

Effects of Supply Chain Management on Firm's Growth in Retail Industry: A Case Study of Tusker Mattresses Limited

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Abstract

In today's rapidly changing and highly competitive retail industry, every forward looking retailer will endeavour ensure his/her products to reach his store's shelves ahead of the competition. This challenge is influenced by many factors both within and without the organization or the chain for example globalization, deregulation, new entrants and convergence of the industries. It is a fact today that retailing is a significant part of economic activities of both developed and developing countries', this is because in retail value is added to the final products. The major goal of the retail is to influence possible consumers to purchase a particular products assortment at a particular retail store (Risch, 1991).

Risch(1991) defined a convenience store which is also part of the retail as the least amount or level of the financial, physical, and mental expenditure required to conquer the friction of time, space and pecuniary loss inherent in any retail transaction. The product assortment consists mainly of goods for daily use and it is offered to customers on a relatively small sale area.

Many years ago (1964) the National Industrial Conference Board in the US conducted a survey as a result of factors underlying failure of business as inadequate market analysis, product defects, higher cost than anticipated, poor timing, competitive reactions, insufficient marketing effort, inadequate sales force and inadequate distribution (Piggot, Peterson, 1989). According to Joel (1951), Economists in recent years have speculated a good deal on the possible course of behavior of firms in a market in which the number of buyers and sellers is sufficiently few to make the rival firms aware of their interdependence.

The retail industry business has been around for centuries in the United States and Europe. In USA, it all started with a community general shop where people of the community would shop for items of necessity. Single general stores by local residents were the most common because specialty stores were not really necessary due to limited population within the city and dis-connectivity of people. As societies advanced with population increase leading to expanded cities, and new advanced technologies gave rise to interconnectivity as well as easy communication between distanced cities or societies, opportunity for specialty stores was

formed. But before the specialty stores formed into a business the function of the general store was most essential because they provided the varied needs of the local community. Also the reason for success of these general stores then was "necessity". People around had no other options but to go for the general store. In the current scenario, the US retail industry is thriving and booming. With the exponential growth of the retail business across the whole of the United States, it is more likely to predict that this industry will very soon come in to the category of the infrastructure industry.

Adaptation is the most essential aspect of a Retailer's business as trends of society as well as the taste for new product variety change and people demand more. If a business is unable to meet the demands of the market then they will very likely be eliminated from the business they practice. Managing customer relations and attending their needs is a very important issue in business-to-business markets. Customer is the prime focus in retail business and only they matter because they are the ones who buy the retailer products.

Traditionally business drove innovation and technology within a business sector. As industries grew with increasing consumer demand for product variety and enhancements, in order to face these challenges and alleviate business concerns, enterprises heavily invested in Research & Development which led to innovation and technology, which is a direct result of increased need of business functions. This provided an opportunity for business growth and efficiency that eventually led to a successful business model. However, that is not the case today within the vast technologically advanced society as roles are reversed and information technology drives business success.

Today, retail is one of the biggest employers in the world and a large portion of the world economy. The retail industry is a sector of the economy that is comprised of individuals and companies selling finished products to end user consumers.

The retail market in Africa is still in its infancy in most states except in North and South Africa where Egypt and South Africa are leading in terms sales volumes and branch networking. According to the bureau of market research of South Africa the retail sector is sophisticated and supplied by both local and imported products. The bureau puts the total retail sales of 2010 at six hundred million rands (R600M) of which 30% represents food sales.

It forecasts the real growth of the industry at 3.4% for the next four years. South Africa is also leading the way into untapped African markets unfortunately the market income is skewed in favor of the high income earners.

In Kenya there are four major players in the market namely: the Nakumatt holdings Limited, the Tusker Mattresses Limited, Uchumi supermarkets limited and Naivas Supermarket Limited. There're also over one hundred small but upcoming supermarkets. The industry is fiercely competitive.

The three dominant retail outlets in the country were all founded by two brothers and their friend in the little dusty town of Rongai in Nakuru County. The Shah's and the Kamau's were not well known families in the business cycles but they now control 85% of Kenya's retail business. The retail market imports almost all products except fresh foods, fresh milk and fresh meat products. The owners of Tusky's and Naivas are first cousins and the businesses are run by the second generation family members.

Statement of the problem

This study focused on the retail industry in Kenya. The subject was studied using Tusker Mattresses Limited as a reference; Tusky's was picked because of its rapid expansion in the recent past. The balancing act of maintaining a high level of service and low costs is becoming

harder for businesses and more so the retailers, as they try to meet the growing customer mantra of “more for less.” This pressure comes at a time when business is becoming more global, supply chains are lengthening, and competition is on the rise. Microsoft Plc. 2007.

Although this challenge has been there for ages, the general attitude is that it will intensify as a number of factors like; economic, regulatory, technological advancement and market-driven economies come to play. As a result, supply chain performance will have increasingly significant impact on overall growth of the firm. Worldwide, progressive retailers are redefining the way they do business with their customers by adopting innovative ideas to respond to market trends and developing new channels to meet consumer shopping preferences, many of which are being brought about by shifting consumer lifestyles.

Already highly complex, the supply chain of the future is likely to grow even more complex as it serves a greater variety of buying channels and meeting highly knowledgeable and demanding consumer; Microsoft, Supply Chain Management in Europe; 2007, delivering to more outlets (different store formats, order and collection options, homes, multiple pickup options) in potentially more regions — all while managing more products from a greater number of sourcing locations.

There is no doubt therefore that those organization that will get their supply chain process right will not only survive and but will grow and flourish. Although the supply pipeline needs to be more efficiently designed so goods can flow seamlessly from the producer to the consumer, it will also need to work well in reverse to release value tied up in returned and obsolete products; and it will need to do so as quickly as possible at the lowest possible cost. In addition, companies are looking at ways to provide a more proactive service and to ensure that the supply chain does not collapse in the tail end of the chain, that’s because, while retailers have invested heavily in supply chain initiatives, the supply network itself has not benefited from information technology as much as other parts of the enterprise.

However, retailers are trying to better balance supply and demand (with a strong focus on demand intelligence and forecasting analytics to better plan business from supplier to shelf) and acknowledge that the introduction of more appropriate technology could improve overall consumer satisfaction within an environment of rising operational costs. Although technology alone is not the answer, when combined with changes in business processes and business culture, it can go a long way toward delivering “more for less.” Microsoft; Supply Chain Management 2007.

Objectives of the study

The general objective of the study was to determine and analyze factors influencing supply chain of a retail chain supermarket with a case study of Tusker Mattresses Limited (Tuskys).

To determine and analyze specific success factors influencing the supply chain management in Tuskys.

- i. *To find out how efficient the supply chain management of TML is.*
- ii. *To analyze the growth of TML in the last ten years*

iii. *To determine critical success factor in play at Tuskys*

Research Questions

- i. *Does Supply Chain Management affect growth of a company?*
- ii. *Does technology influence supply chain management?*
- iii. *Is there a direct link between efficient supply chain management and growth of retail?*
- iv. *Is supply chain Management understood by the key personnel in the retail outlets?*
- v. *What are the critical success factors in play at Tuskys?*

Significance of the study

The research study will open up more studies in the area of retail industry in Kenya not only because of the enormous potential the industry has but also because there is very little written literature on the industry despite of the rapid growth it has registered in the last decade. The industry has been clouded with secrecy as business owners keep vital information away from public domain. This study will therefore form the basis for future research in the retail industry

Scope of the study

The study was confined to Tusker Mattress Limited branches within Nairobi area, which trade in the brand name **Tuskys**. This is because the area had all the types of retail stores that will generally represent the rest of the stores across the country. Nairobi area is home to 25 branches ranging from the smallest stores commonly referred to as Chap Chaps to medium and very large stores commonly referred to as malls.

Justification of the Study.

The growth and prosperity of the retail industry is of paramount importance to the whole Kenyan population, this being a major employer of a great number of people. The purpose of the study was to determine and analyze factors influencing supply chain management of a retail chain a case study of Tusker mattresses limited.

Supermarkets play a significant role in Kenya's economy. They have generated employment to thousands of Kenyans. According to Kenya economic survey 2012, wholesale and retail trade sector which supermarkets are part of was second in driving Kenya's growth in the last five years with 18.5 % only second after transport with 20%. There is need to ensure the supermarkets growth and continuity. However in recent times there have been reports of supermarkets facing market challenges resulting to low returns and closure. Their performance is dwindling and this has been attributed to competitive pressures.

Specifically the study sought to establish the factors influencing effective supply chain management on the performance of Tusker Mattresses Limited, perceived service quality levels on the performance of Tuskys ,innovation strategies on the performance of Tabaki freight, technology use on the performance the Tabaki freight and advertising strategies on the on the performance of the Tabaki Freight.

LITERATURE REVIEW

This chapter reviews the relevant literature associated with the topic and the researcher begun the topic with a review on early approaches of a firm's performance, this was necessary as the researcher tries to link known growth approaches to the factors existing in Tuskys, this is then followed by theoretical framework and a brief discussion on few contemporary approaches to competitive advantage and growth.

The researcher also reviewed literature on supply chain management, followed by an overview of current advanced supply chain management systems.

Theoretical review

2.2.1 Early approaches to understanding a firm's performance

In perfect competition products are homogenous, consumers and producers have perfect information, prices will reach equilibrium, and as a result profits are negligible or low in the long run. One of the earliest approaches to competitive advantage is the microeconomic approach, or the idea of perfect competition (Walras, 1969).

Gill (1991) however viewed a perfect economy as an abstraction, he argues that there are always oligopolies, monopolies, perfect competition and further, he continues to argue that there is always two kinds of competition, spatial and monopolistic.

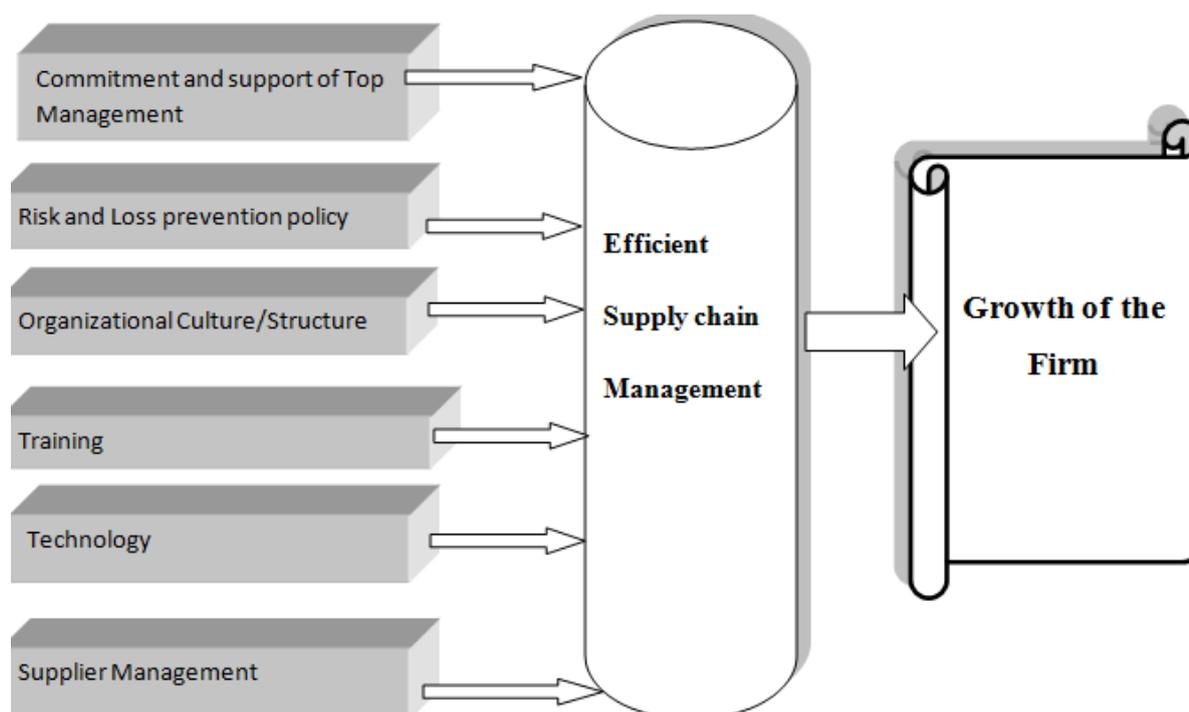
Spatial differentiation pertains to oligopolistic competition (Hotelling, 1929) and it meets consumer's different tastes. Monopolistic competition assumes that small firms produce a variety of differentiated products (Chamberlin, 1933; in Gill, 1991). All these situations allow for profit maximization and higher profits (Gill, 1991).

The other earliest approach to a firm's performance and competitive advantage was the industrial organization (IO). This approach took a richer approach to understanding a firm's successful performance unlike in the microeconomic approach, the industrial organization introduced variables that explain real-world economic behaviour. In this approach, there are two competing hypothesis that lead to higher profits, success - market power and a firm's efficiency (Scherer, 1990; Tirole, 1988).

Nevertheless, the IO approach assumes that markets and firms will reach equilibrium and in equilibrium profits differences will not exist (Tirole, 1988). Both the microeconomic approach and the industrial organization approach assume that all firms would reach equilibrium and have equal profits and growth; however, this might not be true in all firms as other fundamentals may give firms different levels of success and growth.

2.3 Conceptual Framework

The study adopted a conceptual framework as shown below:



Independent Variables**Dependent Variable**

Figure 2.1: The conceptual framework on Factors influencing supply chain management on a firm.

Source: Author 2014

Figure 2.1 Explains the theoretical framework that was used in the study, six independent variables or dimensions namely technology, third party integration, efficient operations, tracking processes and data standardization are used to measure the dependent variable supply chain management.

Review of the variables***Commitment and support from top management***

Ifinedo (2008) investigates the impact of contingency factors such as top management support, business vision, and external expertise. Tuskys directors are all involved in the day to day running of the organization, each of them leading a key area of the organization, for the sake of a confidentiality agreement; the researcher will not list individual directors and the areas of responsibility.

All directors have a common open office where they conduct their individual roles; this open office style was deliberate and purposeful. Decisions are quickly arrived at saving the organization time, minimal paper work is allowed at the directorship level as most of the paper work is done at general managerial level. Issues are discussed and consensus reached from the comfort of individual desks, there are rarely boardroom meeting as the open spacious office acts like a boardroom.

There are distinct and clear lines of command with each director running a department, expatriate with retail experience and skills were incorporated as part of the directorship. In Tuskys, directors are part and parcel of the Tuskys staff, they eat same food, put on the same uniform and are constantly on the shop floors just like every other employee

Risk and Loss Prevention policy

Tuskys developed a clear policy on how to manage its risks and prevent losses. It then outsourced this function to two independent professional risk and loss prevention organizations. According to SBP (2003), a risk management framework encompasses the scope, the process/system/procedures to manage risks and the roles and responsibilities of the individual related to risk management.

It is important to note that 46% of all retail losses are directly associated to staff while only 16% is attributable to professional shoplifters. Risk management is the process of managing the potential risks by identifying, analyzing and addressing them. The process can help to reduce the negative impact and emerging opportunities.

In Tuskys the two risk management companies are responsible for the daily programs that are geared towards preventing stock pilferage. The two companies conduct daily staff frisking at all staff entrances, they monitor the ringing of goods at the till area (point of sales), they help in dispatching of bulk goods, controlling suppliers and in receiving goods. In all these areas, the two companies ensure that only goods ordered are received and those paid for are

dispensed off. These loss prevention programs are drawn in collaboration with Tuskys and are elaborately spelt out in the policy.

Culture

Over the years, Tuskys developed and adopted some unique elements that have defined its internal culture. These elements include; dressing, feeding, recruiting, business location selection, and language. The definition of culture has been described in many ways. Hasanali (2002): defined culture as “the combination of shared history, expectations, unwritten rules, and social customs that compel behaviours. It is the set of underlying beliefs that, while rarely exactly articulated, are always there to influence the perception of actions and communications of all employees”, while Geert Hofstede is well-known for culture theory. Hofstede (2001) defines culture as “the collective programming of mind that distinguishes the members of one group or category of people from another”. Tuskys over the last twenty years have developed a unique culture that deeply rooted and widely accepted; the most visible part of this culture is religious prayers. Every opening of a new branch is preceded by elaborate prayer session based on biblical teachings and attended by top management and new staff.

These prayers are carefully choreographed and meticulously planned. Prayers are first directed to the building and later to the business. On existing branches, every session is preceded and ended by prayers by staff Christian leaders, the prayers sessions are short and generally involve a hymn, bible reading and prayers.

Tuskys, has also perfected the dressing culture, where female employees are prohibited from putting long trousers and miniskirts. This culture is linked to their Christian upbringing, men employees are encouraged to be well-groomed and to keep short hair. The other unique culture in Tuskys is the use of coded language, for example washrooms are referred to as “Kairus” and the loading teams as “kata”, this unique language is a very important unifying factor.

This fits very well on Hofstede’s definition of culture which he said “consists of patterns of values, ideas, thoughts and feelings and is transmitted by symbols as factors in shaping behavior”. Consequences of beliefs, attitudes and skills affect thoughts, emotions and actions. Another completely unique culture in Tuskys is the feeding culture. Unlike other players in the retail industry, Tuskys feeds all its workers. Staff are entitled to ten and four o’clock tea with a piece of bread and free lunch. According to Hofstede (2001) organizational culture has a significant effect upon a firm’s success. In Tuskys this culture is supported by long-term management, team working, collaboration, open communication. A strategic plan must be established as a guideline for alignment and integrated within a quality culture.

On the issue recruitment, Tuskys has a special recruitment model where they recruit from a cycle of friends commonly called referrals. This model has two main advantages, firstly it ensures that only trusted employees end up getting placements, secondly in case of misdeeds by the employee, the referee is held accountable. Trust, according to Mayer, Davis and Schoorman (1995) is “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.

This definition of trust is applicable to a relationship with another identifiable party who is perceived to act and react with volition toward the trustor”. The authors study trust within an organization and develop a model of dyadic trust in an organizational context.

Organizational Structure

Organizational structure defines the lines of authority and communication that serves to allocate tasks and resources and provides a means of coordination. Stank, Daugherty and Gustin (1994) believe that organizational structure involves an organization's internal pattern of relationships, authority and communication.

Hunter (2002) supports the idea that organizational structure provides the authority to predetermine the way employees work. Structure and processes of an organization are most effective when their design functions that match their environment and have a positive impact upon the organization's strategies. Therefore, one of the most important aspects for effective management of supply chain and growth is organizational structure. Organizational structure provides the concept, guideline, direction and support to the employees.

They design and teach employees to share and use a common vocabulary. The employees work as a team in order to prevent a silo mentality and incorporate resistant employees in the process.

The business and financial world is in constant fluctuation. The environmental condition will change and something new will develop gradually over time, while others may sweep the market quickly. Organizational structure must be reviewed regularly and adjusted to adapt to changing financial environments. The management's role is to recommend policies for managing risk, the committee's role is to respond to review and approve them, and it is the management's role once more to implement them and report back on their operation (Carey, 2001).

Training

It is generally agreed that almost all companies provide some form of training to their employees. Some organizations have a very formal process of training while other use outside consultants to conduct employee training sessions. Kenya retail industry is still in its formative years, so most of its training is only available abroad. South Africa is the only African country with its own training institution so most of Tuskys staff are graduates of south Africa.

Tuskys has been running a very elaborate training program particularly for short courses for its staff in South African. Treven (2003) maintains that the training methods used by organizations can be classified into two methods. The first method is on-the-job training which provides one-on-one instruction, coaching, job rotation and an apprenticeship / internship. The second method is off-the-job training which is conducted away from the worksite. It covers a number of techniques, classroom lectures, films, demonstrations, case studies, other simulation exercises and programmed instructions.

The success of the training of Tuskys training program was most pronounced in its procurement teams and Deli. The procurement teams have streamlined direct purchases abroad and cut off the many middlemen and consequently saved the organization millions of shillings and time. Several teams have specialized in purchasing different stocks but the busiest are the clothing teams, furniture and electronic. This training imparted the necessary skills to many stores supervisors.

Another area where Tuskys training is visible is on deli, this is the inside catering department which prepares and sells ready-made food stuff, the deli concept was borrowed from south Africa and it has taken Kenyan hotel industry by surprise as shoppers. The process of staff development and training should fulfill an organization's performance. The purpose of training is to improve knowledge, skills and attitudes which in turn increase confidence, motivation and job satisfaction (Fill and Mullins, 1990).

The main reason for an education and training program is not only to ensure that members are comfortable with the system, but also to increase their expertise and knowledge. Training

not only uses the new system, but also new processes and understands the integration within the system – how the work of one employee influences the work of others.

Information Technology (I.T)

Halliday, Badenhorst and Solms (1996,) define Information Technology as consisting of two components: “the information systems (including related information) on which the critical business functions and processes depend, the computer technologies (hardware and software) which support the processing, storage and distribution of the company’s data and information”. There is no gainsaying on the importance of IT and particularly on retail industry where every component of the supply chain requires some form of trail.

I.T plays a key role in achieving an organization’s objectives. It relates to all aspects of the business processes, including access to a shared infrastructure consisting of knowledge. In retail IT development in the last decade has been rapid as it became associated with reducing costs on such things as the cost of documentation, decision information and cost effective monitoring or performance evaluation device sales. IT has also been used in retail, in computerizing of stock, monitoring customer’s numbers, managing risks/losses and most importantly in keeping sales records.

Supplier Management and development

Supplier development is the process of working with certain suppliers on a one-to-one basis to improve their performance for the benefit of the buying organization. It is closely associated with supplier relationship management and partnering. (CIPS) There is no single approach to supplier development; organizations must select the most appropriate approach to suit their relationship with the supplier that they have selected for development. There are however different types of, and approaches to, supplier development that are appropriate for different supply markets.

Supplier development involves embracing supplier expertise and aligning it to the buying organization’s business need where appropriate and vice versa. The objectives for development can be relatively minor such as slight adjustments in staffing levels or very substantial such as the appraisal and re-launch of an entire range of products. There are various reasons why an organization needs to develop suppliers. They include improving supplier performance, reducing costs, resolving serious quality issues, developing new routes to supply, improving business alignment between the supplier and the buying organization, developing a product or service not currently available in the marketplace, generating competition for a high price product or service or simply for dominating the marketplace.

Tuskys has a clear supplier vetting process and ones the supplier are vetted they are kept for as long as they are able to meet their obligations. They are also periodically subjected to honest maintenance test by another outsourced third party just to ensure they are not involved in shrinkage causing activities. Tuskys has also a policy of developing and maintaining young upcoming suppliers by either giving credit especially for branch direct supplier or giving them easier/flexible deliverables. This has helped them to maintain their suppliers for longer periods hence avoiding supplies disruptions. Those suppliers who failed to deliver in time or are involved in fraud are terminated immediately.

RESEARCH METHODOLOGY

Introduction

The research design used was a survey of Tusker Mattresses limited, ‘Tuskys’. This chapter provides a detailed description of the selected research design and data collection techniques

that will be used in light of research objectives and questions that the study will sought to address.

Research design

The study applied a case study research design and it utilized an intensive descriptive and holistic analysis of Tusker Mattresses Limited as a single entity. A study approach by use of questionnaires was used to collect data from the staff. According to Warwick, (1975); such study was used to collect detailed information of existing situations. The study also investigated on the effects efficient supply chain management on a retail entity

Target population

Tuskys being a well-established retail outlet has got 51 branches or outlets in total within the East- Africa trade region. There are 41 branches in Kenya and 10 branches in Kampala-Uganda. The researcher will purpose to look at the Kenyan branches only and more specifically the branches within Nairobi and its environment branches, these are 14 branches which comprise of a mixture of small, medium, large branches and a distribution Centre; the target population will therefore be representative of all the branches of Tuskys

The research targeted 52 employees consisting three personnel from the various retail outlets who perform critical functions in the branch. This included the branch managers who are in charge of the overall branch performance, purchasing supervisors in charge of demand-supply management and the receiving clerks.

Sample Frame

A sample size of fifty two employees (52) will be assumed while undertaking the case study. This is a representative portion drawn from the study population. This sample frame represents the actual number of individuals / employees that the researcher will eventually draw data from. The sample can also refer to the actual respondents who provide responses in respect to the study area.

The selection of the samples will be free from bias; the sample should be representative of the entire population (Beri, 2000).

Data collection instrument

This section gives a clear explanation of how the researcher developed the research questionnaire. The primary data was obtained through the use of questionnaires which was the main data collection instrument. The researcher administered them personally. The researcher mainly used questionnaires to collect data. The selection of this tool was used based on the nature of data that was to be collected, considering time and objective of the study.

The research instrument (questionnaire) was divided into two parts. Part 1 was used to collect respondent's general information. Part 2 is designed to collect data study objectives. The questionnaires contained pre-designed items whereby the respondent was given a chance to fill the answers. They also contained closed and open ended questions. The closed ended questionnaires have the advantage in their simplifications as the multiple questionnaires are printed on the questionnaires themselves. The selected sample was considered adequate as it took into account the objectives, purpose and variables of the study.

FINDINGS AND DISCUSSIONS

The main focus of this chapter is the presentation of analyses and interpretation of the results of the research. Data obtained was analyzed to determine the factors influencing efficient supply chain management of Tuskys. Descriptive statistics such as frequencies and

percentages were used to analyze responses to various items in the questionnaire. Pie charts, tables and bar graphs were used to present data for interpretation.

Efficient supply chain management

A highly visible and efficient supply chain is a prerequisite for growth in retail in industry. In Tuskys there is a robust and a very well managed supply chain, where most of the supply chain processes are well documented. The major findings of the study indicate that majority 25 respondents (65%) agreed that the organization practices effective supply chain management, but 8 respondents (22%) do not believe that the existing supply chain is efficient while 5 respondents (13%) are not sure

Benefits of Efficient supply Chain management

It was necessary to find out the tangible benefits of efficient supply chain management to an entity. The major findings of the study indicate that majority 30 respondents (79%) believe an efficient supply chain management develops customer trustworthiness and hence loyalty, 5 respondents (13%) indicated that it helped in merchandize standardization while only 3 respondents (8%) indicated that an efficient supply chain management saves administrative costs.

Commitment and top management support.

The major findings of the study indicated that 29 respondents (76%) believe that the growth they realized in the last ten years was directly attributed to hands on approach of the directors of Tuskys. Some of the words used to describe the actions of the directors included forward thinking, experienced, accessible and very good Christians. It is however important to note another important findings of the study which indicated that 13% of the respondent actually don't think the directors involvement in daily management of the organization helped it to grow, some of the respondent went as far as blaming the directors for the slow growth and they believed that it is time for them to give way for professionals to run the show.

Risk and Loss prevention programs.

The major findings of the research was that only 9 respondents (23%) believe the current loss prevention policy is effective while 17 respondents (45%) indicated that the policy somehow works in loss prevention and 12 respondents (32%) indicated that the policy is not effective at all. The current risk and loss prevention policy is implemented through two separate companies.

Organizational Culture

Recruitment and retention policy

Does the current recruitment and retention policy where employees are strictly recruited through a circle of friends influencing growth of the company?

Table 4.1 Recruitment and retention policy

Results	Frequency	Percentage
Yes	27	70
No	6	16
Not Sure	5	13
Total	38	99

The major findings of the study indicated that 27 respondents (70%) believe that the recruitment and retention policy has contributed to the growth of the company and they

sighted some of the reasons as employee loyalty and hard work as major benefits directly attributed to the policy, however 6 respondents (16%) do not agree with that while 13% are not sure.

CONCLUSION AND RECOMMENDATIONS

Introduction

The cumulative data was analyzed using quantitative analysis and was presented in form of tables and pie charts. Recommendations were made to the general public and the business community on factors influencing efficient supply chain management in organization specifically a retail entity.

The researcher, after having determined factors influencing supply chain management and how that leads to a rapid growth strongly recommends necessary measures to be taken by firms to ensure they manage their supply chain efficiently in order to realize growth.

Conclusions

From the findings it was found that Tuskys had an average growth of 17% for the last ten years and that this growth was directly attributed to good management of the company. The company has incorporated new technology to manage its supply chain by keeping a brace of new technology throughout the last ten years.

The company has also managed its suppliers very well by incorporating third parties to manage none core services while maintaining its core business, the retail industry in general as maintaining a robust technology particularly in managing shrinkage.

The retail industry had introduced digital equipment for example, digital computers, digital teleconferencing system and close circuit television (CCTV). Also there were satellite-based facilities to enhance connectivity of various branches that were under one management or different management.

The data is manipulated with appropriate document management equipment and electronic data interchange (EDI) which was all about the exchange of electronics digital data within a business environment. Specifically, EDI was conducted on those inter connected computers operated by business users engaged in a formal trading relationship for example the banking industry.

Tuskys also has a robust supplier management system where all suppliers pre-vetted and approved before being allowed to supply merchandize. A very active monthly list is maintained and circulated within the network. Those suppliers who fail to supply according to agreed schedules are blacklisted and various actions are taken against them. The issues constraining the relationship are discussed and a quick solution is tried to be reached at.

Recommendations

The following are general recommendations on how to improve supply chain management in a retail entity with particular focus on Tusker Mattresses limited.

Technology

Because of the very nature of retail industry technology, it is necessary to ensure every process along the supply chain is monitored and every detail is captured to make sure there is good coordination and efficiency. The mantra ***“retail is detail”*** still holds. Relevant technology along the chain ensures full participation by all actors with less friction

Supplier Vetting

Tuskys has a robust and elaborate supplier vetting regime. For a supply chain to be seamless all actors must be fully incorporated and where possible be assisted. Sharing of information, technology and sometimes facilities is important in ensuring a smooth functioning of the chain. By having trusted and efficient partners the supply chain efficiency is improved and maintained.

Efficient daily Operations

Retail operations are fast and furious and the environment changes on a daily basis. Any slight alteration on the daily operation will clog the system. Operation teams and systems must be quick to adjust to any changes without altering major plans of the day. Receiving of merchandize, cleaning of stores, shelving, dispatching and packing of sold items must sequentially run smoothly every day if entities are to succeed in the retail industry.

Management Co-Operation

Lastly managers should know that ICT is part and parcel of the basic requirements of a modern office. The ICT technology aids in making managerial decisions and so they should be adopted if organizations are to achieve the envisaged goals and objectives effectively and on time.

Recommendations for Further Studies

The research that has been undertaken for this thesis has highlighted a number of topics on which further research would be beneficial. Future studies might, for example, look for trends in the growth of the entire retail sector in Kenya over the last decade. There are a number of additional areas for further research that have been highlighted by the studies undertaken for this thesis. These include investigation of the critical success factors already identified and the establishment of direct link with growth in Tuskys.

How realistic are those critical success factors, the other areas to identify other growth areas other than sales volumes and branch networks and probably whether that growth also meant direct benefits to the employees as well. The levels of uncertainty associated with the estimation methods might be further investigated using additional data from other regions of the world.

In particular, the additional uncertainty that arises when estimates are based on a small number of stations would benefit additional investigation in order to determine how much these uncertainty bounds might vary for different regions, seasons and climatic regimes. Since there are virtually no studies conducted in retail industry in the region, it is recommended that comparative studies of major players be conducted to find out their actual contribution to the economy, their characteristics and similarities since all of the major players that is Nakumatt, Tuskys and Naivas have a common origin at Rongai in Nakuru Kenya.

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