

Supply Chain Management, A Key for Success of Commercial Companies in Burundi: A Case Study of SOSUMO Company

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Abstract

Original Research Article

The purpose of this study was to analyze the contribution of supply chain management in the Success of Commercial Companies in Burundi. The interest for the researcher is to examine supply chain management practice at SOSUMO as a Para-governmental company to ascertain the effect or influence of supply chain management practice to SOSUMO performance and to make recommendations for improvements. The results of this research and presents findings, data analysis and interpretations. Based on the results, the majority of respondents, 80, 7 % of the sample, appreciate that SOSUMO has guidelines regarding the distribution of sugar. For the first research question, we found at 80,7% that SOSUMO's Supply Chain practice is noticeable through some initiatives such as: SOSUMO has guidelines regarding the distribution of sugar , SOSUMO has permanent wholesalers, SOSUMO has Own transport vehicles from the factory to the wholesalers , There is a strong cooperation between SOSUMO and the distributors, SOSUMO has well- managed warehouses, The main distributors are involved in the planning of the supply system, the delivery time is reasonable, sugar distributors get information through today's technology, SOSUMO staff is aware of the current supply system.

Keywords: Management, Supply Chain Management, Key, Success, Company, Commercial Company.

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INTRODUCTION

Supply chain management examines how a firm is able to meet its objectives over time. According to Lambert, Douglas M., James R. Stock, and Lisa M. Ellram (1998).

A supply chain is the alignment of firms that bring products or services to market. The term "management" may also refer to those people who manage an organization (Newton, D. 2000, 86). The general objective of this research is to analyze the contribution of supply chain management in the Success of Commercial Companies in Burundi. According to the nature of our study subject and in relation to our research hypotheses such that the way supply chain management is practiced in SOSUMO contributes to its performance even if there is still some improvement, among a population in this study was selected from clients and SOSUMO Staff; one private company granted monopole of sugar production and its sales in Burundi. The total population was composed by 1306 with 46 Senior Manager of SOSUMO Company, 60 Wholesalers, 600 Retailers and 600 Final Consumers from Bujumbura town, especially in NTAHANGWA urban commune.

The qualitative and quantitative method which refers to the elaboration of an interview guide helped us to collect the information's of the data and to deepen our topic were used. Finally, to facilitate comparison of results, the frequency of each response was transformed into a percentage. For further understanding, the compilation of the data for the questions and answers are done in tables. In surveys and polls, the attitude scale is used to measure the intensity of opinions or reactions of individuals on a given topic. In this scale, we used an attitude scale by bringing together a certain number of propositions or items, according to our research, it also allows us to quantify the qualitative information to possibly lead to a score. According to Edmonson& McManus (2007) a methodological research approach and design is a framework that binds research together so that the research questions can be analyzed effectively. Identification of the research method is important because it makes the collection of data easier, and gives a clear idea about the required information (Trochim& Donnelly, 2006). Before carrying out the survey, permission was sought from SOSUMO authorities, mainly in order to administer the questionnaire and the interview. The researcher was introduced to the Human

Resource Department and to the Heads of Departments and chiefs of Services where participants were selected from. This involved collecting information and data from books, surveys, year's reports, dissertations, theses, reviews' articles, and various documents on the topic. To this end, different places were visited: HAU library, University of Burundi, IDEC library, Internet, etc. Also, the following elements have been determined: population, sample and sample size, and research instruments. Mugenda and Mugenda state that questionnaires are commonly used to obtain important information about the population. Each item in the questionnaire is developed to address a specific object, research questions or hypothesis of the study. Then the researcher must know how information obtained from each questionnaire item will be analyzed (Mugenda & Mugenda 2003, 71). According to Yang & Miller (2007) the questionnaires can be administrated in person, questionnaire forms with open and closed questions were addressed respectively to the all categories of participants. Open questions allowed participants to explain themselves according to their understanding, whereas closed questions permitted the participants to choose between different options given by the researcher. An interview is an oral administration of an interview schedule. The researcher must therefore establish a friendly relationship with the participants prior to conducting the interview (Mugenda 2003, 83). The interview schedules provided a framework for eliciting the data needed to examine each stakeholder's perceptions of private higher education. Before starting any interview session, the researcher introduced himself and explained the purpose of the research. During the interview, the researcher was concerned with providing a relaxed environment for the participants. The duration of each interview session was, on average, one hour. In the course of the interviews, hand written notes were taken by the researcher. Notes regarding the sequence of the questions or about which questions should be asked were also written after the interviews. Given the exploratory nature of the study, interview questions were broad in nature so as not to be biased for or against any particular view. All interviews were mainly conducted in English, and occasionally in French or in Kirundi. The researcher learnt an important lesson from the pilot study when participants were interviewed in French and in Kirundi: the participants became less elaborative and tended to provide short answers. While conducting the pilot study, all participants were free to reply to questions in a language of their choice: French, Kirundi or English. Few insisted on using Kirundi; but, unfortunately, for those who did, it resulted in poorer quality interviews compared to those conducted in English. Nevertheless, it was necessary to carry out interviews in English with the foreign instructors interviewed as they did not speak Kirundi.

METHODS

Our research work " Supply chain management, a key for success of commercial companies in Burundi: A Case Study of SOSUMO Company", the study took place in Rutana, a town located south of Makamba province, north of Ruyigi province west of Bururi and Gitega provinces, east of Tanzania country. The total population was composed by 1306 with 46 Senior Manager of SOSUMO Company, 60 Wholesalers, 600 Retailers and 600 Final Consumers from Bujumbura town, especially in NTAHANGWA urban commune. For the purposes of this study, only the personnel of the SOSUMO Staff Members and Customers were retained. For our study, the sample was made up of 31 Senior Managers, 37 wholesalers, 82 Retailers and 82 Final Consumers. For our study, researcher used Alain Bouchard's formula to find the sample sizeAs for the instruments, we have seen fit to use the written questionnaire under the Likert scale to which the respondent responds in writing by filling out the given form. This instrument is interesting for reasons of convenience and operationality. To avoid potential language problems and misunderstandings by 600 participants, the questionnaire was done in French and Kirundi even though the interpretation was done in French. For further understanding, the compilation of the data for the questions and answers are done in tables and excel software has been used for the analysis and interpretation of the results. Our research questions were sent to the Academic Research Supervisor for comment. Redundancies and misunderstandings have been corrected based on comments received.

RESULTS

Analysis of SCM practice in SOSUMO society

The data provided by our respondents, which are presented in the table at the top, are categorized as follows: Category 1: The SOSUMO has guidelines identifying the distribution of sugar, Category 2: SOSUMO has its permanent wholesalers, Category 3: SOSUMO has its own transport vehicles from the factory to wholesalers , Category 4: There is a strong collaboration between SOSUMO and distributors , Category 5 : SOSUMO has well managed warehouses , Category 6: The delivery time is reasonable , Category 7: Major Distributors Are Involved in Procurement System Planning, Category 8: Sugar distributors get information via today's technology , Category 9: SOSUMO staff is aware of the current supply system, Category 10: SOSUMO practices the evaluation of the offer , Category 11: SOSUMO practices the supply development plan , Category 12: Sugar consumers do not complain about supply chain management practices , Category 13: Suppliers are informed of the need to provide recyclables, Category 14: The environmental policy has been fully implemented within SOSUMO, Category 15: Effective internal and external communication, Category 16: The SOSUMO developed requirements or clear policies for suppliers.

Table 1: Synthesis illustrating the results collected on the SCM practice in the company SOSUMO from consumers
Supply chain management practice in SOSUMO society

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16
TOTAL	331	330	323	343	346	352	343	354	330	334	333	330	323	343	350	352
%	80.7	80.4	78.7	83.6	84.3	85.8	83.6	86.3	80.4	81.2	78.7	80.4	78.7	83.6	83.6	85.5

Source: Research on field

Based on the results prescribed in the table above, the majority of respondents, 80,7 % of the sample, appreciate that SOSUMO has guidelines regarding the distribution of sugar. Therefore, we cannot ignore the 19.3 % of respondents who do not appreciate that SOSUMO has guidelines regarding the distribution of sugar. The survey results given in the table above show that 80.4 % agree that SOSUMO has its permanent wholesalers. But, we see that 19.6 % have expressed their ignorance of these wholesalers. As a result, SOSUMO has permanent wholesalers and this is a great benefit for the supply chain management and the success of the company Based on the results in the table above, we see that 78.7% of respondents say that SOSUMO has its own transportation vehicles from the factory to wholesalers.

This shows us that the company has equipment that can help it successfully fulfill its mission of supply chain management and improve its performance. Through this table, we find that there is a strong collaboration between SOSUMO and the distributors because 83.6% affirm it. Thanks to this collaboration, the result is that the supply chain is successful despite some imperfections to correct because these results show us only 16.4%. As it is revealed in the table above, the category number nine shows the result of the respondents, 85.3% of respondents say the existence of communication effective internal and external to the company SOSUMO. Since communication is a key to success in supply chain management, SOSUMO does its best to improve its performance through communication.

Table 2: Synthesis illustrating the results collected on the SCM practice in the company SOSUMO from Retailers

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16
TOTAL	333	322	326	350	347	360	356	333	333	335	335	335	321	326	341	351
%	81.2	78.5	79.5	85.3	84.6	87.8	86.8	81.2	81.2	81.7	81.7	81.7	78.2	79.5	79.5	85.6

Source: Research on field

Mention that the score was calculated out of 5 as maximum score.

The results prescribed that the majority of respondents from retailers, 81, 2 % of the sample, appreciate that SOSUMO has guidelines regarding the distribution of sugar. This shows that there are some people who are not aware that SOSUMO has guidelines in the distribution of sugar. As it is revealed in the table, the survey results given show that 78, 5% agree that SOSUMO has its permanent wholesalers. As a result, SOSUMO has permanent wholesalers and this is a great benefit for the supply chain management and the success of the company as it has been told by consumers and can facilitate the chain to produce enough results. The results in the table above, we see that 79,5% of respondents say that SOSUMO has its own transportation vehicles from the factory to wholesalers. This shows us that the company has equipment that can help it successfully fulfill its mission of supply chain management and improve its performance. Through this table, we find that there is a strong collaboration between SOSUMO and the

distributors because 85,3% affirm it. Thanks to this collaboration, the result is that the supply chain is successful despite some imperfections to correct because these results show us only 16.7%. It shows that SOSUMO have to plan everyday activities of monitoring the services to produce good results. To see this painting, 87,8% say the delivery time is reasonable. This shows us that SOSUMO's partners have confidence in this company following the delivery within an agreed time of its products and this enhances its success. According to the result of the respondents, 85,9% of respondents say that SOSUMO staff is aware of the current supply. This shows us that the majority is aware of this system but there is still a part that is not aware of where the continuity of awareness because a system produces good results if it is known to all its partners. According to the results of the respondents in this table mentioned above, 82,7% of the respondents say that the environmental policy has been fully implemented within SOSUMO. This shows us that SOSUMO is taking into account climate change to maintain its supply chain so that it can always be successful.

Table 3: Synthesis illustrating the results collected on the SCM practice in the company SOSUMO from the senior managers of SOSUMO

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16
TOTAL	127	127	125	129	126	124	125	130	133	122	126	128	121	129	128	124
%	81.9	81.9	80.6	83.2	82.2	80	80.6	83.8	85.8	78.7	82.1	82.5	78	83.2	82.5	80

Source: Research on field

The table above gives us different information, the majority of respondents, 81,9% of the sample, appreciate that SOSUMO has guidelines regarding the distribution of sugar. Therefore, we cannot ignore the 19.1 % of respondents who do not appreciate that SOSUMO has guidelines regarding the distribution of sugar. This shows that there are some people who are not aware that SOSUMO has guidelines in the distribution of sugar. By cons, a significant number is 81,9% is for the idea. As a result, SOSUMO is improving its supply chain management performance with these guidelines when distributing sugar. From the results of the respondents in this table mentioned above, 83,1% of the respondents say that the environmental policy has been fully implemented within SOSUMO. This shows us that SOSUMO is taking into account climate change to maintain its supply chain so that it can always be successful.

DISCUSSION

Given the results obtained during our research, it was noted that the objectives were achieved. We have seen that SOSUMO following good management of the supply chain is increasingly successful. The factors driving this success are the availability of offshore supply services at the provincial level, regular meetings to discuss the missions of each member of the supply chain in the evaluation direction. It was also noted that some indicators prove the success of a good application of the supply chain namely the increase in turnover, the protection of the environment, the management of suppliers and the ability to take of decision. Another element that makes the management of the supply chain a source of success for commercial enterprises, in this case SOSUMO. The strategies also cited for increasing success due to good management of the supply chain are manifold whose organization regular evaluation meetings of all supply chain partners, real-time delivery and sufficient amount of sugar and also look for a lot of partner to support this sector. As a result, the various commercial enterprises can ensure the functioning of the supply chain by analyzing all sides, making all partners work. The majority of respondents (81, 2%) say that clients receive quality goods and services, in quantity, time and place. This shows us that SOSUMO has understood very well its role of motivating its customers as well as its partners by offering them quality products.

CONCLUSION

Our research subject entitled " Supply chain management, a key for success of commercial Companies in Burundi: a case study of SOSUMO company" has the main objective of producing a document is to analyze the contribution of supply chain management the Success of Commercial Companies in Burundi. In the first chapter, it is very important for companies to seek to acquire and develop whatever individual or collective skills they deem necessary for their adaptation. And also the skills thus allow companies to acquire a better performance to face the

assessments of its environment. The third chapter was devoted to the research methodology where we explained the methodology used to carry out our research. We conducted a survey using the questionnaire technique and the survey technique, then we chose a sample among the personnel of the SOSUMO Staff Members and Customers. The survey itself was carried out among the personnel of the SOSUMO Staff Members and Customers, with a sample amounting to 232 personnel. In the fourth chapter "analysis and interpretation of the results" we analysed and processed the survey data using qualitative and quantitative methods. However, this quantitative data alone is not enough to make good decisions. The role of qualitative data as well as the personal feelings, experiences and preferences of information providers, as well as decision makers have a significant impact on improving the performance of supply chain management. Faced with this situation, it is very useful to analyse and / or assess the various indicators of SCM performance. Thus, strategies aimed at improving SCM performance will be taken into account. The results of the survey led us to say that in general, supply chain management policy applied by the companies in Burundi to its staff meets their expectations but requires some improvements, hence our contribution that appears in the suggestions. At the end, this article ends with the conclusion as well as some suggestions: However, we cannot hope to exhaust all the material for this article, which is why we strongly encourage other researchers in this field who can follow suit and complement us. As far as we are concerned, we hope that our research will contribute in one way or another, to scientific knowledge and we hope that it can help by not enlightening anyone who might do future research in this area.

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Contributions from Authors: All the authors contributed to the conduct of this work. They also state that they have read and approved the final version of the manuscript.

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