

EFFECTS OF LOGISTICS MANAGEMENT PRACTICES ON ORGANIZATION PERFORMANCE IN KENYA: A CASE OF RIFT VALLEY BOTTLERS LIMITED IN UASINGISHU COUNTY

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ABSTRACT

Logistics plays key role in supporting organizations as they strive for more efficient management systems as in the business practices, the inefficient logistics system together with the inefficient internal management would disable the organization to respond to the needs of customers with the lowest price at the shortest feasible time frame including the quality level which does not meet customer expectation and would lead the organizations to the competitive disadvantage situation against their rivals. The specific research objective included; to investigate the effects of order processing logistics management practices on the performance, to find out effects of transport control logistics management practices and the performance, to investigate effects of inventory control logistics management practices on the performance, to establish the effects of information systems logistics management practices on the performance. A case study design was used. Target populations of 100 of employees drawn from different department were targeted. A sample size of 80 was selected using stratified sampling techniques. Questionnaires and interview schedules were used to collect data. Validity and ability were tested using a pilot study; data analysis was carried out using descriptive statistics such as factor analysis and weighted averages. The data analysis involved editing, coding, tabulation and report formatting so that data collected was accurate and complete before data analysis. Questionnaires and interview schedules were used to collect data. Validity and ability were tested using a pilot study; data analysis was carried out using descriptive statistics such as factor analysis and weighted averages. The data analysis involved editing, coding, tabulation and report formatting so that data collected was accurate and complete before data analysis. A further study is suggested in the role of logistics in quality of service delivery of other functions in an organization and Challenges facing formulation of purchasing logistics in the contemporary world.

Key Words: *logistics management practices, order processing, inventory control, information systems*

Introduction to the Research Problem

Logistics plays key role in supporting organizations as they strive for more efficient management systems (Cozzolino, 2012) as in the business practices, the inefficient logistics system together with the inefficient internal management would disable the organization to respond to the needs of customers with the lowest price at the shortest feasible time frame including the quality level which does not meet customer expectation and would lead the organizations to the competitive disadvantage situation against their rivals.

Jiang and Qureshi (2006), point out that the result of logistics management is still vague and an unexplained puzzle hence the basis of the study. The core business of large manufacturing firms is basically to manufacture though they still need to procure materials for production, warehouse, and manage inventory and transports manufactured products to the end users. On his part Kamuri (2010) undertook a research on challenges facing the implementation of logistics outsourcing strategy at the Kenyatta National Hospital and found out among others for an organization to realize the competitiveness resulting from logistics outsourcing, then it should be able to develop a cordial relationship with all the supplier of goods and services which will facilitate efficient and effective delivery of services.

Bosire (2011) researched on the Impact of logistics outsourcing on lead time and customer service among supermarkets in Nairobi. He found out that outsourcing of logistics services in supermarkets has a direct effect with the lead times of product delivery and that among those supermarkets that have outsourced procurement of products from the suppliers; time taken to deliver the same products to their warehouses has tremendously reduced. This study therefore sought to address this gap by examining the effects of logistics management practices on organizational performance with a special reference of Rift valley bottlers Limited in Uasin Gishu County.

General Objective

The purpose of the study was to investigate the effects of logistics management practices on organizational performance.

Specific Objectives

1. To evaluate the effects of order processing management practice on the Organization performance.
2. To establish the effects of transport management on the Organization performance in Kenya.
3. To analyze the effects of inventory management on the Organization performance in Kenya.

4. To investigate the effects of Information systems on the Organization performance in Kenya.

Theoretical Framework

Theories are formulated to explain, predict, and understand phenomena and, in many cases, to challenge and extend existing knowledge, within the limits of the critical bounding assumptions. The theoretical framework is the structure that can hold or support a theory of a research study. The theoretical framework introduces and describes the theory which explains why the research problem under study exists.

The history of logistics can be traced to military logistics. Military Regiment uses mules for carrying cargo during WWII. Animals have been used for logistic purposes by different people throughout history, the Roman army in particular preferred mules over donkeys for their carrying capacity. The historical leaders Hannibal Barca, Alexander the Great, and the Duke of Wellington are considered to have been logistical geniuses. Military have a significant need for logistics solutions and so have developed advanced implementations (Scannell, Vickery, & Dröge, 2000).

Integrated Logistics Support (ILS) is a discipline used in military industries to ensure an easily supportable system with a robust customer service (logistic) concept at the lowest cost and in line with (often high) reliability, availability, maintainability, and other requirements, as defined for the project. History has shown that good logistical planning creates a lean and efficient fighting force. The lack thereof can lead to a clunky, slow, and ill-equipped force with too much or too little supply (Ketchen, & Hult, 2006).

Theories of the firm

Theories of the firm were originally developed to identify why firms exist (Holmstrom and Tirole, 1989). Earlier theories of the firm were rooted in deductive economics and have as their foundation transaction cost theory. Transaction costs are those costs associated with exchange, while production costs are associated with the coordination of various production activities in-house (Das and Teng, 2000). The existence of a firm is based on differences between the transaction costs of market contracts versus those of a firm. If market contracts are characterized by low transaction costs, then division of labor will not be organized within a firm (Stigler, 1968). Therefore, behavioral theories were introduced in an attempt to overcome some of the limitations associated with the economic theories. Since neither view completely explains firm existence, researchers have suggested the economic and behavioral views are complementary (Foss, 1996).

Inventory management Theory

Heizer and Render (2006) indicate that “inventory management or “inventory planning and control” refers to the ongoing provision of standard items with independent demand, where some speculative quantity should always be on hand. Businesses hold these stocks for various reasons, including protection against general shortages or potential problems with suppliers, or, because unit price rises may be imminent. Typically, the resultant inventories enable firms to perform a service economically, without the beneficiaries suffering any untoward delays.

The theory's building block is the economic order quantity (EOQ) model, which divulges the optimum amount Q to reorder for an individual item. Several (possible) operating systems are available for monitoring stock levels and triggering fresh orders. Moreover, different items should not be treated equally, since a certain minority will be highly influential. The literature proffers advice on these practical matters, but tends to be inconsistent, muddled, and even illogical at times. Moreover, the EOQ model is myopic because it only considers the purchasing side, taking no direct account of how the supplier organizes, plans, and executes the processing, picking, and transportation of various customers' orders.

Inventory allows companies to restock merchandise quickly and efficiently once the customer purchases the available stock of similar merchandise from the sales floor. The cost involved with an inventory is calculated by the overall space used to store unstocked items as compared to the chance that additional customers will want to purchase similar merchandise before another scheduled shipment can arrive. If the overall benefit from using stockroom space to hold inventory is lower than the cost of upkeep for the space, utilities, maintenance and the reduction in space to store other items, a company may decide to reduce its inventory.

Supply Chain Management Theory

Supply chain management is another inventory theory where the distributor incurs the financial burden of inventory in order to provide a regular and efficient restocking of multiple sites from a single location. For instance, if you own a store with a low or minimal inventory space and you run out of a product, you can receive new merchandise from a local branch distribution office to restock your supply. A local distributor can restock your shelf quicker than if you had to order the products directly from a more distant supplier.

Supply chain management (SCM) covers more than one site and is a “hot topic” in operations management. It is a natural extension of the materials requirements planning (MRP) and enterprise resources planning (ERP) systems common in manufacturing applications, whereby all dependent demands falling in any specific time period can be calculated precisely. The necessary purchasing and production activities are scheduled accordingly and linked to the provision of matching resources. So far though, SCM's emergence has exerted minimal influence on stock control theory. Nor has the underlying “just-in-time” (JIT) philosophy had a noticeable impact, despite comments that process improvements are more fruitful than tinkering with

mathematical models (Knod and Schonberger, 2001). Nissan's (UK) supplier pick up routes, or “milk rounds”, is a prime example (Wickens, 1998).

Conceptual Framework

This study will use a conceptual framework where logistics management will be itemized as an independent variable and company performance as dependent variable. Logistic management will be categorized as ordering processing logistics, transport logistics, Information Systems Logistics and inventory control logistics. Company performance will be categorized as productivity, sales volume and profit level.

Effects of order processing Management on Performance of the business

The term order processing logistics describes logistic processes within an industry. Order processing logistics aims to ensure that each machine and workstation receives the right product in the right quantity and quality at the right time. The concern is not the transportation itself, but to streamline and control the flow through value-adding processes and to eliminate non-value-adding processes. Order processing logistics can operate in existing as well as new plants. Manufacturing in an existing plant is a constantly changing process. Machines are exchanged and new ones added, which gives the opportunity to improve the production logistics system accordingly. Order processing logistics provides the means to achieve customer response and capital efficiency (Simchi and, Simchi-levi, 2007),

Track and tracing, which is an essential part of production logistics due to product safety and reliability issues, is also gaining importance, especially in the automotive and medical industries (Hines, 2004). Logistics management is that part of the supply chain that plans, implements, and controls the efficient, effective forward and reverses flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customer requirements (Simchi-Levi, Kaminsky & Simchi-levi 2007)

Effects of Transport Management on performance of organizations

Transport Logistics, has evolved very naturally into a premier provider of 3PL services which specialize in providing its clients with cost-effective, high tech solutions for the most demanding supply chain challenges. TLI utilizes multiple modes of transportation and service opportunities including pool distribution, truckload, less-than-truckload, domestic air, international air, ocean, consolidation, intermodal, warehousing, pick and pull, DC by-pass, merge-in-transit, drayage, and local cartage (Donovan, 2006).

The technology unit of TLI, has developed its own proprietary software systems that equip both shippers and delivery agents with the vital information necessary to manage and control their shipment data. These systems allow customers great flexibility from web based tracking to DC Bypass capabilities. Using 24/7 Internet access, crucial data tracking can be monitored

throughout the shipment cycle: from the scan performed on freight received at the terminal through the in-store scan performed upon actual delivery.

A study by Wiendahi (2009) established that transportation is the operational area of logistics that geographically moves and positions inventory. Because of its fundamental importance and visible cost, transportation has traditionally received considerable managerial attention. Almost all enterprises, big and small, have managers responsible for transportation. Transportation requirements can be satisfied in three basic ways. First, a private fleet of equipment may be operated. Second, contracts may be arranged with dedicated transport specialists. Third, an enterprise may engage the services of a wide variety of carriers that provide different transportation services as needed on a per shipment basis. From the logistical system viewpoint, three factors are fundamental to transportation performance in terms cost, speed, and consistency. The stronger the cost of transport the stronger is the payment for shipment between two geographical locations and the expenses related to maintaining in-transit inventory.

When transportation lacks consistency, inventory safety stocks are required to protect against service breakdowns, impacting both the seller's and buyer's overall inventory commitment. With the advent of advanced information technology to control and report shipment status, logistics managers have begun to seek faster movement while maintaining consistency. Speed and consistency combine to create the quality aspect of transportation. In designing a logistical system, a delicate balance must be maintained between transportation cost and service quality. In some circumstances low-cost, slow transportation is satisfactory. In other situations, faster service may be essential to achieving operating goals. Finding and managing the desired transportation mix across the supply chain is a primary responsibility of logistics.

Effects of Inventory management on performance of organizations

Inventory or stock refers to the goods and materials that a business holds for the ultimate purpose of resale (or repair). Inventory management is a science primarily about specifying the shape and percentage of stocked goods. It is required at different locations within a facility or within many locations of a supply network to precede the regular and planned course of production and stock of materials. The scope of inventory management concerns the fine lines between replenishment lead time, carrying costs of inventory, asset management, inventory forecasting, inventory valuation, inventory visibility, future inventory price forecasting, physical inventory, available physical space for inventory, quality management, replenishment, returns and defective goods, and demand forecasting. Balancing these competing requirements leads to optimal inventory levels, which is an on-going process as the business needs shift and react to the wider environment (Simchi-Levi, Kaminsky & Simchi-levi 2007).

There are a number of people who argues that the success of supply chain management depend on its ability to control their inventory. Hence logistic inventory control should always become your first priority in breeding your supply chain system. A company should pay more attention to

their inventory control as it is the key to improve customer service as well as reducing excess cost. Having too much inventory will lead to high maintain cost, on the other hand too little inventory will make you lost sales (Stank, Keller, & Daugherty,2001).

The secondary one is by making production schedule more efficient as well as employing flow management smoothly (Stank, Keller, & Daugherty,2001). The last one is some firms might not actively manage their inventory daily. The last approach can only be done for raw materials.

Effects of Information systems Management on performance

The importance of accurate information to achieving superior logistical performance has historically been underappreciated. While many aspects of information are critical to logistics operations, the processing of orders is of primary importance. Failure to fully comprehend this importance resulted from not fully understanding how distortion and operational failures in order processing impact logistical operations Donovan, (2006).

Current information technology is capable of handling the most demanding customer requirements. When desired, order information can be exchanged between trading partners. The benefit of fast Information Flow is directly related to work balancing. It makes little sense for a firm to accumulate orders at a local sales office for a week, mail them to a regional office, process the orders in a batch, assign them to a distribution warehouse, and then ship them via air to achieve fast delivery. In contrast, Internet communication of orders direct from the customer, combined with slower, less costly surface transportation, may achieve even faster and more constant delivery service at a lower total cost. The key objective is to balance components of the logistical system (Masella, & Rangone, 2000).

Forecasting and communication of customer requirements are the two areas of logistical work driven by information. The relative importance of each facet of operational information is directly related to the degree to which the supply chain is positioned to function on a responsive or anticipatory basis (Masella, & Rangone, 2000). This balance between responsiveness and anticipatory driven operations constitutes the basic paradigm shift taking place in 21st-century supply chain design. The more responsive the supply chain design, the greater the importance is of accurate and timely information regarding customer purchase behavior.

In most supply chains, customer requirements are transmitted in the form of orders. The processing of these orders involves all aspects of managing customer requirements, including initial order receipt, delivery, invoicing, and collection. The logistics capabilities of a firm can only be as good as its order processing competency (Stank, Keller, & Daugherty, 2001).

Information flow identifies specific locations within a logistical system that have requirements. Information also integrates the three operating areas. Within individual logistics areas, different movement requirements exist with respect to size of order, availability of inventory, and urgency, (Larson, and Halldorsson, 2004). The primary objective of information flow

management is to reconcile these differentials to improve overall supply chain performance. It is important to stress that information requirements parallel the actual work performed in Customer Accommodation, manufacturing support, and procurement. Whereas these areas contain the actual logistics work, information facilitates coordination of planning and control of day-to-day operations. Without accurate information, the effort involved in the logistical system can be misdirected (Parente, Pegels, & Suresh, 2002).

Logistical information has two major components: planning/coordination and operations. Converting data to information, portraying it in a manner useful for decision making, and interfacing the information with decision-assisting methods are considered to be at the heart of an information system. Logistics information systems are a subset of the firm's total information system, and it is directed to the particular problems of logistics decision making, (Masella, & Rangone, 2000). inventories or order progress, exception reports that compare desired performance with actual performance, and reports that initiate action. Output can also be in the form of documents such as transportation bills of lading and freight bills (Ballou,1999).

Effects of logistics on performance

There are different types of logistic which includes reverse logistic, inbound logistics, outbound logistics, third-party logistics and fourth-party logistics reverse logistics is also known as Product Recall. It may be defined as a process of moving goods from their place of use, back to their place of manufacture for re-processing, refilling, repair, and recycling or waste disposal (Scannell, Vickery, & Dröge, 2000).

Reasons for Reverse Logistics include: Rigid quality standards, which is a critical in case of contaminated products, which can cause environmental hazard, rigid laws prohibiting unscientific disposal of items, rigid laws making recycling mandatory, Transit damage e.g. leaking containers containing hazardous material Product expiration, Erroneous order processing by supplier, Exchange of new product for the old ones, Return for repair or refill, Drivers in Reverse Logistics (Ketchen, & Hult,2006). The success of reverse logistics depends upon the efficiency of following subsystems include: Product Location, Product Collection System, Recycling / Disposal Centers, Documentation System

All the activities related to the material movement till the dispatch of the products out of the factory gate are called as inbound logistics activities. Creation of value in the products depends upon availability of inputs on time. Making available these inputs on time at minimum cost is the essence of Inbound Logistics. Activities of a procurement performance cycle come under the scope of Inbound Logistics. They are transportation during procurement operation, storage, handling and overall management of inventory of inputs (Mentzer, et al, 2001)

Activities of distribution performance cycle come under the scope of outbound logistics (Phelan, 2009). They are order management, transportation, warehousing, packaging, handling etc. In third-party logistics (3PL), In order to keep the costs of inbound and outbound logistics activities

under control, an outside agency appointed to perform these logistics functions is called third party Logistics. In forth-party logistics (4PL), forth party logistics is a complete outsourcing of manufacturing and logistics functions including selection of third party service provider (Wiendahi, 2009).

Need for 4PL include: Ever-increasing customer requirements, Competitive and complex market scenario, Rising globalization, liberalization and privatization, Rising accessibility of supply chain technology, Inclination of companies to enter into higher margin business. Services provided by 4PL include: Procurement and storage of materials, Manufacturing of products, Selection of 3PL companies, Transportation and warehousing management, Collection of payment and cash flow management, Risk management and insurance, sharing of information, IT solution (Wallenburg, Michael and Goldsby, 2011).

Research Methodology

Research Design

The study will adopt descriptive research design. Descriptive research design are normally intended to describe and report the way things are. They are characterized by systematic collection of data from members of a given population through questionnaires and interview. This design was preferred as it allowed data to be collected without changing the environment of the setting

Sample Size and Sampling Technique

The sampling Frame consisted of managing director 1 employees in accounts department 14 employees in purchasing department 18 employees in transport 21 and 18 employees in stores department

The concern which arose when designing this statistical study was how many subjects were involved in the sample. A sample size of 80% (80) was selected using stratified sampling techniques the sample size was determine using the table formulated by Krejcie & Morgan (2000) .

Data Collection Procedure

This study collected both qualitative and quantitative data. Data was collected using a self-administered questionnaire. Semi-structured questions was used in an effort to conserve time and money as well as to facilitate in easier analysis as they would be in immediate usable form; while the unstructured questions were used so as to encourage the respondent to give an in-depth and fill responses without feeling held back in revealing of any information (Chandran, 2003).

Research Results

Logistics management practices

The researcher sought to establish the common logistics management practices used in Rift Valley Bottlers so as to assess how each logistic management practices influences performance of the business. Based on the responses, Order logistics management is an indicator of performance by a mean of 4.4; Inventory control logistics management as shown by a mean of 3.9; Outsourcing logistics management indicated by mean 4.0; Information systems logistics management shown by mean 3.6; Information systems logistics management shown by mean of 3.8 respectively. They are all indicators of organizational performance. Apparently majority of the respondents identified order, inventory, outsourcing and information systems as the common logistics management practices used in Rift Valley Bottlers. The interview with the managing director also indicated that other logistics management practices used included: warehouse logistics practices, customer evaluation logistics practices and product portfolio logistics practices. Activities of a procurement performance cycle come under the scope of Inbound Logistics.

Measures of performance used by Rift Valley Bottlers

The study sought to find out the respondents' opinion on statements about measures of performance used by Rift Valley Bottlers. Table 4.6 shows the study findings, most respondents Disagreed that The profit level increases drastically as shown by a mean of 4.0; that Sales volume is an indicator of performance as shown by a mean of 3.9; and that the level of Services delivery is an indicator of performance shown by a mean of 4.4. Most respondents disagreed that Production levels are measures of performance as shown by a mean of 3.8; and the Quality of the product shows the level of performance as shown by a mean of 3.8. It was paramount to seek this information so as to establish the indicators of performance in Rift Valley bottlers. It was established from the study that on the profit level, sales volume, service delivery, production level and quality of product majority of the respondents agreed that they are indicator of performance at Rift valley bottlers. Apparently the findings of the study show that logistics management affects the performance of the organization directly and indirectly.

Effects of order processing logistics management practice on organizational performance

The study sought to find out how logistics order processing practices of logistics management influence organization performance so as to underscore its importance. It was established from the study that Profit levels increased drastically as shown by a mean of 4.2; that Sales volume increase by a big margin as shown by a mean of 3.8; that Service delivery increases as shown by a mean of 4.2; that Production level increases as shown by a mean of 4.2 and the Quality of the product increase. Apparently from the above findings it shows that order process logistics

management practices contributes to increase in profit, sales volume, service delivery, production levels and quality of product service. The managing director also indicated that the company uses productivity, cost minimization, levels of fraud and errors to indicate the performance of ordering logistics management effects on performance. The study is supported by Simchi-Levi, Kaminsky & Simchi-levi, (2007) Logistics management is that part of the supply chain that plans, implements, and controls the efficient, effective forward and reverses flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customer requirements.

Effects of Transport logistics management practices on the Organizational performance

It was important to seek this information so as to find out the extent of agreement by the respondents on the effects of transport logistics management practice on organization performance so as to establish its applicability and value in the logistics management systems. It was observed that Quick delivery of goods to the customers establishes the transport logistics management practice as shown by a mean of 3.9; that Less costs of transport influence the value of logistic management as shown by a mean of 3.8; that Less costs of loading and unloading has an effect on organization performance as shown by a mean of 4.2; that suppliers view the public sector as good customers as shown by a mean of 2.61. Further respondent agreed that supplier management does not contribute to quality control of complex goods and services procured as shown by a mean of 3.83 and that the kind of relationship with suppliers influence the quality of innovative goods and services procured by the public sector by a mean of 3.93. From the findings transport logistics management practices affects performance through quick delivery of goods, less breakages, less costs of transport, less costs of loading and unloading and less costs pillflage. The managing director identified costs of repair of motor vehicles and loss of goods on transit as areas addressed by transport logistics management practices. The study is supported by Wiendahi (2009) who established that transportation is the operational area of logistics that geographically moves and positions inventory. Because of its fundamental importance and visible cost, transportation has traditionally received considerable managerial attention.

Effects of Inventory control logistics management practices on Organizational performance

The study sought to find out the effects of inventory control logistics management so as to establish whether their use in the organization contributes to overall performance. It was established from the study that Costs of maintenance of stocks reduces due to inventory control management as shown by a mean of 4.3; that inventory control makes Production flow improves as shown by a mean of 3.9; that Costs of breakages reduce due to inventory controls as shown by a mean of 3.9; that Production level increases as shown by a mean of 3.8 and inventory controls makes theft of the stock to reduce as shown by a mean of 3.5.

Effects of Inventory control logistics management practices on Organizational performance

The findings imply that inventory control logistics management assists the performance of rift valley bottlers limited through costs of maintenance of stock reduces, quality of the product remains intact, production flow improves and cost of breakages reduces. The response from the interview schedule showed that inventory logistics management assists in establishing minimum and maximum stock levels, re-order quantity and economic order quantities. This findings are supported by Stank, Keller, & Daugherty, (2001) who states that a company should pay more attention to their inventory control as it is the key to improve customer service as well as reducing excess cost. Having too much inventory will lead to high maintain cost, on the other hand too little inventory will make you lost sales

Effects Information systems logistics management practice on the Organizational performance

Apparently the researcher sought this information to find out whether development of information systems logistics management practices has contributed to improving the performance in general for the company. Information systems adopted in most companies include E- procurement, E-payment, E-inquiry and E-evaluation of suppliers. Table 4.10 below provides the findings of the study. The study sought to find out the effects of Information systems logistics management practice on the Organizational performance. It was established from the study that Inquiries of inputs are made quickly as shown by a mean of 4.4; that Orders are emailed quickly as shown by a mean of 4.2; that Evaluations of suppliers are carried out quickly as shown by a mean 4.4; that Electronic payment is made fast as shown by a mean of 4.0 and that Complains by customers and suppliers are addressed fast. Its apparent from the above findings that majority of the respondents agreed that information systems logistics management improves performance through enabling inquiries of inputs to be made quickly, Orders are emailed quickly, Evaluations of suppliers are carried out quickly and Electronic payment is made fast. The managing director also indicated that information systems logistics management has assisted in E-commerce, E-commerce transactions and quick processing of payments from creditors balances. According to Masella, & Rangone, (2000) Internet communication of orders direct from the customer, combined with slower, less costly surface transportation, may achieve even faster and more constant delivery service at a lower total cost.

Conclusions

The study therefore conclude that order process logistics management practices contributes to increase in profit, sales volume, service delivery, production levels and quality of product. This therefore shows that the importance of logistics management in any of the organization cannot be underrated it should be the core business of the business to formulate and design order

processing logistics practices to enhance performance. Inventory control logistics management assists the performance of rift valley bottlers limited through costs of maintenance of stock reduces, quality of the product remains intact, production flow improves and cost of breakages reduces. This in turn leads to customer good will and a high volume of sales, hence improvement in overall performance of the business.

Recommendations

Based on the above findings the researcher therefore recommends the following: Formulation and frequent updating of ordering logistics management practices so as to be compliant with the current dynamics in purchasing procurement and logistics management; Incorporation of transport logistics management practices in all aspects of purchasing since this constitutes a larger component of logistics management practices, hence its paramount to design appropriate logistics management practices in line with the organizations activities and line of production; Inventory logistics management practices should be formulated so as to control the costs of maintains fraud and theft, organizations lose millions of money through pilferage and less effective control systems are affected through logistics management, business will make less profits. Formulation and design of information systems logistics management so as to fasten the flow of information and create seamless operations which in turn will attract more customers and reputation in the competitive environment.

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