

The Impact of Procurement Practices on the Growth of an Enterprise: The Case of DOVV Cameroon

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Abstract

This aim of this work was to study the impact of procurement on the growth of an enterprise. The case study was DOVV Cameroon. The reasons to write on this topic are the irregularities in the process of procurement that is fictitious delivery, substandard supply and partial supply of goods. Based on the problem above, the researcher came out with the following objectives: to investigate if procurement influences the growth of enterprises, to investigate the contribution of procurement to the growth of enterprises, and to. The time involved in the process of procurement on the growth of enterprise and the quality and quantity in the process of procurement were also investigated. The researcher later comes up with theories that match with the research topic: (a) the theory of Gelderman and Semeijin theory, which states that a firm's supply depends on two factors, namely, profit impact and supply risk, (b) Driedonks theory, which comments on the source of procurement, and (c) the Byatt theory, which states that managers have the responsibilities to know all those involved in the procurement process. This study adopted a mixed research methodology, both qualitative and quantitative research techniques, and relied on the field research conducted both through a survey of administered questions as well as structured interviews. One of the findings of the study was that procurement influences the growth of enterprises. The researcher commended that the procurement of DOVV Cameroon needs to be assessed and trained personnel should be employed to manage the department. Only then the enterprise will be able to solve the above problems thus leading to growth. The study further aimed to add input to the existing body of knowledge concerning the impact of procurement on the growth of enterprises and also to contribute to the existing literature review in logistics and transport management.

Keywords: Procurement, impact, growth, logistics, enterprise

INTRODUCTION

Over the years, procurement has changed from what is used to become a more sophisticated standard. Most companies use a greater amount of their income in procurement. However, with reference to enterprises, procurement plays a vital role in their daily activities. This enterprise does not produced goods and needs to get from external source and in order to purchase these goods, it needs to follow a certain principle of procurement which are right time, place, quality, quantity, price and the source. If the above principles are not taken into consideration, it is going to affect the growth of enterprise. This was the case of DOVV Cameroon, in which it was noticed that the basics principles of procurement were not being followed, thereby affecting the profitability of the enterprise

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as a whole. This study was carried out to investigate the impact of procurement practices on the growth of enterprises, to evaluate time process on procurement on the growth of an enterprise, and to assess source process of procurement on the growth of enterprises.

LITERATURE REVIEW

The literature reviewed is divided into theoretical and conceptual reviews. Firstly, concerning theoretical review, the researcher shall examine theories related to the impacts of procurement practices on the growth of enterprises and the conceptual review, which considers the concept of procurement in detail.

Theoretical Review

Looking at theory simply means the total view or manners of understanding and interpreting events or concept in the world.

The Theory of Gelderman and Semeijn (2006)

In accordance with the definition of Gelderman and Semeijn [1] definition portfolio modelling in the context of strategic purchasing as a tool that combines two or more dimension into a set of heterogeneous categories for which different approaches are recommended. One of the most recognized portfolios used within the purchasing profession is Peter Kraljic's [2] portfolio from his seminal paper published in the *Harvard Business Review* in 1983 that purchasing must become supply chain management.

According to Kraljic, a firm's supply strategy depends on two factors, namely, profit impact and supply risk and his model has brought influence on professional purchasing that is how to manage suppliers. Relationship of quality of suppliers with this, the enterprise DOVV Cameroon does not take into account the quality of supplier, that is, suppliers who are financially viable, trustworthy and possess the required qualities to deal with the situation. As a result, it has affected procurement process and thus reduced the enterprise's revenue thereby introducing drawbacks to the growth of enterprises [3].

The Theory of Dreidonks et al. (2010)

This comments that the sourcing team is often hindered by a lack of team perspective in many purchasing organizations.

Based on this, sourcing team is often hindered by a lack of team perspective in many organizations. The findings suggest that employee involvement, context and team process explain the variance on performance of sourcing team effectiveness and confirm that purchasing from a wrong source will reduce government revenue and function as a result impacting or influencing the growth of enterprises [4].

Theory of Byatt (2002)

According to the Byatt theory [5], many procurement consultant companies have to identify processes that should be followed in order to improve the effectiveness of procurement. Byatt commented that local authorities should identify all those engaged in procurement and should set out strategy for their development, including recruitment of suitable staff and training and retaining trained staff within the organizations.

With reference to enterprises, if the staff involved in the procurement process are not trained, not identified, and method of retaining trained staff is not favourable as a result, procurement process is not well executed and thus impacting the growth of the enterprise.

Conceptual Review

Here we shall be looking at all the concepts used in this work, which will include DOVV Cameroon, procedure of procurement, advantages and disadvantages of procurement, growth, growth of enterprise, and the impact of procurement on the growth of enterprises [6].

Procurement

Procurement is all about searching, contracting and getting goods or services from an external source. Procurement is carried out by firms, companies, public and private enterprises, importers and exporters. Procurement can either be direct or indirect: direct procurement deals with the purchase of raw material such as cocoa, rubber while indirect procurement deals with the purchase of good not for production but for maintenance, paper operation such as office supplier and spare parts [7].

The Procurement Procedures

According to Dyer [8], a procurement procedure consists of 10 different steps: (1) identify needs, (2) specific needs, (3) sourcing of the needs, (4) price terms, (5) purchase order, (6) delivery, (7) expediting, (8) receipt and inspection of purchase, (9) invoice approval and payment, and (10) record and maintenance.

Advantages of Procurement

- It saves valuable time
- Help organization to run procurement process faster and smoother
- Large scale savings
- Quality assurance in each purchase
- Effective delivery times and management of warranties for each purchase.

Disadvantages of Procurement

- Overreliance on technology and the disabling of diligence. This often leads to divesting shortage, delays, and supply chain disruption.
- Lack of buy-in and resistance to change from employment
- Increases complexity
- Poor integration with existing system

Growth

Growth is defined as a gradual development in maturity, age, size, weight or height. For example, as people become richer, they demand more from their enterprises, better public services, more security, law and order, and greater political participation.

Gaps in The Literature

After the detailed review of literature, the following gaps were identified with regard to impact of procurement practice in the context of the private enterprise upstream. There is a lack of research covering procurement practice in the context of the Cameroon private sectors. This study was taken up to address some of these gaps.

METHODOLOGY

The research used the quantitative method of data analysis.

Presentation Analysis and Interpretation of Data

Data in Table 1 shows that males made up 70% of the total population of the respondents while females made up the remaining 30%. This shows that more males are involve in the process of procurement than females, thus influencing the growth of enterprises (Figure 1).

Table 1. Distribution of sample according to gender.

Option	Frequency	Percentage (%)
Male	21	70
Female	9	30
Total	30	100

Source: field work 2022.

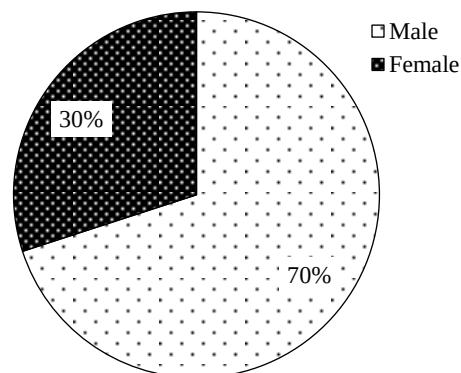
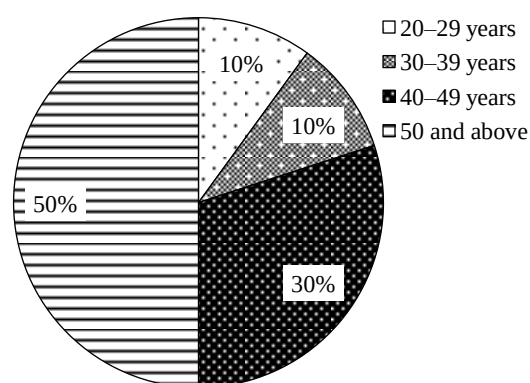
**Figure 1.** Distribution of sample according to gender.

Table 2 shows that 50% of the worker at DOVV Cameroon are between the ages of 20 and 29 years, 30% belong to the age group between 30 and 39 years, 10% are within the age range of 40 to 49 years and 10% of the respondents are aged 50 years or older. This shows that young people do not have good knowledge on procurement, and thus this has an impact on the growth of the enterprise (Figure 2).

Table 2. Distribution of sample according to age.

Age range	Frequency	Percentage (%)
20–29 years	3	10
30–39 years	3	10
40–49 years	9	30
50 and above	15	50
Total	30	100

Source: Field work 2022.

**Figure 2.** Distribution of sample according to age.

Question 1: Which Type of Procurement is Carried out by DOVV Cameroon?

Data from Table 3 shows that 50% of the staff said DOVV Cameroon practices indirect procurement, 30% said DOVV Cameroon practices direct procurement, and 20% had no knowledge on procurement. Figure 3 shows that DOVV Cameroon of practices primarily indirect procurement, that is, acquiring mostly maintenance, operating and repair and it is not for transformation of goods, thus impacting the growth of the enterprise [9].

Table 3. Type of procurement carried out by DOVV Cameroon?

Option	Frequency	Percentage (%)
Indirect	15	50
Direct	9	30
None	6	20
Total	30	100

Source: Field work 2022.

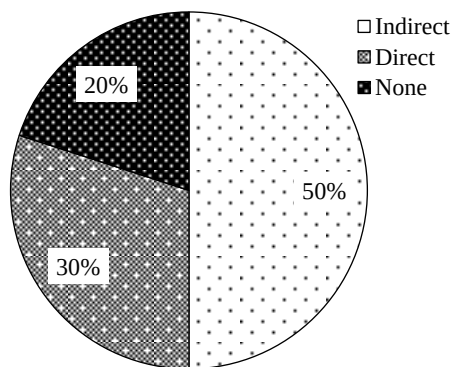


Figure 3. Distribution of sample according to type of procurement.

Question 2: What is the Role Played by Procurement in the Growth of Enterprises?

According to the data in Table 4, 60% of the staff said procurement plays a great role in the growth of enterprises, 30% said procurement plays a partial role in the growth of enterprises and 10% had no opinion. These findings show that procurement play a vital in the growth of enterprises, for example, it bring revenue and this revenue helps the government to manage it daily activities, thus influencing the growth of enterprises (Figure 4).

Table 4. Role of procurement.

Option	Frequency	Percentage (%)
Great	18	60
Partial	9	30
None	3	10
Total	30	100

Source: Field work 2022.

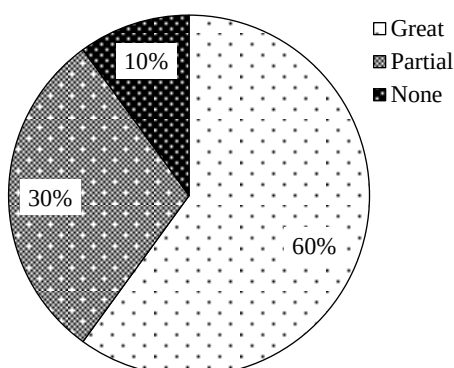


Figure 4. Distribution of sample according to the role of procurement.

Question 3: What is the Level of Education of the Staff of DOVV Cameroon?

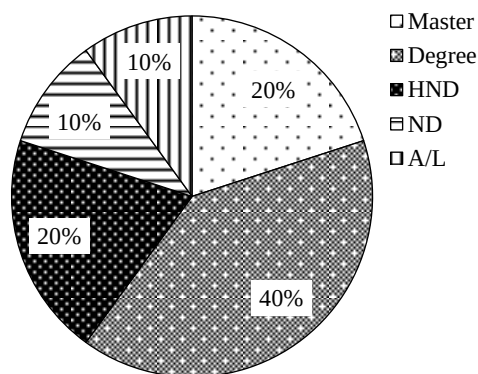
According to data in Table 5, 40% of the staff were degree holders, 20% were master's degree holders, 20% were higher national diploma (HND) holders, a10% were national diploma (ND) holders, and 10% were advanced level (A/L) holders. Figure 5 shows that most of the staff of DOVV Cameroon were degree holders thus influencing the growth of enterprises.

Table 5. Level of education.

Range	Frequency	Percentages (%)
Master	6	20
Degree	12	40
HND	6	20
ND	3	10
A/L	3	10
Total	30	100

Source: Field work 2022.

A/L, advanced level; HND, higher national diploma; ND, national diploma.

**Figure 5.** Distribution of sample according to education.

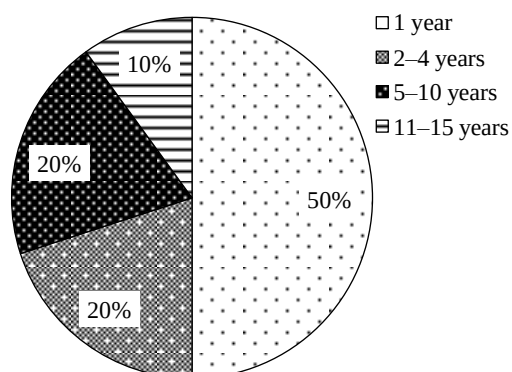
Question 4: What is the Level of Experience of the Staff of DOVV Cameroon?

From Table 6, it can be seen that 50% of the respondents of DOVV Cameroon have working experience of 1 year, 20% of the respondents have experience from 5 to 10 years, and 10% have experience of 11 to 15 years. The above analysis it shows that the highest level of experience is 1 year, thus influencing the growth of the enterprise (Figure 6).

Table 6. The level of experience.

Option	Frequency	Percentage (%)
1 year	15	50
2–4 years	6	20
5–10 years	6	20
11–15 years	3	10
Total	30	100

Source: Field work 2022.

**Figure 6.** Distribution of sample according to experience.

Question 5: Does Time Process in Procurement Influence the Growth of Enterprises?

From the data in Table 7, 60% of the respondents said time in the process of procurement influences the growth of enterprises, 30% said no, and 10% had no opinion, showing that time in the procurement process influences the growth of enterprises. This is because all state plan expenditures are planned and need to follow a particular trend, thus placing a drawback to the growth of enterprises (Figure 7).

Table 7. Distribution of sample according to time process in procurement.

Option	Frequency	Percentage (%)
Yes	18	60
No	9	30
None	3	10
Total	30	100

Source: Field work 2022.

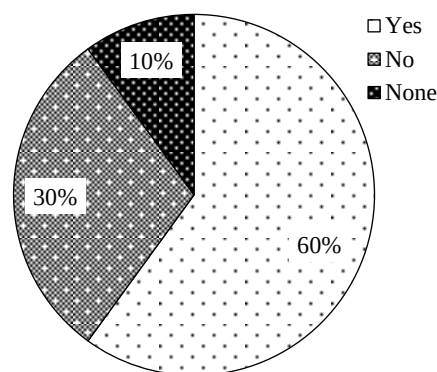


Figure 7. Distribution of sample according to time process in procurement.

Question 6: Does Quantity and Quality in the Process of Procurement Influence the Growth of Enterprises?

According to the data in Table 8, 60% said quantity and quality process in procurement influences the growth of enterprises, 30% said it does not influence the growth of enterprise because they do not have knowledge of procurement principles, and 10% had no opinion. This shows that quantity and quality process in procurement does influence the growth of enterprises (Figure 8).

Table 8. Distribution according to quantity and quality in the process of procurement.

Options	Frequency	Percentage
Yes	18	60
No	9	30
None	3	10
Total	30	100

Source: Field work 2022.

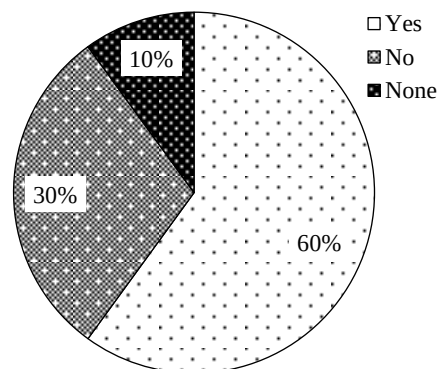


Figure 8. Distribution of sample according to quantity and quality in the process of procurement.

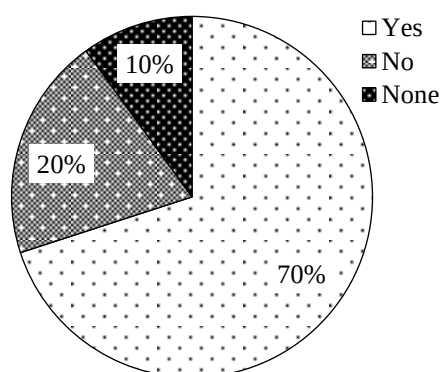
Question 7: Do External Source of Procurement Influence the Growth of Enterprises?

From the data in Table 9, 70% said the source of procurement influences the growth of enterprises, 20% said no, and 10% had neither view. The responses show that the source of procurement influences the growth of enterprise. This is because if an enterprise does not procure from the right source, it is going to reduce revenue thus influencing the growth of the enterprise (Figure 9).

Table 9. Distribution of sample according to the source of procurement.

Option	Frequency	Percentage (%)
Yes	21	70
No	6	20
None	3	10
Total	30	100

Source: Field work 2022.

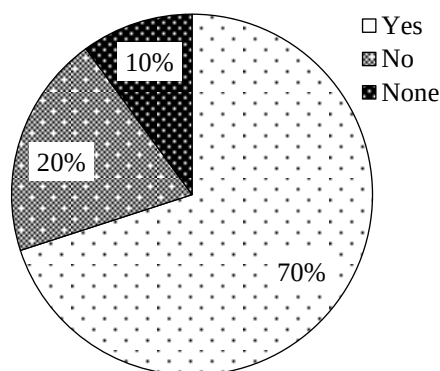
**Figure 9.** Distribution of sample according to source of procurement.**Question 8: Does Procurement Process Influence the Growth of Enterprises?**

According to the data in Table 10, 70% said procurement process influences the growth of enterprises, 20% said procurement does not influence the growth of enterprise, and 10% had neither view. The findings show that procurement influence the growth of enterprises because it contributes to revenue, and this revenue is used to facilitate daily activities [10]. Thus, process of procurement also influences the growth of enterprises (Figure 10).

Table 10. Distribution of sample according to the process of procurement.

Options	Frequency	Percentage %
Yes	21	70
No	6	20
None	3	10
Total	30	100

Source: Field work 2022.

**Figure 10.** Distribution of sample according to process of procurement.

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

This section discusses the research findings. Here we will draw conclusions and also present recommendations based on the specific objectives of the study.

Summary of The Findings

1. The findings are based on the first objective of the impact of time procurement on the growth of enterprises, from observation and interviews. It shows that 60% said time procurement had an impact on the growth of enterprises, 30% said it does not have impact on the growth of enterprises, and 10% had no opinion. Therefore, from the findings and observations, it can be seen that time in the process of procurement has an impact on the growth of enterprises. This is because if goods are not procured on time, it affects the functioning and activities in enterprises, thus leading to inefficiency and bureaucratic delays. It can be concluded that time influences the process of procurement and thus the growth of public enterprises.
2. The second objective was to investigate the impact of quantity and quality processes in the procurement in relation to the growth of enterprises. From the findings in Table 6, it is clear that 60% of the staff at DOVV Cameroon said yes that quantity and quality influence procurement and thus the growth of enterprises, 30% said no and 10% had no opinion. The above findings show that quantity and quality of the goods influence the growth of enterprises.
3. The third objective was to investigate the impact of the source of procurement on the growth of enterprises. From the findings in Table 7 and interviews we observe that 60% of the staff of DOVV Cameroon said the source of procurement influences the growth of enterprises. This is because the procurement that is made in shops, pay tax to the government; 30% said the source of the quantity and quality of procurement does not influence the growth of enterprises and 10% had neither view. This shows that quality and quantity of procurement affects the growth of enterprises and that the staff should learn to procure goods from the right source in order to help the government easily manage its resources.

The growth of enterprise like quantity and quality, source of procurement, and time procurement are factors that have an influence on the growth of enterprises.

This is because if procurement is not done on time, it is going to affect the smooth functioning of the enterprise. Here, the budget of state is drafted in both expenditures and revenue expected for that year, so the expected revenue and expected expenditure is already registered, which should reflect the total income or revenue. So, if this enterprise procured its goods from a source that does not pay taxes to the government, it is going to hinder the functioning of these enterprises and thus affect their growth.

Conclusion

Procurement plays a vital role in enterprises in materials management, and procurement is an important link in supply chain. The research was conducted to investigate the impact of procurement on the growth of enterprises taking DOVV Cameroon as a case study. The qualitative data required for the study was collected with the sample size of 30 respondents, some of who were specialized in procurements and some were not. The data from staff of DOVV Cameroon was used in this study to present element of the dependent variable in relation to the independent variables. Pie charts were used to represent data collected to ease understanding.

All variables that are the independent variables chosen for the study indicated a strong bond between them scoring 3, 5 which shows that there is consistency and are acceptable. The qualitative analysis also supported the fact that respondents perceive that independent variables chosen for this study affect the dependent variable.

Recommendations

Based on the finding above, the researcher recommends that DOVV Cameroon procurement department should improve on the following principles:

- Procuring and delivery of goods on time
- Respecting the price and terms
- Right quality and quantity of procurement
- Principle of procuring goods from the right source
- The delivery of goods at the right place

Furthermore, DOVV Cameroon should also apply the following to ensure effective supply of goods:

- Coordinate the purchasing needs from various departments
- Purchase from credible previous suppliers in order to skip some process in the procedure and reduce cost
- Electronic data interchange (EDI) generated purchase cost orders
- Tighten quantity and quality control when receiving goods
- Monitored deliveries or follow up deliveries to enable timely deliveries
- Proper supplier vetting and certificate

DOVV Cameroon should also applied the following principles when managing suppliers:

- Who the supplier is?
- How many suppliers will be there?
- How supply will be managed?

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