

Supply Chain Management Practices and Growth of Small and Medium-Sized Enterprises in Uganda, A Case of Selected Manufacturing Enterprises in Lira City

Eseru David

Mr. Opio Bonny Charles

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ABSTRACT

The study was conducted to examine the effect of supply chain management on the performance of SMMEs in Lira City. Specifically, the study determined the effect of supplier relationship management on growth of SMEs in Lira City, examined the effect of customer relationship management on the growth of SMMEs in Lira City, and examined the effect of information sharing on the growth of SMMEs in Lira City. The study used cross-sectional design to collect and analyse both quantitative and qualitative data from owner and managers of SMMEs in Lira City; the sample size of the study population was 103 and was sampled using Simple random sampling and purposive sampling techniques. Questionnaires and interview methods were used to collect data while mean and standard deviation were used to measure the performance of the construct in Lira City. Correlation coefficient was used to test the strength and the direction of the relationship between supply chain management practices and growth of SMMEs and the result revealed that supply chain management practices is positively correlated to SMMEs growth. Also, the findings of the study revealed a positive significant effect of supplier relationship management on the growth of manufacturing SMEs in Lira City (Coef. 0.725, $p < 0.01$). Secondly, the results on the effect of the customer relationship management on the growth of small and medium-sized manufacturing enterprises in Lira City further revealed a positive significant effect (Coef. 0.427, $p < 0.01$). Thirdly, the effect of the information sharing on the growth of manufacturing SMEs in Lira City was also found to be positive and significant effect (Coef. 0.849, $p < 0.01$). Finally, the results of multiple linear regressions yielded an adjusted R Square value of 0.510, which meant that supply chain management practices contribute about 51% to the growth of small and medium-sized manufacturing enterprises in Lira City. From the outcome of the study, the researcher concluded that forming partnership with suppliers, managing the relation with the customers and sharing relevant information with the suppliers and customer is very crucial for the growth of manufacturing SMEs. Based on the above findings, the study recommends that owners and managers of SMMEs should put more emphasis on formal agreement with suppliers. Proprietors and managers of SMEs should properly manage the relationship with customers and suppliers and lastly, all the relevant information should be shared with the customers and suppliers to enhance steady flow of business activities.

Keywords: *Supply Chain, Management, Practices, Growth, Small and Medium-Sized Enterprises, Manufacturing Enterprises*

