

**EFFECT OF ENTERPRISES RESOURCE PLANNING IMPLEMENTATION ON
SUPPLY CHAIN PERFORMANCE IN MANUFACTURING SECTOR IN KENYA:**

(A CASE OF BIDCO OIL REFINERIES KENYA LIMITED)

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ABSTRACT

ERP provides an integrated view of core business processes, often in real-time, using common databases maintained by a database management system. The study objective was to determine cost, decision making, coordination and collaboration were the effect of ERP implementation on supply chain performance in manufacturing sector in Kenya.

The study used a descriptive research design and data was collected through the use of the questionnaires, the target population was 100 respondents from all categories of respondents were selected using simple random sampling technique; the sample size was 50 respondents. The study findings was then analyzed and presented in form of charts through the use of quantitative and qualitative techniques; this contributed towards answering of the research questions and making conclusion and recommendation of the research study.

The study found the effect of ERP on cost was indicated by majority of respondents who were 88% answered Yes as compared to 12% who answered No. The effect of technical capacity was indicated by majority of respondents who were 90% answered Yes as compared to 10% who answered No. The effect of ICT systems was indicated by minority of respondents who were 85% answered Yes as compared to 15% who answered No. The effect of ICT infrastructure was indicated by 93% to be high as compared to 7% who said it does not have an effect.

The study recommended that in order for ERP cost benefits to be realized, full integration should be done so as to ensure full effectiveness. Technical solutions include rewriting part of the delivered software, writing a homegrown module to work within the ERP system, or interfacing to an external system. The authors state that ERP systems provide critical functionality by integrating information technologies relevant throughout the enterprise. ICT infrastructure greatly contributed to ERP system which contributed to supply chain performance.