

**FACTORS AFFECTING IMPLEMENTATION OF LEAN PROCUREMENT IN
MULTINATIONAL ENTERPRISES: A CASE STUDY OF BRITISH AMERICAN TOBACCO
(KENYA)**

Geoffrey Ondari Nyakagwa

Taita Taveta University College, Kenya

Denis Kamau Muthoni

Cooperative University College of Kenya, Kenya

ABSTRACT

Lean Procurement is an inventory reduction method in which a customer reduces the inventory exposure by just-in-time material shipments from the suppliers. The customer may also choose to reduce the inventory exposure by arbitrarily reducing the inventory in the supply chain. Generally, Lean Procurement implementation focuses on getting the right things to the right place at the right time in the right quantity to achieve perfect work flow, while minimizing unnecessary waste while it remains flexible. Procurement is a function of myriad variables both internally and externally and therefore procurement personnel invariably put in place integrated, cohesive, well-harnessed and conceptualized systems which add value to their respective

businesses an attribute which is conspicuous with Lean procurement tactics. Implementing lean procurement will help; eliminate waste, increase capacity, reduce inventories, increase customer satisfaction, eliminate bottlenecks, improve communications in general core activities of the organization and general improvement of efficiency and effectiveness in functional operations. To establish the factors, the study relied on the specific objectives which included; identifying the effects of internal structures in the implementation of lean procurement, examining the effects of rationalization of suppliers in the implementation of lean procurement, and analyzing the effects of efficient inbound logistics in the implementation of lean procurement in organizations. Utilizing descriptive survey research design and questionnaires to collect primary data from 300 respondents, the study successfully establishes there are factors that hinder implementation of lean procurement in multinational enterprises and that anchoring lean procurement in any organization will ease the procurement process.

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