

**ROLE OF INVENTORY MANAGEMENT ON PERFORMANCE OF FOOD
PROCESSING COMPANIES IN KENYA:
(A CASE OF CROWN FOODS LIMITED KENYA.)**

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ABSTRACT

The study's main objective was to carry out an analysis of effects on inventory management on performance of food processing companies in Kenya. The study was guided by the following specific objectives to determine the effect of increased production on performance of food processing companies in Kenya, to assess how cost control influence performance of food processing companies in Kenya, to establish the contribution of continuous supply on performance of food processing companies in Kenya and to ascertain the effect of reduced loss on food processing companies in Kenya. This study used descriptive research design. Using stratified random sampling design, the researcher selected 110 respondents on whom he conducted the study. The study used a questionnaire to collect primary data. Data collected was sorted, classified and coded then tabulated for ease of analysis. The data was summarized and categorized according to common themes. The SPSS (version 16) computer software aided the analysis. Descriptive statistics was employed to analyze the data. A multivariate regression model was applied to determine the relative importance of each of the variables with respect to performance of food processing companies in Kenya. The study found that factors affecting performance of food processing in Kenya is 0.128. The findings presented also shows that a unit increases in maintaining production will lead to an increase in the scores of the performance of food processing company. A unit increase in cost control will lead to an increase in performance of food processing companies in Kenya. Also, a unit increase in record reduced loss will lead to an increase in the scores of the performance of food processing companies in Kenya; and a unit increase in continuous supply will lead to an increase in the scores of performance in food processing companies. The study recommends that inventory management should be well articulated, there should be a good management on cost control such as carrying cost, ordering cost as well and maintain production should be managed to meet demand, increase production turnover and identify opportunity. The study recommends inventory management should ensures continuous supply, minimized loss, increased production and cost control on the performance of food processing companies in Kenya.