

**THE EFFECT OF E-PROCUREMENT ON PERFORMANCE OF STATE
CORPORATIONS: A CASE OF THE COMMUNICATION AUTHORITY OF KENYA**

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ABSTRACT

From the time when the internet started being used as a supply management tool in the mid-1990s, businesses have tried to gain the benefits e-procurement can deliver: cost reduction, process streamlining, improved contract compliance, increased spend under management, and more. State corporations play a major role in the development of the country through provision of public services and have become a part of the catalysts of public and economic development in Kenya. The general objective of this study was to assess the observed effects of e-procurement on public procurement performance in state corporations in the Kenya. A case study of the Communication Authority of Kenya (CAK) formerly the Communication Commission of Kenya (CCK) was used. Descriptive statistics were used in this study aided by Statistical Package for Social Sciences (SPSS) version 21 to compute percentages of respondents' answers. Tables were used to present the analyzed results. The study findings revealed that customer service level strategy, inventory optimizations strategy, buyer/ supplier collaboration strategy and audits and compliance strategy significantly affect performance at CAK and consequently at state corporations. The study recommends that state corporation should have a good e-procurement infrastructure (software system) as it would help them greatly reduce the time and effort required to complete purchasing transactions by eliminating traditional paper chain of requisitions, approvals, receiving and payment reconciliation. It also recommends that the government should strive to ensure that the costs of connecting to the internet through the fibre optic are brought down to minimize the costs of running such systems. This is because investing and facilitating a digital economy is by empowering youth to develop software that are market ready and which the government and county government will be primary consumers. To coordinate demand requests inventory management should utilize the benefit of strategic supply chain tools such as information technology to lower and make ordering more efficient and effective. This real – time information in regard to inventory levels throughout the supply chain assists in lowering the costs of back orders, lost orders and obsolescence.