

THE INFLUENCE OF INVENTORY MANAGEMENT PRACTICES ON  
ORGANIZATIONAL PERFORMANCES: A CASE OF COOPER MOTOR  
CORPORATION (CMC) NAIROBI

BY  
DANIEL MUSILI

A PROJECT REPORT SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF A BACHELOR OF BUSINESS  
MANAGEMENT DEGREE (PURCHASING AND SUPPLIES MANAGEMENT) OF  
MOUNT KENYA UNIVERSITY

JULY 2015

## **ABSTRACT.**

The main objective of this study was to determine the factors that influences inventory management practices in the organizational performances at CMC Motors Group Limited Nairobi. The study specific objectives were to assess the effect of Just in Time technique employed in stock, Material Requirement Planning and Enterprise Resource Planning on organizational performances. The research was carried out to enable the organization to adopt better inventory management practices, to ensure that inventory should not be kept too much or too less since good inventory management helped by adding value in terms of having control over and maintaining lean inventory. The study focused on the influence of inventory management practices in organizational performances a case study of CMC Motors Group Limited Nairobi. The study was conducted between the months of September 2014 to January 2015. Descriptive research design was applied to conduct the study in order to achieve the objective of the study and to be able to answer research questions. A target population of 120 respondents was divided into groups on the basis of positions in the organization and the data was collected through the use of open ended and closed ended questionnaires. Simple random sampling method was used to select 50% of the respondents giving a total of 60. Data was collected through the use of questionnaires which was the technique of data collection in which each person was asked to respond to the same set of questions in a pre-determined order. Data analysis is a process of gathering, modeling and transforming data with the goal of highlighting useful information, suggesting conclusions and supporting decision making. Descriptive analysis tools including percentages, frequency tables, pie charts and graphs were used to analyze and present the different findings of the study. The study revealed that Just in Time and Material Requirement Planning indeed influence performance in the organization, as affirmed by a majority of respondents. The study recommends that to influence organizational performances in inventory management practices, the study recommends the adoption of supply market analysis. The study also recommends that all firm's business activities should be technologically driven in order to have a competitive edge which is seen as path to better results given the quality of processes and procedures that are enhanced by environmental force. The study recommends that a similar study be conducted with a focus on other companies and institutions outside the scope of inventory management, in order to get a different perspective in relation of the nature of the organizations.