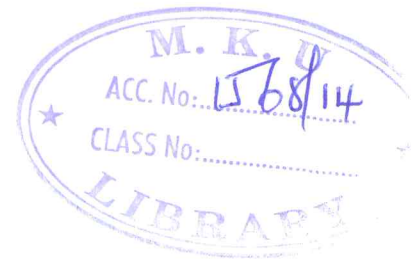


**EFFECTS OF E-PROCUREMENT ON PROFITABILITY OF ORGANIZATIONS**

**(A CASE OF NAKUMATT HOLDINGS)**

**BY**

**CHEPCHIRCHIR LINDA**



**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENT FOR THE AWARD OF A DEGREE IN BACHELOR OF  
BUSINESS MANAGEMENT (PROCUREMENT OPTION)**

**MOUNT KENYA UNIVERSITY**

**2014**

## ABSTRACT

The main purpose of carrying out this study was to establish the effects of e-procurement on profitability in an organization with reference to Nakumatt Holdings. The specific objectives of the study were; to find out the effects of operational costs, inventory, management, and production on e-procurement in an organization. The significance of the study included the organization itself, the government, and future researchers.

Descriptive research design was utilized in the interpretation of study findings. The research target population for the study was 120 employees. The population which was divided into several distinct characteristic groups'. The method of sampling used was the stratified random sampling procedure to select a sample that presented the data of whole population and due to the heterogeneous nature of the population. Questionnaires were used as an instrument to collect data and a sample size of 60 respondents was used. Data was analyzed through statistical tools.

The findings were presented in form of tables, pie charts and bar graphs. The findings show the demographic background of the respondents and how operational costs, inventory, management, and production on e-procurement in an organization.

73% of the respondents indicated that operations cost affect implementation on profitability of organizations while 77% indicated that inventory affect implementation of E-Procurement on profitability of organizations. On Management, 71% indicated that it affected implementation of E-Procurement on profitability of organizations and 75% indicated production affects implementation of E-Procurement on profitability of organizations.

Recommendations from the study will be discussed to ensure that opportunities and advantages are realized to the management of Nakumatt Holdings.