

FACTORS INFLUENCING IMPLEMENTATION OF E-PROCUREMENT IN KENYA: A CASE STUDY OF SMALL AND MEDIUM SIZE BUSINESSES IN VOI TOWN

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Abstract

Many SMEs handle procurement through an inefficient combination of manual processes, including paper records, phone calls, e-mails, and faxes. This can lead to problems such as limited financial reporting, lack of readily accessible management information, lower levels of vendor compliance, and unauthorized spending. There are e-procurement solutions that can address these issues, but most of these tend to be expensive, complex and require technical expertise to install and maintain. This paper looks into factors influencing implementation of e-procurement on small and medium sizes business in Voi town. The study has three objectives: To ascertain the effect of skills on implementation of E-procurement in SMEs; to establish the effect of Supplier compatibility on implementation of E-procurement in SMEs and finally determine the effect of cost of systems infrastructure on implementation of E-procurement in SMEs. The study adopted a descriptive approach. It targeted a population of one hundred employees. The researchers used the stratified random sampling technique since the target population was divided into homogeneous sub groups. This made it easier for the researchers to take a sample from each subgroup and ensure that all subgroups in the population were well represented. Data was collected from the respondents through a questionnaire. The researchers used descriptive statistical techniques including a summary of findings in form of charts, tables and graphs from coded numbers and percentages; finally, the data was then analyzed using SPSS model. The study found that 49.5% of the respondents influenced use of e-procurement. It is evident that most of them noted that training of suppliers greatly influenced the use of e-procurement. The study concluded that skills, supplier compatibility and the cost of systems infrastructure influence the implementation of E-procurement in the SMEs in Voi town.

Key words: e-procurement, SMEs, supplier