain, the contractor. The reason has been that, research is generally easier to undertake when the unit of study is large and easily identifiable (e.g. a contractor) (Green et al., 2005). Ganeshan (1999) realized that, to fully optimize the performance of supply chain, it is important to totally apprehend all the components of the supply chain therefore it should not be viewed from the perspective of a single organization (the contractor) and its ability to control other firms (sub-contractors and suppliers) (Parsons et al., 2000).

2.2.3 Supply chain collaboration

The beginning of 1990 saw a drastic uprise in the interest of supply chain management in order to get an insight and categorize the dearth and to recommend solutions to upgrade the collaboration of clients, suppliers, contractors and subcontractors in the construction supply chain (Segerstedt and Olofsson, 2010). Björnfort and Torjussen in 2001 had the same view by stipulating that, the current competitive industrial regime means that, industries must react quickly to market changes by strategically collaborating with each other. According to Cao et al. (2010), supply chain management collaboration means, independent firms that form long-term relationships and work closely to plan and execute supply chain activities. The primary reason for collaboration is to improve overall performance for the benefit of all chain members (Prakash and Deshmukh, 2010).

Many authors identified the imperative of various actors in supply chain collaboration in varying perspective. For instance, Wang et al. (2009) investigated supply chain system in relation to product development focusing on efficiency. Lau et al. (2008) researched on real-time supply chain control in relation to risk reduction. Supply chain research has also been done to examine stability and competitive positioning in supply chain logistics collaboration (Klein et al., 2007). Agapiou et al. (1998) introduced suppliers providing inputs for the building industry as an important player in the supply chain. Briscoe et al. (2004) identified that the client is the most significant actor in achieving collaboration in the supply chain but Dubois and Gadde (2002) suggested a more integrated supply chain using collaborative agreements between contractors, suppliers and clients. Vrijhoef and de Ridder (2005) evolved the concept of supply chain collaboration further and elaborated on two strategies for collaboration; supplier driven collaboration and client driven collaboration.

This research is been conducted to assert the impact of collaboration between clients and suppliers as actors in the supply chain in goods procurement.

2.3 THE CONCEPT OF SUPPLIER RELATIONSHIP MANAGEMENT

2.3.1 General Overview

According to Park et al. (2009), for SCM to effectively function, the purchasing department must be well scrutinized. The same author stipulated that, the significance of the purchasing increases as the purchasing and outsourcing costs assume a greater portion of the total costs of the manufacturing process. In relation to this effect, companies have focused more on the supplier relationship management (SRM) system. Researchers in this concept have dealt with the SRM by concentrating on specific motif, such as purchasing strategy, supplier selection and supplier development. An SRM system strategically targets collaboration with suppliers, so that a company can create a new product competitively and produce goods effectively (Park et al. 2009). This section will examine various issues like purchasing strategies, supplier selection, collaboration, and supplier management

2.3.2 Purchasing strategies

Park et al. (2009) categorized purchasing strategies is into two forms; the competitive approach and the cooperative approach. The competitive approach also called the traditional approach infers that with regards to competition between suppliers, buyers can procure goods at base price while the cooperative approach also known as the modern approach describes a scenario where the supplier and buyer comes together to form a well-planned collaboration and depend on each another to achieve a long-term goal (Chandra and Kumar, 2000). Both approaches bear their own advantages and disadvantages therefore it falls on the purchasing management to adopt the best

approach for various situations. Different researchers have come out with ideas, which shows that by varying the items purchased and the purchasing types, the items can be purchased in a better condition which is basically focused on cost reduction (Park et al. 2009).

2.3.3 Supplier selection

Making the decision of selecting a particular supplier and the evaluation that it requires is a very delicate and complicated task (Park et al. 2009). This can obviously be attributed to the fact that supplier's evaluation is done by considering different benchmarks and also each supplier has a different strong suit. Other researchers identified varying complications in selecting a supplier; Ustun and Demirtas, (2008) talked about the problem of single sourcing and Ghodsypour and O'Brien, (1998) identified the problems associated with multiple sourcing.

The supplier selection process as identified by various researchers to complicated demands management to brainstorm and ask questions like;

Which criteria should be considered in the assessment of suppliers (Weber et al., 1991)?

Which technique should be applied for the evaluation of suppliers in the decisionmaking process so that they can be properly selected (Schniederjans and Garvin, 1997)?

2.3.3.1 Remedies to problems in supplier selection

The supplier selection problem is most often described as decision-making problem that is affected by varying factors (Amid et al., 2009). Various studies have proposed possible ways of dealing with both single sourcing and multiple sourcing problems. Utilizing the analytical hierarchy process (AHP) (Lee et al., 2001) and the analytic

network process (ANP) (Sarkis and Talluri, 2002) can remedy the single sourcing problem while linear weighting methods (De Boer et al., 1998) and mathematical programming (MP) techniques (Benton, 1991) can extinguish the problem of multiple sourcing.

2.3.4 Collaboration

In many industries, the construction industry in this scenario, firms encourage suppliers to be involved in every aspect of the project as a way to improve quality, reduce cost, and release new products smoothly and deliver project on time thus meeting overall client's requirements.

Collaboration between the supplier and the contractor can be categorized: focusing on the collaboration strategy or by using an SRM system to carry out the collaboration strategy. .

The most popular collaboration techniques are just in time purchasing (JITP) and vendor managed inventory (VMI).The JITP is a very popular technique and is applied in almost all industries. This concept makes the customer's just in time operations possible (Kaynak and Hartley,2006).The VMI technique applies when suppliers take responsibility for a range of contracts and manage the buyer's inventory (Simchi-Levi et al., 2003);.

2.3.5 Supplier management

Suppliers tenders for provision of particular goods stating the price they can supply the goods and the INCOTERMS involved. The supplier's tenders are evaluated and after evaluation a supplier is selected and a contract is signed. A supplier evaluation involve

rating a supplier's value by measuring the selected supplier's capability and performance. The result of the evaluation is used to select a supplier (Roodhooft and Konings, 1996) and to segment a supplier for differentiated supplier development.

The main goal of supplier development is to increase the supplier's capability to fulfill supply needs over short- or long-term periods.

2.4 CLIENT-SUPPLIER RELATIONSHIP MANAGEMENT

There are some discussions about the definition of relationship in the context of client-supplier relationship. Campbell (1997), defined four types of relationship; selfcentered, personal loyalty, mutual investment and political control. Self-centered focus on firm needs while personal loyalty talks about mutual responsibility and commitment. Mutual investment deals with long-term commitment for strategic advantage and political control is mutual dependence and high levels of integration.

O'Toole and Donaldson (2000) defined relationships as bilateral which means mutual cooperation recurrent.

The construction industry is a highly fragmented industry as described by Barlow and Jashapara (1998). In the past the construction industry has been described by a numerous researchers as being characterized by low levels of trust between buyers and sellers (Bresnen and Marshall, 2000). The same author argues that formulation of relationships in the construction industry are driven by the industrial context typically because the industry is webbed around short-term projects in which contractors and suppliers negotiate in a form of a binding contract in order to achieve specific ambitions before terminating the contract. In that respect, it is very essential to manage effectively the relationship between clients and suppliers. Thorough study of the construction industry and its players suggests that buyers tend to prefer closer relationships with

suppliers when they wish to control the dependability of supply or influence supplier quality and delivery schedules (Ellram, 1995) which is similar with suppliers when they seek to secure long-term, reliable markets. This serve as a motivation to both suppliers and contractors to form long lasting bonds with each other. Clients based organization must not go into relationships with just any supplier. (Dyer et al., 1998). He prescribed that clients must differentiate the supplier base and the methods of working with them and that long-term relations should be geared towards strategic partners who includes suppliers that provide inputs that are of high value and quality.

Competitive forces are putting firms under weight to improve quality and delivery performance at a reduced cost. Prahalad and Hamel (1990) identified that the increased outsourcing of activities is as a result of increased pressure on firms to delivery high quality products on time and at a reduced cost. Outsourcing enable firms to optimize the use of their resources and also allows them to be more dynamic and responsive to changing needs. The overwhelming increase in outsourcing however means that, clients will depend greatly on suppliers which also bring out the need for firms to develop solid relationships with suppliers (Scannell et al., 2000).

Recent developments in the construction industry shows that contractors constantly depend on their suppliers, for realizing projects and for achieving the required performance in these projects. Empirical studies have shown that up to 90% of the project yield for contractors is spent on buying goods or services (Hinze and Tracey, 1994). The overwhelming percentage of project income which is spent on buying goods and services by contractors provides opportunities for contractor-supplier cooperation and emphasizes the importance and significance of managing suppliers.

Therefore, it was surprising then that in 2001, Dainty et al. stipulated that the main focus in construction related research is on the contractor-client relationship rather than that of supplier-client relationship. The term supplier in construction terms covers not only material suppliers but subcontractors, and service suppliers (Jeroen and Hans, 2012). The search for criteria that distinguish efficient relationships between buyers and suppliers has been ongoing for the last few decades and has been a natural step in the advancement of supplier relationship management.

2.5 CRITICAL SUCCESS FACTORS FOR SUPPLIER RELATIONSHIP MANAGEMENT

There has been an overwhelming advancement in supplier relationship management due to efficient relationship between buyers and suppliers. Furthermore, several studies have shown that long-term relations and partnerships between buyer and supplier increase the financial and purchasing efficiency of the involved organizations (Janda and Seshadri, 2001) and that commitment and trust are the cornerstones of these relations (Krause 1999). Existing literature indicates that there are organizational and technical preconditions that leads to effective implementation of supply chain management practices (Kotzab *et al.*, 2011). It involves the firm and its business-to-business suppliers developing strategies that contribute to their joint success and selecting suppliers with similar goals (Wathne and Heide, 2000). This chapter talks about the strategies in literature that will upgrade the efficiency of Client-Supplier Relationship management.

2.5.1 Top management support

Top management support in literature is one of the strategies that can be adopted to bring about success in supplier-client relationship management. This concept depicts the favorable impacts of high ranked management's influence over a decision or

operation (Eric and Powers, 2015). Top management support helps increase the chances of supplier-client relationship management success by improving the management of the overall strategic process and optimizing the organization's outputs and inputs to achieve a competitive advantage (Huffman and Hegarty, 1993); and also top management support also improves the performance of the organization in terms of attaining goals and innovations (Van Egeren and O'Connor, 1998).

2.5.2 Relationship governance

Trust, coordination and interdependence are considered imperative for relationship governance and it is stated to be the most critical factor which is based on reliable role performance, and the frequency of communication between the two parties (McAllister, 1995). Moorman *et al.*, (1992) indicated trust to represent the extent of confidence in the other firm's willingness to act for the mutual benefit of both firms. The ability of the firms to govern their relationship also depends on their ability to resolve disputes. Moreover, Monczka *et al.* (1998) stipulated that, joint problem solving can serve as a means of improving quality performance basically because no firm loses in most situations. The same author also went on to add that, the extent of information sharing also plays a crucial role in relationship governance.

2.5.3 Governance structure is in place

A structured way of selecting a supplier is also one of the strategies that can be adopted to bring about success in supplier-client relationship management. This concept depicts that supplier selection by the buyer should follow a formal process which may include in most cases identification of the specific goods to be purchased and developing relationships with the appropriate supplier (Frodell 2010). Basically, strategic relationships should not be engaged with all suppliers (Monczka *et al.* 1998).He

proposed that, before starting a long-term relationship, a formal assessment of conditions such as the supplier's cultural alignment as well as the supplier's capability to upgrade itself and willingness to initiate a long-term relation with the buying organization.

2.5.4 Enabling technologies

Enabling technology comes in two folds; technological capability and agreeing on the selection and use of technology by the two firms (Richey *et al.*, 2007). All the two categories are both equally important to successfully manage the strategic supplier relationships. For the partner firms to effectively make use of technology, they need to have a similar level of capability and to have a similar perspective and focus on the use of that technology (Tong *et al.*, 2008). These two elements are also seen to contribute to improved performance for both partners (Wilson, 1995).

2.5.5 Benefits measurements

The benefits of a successful supplier-client relationship management can also be regarded as a strategy as both parties gain from this relationship. For instance the assumption of an effective strategic supplier relationship is related to producing enduser-related quality outcomes in bringing a product or service to market. It also improves the financial capabilities of retailers (Andraski, 1998). In totality, a successful contractor-supplier relation would help in cutting costs and reducing lead times because of the involvement of both contractor and supplier in the progress the project (Frodell, 2010).

2.6 BENEFITS OF CLIENT-SUPPLIER RELATIONSHIP MANAGEMENT

The various benefits of client-supplier relationship management has brought out the need to switch from competitive approach where competition between suppliers enable

buyers to obtain goods at a low price to cooperative approach, where the supplier and buyer form a strategic relationship and cooperate with one another to achieve a long-term goal (Chandra and Kumar, 2000). The benefit of this concept can be categorized under operational level and strategic level. At an operational level, the benefit to a buyer of buyer-supplier relationships are improved quality of service and reduced cost. At a strategic level, the benefits include sustainable improvements in product quality and innovation, enhanced competitiveness, increase in financial capabilities and increase in customer base (Kannan and Tan 2006).

This section discusses the benefits derived from an efficient client-supplier relationship management.

2.6.1 Increase the responsiveness of the supply chain

Supply chain management as a construction concept, emphasize the benefits of developing relationships with suppliers (Ogden and McCorriston, 2007). Supplier relationship management concept forms part of the flow of information aspect of supply chain management (Lee, 2015); and as a result, it increases the efficiency of activities concerned with acquiring goods and services, managing inventory, and processing materials. Supply chain management (SCM) is the management of flow of materials and information between facilities (Thomas and Griffin, 1996); while Supplier relationship management practices create a common platform to enable effective communication between clients and suppliers (John and Evans, 2015). This implies that, with an efficient supplier relationship management, flow of information through effective communication will be done with no hindrances thus increasing the responsiveness of the supply chain.

2.6.2 Deliver on cost reduction targets

Competitive approach of purchasing strategies although has its merits is giving way for cooperative approach, where the supplier and buyer form a strategic relationship and cooperate with one another to achieve a long-term goal (Chandra and Kumar, 2000). These purchasing strategies focus mainly on cost reduction but the main difference with traditional approaches is that benefits are now realized and shared together with partners. According to Ansari (2009), the use of supplier relation management can lead to lower production costs. Therefore a successful relationship will benefit both the supplier and the buyer as the supplier will increase his customer base and the client will get the same product at a lower cost.

2.6.3 Better access to technological innovations

Better access to technology is another benefit of supplier relation management. It comes in two folds; technological capability and agreeing on the selection and use of technology by the two firms (Richey *et al.*, 2007). All the two categories are both equally important to successfully manage the strategic supplier relationships. For the partner firms to effectively make use of technology, they need to have a similar level of capability and to have a similar perspective and focus on the use of that technology (Tong *et al.*, 2008). These two elements are also seen to contribute to improved performance for both partners (Wilson, 1995).

2.7 CHALLENGES OF CLIENT-SUPPLIER RELATIONSHIP MANAGEMENT

In relation to the above discussions, there are no doubts about the clear imperatives of supplier relationship management but surprisingly, most firms still encounter difficulties in the development, implementation and keeping the relationship operational (van Hoek, 2013). This can be attributed to the fact that supplier relation

management is a controversial concept and requires an entirely different mindset and attitude in order to reap the full benefits of its application. This section talks about the challenges in the application of client supplier management concept.

2.7.1 Too much focus on cost instead of value

Recent findings have created the need to switch from traditional method of purchasing where competition between suppliers creates the opportunity for buyers to obtain goods at a minimum price to the cooperative approach where suppliers and buyers come together with one another to achieve a long-term goal (Chandra and Kumar, 2000). According to Park et al. (2009), all these approaches focus on cost reduction. Cost reduction is an essential part of value creation but too much focus on this aspect discourages a long-term orientation.

2.7.2 Limited engagement of top management

The concept of top management support depicts the favorable impacts of high ranked management's influence over an activity (Eric and Powers, 2015). Top management support helps increase the chances of supplier-client relationship management success by improving the management of the overall strategic process (Huffman and Hegarty, 1993). In any kind of supplier relation management, success cannot be achieved if there is no affirmation from top management. This can threaten the success of the relationship.

2.7.3 Difficulty in information sharing

Information sharing is imperative for any kind of relationship to be successful. Monczka et al. (1998) from his research concluded that the extent of information sharing plays an important role in managing supplier relationship successfully. Effective buyer-supplier communication is one of the factors to ensure successful client-supplier relation

(Krause, 1999) and indicated the necessity of suppliers been provided with the necessary information stating that it ensures a high level of service. His argument was based on responses to a questionnaire survey from 527 purchasing executives in various industries. His findings indicates that if both parties face difficulties in sharing information, the relationship between that we face challenges in achieving success.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

In order to achieve the research aim and objectives, this chapter presents the methodology to achieve the various objectives set and in consequence the overall aim. This chapter threw more light on the research strategy, research design and development process that were used prior to administering of the questionnaires. The chapter also defined the sampling technique and the characteristics of the sample size; also the statistical tool adopted for the data analysis is also discussed in this chapter.

3.2 RESEARCH STRATEGY AND DESIGN

In order to find solution to the research problem, it is therefore to identify the relationship between variables in a situation and analyze the relationship devoid extraneous influences (Nenty, 2009). Nenty (2009) opined that research design involves the procedures through which we can explore and analyze the relationship among the variables involved in our problem and consequently to argue the preference of particular procedures over others. Thus research design is a master plan that shows how the research is to be conducted. However, this research adopted questionnaire survey in an attempt to improve the relationship between Client and Supplier in the procurement of goods. According to Janes (1999), the only available way of getting the current picture

of a group, profession, organisation, etc. is a survey. In addition, survey questionnaire has been identified to be less expensive and not time consuming to conduct (Ayyash et al., 2011). Added to this, the study also adopted a case study approach, in the sense that the study was limited to a particular office.

The explanation to the direction of the researcher towards the conduct of research is very imperative (Bryman, 1992; Baiden, 2006). Naoum (1998) defines research strategy as the enquiry of research objectives. Accordingly, Baiden (2006) asserted that, the three main types of research strategies are quantitative, qualitative, and triangulation. However, the choice to adapt any particular strategy depends on the purpose of the study, the type, as well as availability of information for the research (Naoum, 1998 cited from Baiden, 2006). Hence, this research adopted a quantitative strategy.

3.3 POPULATION AND SAMPLING

Population refers to a group or units of interest located in a geographic area of interest during the time of interest (Taylor-Powell, 1998). The research focused on the Procurement Unit of the Kwame Nkrumah University of Science and Technology. The Unit was selected because of the huge number of suppliers engaged and the volume of goods involved in.

The population in this study were professionals in the Procurement Unit. Sample refers to using a part to represent a whole. Information gained from the sample can thus be used to generalize only to the population from which the sample was taken (Taylor-Powell, 1998). However, Taylor-Powell (1998) argued that sampling may not be necessary if the population is small. Notwithstanding, he also opined that sampling must be guided by certain factors – population size, information needed and the resources

available. Owing to the small size of the population, sampling was not necessary. Accordingly, the whole population were targeted.

3.4 SOURCES OF DATA AND DATA COLLECTION

Both primary (field survey) and secondary (literature review) data were employed in this research. The primary and secondary data were collected to cover every aspect of the research. Neville (2007) argued that research should contain empirical research data. Thus primary data are thus indispensable in the conduct of any research endeavour. The primary data sources in this research include professionals in the Procurement Unit.

Over the years, scientific methods of data collection have come to dominate the field of evaluation (Taylor-Powell and Steele, 1996). According to them, these methods seek to establish cause-effect relationships and provide quantitative data. Data were collected through a questionnaire survey targeting professionals. The response structure on the questionnaire included only close-ended questions. Closed-ended questions were included because of its simplicity and ease in analysis. The questionnaire sought to establish, the relationship of Client and Supplier. The questionnaire is divided into two main parts, with Section A relating to the general information and background of the respondent. Section B included questions on anchored on the key objectives. A 5-point likert scale was used to rate these factors.

3.5 DATA PRESENTATION AND ANALYSIS

The retrieved questionnaire were coded and analysed using simple statistical tools such as the Statistical Package for Social Sciences (SPSS) 20.0 and Microsoft Excel. The interpretation of the data was consequently done by these two tools. To elucidate the discussion in this discipline, the data obtained are presented graphically and in tabular

form. Information involving the background of respondents were presented in pie charts and bar graphs. The outcome of the study was assessed with the research objectives and questions.

3.6 ETHICAL ISSUES

This research was compiled with principles which aimed at protecting the privacy of every individual who, in the course of the research work was requested to provide personal or commercially valuable information about themselves (hereinafter referred to as a subject of the research). Before an individual becomes a subject, the person was notified of, the aims, methods, anticipated benefits and potential hazards of the research.

No person becomes a subject unless the person is fully abreast or cognizant of the notice referred to in the preceding paragraph.

CHAPTER FOUR

ANALYSIS AND DISCUSSION OF RESULTS

4.1 INTRODUCTION

The chapter presents analysis on the data collected from the various respondents in the procurement unit of the Kwame Nkrumah University of Science and Technology. This chapter provided overview on the analysis and discussion of results of the data collected in order to achieve the overarching aim of improving good Client-Supplier Relationship Management (CSRM) in the procurement of goods.

The study employed the use of Statistical Package for Social Sciences (SPSS) and Microsoft Excel for the data presentation, description and analysis. The statistical tools used for the analysis were the descriptive, Mean Score rankings, and one sample t-test to analyse the dependent variables. This chapter also presented the results of the

analysis and discussions in the form of texts, figures and Tables. The chapter is organized as follows; Background information of Respondents and analysis of dependent variable. The analysis is based on the number of questionnaires retrieved – 100%. Out of the twenty (20) questionnaires administered, twenty (20) were completed and returned.

4.2 DEMOGRAPHIC VARIABLES

This section discusses the demographic characteristics of the respondents surveyed. The demographic characteristics give credence to the final results or the findings of the study in that their responses are mostly dependent on their background.

From the analysis, 80% of the respondents were males whereas the remaining 20% were females. This finding reflects a typical ‘construction’ setting where females represent the minority. The years of experience in the field is critical to any of the responses to be elicited from the respondents. Consequently, respondents were asked to indicate their years of experience in the field of procurement or supply chain management. Majority of the respondents had more than 15 years of experience in the procurement of goods. Only a smaller percentage had less than 5 years of experience. Also, their academic background is good enough to comprehend and thus provide the responses necessary for this study. A careful look at the study indicates that majority of the respondents have Bachelor’s Degree. Others have proceeded to obtain a postgraduate degree in the discipline or related discipline. The Table below provides further details to the demographic characteristics (Table 1).

Respondents were also asked to indicate their professional background. Out of the twenty respondents, three (3) are Quantity Surveyors; four (4) are Accountants;

Procurement Officers are 6; Supply Officer are five (5) and Store Officer are two (2).

Respondents

In monetary terms, the annual volume of goods procured is more than GhC 11 million.

60% indicated that the annual volume of goods is GhC11-15 million; 25% indicated that the annual volume is GhC16-20 million and 15% indicated the annual volume to be more than GhC20 million.

Table 1: Demographic Characteristics

Category		Frequency	Percentage
Gender	Males	16	80
	Females	4	20
Years of Experience	1-5	5	25
	11-15	11	55
	16-20	4	20
Academic Qualification	Bachelor's Degree	17	85
	Postgraduate Degree	3	15
Profession	Accountant	4	20
	Quantity Surveyor	3	15
	Procurement Officer	6	30
	Supply Officer	5	25
	Store Officer	2	10

4.3 BENEFITS OF GOOD CLIENT-SUPPLIER RELATIONSHIP

MANAGEMENT (CSRM) IN THE PROCUREMENT OF GOODS

The benefits of Client-Supplier Relationship Management (CSRM) have had evolving past and as a result attracted many writers in this discipline (Choy, Lee, and Lo, 2003).

The glaring advantage that brings clients and suppliers together is competitive advantage. According to Spekman, Kamauff Jr, and Myhr (1998) the key benefit of CSRM holding client and supplier together is competitive advantage. However, there are other benefits that make it imperative to practice CSRM. This is the objective of

this section. Here, the data collected are analysed using descriptive statistics particularly the mean score ranking. The ensuing paragraphs discusses the findings of the study. The Table below indicates a summary of the descriptive statistics of the benefits of CSRM in the procurement of goods. The findings show that better access to technological innovations is the greatest benefit with a mean rating of 4.40 and (Std. Deviation of .84327). The perceived least benefit is anticipate on volatile commodity of prices with a mean rating of 3.200 (Std. Dev. =.42164).

The standard deviation as shown on the Table are all small compared to the mean values suggesting the mean ratings are a good fit of data (Field, 2005 cited from Manu, 2012).

Table.2 Descriptive statistics of the benefits of CSRM in the Procurement of goods

Benefits	N	Mean	Std. Deviation	Rank
Better access to technological innovations	20	4.4000	.84327	1
Reduction of inventory	20	4.1000	.31623	2
Improved security of supply	20	4.1000	.73786	3
Better access to new products/markets	20	3.9000	.73786	4
More efficient processes	20	3.9000	.56765	5
Enhance supplier relationships	20	3.8000	.91894	6
Higher responsiveness to customer demand	20	3.8000	.63246	7
Increase the responsiveness of the supply chain	20	3.7000	.82327	8
Better quality of our end product	20	3.7000	.67495	9
More sustainable products or processes	20	3.7000	.67495	10
Improved customer satisfaction	20	3.7000	.82327	11
Manage the supply risk profile	20	3.6000	.84327	12
Guarantee sustainable sourcing	20	3.6000	.69921	13

Deliver on cost reduction targets	20	3.6000	.84327	14
Become a ‘customer of choice’	20	3.5000	.70711	15
Improved on time delivery by our customer	20	3.4000	.84327	16
Leverage on supplier capabilities	20	3.4000	.51640	17
Anticipate on volatile commodity of prices	20	3.2000	.42164	18

Discussion

4.3.1 Better Access to technological innovations

To survive in the ever competitive global market requires innovations. According to Bayraktar et al, (2009), this intensifying global competition is fueling the implementation of sustainable innovations. Majority of these innovations is driven by technological advancement. This help to streamline business operations, integrate many business processes fast, etc. (Bayraktar et al., 2009). Also, in the attempt to create and manage knowledge in supply chain there is the need to adopt technology (Wu, 2008). A good CSRM leads to access to technological innovations. However, technological innovation is seen in two folds – technological capability and consensus building (Richey et al., 2007). The consensus building encapsulates agreeing on the selection and use of technology. Technological adoption and innovations also have numerous benefits. It facilitates the development of procurement strategies and eventually competitive advantage (Wu, 2008). It was therefore not surprising the respondents perceived the benefit as the greatest benefit of CSRM in the procurement of goods. The benefit attained a mean value of 4.40 and a standard deviation of .84327.

4.3.2 Reduction of Inventory

Inventory management is key in the improvement of supply chain processes (Jammerneegg and Reiner, 2007). Inventory has its negative and positive sides. Whereas

inventory serves as a buffer against uncertainties i.e. market and operational uncertainties; inventory sometimes is the result of inefficient management of the procurement process (Jammernegg and Reiner, 2007). The latter has been the problem with many organisations and consequently inventory management has been the focus of both the academics and practitioners (e.g. Jammernegg and Reiner, 2007). CSRM reduces inventory and improves the management of inventory. This was the probable explanation for the respondents rating of the benefit as the second highest after better access to technological innovations.

4.3.3. Improved security of supply

Collaborating with suppliers for the benefit of business has been in existence for over decades (Gibbs, 1998). Better relationship with trusted suppliers has a number of benefit. Gibbs (1998) contends that by building such better relationships the client or the business is able to transfer the activities that yield no benefits to the supplier. To add to that, a major advantage would be an improved security of supply. It is important to recognise that suppliers receive or cope with the demands of multiple clients or customers (Burnes and New, 1996). Moreover, Ottesen and Grønhaug (2002) argued that security of supply is a key task in purchasing. They further add that the task can be very challenging in some disciplines and cite industries based on the supply of natural inputs as an example. These stress the need to manage collaboration between client and suppliers. The respondents altogether perceived improved security of supply as the third benefit of a well-managed CSRM. The benefit achieved a mean rating of 4.100 and a standard deviation of .7379. The mean was above the scale of 4 suggesting a higher benefit.

4.3.4 Anticipate on volatile commodity of prices

In countries where prices of commodities are not stable, the understanding of how prices of commodities behave is the basis for success in trading or procurement. In Ghana, prices of goods/commodities are not stable and it is expected to continue in that trajectory over a period of time. Predicting the supply of commodity can be very challenging (see for instance Ottesen and Grønhaug, 2002). However, predicting the prices of volatile commodity (Pindyck, 2004) can be more challenging. Furthermore, price volatility is instrumental in business decisions i.e. whether to invest in production facilities or not (Pindyck, 2004). Despite the importance of anticipate on volatile commodity of prices as a benefit of CSRM, the respondents perceived the benefit as the least obtaining a mean rating of 3.200 slightly above the neutral point scale.

4.3.5 Deliver on Cost Reduction Target

The foremost thinking of CSRM is that it must lead to cost reduction or negotiated savings (van Hoek, 2013). Anything short of this will not fuel the implementation of CSRM. Other authors also hold a similar position. For instance, Ansari (2009) also argued that CSRM must lead to cost reduction. However, compromising on cost has many trade-offs, with accompanying reduction in quality or value being the notable one. It was therefore not surprising that the respondents ranked this benefit among the least benefits. Deliver on cost reduction target attained a mean rating of 3.600 ranking 14th.

4.4 CHALLENGES OF MANAGING A GOOD CLIENT-SUPPLIER RELATIONSHIP MANAGEMENT (CSRM)

Following the benefits of CSRM, it is imperative to identify the challenges that impede the implementation of successful CSRM. The thinking is that the identification of the challenges will lead to the adoption of strategies that will facilitate good CSRM. In view

of this, the objective sought to identify the challenges. Just like the benefits, this objective was analysed using descriptive statistics. The preliminary observation indicates that the challenges are not significant with about 80% of the challenges ranging below the neutral scale (i.e. 3.0) (see Table....). This, however, does not suggest the challenges are not significant and should be overlooked. The ensuing paragraphs discusses the challenges of managing a good CSRM in the procurement of goods. A carefully look at the Standard deviation values suggest that there was variability in the responses as they were large compared to the mean values, except limited engagement and sponsorship from top-management. This perhaps partially explains the small mean ratings assigned by the respondents.

Discussions

4.4.1 Limited Engagement and Sponsorship from Top Management

The support of top-management is indispensable to the drive of any initiative. Eric and Powers (2015) argued that the top-management support shows somewhat the favourable impact of high ranked management's support of an activity. It will therefore not to be far-fetched to suggest that without this support it becomes practically impossible to implement any new agenda. This is perhaps what Huffman and Hegarty (1993) noted and consequently posited that chances are that CSRM is likely to be successful if it is duly supported by top-management. Respondents seemed to be in agreement with these suggestions and thus perceived limited engagement and sponsorship from top management as a challenge to a good CSRM.

In big institutions like Kwame Nkrumah University of Science and Technology, top management like the Vice Chancellor delegate powers to a Procurement Director to undertake decisions on his behalf.

4.4.2 Open communication and information sharing is difficult

Association has been found between information sharing and Client-Supplier Relationship Management. Monczka et al. (1998) argued that a successful CSRM is highly dependent on information sharing and to some extent open communication. Adding to this, Krause (1999) observed that effective client-supplier communication is a critical factor and thus a major determinant to achieving a successful CSRM. However, in procurement of goods in an attempt to protect the client and get value for money there is the paradox of information asymmetry. This is particularly common in public entities which the scope of this study falls under. It was therefore not surprising information sharing and open communication was a challenge.

4.4.3 Lack of Specific SRM competencies and skills

Skills and competencies are vital to the implementation and sustainability of policies and initiatives. van Hoek (2013) suggested some key issues regarding competencies and skills in the implementation of CSRM. He argued that both capabilities and composition of the procurement team; and team's orientation might need to change and adapted respectively. This further underscores the relevance of skills and competencies in the discipline of CSRM. Most procurement experts are trained in the traditional area of procurement and sometimes may lack the core or specific competence and skill needed to manage client-supplier relationship. The respondents perceived the challenge as the second challenge to CSRM. However, it suffices here to mention that the challenge obtained a large standard deviation explaining the variability in the responses. The probable explanation is that the respondents may have understood the variables differently.

4.4.4 Too much focus on costs instead of value

It appears that the major underlying theme in CSRM is cost reduction. Van Hoek (2013) corroborated that nearly all self-respected procurement organisations have stated intent and commitment in the area of CSRM primarily because of the potential to reduce cost or negotiated savings. Hitherto, the idea was sustainable long-term goal as a result of cooperation between clients and suppliers rather than competition between suppliers with the deterministic effect of cost reduction (Chandra and Kumar, 2000). However, contrary to the findings of van Hoek (2013) this study identified the challenge as not significant; obtaining a mean rating of 2.600 and standard deviation of 1.577. This led to the ranking of the challenge 8th out of the ten (10) challenges.

Again, the reason ascribed to the challenges aforementioned is reechoed.

Table 3. Descriptive statistics of Challenges of CSRM.

<u>Challenges</u>	<u>N</u>	<u>Mean</u>	<u>Std. Deviation</u>	<u>Rank</u>
Limited engagement and sponsorship from top-management	20	3.2000	.91894	1
lack of specific SRM competencies and skills	20	3.2000	2.57337	2
strategic objectives that are not compatible	20	3.0000	1.56347	3
Open communication and information sharing is difficult	20	2.9000	1.66333	4
focus on fighting instead of collaborating	20	2.8000	1.54919	5
ignorance of soft skills to manage business relationships	20	2.7000	1.49443	6
no alignment between the business and procurement	20	2.6000	1.34990	7
too much focus on costs instead of value	20	2.6000	1.57762	8

lack of business involvement in managing the relationship	20	2.6000	1.34990	9
<u>Lack of mutual understanding and empathy</u>	<u>20</u>	<u>2.2000</u>	<u>1.31656</u>	<u>10</u>

(Field Data, 2015)

4.5 CRITICAL SUCCESS FACTORS (CSF) TO THE MANAGEMENT OF CLIENT-SUPPLIER RELATIONSHIP MANAGEMENT IN THE PROUREMENT OF GOODS

Critical Success Factors determine to some extent the sustainability of policies. In a way it is the hidden portion of the Iceberg that motivates and drives policy initiatives and directives. That supposes that the success of the management of Client-Supplier Relationship is highly dependent on the CSFs. Several studies have stimulated the engagement of Client-Supplier Relationship and the benefits derived from such longstanding relationships. Within these studies, the author(s) identified what are likely to make relationship management survive (e.g. Kotzab *et al.*, 2011). These are termed as the critical success factors. Under this objective, the researcher was interested in identifying the factors that ensure the success of CSRM at the studied office. The thinking was that the identified factors would serve as the major drivers for the implementation of CSRM. Here, compare means in the form of one-sample t-test was adopted. The objective was interested in finding the significance of the identified CSFs and their applicability in the studied office.

The respondents were thus asked to rate the identified factors using the Likert Scale provided to them (i.e. 1= Not Significant – 5= Very Significant). Ahadzie (2007) noted that the one sample t-test normally is used to establish whether a sample mean is significantly deviant from a hypothesized mean. The hypothesis for a single sample –test is typically set thus:

Ho: $U=U_0$

Ha: $U<, >U_0$

Where, Ho denotes the null hypothesis, Ha denotes the alternative hypothesis and U_0 denotes the hypothesized or population mean. In a typical one-sample-test, the mean of the test group, degree of freedom for the test (which approximates the sample size), the t-value (which is an indication of the strength of the test) and the p-value (i.e. the probability value that the test is significant) are commonly reported (see for instance, Ahadzie, 2007; Field, 2005).

Subsequently, a statistical t-test of the mean carried out to determine whether the population considered a specific CSF to be significant or otherwise. The mean ranking of each CSF tabulated to help elucidate the consensus reached by the respondents. A summary of the test results presented in Tables

Generally, all the CSFs were considered significant achieving a mean rating higher than the test value i.e. 3.0.

Table 4. One-Sample Statistics

Critical Success Factors	N	Mean	Std. Dev.	Std. Error Mean	Ranking
benefit measurement	19	3.7778	.83333	.27778	5
coherence internally	19	3.7778	.83333	.27778	5
top management support	19	4.0000	.86603	.28868	3
governance structure	19	3.6667	.70711	.23570	9
relationship governance	19	3.7778	.83333	.27778	5
	19			.16667	1

control and compliance		4.0000	.50000		
continuous people development	19	3.8889	.92796	.30932	4
dedicated budget and resources	19	3.7778	.83333	.27778	5
enabling technologies	19	4.0000	.70711	.23570	2
initial business and ROI	19	3.4444	.88192	.29397	10

Table 5. One-Sample Test

	Test Value = 3.0					
	T	df	Sig. (1tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
benefit measurement	2.800	18	.023	.77778	.1372	1.4183
coherence internally	2.800	18	.023	.77778	.1372	1.4183
top management	3.464	18	.009	1.00000	.3343	1.6657
support governance structure	2.828	18	.022	.66667	.1231	1.2102
relationship governance	2.800	18	.023	.77778	.1372	1.4183
control and compliance	6.000	18	.000	1.00000	.6157	1.3843
continuous people development	2.874	18	.021	.88889	.1756	1.6022
dedicated budget and resources	2.800	18	.023	.77778	.1372	1.4183
enabling technologies	4.243	18	.003	1.00000	.4565	1.5435
initial business and ROI	1.512	18	.169	.44444	-.2335	1.1223

Discussion

Enabling technologies was ranked as the second most significant CSF in the management of Client-Supplier Relationship. The factor obtained a mean rating of 4.000 significantly higher than the test value and a standard deviation less than 1.00 indicating consistency in the agreement of the respondents. Enabling technology as used here refers to the technological capability and agreeing on the selection and use of the technology by the two firms (Richey et al., 2007). This is particularly important to enable communication between the partnered firms (Tong, 2008) and consequently lead to increased performance of the relationship (Wilson, 1995). This makes the factor very critical as it closes the loop of effective communication which essentially is the thrust of every relationship. It was therefore not surprising the respondents agreed with previous studies over the significance of this CSF.

The next significant factor after enabling technologies was *Top Management Support*. Management support, especially if it is from the topmost part of cooperate structure somewhat provides authority to the initiative and in consequence drives its implementation. In fact existing literature highlight on the importance of this factor in driving or implementing CSRM. For instance, Eric and Powers (2015) argued the favourable impact of this factor over decision making. Also, by incorporating CSRM in the strategic goals which is a decision to be made by Top management means driving the implementation of CSRM. The factor also obtained a mean rating of 4.000 and also a p value less than 0.05 indicating the significance of the factor. The finding adds to the already existing literature on the significance of the factors and in consequence corroborates these findings (e.g. Eric and Powers, 2015).

The underlying theme in every relationship management is the benefits that usually ensue. In fact in literature it has been identified as the major driver for the engagement

and practice of CSRM (see van Hoek, 2013). Benefit measurement, although critical (i.e. judging from the mean rating and the p value) was not considered to be very significant and thus the major determinant of CSRM. The probable explanation may be that if the benefits are outlined and other factors (such as Top management Support, Enabling Technologies) are not present, what happens to the initiative? That is not to say the factor is not significant.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The previous chapters highlighted on the aim and objectives of the study, literature review, the methodology adopted for the study and accordingly the analysis of the data collected. This chapter draws down the curtains of the study by summarizing the main findings, the practical implication of the findings, the limitations, etc.

5.2 SUMMARY OF THE STUDY

The study began in Chapter One and introduced the key aspects of the study. The main issue revealed was that, the management of Client-Supplier Relationship can be very beneficial and yet challenging. As a result detailed insight concerning how improving CSRM still remains elusive and this stimulated the study particularly in the area of procurement of goods. This informed three key objectives from which these questions are now posed?

1. What are the Critical Success Factors (CSF) in CSRM in the procurement of goods?
2. What are the benefits of CSRM in the procurement of goods?
3. What challenges are likely to militate the improvement of a good CSRM?

To answer these questions the research aimed to empirically examine the relationship between client and suppliers in the procurement of goods. To achieve this aim various research objectives were set. The ensuing subsections highlight on how the various objectives were realised in order to achieve the overall aim.

5.2.1 Review of Objectives

Objective One: To identify the benefits of Client-Supplier Relationship Management in procurement of goods.

The objective was fundamentally to identify the benefits of the study. It supposes that the benefits can influence the relationship between client and suppliers. Here, literature were reviewed to determine the various benefits. The participants were subsequently presented with these benefits and asked to rate them on a Likert Scale items of 1 to 5. The data were subsequently subjected to descriptive statistics. The findings revealed that almost all the benefits are significant with the key benefits including Better access to technological innovations, Reduction of inventory, improved security of supply.

Objective 2: To identify the Critical Success Factors (CSF) of Client-Supplier Relationship Management in the procurement of goods.

Just like the first objective, this objective was realised the same way. Except that compare means (i.e. One Sample t-test) was used to analyse the data collected. It was revealed that all the CSFs were significant obtaining a mean value greater than the test value 3.0. The p values were also less than 0.05. However, the most significant factors were identified to be top management support, control and compliance and enabling technologies.

Objective 3: To assess the challenges of Client-Supplier Relationship Management in the procurement of goods.

The resolution of these challenges would somewhat facilitate the improvement of CSRM in the procurement of goods. So it is imperative to assess or identify these challenges. The challenges were first identified from literature and subsequently presented to the participants to rate them based on their experience. The data collected were analysed descriptively. The findings showed that the challenges were not very severe. Nonetheless, their importance cannot be overstated.

5.3 CONCLUSIONS OF THE RESEARCH

The main conclusions drawn from the study include:

- CSRM has varying potential benefits which can be generally very high and high implying CSRM has the potential to save the client several millions of Ghana Cedis.
- The challenges to the management of Client and supplier relationship are not severe and thus surmountable.
- The implementation of CSRM is influenced by CSF which usually need to be supported by the top management.

5.4 LIMITATIONS OF THE STUDY

The first and foremost limitation of the study had to do with the population size. The study was limited to only a small number of participants. It is acknowledged that the small population size will have influence on the results and the results may change when the numbers are changed given the quantitative nature of the study.

5.5 RECOMMENDATIONS

The findings have a lot of insight in the management of client and supplier relationship and these are discussed below:

- Top-management support is critical to the management of client and supplier relationship. It is recommended that the CSRM be given top-management support and be considered as a cooperate strategy in the organisation.
- Although the benefits are numerous, organisations must not overly stress on the reduction of cost. Over-stressing on cost reduction may lead to the tradeoff between cost and value.



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APPENDIX

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF ARTS AND BUILT ENVIRONMENT

DEPARTMENT OF BUILDING TECHNOLOGY

QUESTIONNAIRE

INTRODUCTION

I am a postgraduate student of the above named institution offering a program leading to the award of MSc. PROCUREMENT MANAGEMENT at the department of BUILDING TECHNOLOGY. In partial fulfillment of the award of the MSc. PROCUREMENT MANAGEMENT I am required to submit a dissertation on the topic, **—CLIENT-SUPPLIER RELATIONSHIP MANAGEMENT IN PROCUREMENT OF GOODS”.**

The primary object of the research is to assess the impact of client-supplier relationship management in procurement of goods. I will be obliged if you assist me in filling the questions in the sections provided below, be rest assured that all information collected will be used purely for academic purposes only and the identity of the respondents will be kept confidential.

Thank you for your cooperation.

INSTRUCTIONS

The questionnaire is in two sections. Section A requests for the background information of the respondents. Section B focuses on the Client-Supplier Relationship Management.

Relying on your broad experience, please answer all questions to the best of your ability.

There are no —correctll or —incorrectll answers. Only your valued expert response is requested.

SECTION A: BIO DATA

1. Gender

[A]. Male

[B]. Female

2. Years of experience

[A]. 1-5

[B]. 6-10

[C]. 11-15

[D]. 16-20

[E]. Above 20

3. Educational Qualification/Background

[A]. Senior High School

[B]. High National Diploma

[C]. Bachelor's Degree

[D]. Postgraduate Degree (PgDip./MSc./MA/MPhil//PhD)

4. Profession/Occupation

[A]. Accountant

[B]. Quantity Surveyor

[C]. Procurement Officer

[D]. Supply OFFICER

[E]. Store Officer

[F]. Other (Please specify)

SECTION B: CLIENT-SUPPLIER RELATIONSHIP MANAGEMENT

1. What is the annual volume of goods procured (in monetary terms)?

[A] 1 – 5 MILLION CEDIS

[B] 6 – 10 MILLION CEDIS

[C] 11-15 MILLION CEDIS

[D] 16 -20 MILLION CEDIS

[E] MORE THAN 20 MILLION CEDIS

2. Please rate your option on a 5 point Likert scale on the following underlisted benefits of Client-Supplier Relationship in the procurement of goods.

BENEFITS	Highest	Higher	High	Low	Lower
	5	4	3	2	1
Anticipation on volatility of commodity prices					
Increased responsiveness of the supply chain					
Guarantee sustainable sourcing					
Enhanced supplier relationships					
Managed supplier risk profile					
Become a 'customer of choice'					
Improved security of supply					
Delivery on cost reduction targets					
Leverage on supplier capabilities					
Improved efficient processes					
Reduction of inventory/Economic Order Quantity					
Improved customer satisfaction					
More sustainable products or processes					
Better access to technological innovations					
Higher responsiveness to customer demand					
Improved on-time delivery by our suppliers					
Better quality of products delivered					
Better access to new products on the markets					

3. How would you rate the following challenges confronting the management of

Client-Supplier Relationship in the procurement of Goods at the KNUST

Procurement Unit? Use the scale: 1= Not Severe 2=Less severe 3=Neutral 4=Severe 5= Very severe.

CHALLENGES	5	4	3	2	1
Lack of mutual understanding and distrust					
Limited engagement and top-heavy management style					
Lack of business involvement in managing the relationship					
Ignorance of soft skills to manage business relationships					
Focus on fighting instead of collaborating					
Lack of open communication and information sharing					
No alignment between the business and procurement					
Strategic objectives that are not compatible					
Lack of specific supplier relationship management competencies and skills					
Too much focus on costs instead of value					

4. How would the following Critical Success Factors (CSF) influence the management of Client-Supplier Relationship at the KNUST Procurement Unit?

Kindly rate them using the key 1= Not significantly 2= Less

significantly 3= Neutral 4= Significantly 5= Very significantly.

CRITICAL SUCCESS FACTORS	5	4	3	2	1
Benefits measurement					
Strategic coherence internally and with supplier					
Top management support					
Governance structure is in place					
Relationship governance					
Control & compliance with standardized					
Continuous people development					
Dedicated budget and resources					

Enabling technologies					
Initial business case and ROI					

KNUST

