SUPPLIER AND BUSINESS PERFORMANCE MEASUREMENT; A STUDY OF THE KENYAN RESTAURANT CHAINS

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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SUPPLIER AND BUSINESS PERFORMANCE MEASUREMENT; A STUDY OF THE KENYAN RESTAURANT CHAINS

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Master of Science in Organization Development (MOD)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2018
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signature ........................................ Date ........................................

Wang’anya Eric Tom (651854)

This project has been presented for examination with my approval as the appointed supervisor.

Signature ........................................ Date ........................................

Fred Newa

Signature ........................................ Date ........................................

Dean, Chandaria School of Business
ABSTRACT
The purpose of the research study was to assess how restaurant chains develop and measure supplier and business performance. The dynamic nature of customer requirements has forced many organizations to focus on well-built performance measures that are in tandem with the ever changing customer needs and as a result, the supplier performance and business performance measurement has been elevated to strategic business priority level in leading organizations. The specific research questions of the study were utilized in coming up with the questionnaires designed to seek answers to the study on what extent does supplier performance measurement influence the competitiveness of Java House, does internal business process performance measurement enable Java House sustain its competitiveness and what influence do customer’s performance measurement have in enabling competitive advantage at Java House.

The study employed descriptive research design with emphasis on the purpose of the research study to assess how restaurant chains develop and measure supplier and business performance. The people of interest within the target population of the study was made up of 122 Java management staff. Data was collected using questionnaires and analysed using the Statistical Package for Social Sciences (SPSS) for data analysis. Descriptive statistics was used to describe the study variables using frequencies, percentages and graphs. Simple linear regression, multiple regression analysis was used to determine the factors influencing supplier and business performance measurement in addition to the strength of their relationship. The findings were presented using tables and charts.

The mean for Supplier Performance Measurement ranged from 4.03 to 4.91. The findings of the study mean that the industry rely on Supplier Performance Measurement on Competitive Advantage. Even though the study shows that respondents agreed that most of the variables of Supplier Performance Measurement for Competitive Advantage, they disagreed on the variable that stakeholders’ contribution towards suppliers’ performance measurement help deliver value to key stakeholders and make an organization stay competitive hence the lowest mean of 4.03. The standard deviation for Supplier Performance Measurement lowest figure was 0.293 while the highest was 1.119. The highest was that the level of competitive advantage influence careful selection of supplier performance measurement systems. It means that the industry relies on Supplier Performance Measurement on Competitive Advantage.
From the study, the mean for Internal Business Process ranged from 4.30 to 4.68. The findings of the study mean showed that internal business process is used achieve Competitive Advantage. The study shows that respondents moderately agreed that internal business process helped an organization achieve Competitive Advantage. The internal business process and Competitive Advantage had standard deviation range from 0.477 to 0.680. It means that there is a great variation in internal business process towards competitive advantage for the industry.

Regression indicates the strength of the relationship between the independent variables and the dependent variable. The R square value which clearly suggests that there is a strong relationship between the independent variables and the dependent variable. Table 4.20 shows that the R square value of the model was .816. This implies that 81.6 percent of the organization competitive advantage was influenced by the three variables.

The study concludes that level of competitive advantage influence the careful selection of supplier and business performance measurement systems and the processes should be considered as a critical corporate asset for their contribution in this global competitive environment. Performance metrics geared towards excellence in service has a positive impact on the long term value creation and customer relationship management in the organization.

The study therefore recommends for the organization to thoroughly assess the market in order to identify the opportunities and eventually develop products that can satisfy the niche in the market. Identification of the target customers in this diverse industry is very critical in determining the kind of products to offer and therefore it is recommended that organizations should first carefully identify the target market before developing any product line since this will ensure the product in sale has the capability to satisfy and meet the customers need.
ACKNOWLEDGEMENT

I am so humbled to reach this far and writing of this thesis has been one of the most challenging and fulfilling moment in my academic life and without the support and with the guidance of the following people, it would have been nearly impossible for me to achieve this. Special thanks go to my thesis advisor, Fred Newa who accepted to supervise and guide me through the whole process despite his many other academic commitments and my time constraints due to work duties. He encouraged, motivated, mentored and inspired me and for that I will forever remain indebted to him. I wish to also thank all my family members, facilitators, colleagues at work for the great support and my fellow scholars and students whom we collaborated and exchanged ideas which enabled me complete the thesis.
DEDICATION

This study is dedicated first and foremost to God for giving me the strength and sufficient grace to pull through this immense graduate training and mentorship. To my family and in extend future wife and family, I wish to extend my uttermost appreciation for giving me time off to study, encouragement and support during my entire course period.
### ABBREVIATIONS AND ACRONYMS

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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>BPM</td>
<td>Business Performance Measurement</td>
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<td>BPR</td>
<td>Business Process Re-engineering</td>
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<td>BSC</td>
<td>Balanced Scorecard</td>
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<td>DMAIC</td>
<td>Define, Measure, Analyze, Improve, Control</td>
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<td>EFQM</td>
<td>European Foundation for Quality Management</td>
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<td>ERP</td>
<td>Enterprise Resource Planning</td>
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<td>ESI</td>
<td>Employee Satisfaction Index</td>
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<td>FMCG</td>
<td>Fast Moving Consumer Goods</td>
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<td>KPIs</td>
<td>Key Performance Measures</td>
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<td>MNCs</td>
<td>Multi-National Companies</td>
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<td>NPS</td>
<td>Net Promoter Score</td>
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<td>RFID</td>
<td>Radio Frequency Identification</td>
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<tr>
<td>SCM</td>
<td>Supply Chain Management</td>
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<td>SLA</td>
<td>Service Level Agreement</td>
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<td>SCOR</td>
<td>Supply Chain Operation Reference</td>
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<td>TQM</td>
<td>Total Quality Management</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem
Supply Chain Management (SCM) has become a key management focus and the source of competitive advantage for many firms. Companies in the service industry implementing SCM aim to react to the increasing uncertainty and complexity of the business environment, to advance their competitive positioning in the entire value chain. With the increased demand for better services in the service industry we see increased consumer awareness, demand for quick service, food safe systems, efficient and effective systems with excellent user experience, called the need to effectively manage the entire supply chain from a measurement stand point. In today’s versatile, highly competitive and universal market, productive supply chain management plays a pivotal role and is accepted as a key factor for organizational competitive advantage (White & Mohdzain, 2009). However, many firms fail to develop effective performance measures and the metrics needed to achieve an integrated supply chain. According to (Hartman & De Grahl, 2011) supply chain management practices should ensure this gap is well managed with the business leaders including top management support to enable and constitute a sustained competitive advantage.

Given the inherent complexity of supply chain measures, market competitiveness and supply chain strategy, a measurement method to deal with these complexities is critical. Moynihan (2013) argued that some people perceive performance measurement as a mere compliance exercise or as a ritual rather than an opportunity to collect performance information for the purposes of making improvements. Performance measurement is an important tool of strategic analysis enabling stakeholders get a better indication of an organization’s strategy from observing what it measures and does than from its declared goals or what it says it does. Performance measurement as described by Neely, Gregory and Platts (2005) is the process of quantification of action so that organizational goals can be met with greater efficiency and effectiveness compared to competition. Stock, Greis and Kasarda (2000) introduced the element of ‘fit’ in performance management within supply chain while Gunasekaran et al. (2004) argued that failing to connect measurement
of performance to strategy would lead to incompleteness of the performance measurement.

Whereas there is evidence from literature to show that performance measurement leads to improved performance, we have some unresolved issues on how supplier and business performance measurement attribute these features and their impact on performance improvement of the organization. The performance parameters must be reviewed at regular intervals as there may be changes from time to time as a result of shifting business conditions (Mohanty & Gahan, 2013). The performance measurement process according to Fernandez et al. (2012) must have a set of performance measures and metrics against which the suppliers are evaluated so that the competitive position of the buyer organizations can improve. The success of the service sector depends to a large extent on the performance of the suppliers who must be innovative, effective, and agile and cost conscious to enable the restaurant chains sustain competiveness. These performance attributes can be improved if they are close, collaborative and long term with the supply base. Performance measures need to be reviewed regularly to determine their suitability and to incorporate the new developments in the industry, however care must be taken to choose the most appropriate measures that will give the optimum benefits to the organization.

Supplier and business performance measures play a pivotal role in improving the competitive ability of restaurant chains to remain agile in this ever changing business environment. The estimation of production network performance requires the formation of an inter-organizational and intra-association appraisal framework. Such frameworks can practically be utilized to distinguish open doors for enhanced production network proficiency and aggressiveness, to help see how organizations working in supply chains influence each other's execution, to help the inventory network in fulfilling customer prerequisites and to evaluate the aftereffect of an actualized activity (Lyons et al., 2012). Supplier performance estimation is an imperative administration apparatus that associations use to deal with their suppliers so they can meet their vital hierarchical objectives (Muchiri et al.2012).

On the other hand, Globalization, market instability, reducing product life-cycles and ever increasing competition are some of the major convincing factors which are compelling companies to focus on their core competencies and outsource an increasing amount of
their other non-value-adding activities (Prahalad & Krishnan, 2008). In this context and as highlighted by Kaplan and Norton (1996) who provided a balanced scorecard (BSC) framework that integrates operational, financial and customer satisfaction perspectives to measure the performance of organizations. Based on the BSC several other integrated frameworks were developed; one of the most notable is the European Foundation for Quality Management Quality Award (EFQM) which also takes a balanced approach to measuring performance by looking at various types of performance as well as financial performance. The major strength of these frameworks is the integration of all the possible factors that could influence performance.

Supply chain performance and effective management of supply chain have been increasingly recognized as critical factors in enhancing bottom-line performances. More and more firms are beginning to adopt SCM to improve performances of their organizations (Arawati, 2011). In this perspective we see supplier performance measurement being an integral component on how businesses do things in a certain way and how they act in a manner that helps them survive and thrive within the supply chain. It is natural, then, that businesses would show an increased interest in performance measurement, especially since technology makes diffusion of performance measurement across the business and much simpler than in the past. Lyons (2012) featured that, for supportability and business coherence, frameworks are so instrumental to help recognize open doors for enhanced inventory network effectiveness and aggressiveness and bolster the production network in fulfilling client prerequisites and to survey the aftereffect of an actualized activity and for our situation eatery networks in Kenya.

According to (Taticchi, 2008) said, in order to survive and succeed, companies need to set strategic directions, establish goals, execute decisions and monitor their state and behavior as they move towards their goals. The measurement mantra continues to resonate throughout nearly every corridor of business life. Since a BPM system measures performance, it is important to define what performance is. Lebas and Euske (2002) provide a good definition of performance as “doing today what will lead to measured value outcomes tomorrow.” BPM then is concerned with measuring this performance relative to some benchmark, be it a competitor’s performance or a preset target. As it has been rightly pointed out by Lord Kelvin that, “If you cannot measure it, you cannot improve it. Therefore, performance metrics and scorecards need to be coherent so that the
conversations between people about a given strategy say increase stores margin by 8% by quarter one is consistent and all the different measurement units contribute to the performance of the organization in overall.

According to Kaplan and Norton (2001) corporate-wide BPM system can help articulate the theory of the firm (why different business units exist within the corporation) and improve overall performance by exploiting synergies between the business units. Business performance measures play a pivotal role in improving the competitive ability of restaurant chains to remain agile in this ever changing business environment. The estimation of inventory network execution anyway requires the formation of an inter-organizational and intra-association evaluation framework. Such frameworks can plausibly be utilized to distinguish open doors for enhanced inventory network proficiency and aggressiveness, to help see how organizations working in supply chains influence each other's execution, to help the store network in fulfilling shopper prerequisites and to survey the consequence of an actualized activity (Lyons et al., 2012). The "knowing-doing" hole communicates the trouble of organizations in successfully deciphering data originating from the estimation of procedures into powerful assignments.

Chain Restaurants have grown rapidly in the Kenyan market with a segmentation of different cuisines like flagship brands of Java House, including Planet Yogurt (East Africa’s first self-service frozen yoghurt chain) and 360 Degrees Artisan Pizza, Modern Lifestyle Restaurants including Art Café Restaurant, Subway, Big Square and upcoming brands like Urban Gourmet Burger, Burger King Restaurant, News Café and Nyama Mama and quick service restaurants brands like Kentucky Fried Chicken (KFC), Chicken Inn, Gallitos, validates consumer acceptance within the region. Most restaurant chains maintain very close and long term relationships with their suppliers to guarantee consistency in the supply of quality materials at the most competitive terms and to minimize supply disruptions (Business Daily, 2018).

According to (Yohn, 2012) the ultimate objective of quick-service restaurant sector is profitable sales growth within existing stores, usually generated by new products that can be executed with minimal disruption to store-level operations. A key weapon in the battle for growing market share is the introduction of new products designed to accelerate consumers purchasing behavior and maintain good supplier relations. Innovation process
models which is key for sustainability purpose in this case, can be defined as a roadmap or thought process for driving a new food item project from the idea stage through to market launch and beyond which every new entrant is a must rule book for new and existing brands in the restaurant business.

Java House Group was established in Nairobi back in 1999 by Mr. Kevin Ashley who later sold a controlling stake to Emerging Capital Partners (ECP) in the year 2012. Java House Group in a nutshell is a chain of upscale restaurants which brought the coffee culture in Kenya and not to mention its first branch opened in August 1999 at Adams Arcade and currently has a total of 64 stores including sister companies Planet Yogurt and 360 Degrees Artisan Pizza. Java House also operates a commercial coffee factory which roasts and provides quality coffee and roasted bean sales to its own stores and to supermarkets, hotels, restaurants and wholesale buyers. Java House Group holds the largest market share in the region followed by fast-food brand Kentucky Fried Chicken (KFC), Art Café Restaurant, Subway, Big Square and upcoming brands like Urban Gourmet Burger, Burger King Restaurant, News Café and Nyama Mama Restaurant among others (Business Daily, 2017).

In 2017, The Abraaj Group a Dubai-based private equity firm acquired Java House Group from Emerging Capital Partners (ECP) which was a takeover bid focused with a robust expansion plan geared towards extending the well-known coffee culture and products across East Africa and beyond. Java House boasts its flagship brands, Java House, (a coffee specialty service), Planet Yogurt (East Africa’s first self-service frozen yoghurt chain) and 360 Degrees Artisan Pizza, an upmarket Italian pizzeria concept which is evident Java House Group is a pace setter in the restaurant business. In a bid to stay competitive with the immense market pressure, the organization should foster to gain and sustain a competitive edge through the quality of the human capital in place which has to be developed properly (Business Daily, 2017).

The emerging trends such as globalization, technological advancement, innovation and demand for environmental sustainability add to the complexity of managing these restaurant chains. The intense competitive pressures have forced many organizations to improve their competitive agility so as to meet and exceed their customers’ requirements through outsourcing non-core activities, innovation, and delivering quality products and services at the most competitive prices to their customers to maintain or gain market
share (Richards, 2011). The role played by suppliers and business leaders is therefore crucial and has been recognized as critical in improving the competitive ability of organizations by many practitioners meaning organizations must strengthen their relationship with suppliers to survive the harsh economic climate through close cooperation within the supply chain (Choe, 2008).

1.2 Statement of the Problem
In Kenya, studies have focused more on key performance indicators used to gauge the entire supply chain and not many that have been directed towards supplier and business performance measurement and their contribution to a firm’s agility within the service industry. This study, therefore, sets to bridge this gap by analyzing supplier and business performance measurement among the Kenyan restaurant chains. These firms in the restaurant business include KFC (Kentucky Fried Chicken), Subway, Burger King, Pizza Hut, Art Café, News Café among others however there are some local firms that have mounted serious competition to this firms which include Big Square, Mamas Café, Urban Gourmet Burger and the current pace setter in chain restaurant being Java House Group.

These firms face numerous challenges as a result of the ever changing and rapidly changing customer requirements and intense competition. Studies by Blowfield and Dolan (2010), Apopa (2012), (Roath, 2012) and Kasomi (2012) have found varied impacts of SCM on organizational performance. Some of the findings includes, but not limited to, enhanced performance measurement, improvement and management organizational processes. According to Weimer and Seuring (2009) they observed that performance measurement and management are the most important governance and control tools in an engagement with suppliers and the business as a whole. The performance measures and metrics must however be designed in such a way that all the elements that are important to the customer such as on time deliveries and elements that are instrumental to the organization such as cost management (Richards, 2011) are appropriately captured.

A firm’s performance is contingent on a number of factors however many researchers have argued that there exists a positive relationship between performance measurement and supply chain performance improvement (Danese & Romano, 2012; Kannan & Tan, 2010). Performance improvement is further enhanced through integration with suppliers on measures towards improved productivity and customer satisfaction. Measuring
performance has positive effects on performance improvement as argued above but organizations only derive value from performance measurement when continuous improvement activities are initiated and implemented. When developing the performance measures and metrics, organizations need to consider both financial and the non-financial measures to give a balanced approach to performance management. (Gopal & Thakkar, 2012).

The biggest problem with supplier and business performance measurement is that if the goals of the stakeholders are not aligned then organizations may not identify common measures that would improve their overall performance. Choosing the right performance measures also poses a big challenge to firms. In this study, the specific supplier and business performance measures that are mission critical in improving the overall business performance were identified. Mohanty and Gahan (2013) argued that when measuring performance of suppliers, organizations must clearly define the required performance parameters which to a large extent depend on the nature of their businesses and specific attributes such as quality, cost, speed, flexibility and technical capability that drive the effectiveness and efficiency of the supply chain performance.

1.3 Purpose of the Study
The purpose of this study was to examine performance measurement approach that restaurant chains use to evaluate suppliers and the business with a goal to determine which performance metrics are vital in improving the firm’s competitiveness within the service industry: the case Java Group.

1.4 Research Questions
The study was to support and answer the following questions:
1.4.1 To what extent does supplier performance measurement influence the competitiveness of Java House?
1.4.2 Does internal business process performance measurement enable Java House sustain its competitiveness?
1.4.3 What influence do customer’s performance measurement have in enabling competitive advantage at Java House?
1.5 Importance of the Study
The outcome of this research benefits various stakeholders as described below:

1.5.1 Java House Group
Performance management fosters continuous improvement and so it is critical for organizations to evaluate supplier performance measures and metrics to deliver long term goals. As the study seeks to highlight the supplier and business performance metrics, it was be of significance to the senior management team, middle level managers and employees as they were aware of the success factors of the organization in relation to supplier management, business performance indicators and how they relate an organization competitive advantage. This in return was put all stakeholders in a better position to address any shortcomings within the supply chain, assist in implementing SLA’s, develop and sustain the supply chain process which was enhance effectiveness and efficiency in service delivery, organization competitiveness and general industry performance.

1.5.2 Suppliers
With an overall goal of meeting and exceeding customer’s expectations, suppliers understand the metrics used in their appraisal system, SLA’s to be maintained, understand Java customers, what food safety standards are required, how to improve business partnership as a whole. Sollish et al. (2011) argued that supplier performance management goes beyond performance measurement because it identifies improvement opportunities and ensures that there is value for money in the materials and services procured from suppliers.

1.5.3 Customers
Service Level Agreements in this case was clearly set and beneficial in customer service by ensuring excellence in service delivery and in the end satisfied customers which in turn act as a driver in business success. Customers also enjoy good service at the restaurants, value of money on the other hand ensures from the value of service given higher benchmarks on customer satisfaction based in feedback on service delivery also be the quick wins to the customer in the value chain.
1.5.4 Hotel Industry Policy Makers

Industry key players within the service industry to understand how key performance measures within the supply chain support business continuity and how businesses can re-invent the wheel to achieve business performance targets. The necessary policies and measures to improve processes within the hotel industry can then be developed and implemented in a more efficient and effective way through interventions within the project. In addition, policies can be developed to support the structures in place and the policy makers in the hotel industry based on the findings that arise from the study.

1.5.5 Academicians and Researchers

Academicians and researchers benefit from the study as it provides background information to research institutes, organizations and scholars who want to carry out further research in the area of supplier and business performance measurement models for competitive advantage. In addition, the study provides a clear guide on measurement systems both financial and non-financial in supply chain including business internal process from the recommendations that come out of the research. It also enables individual researchers to identify gaps in this research while also addressing other factors that give an organization a competitive edge in supply chain which may not have been captured by the current study.

1.6 Scope of the Study

Supplier and Business Performance Measurement is of great importance irrespective of the sector or industry given SLA’s are key factors to consider in sustaining and managing customers ever changing needs and preferences. This study focused on chain restaurants in the service industry, with emphasis and high focus on Java House Group the period between January 2018 and May 2018 within Nairobi store locations. The limitations from the study was those associated with quality and most important response rate based on the assumption that all may need anonymity. The strategy was to reassure all respondents on a high level of confidentiality and discretion.
1.7 Definition of Terms

1.7.1 Business

Business is the fact that the delivered service itself is justified as part of a profitable business by creating for itself a steady and predictable revenue stream (Wikström et al., 2009).

1.7.2 Customer

Customer refers to any existing customer which has been granted a previous financial product, a customer that has been solicited previously for a financial product, and a potential customer that has not been solicited or is not an existing customer (Lubking et al., 2012)

1.7.3 Supplier

The entity fulfilling the orders and delivering the products or commodities to the customer (Stanger et al., 2013)

1.7.4 Business Process

A complete and cross-functional sequence of timely and logically-related activities which are required to achieve a defined business outcome, i.e., generally to deliver value to customers (Ortbach et al., 2012)

1.7.5 Competitive Advantage

An outcome where a firm is able to realize an economic advantage over other firms (Dickinson et al., 2011)

1.7.6 Supply Chain Management

Managing relationships between upstream and downstream partner firms in order to add value to products while reducing costs to all the firms in the chain (Christopher, 2011)

1.7.7 Performance Measurement

The process of quantification of action so that organizational goals can be met with greater efficiency and effectiveness compared to competition (Neely et al., 2007)
1.8 Chapter Summary
This chapter looked at the background of the problem of the study, the statement of the problem, the purpose of the study, the research questions, and importance of the study including the scope of the study. Organization goals can be achieved depending on how the performance measures have been structured and how the suppliers are managed. To note, supply chain understanding refers to the extent to which supply chain members understand each other’s products and process, roles and responsibilities and managing the entire process within the supply chain. The relevant theories that guided the study will also be discussed at great length in the remaining chapters two, three, four and five but a detailed literature review will be discussed in the next chapter which is relevant to supplier and business performance measurement.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
The relevant literature on supplier and business performance measurement that was reviewed is presented in this chapter. The primary purpose of the literature review was to gain an understanding of previous relevant contributions and the current knowledge on supplier and business performance measurement metrics and how firms achieve competitiveness.

2.2 Influence of Supplier Performance Measurement on Competitive Advantage
The important role played by suppliers in creating value for organizations means that the success of organizations is heavily dependent on the performance of the suppliers and therefore there is need for leading organizations to develop means of measuring supplier performance to effectively manage the entire value chain in order to achieve the desired levels of performance outcomes.

2.2.1 Competitiveness
According to Adner and Zemsky (2006) from a competitiveness mindset standpoint is that organizations needs a shift in thinking and move from a focus upon value capture, whether that is through unique resources or industry positioning, to a focus upon the challenge of value creation for consumers. Organizations needs to draw attention to the drivers of value creation for consumers and a firm’s ability to sustain added value. Quality to the market comes in different dimensions that organizations must realign process resources (resources that can lower a firm’s production costs), product resources (resources than can increase the performance of a firm), timing resources (resources that are offer value through being first or early to market) and innovation resources (resources that offer a technology trajectory). Organizations with these quality elements coupled with a robust performance metric systems have a bottom line influence on the organizational performance and also direct impact on their competitive advantage.
2.2.2 Supplier Performance Measurement Relationship on Competitive Advantage

A firm’s performance is contingent on a number of factors however many researchers have argued that there exists a positive relationship between performance measurement and supply chain performance improvement (Danese & Romano, 2012) observed that performance improvement is further enhanced by integration with suppliers on several measures that include improved productivity through lean systems and customer satisfaction among others. Measuring performance has positive effects on performance improvement as argued above but organizations only derive value from performance measurement when continuous improvement activities are initiated and implemented. In line with this the below models shows us how supplier performance measure influence business performance.

2.2.3 Supply Chain Operations Reference Model

SCOR is a performance measurement framework that was developed by the supply chain council (SCC) in collaboration with leading global companies to improve performance in quality and profitability by managing supply chain processes and activities through analyzing supply chain management practices (Li, Su & Chen, 2011). SCC is an independent non-profit global organization that advances the supply chain management practices and systems. The model is structured along the performance measurement concepts of business reengineering, benchmarking and process measurement into a cross-functional framework (Delia & Liviu, 2011) and is based on five distinctive management processes namely plan, source, make, deliver and return.

The supply chain management process of planning involves the demand and supply planning that aligns sales forecasts, inventory, finance, transport plans and associated information loops to improve performance. Source on the other hand deals with the supply of materials and services, supplier agreements and the performance measures. Make involves the transformation process for converting raw materials to final products while deliver includes order management, warehousing and transportation. Return process involves the capability to receive returned materials and defective products. The model works very effectively when the management processes are captured in the reference model to achieve the desired competitive advantages (Li, Su & Chen, 2011).
The SCOR model is used to link organizational strategic objectives to operational metrics in a hierarchical manner and it attempted to address some of the shortcomings of the BSC (Kocaoglu, Gulsun & Tanyas, 2013). The metrics of SCOR offer a solid base for measuring supply chain performance and identifying the key business priorities across different supply chain operations using a common language which Java House incorporates towards attainment of the overall group performance. The key metrics applied across the management process include reliability, cost, responsiveness, agility, quality and responsiveness. Organizations that apply the SCOR model across their supply chain operations reap the benefits of integration by having a tangible model to work with, achieve consistencies and evolve the processes to match the changes in the competitive landscape (Delia & Liviu, 2011).

2.2.4 Triple A Supply Chain Construct

Lee (2004) depicted Triple-A supply chains as those displaying deftness, adaptability and arrangement. The best organizations work inside supply fastens that quickly react to here and now changes in prompt and extreme clients' requests (nimbleness), adjust to long haul changes in economies and markets by rebuilding the production network (versatility), and incorporating and planning business forms bringing about an impartial sharing of dangers, expenses and advantages with taking an interest accomplices (alignment). The Triple-An inventory network develop is in this manner, regarded as second-arrange build joining the different measurements of readiness, versatility and arrangement. Other research has comparably utilized adaptability as an overall topic with measurements including flexibility, arrangement and deftness (Stevenson and Spring 2007, 2009; Zhang et al., 2006) yet none has incorporated every one of the three and just each of the three. These hierarchical capacities of nimbleness, flexibility and arrangement are dynamic abilities that outcomes changes in the structure of market and economies which Java utilizes in keeping up their client base through inventive items and online networking initiations.

Agility is the capacity of the inventory network to be spry and is basic for the achievement of the store network individuals (Hoek, 2006; Forsberg & Towers, 2007). Lee (2004, p.105) depicts nimbleness as "reaction to here and now changes popular and supply rapidly and handle outside interruptions easily. Deftness fuses the capacity of
production network accomplices to cooperate to quickly respond to changes in client request (Baker, 2008; Swafford et al., 2008).

Adaptability is where supply chain members can cope with the dynamics associated with the supply chain by maintaining adaptability (Stevenson & Spring, 2007) Lee 2004, p.105) describes adaptability as the the ability to “adjust the supply chains design to meet structural shifts in markets (and) modify the supply network (to reflect changes) in strategies, technologies and products.” Adaptability is an important concept as supply chains adapt to markets over a period of time in response to the ever changing product or technology life cycles (Lee, 2004). To work in a dynamic environment, supply chain partners must focus on adaptability allowing the participating organizations to function more efficiently (Richey et al., 2006)

Alignment as described by Lee (2004, p.110) describes alignment as the ability of great firms to “align the interests of all firms in their supply chain with their own” Organizations must be aligned both internally and externally with their supply chain partners (Matthyssens & Vandenbempt, 2008). From a strategic perspective, business processes such as purchasing, manufacturing, marketing and logistics must be aligned both internally and externally throughout the supply chain to achieve the ultimate goal of competitive advantage (Winning channel support,2008; Bryson, 2004). Extrapolating from these authors works, alignment extends beyond the internal functional areas of an organization to include the need for external alignment among supply chain partners.

2.2.5 Performance Prism

This conceptual framework was developed by Neely, Adams and Crowe (2001) and it is structured along five distinctive but interrelated performance perspectives. The idea of ‘prism’ originates from the fact that prism refracts lights. This framework highlights the hidden complexities involved in the performance measurement and management in order to deliver value to key stakeholders. One of the features of this framework is the stakeholders’ contribution perspective that covers the suppliers’ performance among other stakeholders like customers, shareowners and employees. There is a direct link between the performance measurement development and business strategy which makes the implementation of performance prism practical since the linkage can be correlated.
The application of performance was tested in real life case studies like in DHL (p. 6) and found to be compatible with a wide range of performance measurement needs as it is a framework that enables managers to select the right measures. In this research study the researcher was interested in establishing the measures that are developed and used by the suppliers and manufacturers in their performance measurement; performance prism incorporated the stakeholders’ facet which covered stakeholders like suppliers, employees and customers. The stakeholders facet is broader compared to BSC because in addition to suppliers and customers that are covered in BSC, performance prism covered other stakeholders like employees, regulators and shareowners who are often ignored in performance measures development.

2.3 Influence of Internal Business Process on Competitive Advantage

Business processes are now considered critical corporate assets as they constitute a significant portion of organizational costs and managing them offers significant opportunities for improving market share, managerial decision making and performance. In fact, effective business processes are considered the key differentiators in this global competitive environment. According to Kohlbacher (2008) businesses strive with the increasing recognition of business processes as critical corporate assets, developing “process orientation” and “process view” to its employees to become imperative for leading organizations competitive advantage.

2.3.1 Internal Business Process Relationship on Competitive Advantage

Collaborative relationships between internal business process and an organizations customer often yield positive results in driving down costs. A firm’s performance is contingent on a number of factors however many researchers have argued that there exists a positive relationship between performance measurement and supply chain performance improvement (Danese & Romano, 2012) observed that performance improvement is further enhanced by integration with suppliers on several measures that include improved productivity through lean systems and customer satisfaction among others. Measuring performance has positive effects on performance improvement as argued above but organizations only derive value from performance measurement when continuous improvement activities are initiated and implemented. In line with this the below models shows us how supplier performance measure influence business performance.
2.3.2 The Balance Scorecard

The BSC is perhaps the most popular and best known performance measurement framework (Gunasekaran and Kobu, 2007, p. 2821). It was developed in 1992 by Kaplan and Norton as a balanced performance measurement framework to supplement the traditional financial measures (Kaplan & Norton, 1996). The BSC allows organizations to track and manage financial performance and at the same time monitor the plans to build capabilities for future growth while improving the competitiveness. The BSC model has however been criticized for not weighing the relative importance of the performance metrics and acknowledging the issues related to the trade-offs between metrics (Varma & Deshmukh, 2009).

The framework has another major shortcoming in the area of performance benchmarking because it does not provide benchmarking results against the competitors or within the industry. For target setting we see the BSC instrumental in the service industry given elements of planning for a given financial period becomes seamless and sets performance metrics to achieve and monitor lagging targets and how to improve said processes. The BSC framework measures performance from four different perspectives and affects different stakeholders. These perspectives include: Financial Perspective - This perspective affects the shareholders, Customer Perspective - This perspective affects the external customers Internal Business Process - This perspective applies to the shareholders and customers and Learning and Growth – This perspective affects the employees and it relates to innovation and learning to deliver improvement.

![Figure 2.1. Balance Score Card](source: Kaplan and Norton (2001))
2.3.3 Enterprise Resource Planning

An ERP framework can be depicted as a modularized suite of business programming applications that are flawlessly incorporated to give computerized connections and a typical wellspring of information for a firm (APICS, 2007). ERP is a business administration framework made up from an accumulation of uses or modules that incorporates organization capacities, for example, advertising, fund, assembling and coordination (Helo et al., 2008). ERP utilizes database innovation to control and incorporate data identified with an organization's business including information identified with clients, providers, representatives and back. In a perfect world, all business exchanges, for example, stock administration, client arrange administration, creation arranging and conveyance are entered, recorded, handled, checked and revealed (Helo et al., 2008). In the expressions of (Krajewski et al., 2007) an ERP is a solitary far reaching database gathers information and feeds information into the different modules consequently ERP frameworks are thus exceptionally mind boggling. Supply chain integration is often cited as one of the benefits of an ERP system to the value stream. While improvements in ERP systems have enabled companies to integrate their purchasing, production scheduling, inventory, logistics, and product design functions, other technologies such as barcodes and RFID have also contributed to tracking materials across entire supply chains.

ERP system capabilities have developed fast during the late years making it a necessity to the current world to implement the system for large organization and MNCs. What is included in an ERP system is continuously changing as ERP vendors buy best-of-breed vendors to add functionality (APICS, 2007). Hence, the ERP systems’ capabilities to support supply chain performance measurement is a vital element in ensuring supply chain performance is met and measured effectively. In the characterizing measurements action there and as referenced by (Knolmayer et al., 2009), it is essential that the ERP frameworks productively empower itemized measurements definitions with the goal that client, LSP (Logistics Service Providers) and provider can characterize it similarly to guarantee consistent exchanges. The nitty gritty measurements meaning of on-time conveyance was found to require concession to no less than four key issues, estimation protest, time unit, and estimation point and correlation time. Estimation point requires an additional thought; the ERP framework must be nourished with estimation information.
from various estimation focuses in the production network; internal within the company or from suppliers and LSPs to create a platform of live data feeds and transmission for decision making.

2.3.4 DMAIC

DMAIC is a data-driven quality strategy used to improve processes which consists of five Phases that is Define, Measure, Analyze, Improve and Control. Notably it’s an integral part and a problem-solving methodology behind Lean Six Sigma, but in general can be implemented as a standalone quality improvement procedure or as part of other process improvement initiatives such as lean and production efficiencies. As Shorki (2014) highlighted and it’s evident that Six Sigma is recognized as a means of managing global competitiveness through continuous improvement and business excellence. For projects to be good candidates of continuous improvement they must have the potential to reduce lead time or defects while resulting in cost savings or improved productivity and being measurable to deliver quantifiable, sustainable results. DMAIC strategy take the following steps; Define - This is the main period of the Lean Six Sigma change process which the undertaking group makes a Project Charter, an abnormal state guide of the procedure and starts to comprehend the requirements of the clients of the procedure. This is a basic stage in which the group traces the undertaking center for themselves and the initiative of the association Measure Entails on how does the procedure as of now perform and the extent of the said issue.

Estimation is basic for the duration of the life of the venture. From the beginning on information accumulation about the issue an emphasis on both the procedure and additionally estimating what clients think about is instrumental to make progress stories. In the Measure Phase, the group refines the estimation definitions and decides the present execution or the pattern of the procedure. Analyze - Basically this evaluates the root cause of the problem, what is causing the problem? The perfect circumstance is for groups to conceptualize potential underlying drivers (not arrangements), create speculations in the matter of why issues exist and afterward work to demonstrate or discredit their theories. Confirmation incorporates both process examination and information investigation and must be finished before executing arrangements (Shorki, 2014).
Improve – Improvement also forms develops the improvement plan in which the team will mitigate the root causes of the problem. In such manner the group conceptualizes arrangements, pilot process changes, executes arrangements and ultimately, gathers information to affirm there is quantifiable change. An organized change exertion can prompt creative and exquisite arrangements that enhance the pattern measure and, at last, the client encounter. Control – To guarantee the advancements towards ceaseless change are maintainable, the control stage comes first which the group will be centered on making a Monitoring Plan to keep estimating the achievement of the refreshed procedure and building up a reaction design on the off chance that there is a plunge in execution. And according to Antony and Desai (2009). The key barriers of implementing Six Sigma have been recommended as lack of resources, internal resistance and poor project selections.

To achieve improved service levels agreements, changing customer needs, government legislations and our own internal process improvement, DMAIC is widely used at the manufacturing division in Java to help develop full proof systems in the entire value chain which I must give credit to the founder W. Edwards Deming during the 1950s. In its sense DMAIC is a roadmap for business to solve problems.

2.3.5 Value Streams

Value Streams represent the series of steps that an organization uses to build solutions that provide a continuous flow of value to a customer with a series of steps used to deliver value, from concept or customer order to delivery of a tangible result for the customer at large.

Organizing around value offers substantial benefits to the organization, including faster learning, shorter time-to-market, higher quality, higher productivity, and leaner budgeting mechanisms. It results in value streams that are a better fit for the intended purpose. In addition, value stream mapping can be used to identify and address delays and non-value-added activities in a value stream to accomplish a lean agile goal in which an organization achieves the shortest sustainable lead time. To develop and create a lean and efficient system value streams are so instrumental in manufacturing divisions which it’s benefits goes beyond the service industry in optimizing operations from a workforce standpoint to processes.
2.4 Influence of Customer Performance Measurement on Competitive Advantage

Organizations relative market share and position in a given industry or sector is determined by its preference of competitive advantage and its competitive scope in ensuring the organization delivers 100% customer excellence. Competitive strategies to make an organization agile in this instance is very important as it will determine the position of the organization from a customer satisfaction stand-point at the simple and broadest level. In addition an organization can develop BPR initiatives which enables market relevance and a win-win situation in the never changing competitive market.

2.4.1 Customer Performance Measurement Relationship

Customer performance measures are vital in improving the overall performance of the organizations which in turn has an overall play in ensuring an organization attains a competitive edge in service delivery. From a customer centric stand point customers are considered business partners in driving business growth and overall success. Performance metrics geared towards excellence in service has a positive impact on the long term value creation and customer relationship management in the organization. Excellent organizations achieve and sustain outstanding results that meet or exceed the needs and expectations of their customers through customer value creation initiatives.

2.4.2 Value Chain

In order to identify the value from a customer’s point of view, value chain performance needs to be analyzed. If the customers do not give a value for the products of an organization, there is no need in supplying the goods and services. Because the importance of value chain analysis is to visualize each part of the chain from the customer’s perspective. Organizations should be sure that each product from production to marketing process is considering the interests of customers give customers dictate the price / cost of products and services. Competitive advantage is the extent to which an organization is able to create a defensible position over its competitors (McGinnis MA. Et al., 1999) it comprises capabilities that allow an organization to differentiate itself from its competitors and is an outcome of critical management decisions.

Identification of opportunities and risks in terms of organizations flexibility and vulnerability to loss, organizations need to view the risks from sides, customer and supplier side. Evaluating the maturity level of the supply chain management is also vital.
Supply chain strategy is a set of customers’ needs or interest that suppliers try to satisfy through their products and services in a competitive way. It may include decisions related to production system of supplier, distribution channel and place of facilities. The decision considered the overall objectives of the organization, mostly minimizing costs, which need to be achieved. The basic changes in the environment of global market competition and trends such as outsourcing need organizations to establish supply chain strategies that are associated to “appropriate value prepositions” and customer market division.

2.4.3 Net Promoter Score

Consumer loyalty and client devotion have turned out to be imperative ideas in present day administration and quality models. As referenced by (Reichheld, 2006) the NPS is the most recent measures to propose an improvement of a Likert or semantic differential scale through an account of the thing scores into less classifications. The NPS has, be that as it may, picked up ubiquity and is currently utilized by numerous organizations as a pointer of client dedication and at last corporate development potential through chronicle of the scale indicates or make up for bothersome reaction styles. In more extensive terms the NPS is touchy to the decision of cut-off focuses while crumbling the classes and in addition the conveyance of the basic rating scale.

According to (McDaniel and Gates, 2007) the inquiry is typically replied by clients on a scale where ten signifies "amazingly likely" to prescribe, five means unbiased, and zero signifies "not in the slightest degree likely". There is no "don't have the foggiest idea" class in the NPS in spite of the fact that that would be the standard suggestion in many business examine course readings (McDaniel and Gates, 2007). The primary group is "Promoters" that comprises of the clients that gave appraisals of nine or ten to the inquiry. The "Passives" gave appraisals of seven or eight, and "Spoilers" gave evaluations from zero to six. 9 The NPS is then ascertained as the level of spoilers subtracted from the level of promotors. The Net Promoter Score is a widely used tool in service industries case in point in this study which tries to understand customer’s needs, preferences to help improve agreed and changing customer’s needs.
Employee Satisfaction Index (ESI) on the other hand which has critiqued the NPS in that if used on a regular basis, one can get answers to questions like: How to invest effectively in the staff in order to increase employee satisfaction? Or what factors influence the satisfaction, loyalty and attractiveness and how can they be improved? As (Grisaffe, 2007) called attention to on the Gap the NPS has is identified with the arrangement of the first appraising scale in that First of all, exclusive two of the three classes are utilized as a part of figuring the NPS prompting lost data. Second, the decision of cut-off focuses in the re-arrangement of the first scale appears to be not as much as clear. For example, the respondents giving the rating six are over the midpoint of the rating scale yet additionally part of the spoiler gathering and in this manner translated as negative. In more extensive terms the NPS is touchy to the decision of cut-off focuses while falling the classes and additionally the circulation of the hidden rating scale.

2.4.4 SERVQUAL

SERVQUAL is a generic instrument with good reliability and validity and broad applicability within the service industry. The purpose of SERVQUAL is to serve as a diagnostic methodology for uncovering broad areas of a company’s service quality shortfalls and strengths. SERVQUAL’s dimensions and items represent core evaluation criteria that transcend specific companies and industries. The concept of measuring the difference between expectations and perceptions in the form of the SERVQUAL gap score proved very useful for assessing levels of service quality. In reference (Kang et al.,
it was noted that good service quality leads to the retention of existing customers and the attraction of new ones, reduced costs, an enhanced corporate image, positive word-of-mouth recommendation, and, ultimately, enhanced profitability to the organization. Currently not in use in Java operations but would be beneficial in managing the outliers in the agreed service levels over and above the Net Promoter Score.

So as to enhance benefit quality, it is important to contact workers consistently and survey their administration encounters. Like the outer client, an interior client too thinks about classes of administration properties, for example, dependability and responsiveness, in judging the nature of the inside administration. With the information of the inside administration quality measurements, the administration associations would then be able to judge how well the association or representatives performed on each measurement and supervisors could recognize the shortcoming keeping in mind the end goal to make changes. Similarly as the SERVQUAL instrument is broadly used to evaluate outer administration quality, the instrument can likewise be adjusted to survey the nature of the interior administration gave by offices and divisions inside an organization to workers in different offices and divisions. As a result, adaptations and/or replacements of SERVQUAL have been suggested for various industry-specific contexts (Ladhari, 2008).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>Ability to perform the promised service dependably and accurately.</td>
</tr>
<tr>
<td>Assurance</td>
<td>Employees’ knowledge and courtesy and their ability to inspire trust and confidence</td>
</tr>
<tr>
<td>Tangible</td>
<td>Appearance of physical facilities, equipment, personnel and communication materials.</td>
</tr>
<tr>
<td>Empathy</td>
<td>Caring, individualized attention given to customers</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Willingness to help customers and provide prompt service</td>
</tr>
</tbody>
</table>


**Figure 2.3. SERVQUAL Model.**
2.4.5 The European Foundation for Quality Management

From an Excellence standpoint, the European Foundation for Quality Management (EFQM) Business Excellence Model is widely recognized as a representative theory to improve traditional total quality management (TQM) by expanding the narrow quality-oriented concept into a holistic management concept. According to Evans and Lindsay (2005), EFQM Business Excellence Model aims to develop awareness of the importance of quality in the intensified competitive global market. The objective of the EFQM model, proposed in 1992, is to support organizations to achieve business excellence through continuous improvement and deployment of improved processes. Excellent organizations consistently add value for customers by understanding, anticipating and fulfilling needs, expectations and opportunities.

![Diagram of EFQM Excellence Model](image)

**Figure 2.4. EFQM 2012**

Source: European Foundation for Quality Management (2012)

The criteria of the EFQM Excellence Model is based on nine key criteria. Five of these are "enablers" and four are the "results". The "Enabler" criteria cover what an organization does and how it does it and the "Results" criteria cover what an organization achieves through excellence. The arrows emphasize the dynamic nature of the Model, showing learning, creativity and innovation helping to improve the Enablers that in turn lead to improved results in an organization. From the process framework EFQM model is a must use tool and certification majorly the management team will help improve team cohesion and from a big picture stand point enable business achieve which I must give credit to the innovator of this business tool.
2.5 Chapter Summary

This chapter examined literature review directed by the research questions with significant literature on the supplier performance, internal business process and customer service delivery. In the next chapter, the rationale for the research methodology used for this study and methods of data collection, analysis and development of the research will be discussed.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
Presentation in this chapter portray the exploration outline, population, testing design, exploratory outline, inspecting system, test estimate, information accumulation strategies, inquire about methodology and information examination techniques that was utilized as a part of the research. The chapter concludes with a chapter summary that describes in brief the relevant issues discussed by the researcher. Once data was collected from the sample population, it was analyzed through SPSS Software (Statistical Programming for Social Science).

3.2 Research Design
In this research study, the descriptive research methodology was utilized to enable the researcher gather evidence for answering the research questions. A survey was undertaken to collect the information from the respondents who was drawn from the restaurant chain in Kenya. Survey research refers to a study in which data is gathered for representative sample from populations of interest to the researcher and measured at a given point in time (Gaski, 2013). The primary data was collected using a questionnaire that was administered to the respondents in person.

The study intended to analyze supplier and business performance measurement for competitive advantage among restaurant chains. The researcher seeks to adopt a positivist stand during the study; positivism belief holds the view that only scientific knowledge can be establish the truth behind a reality through empirical observations which are measured through objective methods. The basic assumption of positivist paradigm is that there are true answers to a phenomenon which researcher can confirm through data collection, analysis and interpretation.

3.3 Population and Sampling Design
3.3.1 Population
Population is the collection of units on which inferences are made (Saunders, Lewis & Thornbill, 2007). According to Mugenda (2009) a population is the collection of objects, events or individuals with common characteristics that can be observed. Gall and Borg
(2010) contended that a target population gives a solid establishment in which to construct a population rationality of the study. The population comprised of staff members both middle and top management at Java House in Kenya. Java House has 2000 employees and the people of interest within the levels of management of the population of focus was 122 management staff.

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Management Level</th>
<th>Sampling Frame</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Level</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Senior Level</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Middle Level</td>
<td>70</td>
<td>57</td>
</tr>
<tr>
<td>Supervisor Level</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>122</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Java Staff Head Count (2018)

3.3.1 Sampling Design

3.3.1.1 Sampling Frame

The sample frame entails a rundown of components from which the sample has comparative qualities to those of the population drawn. It is exhaustive and exact rundown of the member of the population only (Cooper and Schindler, 2014). As per Saunders, Lewis and Thornhill (2007) the sampling frame for each random sample is the entire rundown of whole cases in the population from which sample is determined. This study employed a census design. According to Oladipo (2015), a census includes the population into the study (100%) and it’s convenient when the total population is less than 100. The adoption of a census was preferred because of its benefits. First, all respondents had the same opportunity to participate, in this case, all the 122 managers had this opportunity. Secondly, when conducted properly, census surveys are certainly capable of yielding representative results (Saunders, Lewis & Thornhill, 2016). The final advantage is that a census survey is easier to administer, because it includes all persons (Cooper & Schindler, 2014).
3.3.1.2 Sampling Technique

This is the method of selecting the elements that was represented in the population under study. The sample was a group from the population representing the population (Cooper and Schindler, 2014). Sampling is a very complex issue and many sampling methods have been developed to rationalize sample sizes (Liu, et, al., 2011). Larger sample sizes are often considered to be more representative of the target population compared to smaller sample sizes however very large sample sizes are expensive both in terms of time and cost considerations. Stratified sampling according to Rossetti, et, al., 2010 is the best technique compared to any other technique for obtaining a higher probability of a representative sample. Considering that this was a census, the sample size was made up of all the 122 management staff.

3.3.1.3 Sample Size

The sample size is a portion selected from the target population for analysis (Dattalo, 2008). In this study, we were optimistic to have a higher response rate aid a proper analysis of our research questions and conclusion in the study. The sample size set should meet minimum threshold as recommended by Mason (2010) since we aim at utilizing the descriptive and inferential research study. Considering that this was a census, the sample size was made up of all the 122 management staff at Java.

3.4 Data Collections Methods

The data collection tool was developed after a comprehensive review of the literature on supplier and business performance measurement for competitive advantage among restaurant chains, review of the previous studies and expert opinion from scholars and practitioners was used to extent the content of the research.

Questionnaires was circulated through a web-based platform google documents and by hand to the staff given the rapport with the respondents. The questionnaires encompassed both closed-end questions with very few open-end questions to encourage a high response rates. The open-ended questions provided respondents a chance to express their personal opinions relative to the context in addition to those which the researcher has based his knowledge. The research project questionnaire included five sections, section one covering general information from the respondent, and the other sections covering the independent variables of the study which are competitive advantage, supplier
performance measurement, internal business process, customer performance measurement factors associated with competitive advantage. The respondents indicated where suitable in the questionnaires which employed a 5 point likert scale and differential scale, 1 indicating “Strongly Disagree”, 2 indicating “Disagree” ,3 being “Neutral” 4 signifying “Agree” and 5 being “Strongly Agree”. The specific research objectives of the study were utilized in coming up with the questionnaires.

3.5 Research Procedures
Questionnaires were characterized as any composed instruments that present respondents with a progression of inquiries or proclamations to which they are to respond either by working out their answers or selecting from existing answers. Questionnaires was utilized on the grounds that as clarified by Saunders et al. (2011), questionnaires are used to gather data about phenomena that is not specifically observable, for example, internal encounters, sentiments, values, intrigues, they are more helpful to use than direct observation when utilized for gathering data accordingly the pros of utilizing questionnaires are as per the following: can be given to vast gatherings, respondents can finish the survey at their own particular comfort, answer questions out of request , skip questions, take a few sessions to answer the questions, and write in remarks. The time and cost included in utilizing questionnaires is less than utilizing interviews.

The questionnaires were pretested to detect any weakness in the research design. According to Cooper and Schindler (2009) the instrument should be administered to 5 percent of the population. Data was coded into SPSS software and a reliability test to also fall suit. The research tool was found to be effective as all questions in the questionnaires addressing different research questions were above 0.7 hence all questions in the questionnaire were relevant. The questionnaires are divided into two sections: The first section addresses the Demographic information, while the second part addresses the three research questions. Respondents are requested to rank the elements to some degree as per the (likert scale) in section two of the questionnaire in respect to how they strongly agreed or strongly disagreed with statements, as illustrated by (Boone & Boone, 2012). The questionnaire used in gathering data has been attached in the appendix section including an introduction letter to justify the purpose of the study.
3.6 Data Analysis Method

From the analysis of data, coding was undertaken with sensitivity as it would influence the acquired results and the collected data was screened and checked for completeness and comprehensibility. The data was then summarized; coded and tabulated data was be analyzed through descriptive statistics to assess the frequency distribution of the demographic characteristics of participants and their responses in the questionnaires. Data was presented in tables, figures and frequencies tabulated through SPSS (Statistical Programming for Social Science) version 20. The level of significance applicable was $\alpha = 0.5$ which was appropriate for a scientific research (Teddlie, 2010).

Regression analysis was used to estimate the strength and the direction of the relationship between the dependent and independent variables. “Co-efficient of determination was unable to assess the strength of the relationship between the independent and the dependent variables.” (Saunders, Lewis, & Thornhill, 2016).

The assumption of the linear regression equation was:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$$

Where;

$Y$ = Competitive Advantage
$X_1$ = Supplier Performance Measurement
$X_2$ = Business Performance Measurement
$X_3$ = Customer Performance Measurement
$\epsilon$ = error term

3.7 Chapter Summary

This chapter discussed the research methodology by heightening on the research design, sampling design and the population. Data gathering techniques were also discussed by the researcher as well as research procedures and data analysis methods. The study embraced a stratified sampling technique. Chapter four discussed next will focus on the results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter depicts the analyzed results and findings of the study on the examining factors that determine the supplier and business performance measurement among restaurant chains.

4.1.1 Response Rate
A response rate is the sum of respondents or individuals who got involved in a study and it’s displayed in percentage form. The study in Figure 4.1 displays the response rate of the study. The study clearly indicates that 78.6% of the respondents took part in the study while 21.4 % out of the 100% did not participate in the study. According to Mugenda and Mugenda (2009) a respond above 50 percent is good enough to be used for the study. We can therefore conclude that; the response rate was good to be used.

![Figure 4.1: Response Rate](image)

4.2 Background Information
4.2.1 Gender of Respondents
Table 4.1 is used to display the gender of the study. It is indicated that 31.3 percent of the respond were women and 68.8 percent are men. This therefore means that majority
of the workers are men and it can be assumed that the industry enjoys flexibility in working since men can work for longer hours than women and go for night shifts.

Table 4.1: Gender of Respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>30</td>
<td>31.3</td>
</tr>
<tr>
<td>Male</td>
<td>66</td>
<td>68.8</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.2 Age of Respondents

Table 4.2 represents the age of respondents of the population working in the industry. The Age of Respondents was categorized into five levels as; between 19 and 24 years, Between 25 and 30 years, Between 31 and 35 years, Between 35 and 40 years and Above 40 years. From the table, it is revealed that, 4.2 percent of the respondents had Between 19 and 24 years, 50 percent were Between 25 and 30 years, 21 percent were Between 31 and 35 years, 20.8 percent Between 35 and 40 years and 3.1 percent were above 40 years. This means that most of the respondents were Between 25 and 30 years which is an advantage to the study since the workers are mature enough to make informed decisions.

Table 4.2: Age of Respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 19 and 24 years</td>
<td>4</td>
<td>4.2</td>
</tr>
<tr>
<td>Between 25 and 30 years</td>
<td>48</td>
<td>50.0</td>
</tr>
<tr>
<td>Between 31 and 35 years</td>
<td>21</td>
<td>21.9</td>
</tr>
<tr>
<td>Between 35 and 40 years</td>
<td>20</td>
<td>20.8</td>
</tr>
<tr>
<td>Above 40 years</td>
<td>3</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>96</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

4.2.3 Working Duration at the Organization

Table 4.3 represents the number of years working in the industry. The years of Respondents was categorized into four levels as; less than 1 year, Between 1 and 3 years, Between 3 and 6 years, Between 6 and 10 years. From the table, it is revealed that, 11.5 percent of the respondents had worked less than 1 years, 16.7 percent had worked Between 1 and 3 years, 39.6 percent had worked Between 3 and 6 years and 32.3 percent had worked Between 6 and 10 years. This means that most of the
respondents were Between 3 and 10 years which is an advantage to the company since the workers are experienced enough to make informed decisions.

**Table 4.3: Working Duration at the Organization**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>11</td>
</tr>
<tr>
<td>Between 1 and 3 years</td>
<td>16</td>
</tr>
<tr>
<td>Between 3 and 6 years</td>
<td>38</td>
</tr>
<tr>
<td>Between 6 and 10 years</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>96</strong></td>
</tr>
</tbody>
</table>

**4.2.4 Highest Level of Education**

Table 4.4 represents the highest level of education. Those with Diploma were 21.9 percent, 10 percent had Higher Diploma, 47.9 percent had Undergraduate Degree while 19.8 had Postgraduate Degree. We can thus conclude that the majority had Undergraduate Degree which is a good sign of elite workforce encouraging vision sharing and mapping to the organization.

**Table 4.4: Highest Level of Education**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma</td>
<td>21</td>
</tr>
<tr>
<td>Higher Diploma</td>
<td>10</td>
</tr>
<tr>
<td>Undergraduate Degree</td>
<td>46</td>
</tr>
<tr>
<td>Postgraduate Degree</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>96</strong></td>
</tr>
</tbody>
</table>

**4.2.5 Management Level**

Table 4.5 represents the management level. The study is divided into Supervisor how 34.4 percent had, Middle Management had 37.5 percent, and Senior Management had 19.8 percent, while Executive Management had 8.5 percent. We can therefore conclude that majority were the middle level managers also a good health check from the industry perspective.

**Table 4.5: Management Level**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor</td>
<td>33</td>
</tr>
<tr>
<td>Middle Management</td>
<td>36</td>
</tr>
<tr>
<td>Senior Management</td>
<td>19</td>
</tr>
<tr>
<td>Executive Management</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>96</strong></td>
</tr>
</tbody>
</table>
4.2.6 Department

Table 4.6 represents the department. The study is divided into Finance and Administration, Supply Chain, Service, Warehousing, and Manufacturing. From the study, 18.8 percent of the respondents work in Finance and Administration, 36.5 percent of the respondents work in Supply Chain, 18.8 percent of the respondents work in Service, 24 percent of the respondents work in Warehousing, and 2.1 percent of the respondents work in Manufacturing. We can therefore conclude that majority were from supply chain.

**Table 4.6: Department**

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Administration</td>
<td>18</td>
<td>18.8</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>35</td>
<td>36.5</td>
</tr>
<tr>
<td>Service</td>
<td>18</td>
<td>18.8</td>
</tr>
<tr>
<td>Warehousing</td>
<td>23</td>
<td>24.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>96</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

4.2.7 Location

Table 4.7 represents the location the respondent works from. The reveals that 57 percent of the respondents work from head office, 31.3 percent of the respondents work from Central Production and Distribution, while 11.5 percent of the respondents work from Restaurant.

**Table 4.7: Location**

<table>
<thead>
<tr>
<th>Location</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office</td>
<td>55</td>
<td>57.3</td>
</tr>
<tr>
<td>Central Production and Distribution</td>
<td>30</td>
<td>31.3</td>
</tr>
<tr>
<td>Restaurant</td>
<td>11</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>96</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

4.3 Influence of Supplier Performance Measurement on Competitive Advantage

The first objective of the study was to examine the influence of supplier performance measurement on competitive advantage. The study sought information from Brand Image, Product Innovation, technology deployed, Service delivery dependability, competitive advantage, Service Level Agreements, effective resource utilization, Production efficiency among others.
4.3.1 Descriptive of Influence of Supplier Performance Measurement on Competitive Advantage

Tests for descriptive statistics were performed using statistical software called SPSS. The descriptive results for variable of Supplier Performance were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 96. This was determined by the number of valid complete questionnaires in each case.

The mean for Supplier Performance Measurement ranged from 4.03 to 4.91. The findings of the study mean that the industry rely on Supplier Performance Measurement on Competitive Advantage. Even though the study shows that respondents agreed that most of the variables of Supplier Performance Measurement for Competitive Advantage, they disagreed on the variable that stakeholders’ contribution towards suppliers’ performance measurement help deliver value to key stakeholders and make an organization stay competitive hence the lowest mean of 4.03.

The standard deviation for Supplier Performance Measurement lowest figure was 0.293 while the highest was 1.119. The highest was that the level of competitive advantage influence careful selection of supplier performance measurement systems. It means that the industry relies on Supplier Performance Measurement on Competitive Advantage.
Table 4.8: Supplier Performance Measurement

Descriptive Statistics

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The level of competitive advantage influence careful selection</td>
<td>96</td>
<td>4.91</td>
<td>.293</td>
</tr>
<tr>
<td>of supplier performance measurement systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Measures should be clearly defined to enable an</td>
<td>96</td>
<td>4.63</td>
<td>.567</td>
</tr>
<tr>
<td>organization attain competitive advantage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agility within the supply chain help an organization achieve</td>
<td>96</td>
<td>4.69</td>
<td>.466</td>
</tr>
<tr>
<td>competitive advantage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linking strategic objectives of an organization to operational</td>
<td>96</td>
<td>4.86</td>
<td>.344</td>
</tr>
<tr>
<td>metrics help identify key business priorities towards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>competitiveness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Supplier Partnership make an organization attain</td>
<td>96</td>
<td>4.54</td>
<td>.501</td>
</tr>
<tr>
<td>competitive advantage hence healthy business systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information sharing on supply chain performance metrics leads</td>
<td>96</td>
<td>4.51</td>
<td>.523</td>
</tr>
<tr>
<td>to an organization’s competitive advantage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active involvement of supply chain members in standardizing</td>
<td>96</td>
<td>4.47</td>
<td>.561</td>
</tr>
<tr>
<td>Supply Chain Practices and Operations increases an</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>organization competitiveness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational capabilities of agility, adaptability and</td>
<td>96</td>
<td>4.71</td>
<td>.457</td>
</tr>
<tr>
<td>alignment are dynamic capabilities that result in an</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>organization competitive advantage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholders’ contribution towards suppliers’ performance</td>
<td>96</td>
<td>4.03</td>
<td>1.119</td>
</tr>
<tr>
<td>measurement help deliver value to key stakeholders and make</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>an organization stay competitive</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Valid N (listwise) 96

4.3.2 Influence of Supplier Performance Measurement on Competitive Advantage

To determine relationship between Influence of Supplier Performance Measurement on Competitive Advantage regression was done between Supplier Performance Measurement as a predictor variable against the Competitive Advantage achieved in the industry.

Table 4.9: Model Summary of Influence of Supplier Performance Measurement on Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.657a</td>
<td>.627</td>
<td>.623</td>
<td>.203</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), Supplier Performance Measurement
The $R^2$ of the model was 0.627. This means that 62.7 percent of the variations in the Competitive Advantage achieved is as a result of Supplier Performance Measurement of the industry. The 27.3 percent difference is due to factors not predicted in this model symbolized by the error term. Given this strong model, the study tested whether there is a strong empirical ground to conclude that Supplier Performance Measurement significantly enhances Competitive Advantage.

**Table 4.10: ANOVA of Influence of Supplier Performance Measurement on Competitive Advantage**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>10.56</td>
<td>1</td>
<td>10.56</td>
<td>197.68</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>4.17</td>
<td>96</td>
<td>.054</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14.73</td>
<td>95</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Competitive Advantage, b. Predictors: (Constant) Supplier Performance Measurement.

From the ANOVA analysis in Table 4.10, there is a p-value of 0.000. The study concludes that there is a significant relationship between Supplier Performance Measurement and Competitive Advantage in the industry. This implies that Supplier Performance Measurement have a significant influence in enhancing Competitive Advantage. The standardized coefficient is 0.85 and p value is 0.000. The study used linear regression model to test the relationship between Supplier Performance Measurement and Competitive Advantage in the industry. Table 4.11 depicts the results of the model.

The linear equation model is stated as;

$$Y = \alpha_0 + \alpha_1X_1 + \epsilon$$

Where;

$Y$ = Competitive Advantage  
$\alpha$ = Constant value  
$X_1$ = Supplier Performance Measurement  
$\epsilon$ = error term
Table 4.11: Coefficients Variation of Influence of Supplier Performance Measurement on Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-.371</td>
<td>.323</td>
<td>1.205</td>
<td>.231</td>
</tr>
<tr>
<td>Supplier Performance Measurement</td>
<td>1.05</td>
<td>.076</td>
<td>14.06</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Competitive Advantage

The study thus represents Competitive Advantage as,

**Competitive Advantage = 1.049+0.847 Supplier Performance Measurement + €**

It means that a unit change in Supplier Performance Measurement causes a change of 0.85 in Competitive Advantage in industry.

4.4 Internal Business Process towards Competitive Advantage

The objective of the study was to examine the Internal Business Process towards Competitive Advantage. The study sought information from organizations only derive value and competitive edge when continuous improvement activities are initiated and implemented within their day to day processes, Is the Balanced Scorecard an effective management control tool to help clarify an organization’s strategy towards competitive advantage, Will Effective and Efficient Internal Control Systems be fundamental in sustaining an organizations competitive advantage, Does an ERP (Enterprise Resource Planning) system help support business performance measurement, Will an ERP (Enterprise Resource Planning) system integration be beneficial to the value stream and organization competitive advantage, Can establishing collaborative relationships between internal business process and organizations customers improving an organization competitive advantage, Does DMAIC – the problem solving tool under Lean Six Sigma (Define, Measure, Analyze, Improve and Control ) influence organizations competitiveness.
4.4.1 Descriptive of Internal Business Process towards Competitive Advantage

Tests for descriptive statistics were performed using a statistical software call SPSS. The descriptive results for variable Internal Business Process towards Competitive Advantage were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 96.

The mean for internal business process ranged from 4.30 to 4.68. The findings of the study mean that internal business process is used to achieve Competitive Advantage. The study shows that respondents moderately agreed that internal business process Competitive Advantage. Internal Business Process and Competitive Advantage had a standard deviation range from 0.477 to 0.680. It means that there is a great variation in internal business process for the industry that provides a competitive edge.

Table 4.12: Internal Business Process towards Competitive Advantage

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations only derive value and competitive edge when continuous improvement activities are initiated and implemented within their day to day processes</td>
<td>96</td>
<td>4.32</td>
<td>.589</td>
</tr>
<tr>
<td>Balanced Scorecard an effective management control tool to help clarify an organization’s strategy towards competitive advantage</td>
<td>96</td>
<td>4.60</td>
<td>.589</td>
</tr>
<tr>
<td>Effective and Efficient Internal Control Systems be fundamental in sustaining an organizations competitive advantage</td>
<td>96</td>
<td>4.47</td>
<td>.680</td>
</tr>
<tr>
<td>ERP (Enterprise Resource Planning) system help support business performance measurement</td>
<td>96</td>
<td>4.68</td>
<td>.533</td>
</tr>
<tr>
<td>ERP (Enterprise Resource Planning) system integration be beneficial to the value stream and organization competitive advantage</td>
<td>96</td>
<td>4.43</td>
<td>.645</td>
</tr>
<tr>
<td>Establishing collaborative relationships between internal business process and organizations customers improving an organization competitive advantage</td>
<td>96</td>
<td>4.30</td>
<td>.526</td>
</tr>
<tr>
<td>DMAIC – the problem solving tool under Lean Six Sigma (Define, Measure, Analyze, Improve and Control ) influence organizations competitiveness</td>
<td>96</td>
<td>4.58</td>
<td>.516</td>
</tr>
<tr>
<td>Robust and established forecasting systems within the value chain help drive organization competitive strategy.</td>
<td>96</td>
<td>4.66</td>
<td>.477</td>
</tr>
<tr>
<td>The process to identify and fix recurring process problems impacting customer’s service levels ensures an organization stays competitive.</td>
<td>96</td>
<td>4.41</td>
<td>.642</td>
</tr>
<tr>
<td>Productivity within the value chain through analytical and statistical tools ensures an organization is competitive.</td>
<td>96</td>
<td>4.46</td>
<td>.597</td>
</tr>
<tr>
<td>Value stream process enables an organization fix recurring process problems impacting an organization bottom line</td>
<td>96</td>
<td>4.46</td>
<td>.679</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>96</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.4.2 Regression Analysis of Internal Business Process towards Competitive Advantage

Table 4.13: Model Summary of Internal Business Process towards Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.934a</td>
<td>.883</td>
<td>.870</td>
<td>.15552</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), Internal Business Process

Table 4.13 shows that the coefficient of determination for the relationship between internal business process and Competitive Advantage was 0.883 and this means that 88.3 percent of Competitive Advantage in industry was explained by internal business process. The remaining 11.7 percent was explained by other factors not considered in the model.

Table 4.14: ANOVA of Internal Business Process towards Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>11.85</td>
<td>1</td>
<td>11.85</td>
<td>540.89</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>1.89</td>
<td>232</td>
<td>.034</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14.83</td>
<td>233</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Competitive Advantage
b. Predictors: (Constant), internal business process

Table 4.14 shows the beta coefficients of internal business process. The beta coefficient of internal business process was positive meaning that a unit change in the application of internal business process causes a positive change in the achievement of Competitive Advantage.
Table 4.15: Coefficient of Variation of Internal Business Process towards Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.318</td>
<td>.123</td>
<td>10.700</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Internal Business Process</td>
<td>.805</td>
<td>.032</td>
<td>.944</td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Competitive Advantage

The relationship in the table was represented by the following equation:

**Competitive Advantage = 0.805 + 0.944 Internal Business Process + ε**

The regression equation shown above indicates that a unit change in the execution of internal business process causes an increase of 0.805 in Competitive Advantage.

Y = α0 + α1X1 + ε:

Where;

Y = Competitive Advantage

α = Constant value

X1 = internal business process

ε = error term

**4.5 Customer Performance Measurement towards Competitive Advantage**

The second objective of the study was Customer Performance Measurement towards Competitive Advantage. The study sought information from considering the interests of customers ensure products from the manufacturing department to marketing are competitive, On-Time-Delivery of goods and services influence customer performance.
On-Time-Delivery of goods and services influence operational excellence performance. The level of technology deployed in an organization impacts the overall service delivery Net Promoter Score (Guest Satisfaction Survey tool) a sufficient tool in ensuring an organization stays competitive, Efficient information flow within the entire value chain aid in improving an organization competitive advantage, customer promise framework make an organization efficient in its services and foster marketplace positional competitive advantage and Implementing Customer Loyalty Programs make the organization successful and competitive among others.

4.5.1 Descriptive of Customer Performance Measurement towards Competitive Advantage

The study adopted mean and standard deviation (S.D) as statistical tools that were used to rank the significance of the variables. The total number of respondents analyzed in each measure was 96. The means for Customer Performance Measurement and Competitive Advantage ranged from 4.13 to 4.80. This means that on average, in the industry Customer Performance Measurement enhance Competitive Advantage. This is shown with the moderate opinions of the respondents about Customer Performance Measurement and Competitive Advantage. The study also shows that the standard deviation for Customer Performance Measurement and Competitive Advantage ranged from 0.426 to 0.729. This means that there was high deviation among the opinions of the respondents about Customer Performance Measurement on Competitive Advantage. The opinions were especially highly deviated on the statement that linking strategic objectives of an organization to operational metrics help identify key business priorities towards competitiveness.
Table 4.16: Customer Performance Measurement

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considering the interests of customers to ensure products from the manufacturing department to marketing are competitive</td>
<td>96</td>
<td>4.27</td>
<td>.624</td>
</tr>
<tr>
<td>On-Time-Delivery of goods and services influence customer performance</td>
<td>96</td>
<td>4.59</td>
<td>.591</td>
</tr>
<tr>
<td>On-Time-Delivery of goods and services influence operational excellence performance</td>
<td>96</td>
<td>4.63</td>
<td>.487</td>
</tr>
<tr>
<td>The level of technology deployed in an organization impacts the overall service delivery</td>
<td>96</td>
<td>4.80</td>
<td>.426</td>
</tr>
<tr>
<td>Net Promoter Score (Guest Satisfaction Survey tool) is an sufficient tool in ensuring an organization stays competitive</td>
<td>96</td>
<td>4.54</td>
<td>.664</td>
</tr>
<tr>
<td>Efficient information flow within the entire value chain aid in improving an organization competitive advantage</td>
<td>96</td>
<td>4.38</td>
<td>.637</td>
</tr>
<tr>
<td>Customer promise framework makes an organization efficient in its services and foster marketplace positional competitive advantage</td>
<td>96</td>
<td>4.55</td>
<td>.630</td>
</tr>
<tr>
<td>Implementing Customer Loyalty Programs makes the organization successful and competitive</td>
<td>96</td>
<td>4.23</td>
<td>.774</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>96</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.5.2 Regression Analysis of Customer Performance Measurement towards Competitive Advantage

The study sought to statistically test whether Customer Performance Measurement significantly affects Competitive Advantage in the industry. This was tested using the perceived Supplier Performance Measurement as a predictor variable against the Competitive Advantage achieved in the industry.

Table 4.17: Model Summary of Customer Performance Measurement towards Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.87a</td>
<td>.760</td>
<td>.757</td>
<td>.228</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), Supplier Performance Measurement

The R2 from this test is 0.760 meaning that 76 percent of the variation in Competitive Advantage of the results from Customer Performance Measurement. The remaining 24 percent is due to other factors not tested in this model.
Table 4.18: ANOVA of Customer Performance Measurement towards Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>10.050</td>
<td></td>
<td>11.060</td>
<td>233.46</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>3.600</td>
<td>232</td>
<td>.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14.701</td>
<td>233</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Competitive Advantage, b. Predictors: (Constant), Supplier Performance Measurement

The ANOVA in Table 4.18 above has a p-value of 0.000. The study concludes that there is a significant relationship between Customer Performance Measurement and Competitive Advantage in the industry. The study used linear regression model to test the relationship between Customer Performance Measurement and Competitive Advantage in the industry. Table 4.19 depicts the results of the model.

Table 4.19: Coefficients Variation of Customer Performance Measurement towards Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.390</td>
<td>.190</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>Performance</td>
<td>.70</td>
<td>.05</td>
<td>.870</td>
<td>14.31</td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: Competitive Advantage

The study thus represents Competitive Advantage as,

**Competitive Advantage = 0.70 + 0.87 Performance Measurement + €.**

It means that a unit change in Customer Performance Measurement causes a change of 0.87 in Competitive Advantage in the industry.
4.5.3 Multiple Regression Analysis

The model analysis of regression is shown in the table below. Regression indicates the strength of the relationship between the independent variables and the dependent variable. The R square value which clearly suggests that there is a strong relationship between the independent variables and the dependent variable.

Table 4.20 Model Summary of Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.819&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.816</td>
<td>.811</td>
<td>1.33596</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), independent variables

Table 4.20 above, shows that the R square value of the model was .816. This implies that 81.6 percent of the competitive advantage is influenced by the three variables. The remaining 18.4 percent are as a result of other factors not considered and the error term. A value of 1.33596 for the standard error of the estimate indicates a 13.3596 percent deviation.

Equally, the Analysis of Variance (ANOVA) revealed that the combined variables were statistically significant, p < 0.000 as illustrated in table 4.21

Table 4.21: ANOVA of Combined Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1.115</td>
<td>2</td>
<td>.872</td>
<td>12.603</td>
<td>.000&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Residual</td>
<td>1.799</td>
<td>94</td>
<td>.069</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.913</td>
<td>96</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), supplier performance, internal business process performance, customer’s performance

When all the variables were combined, the study revealed that they were statistically significant. The regression coefficient for supplier performance was β (0.798); p < 0.00; the regression coefficient for internal business process was β (0.692); p < 0.000; the
The regression coefficient for customer performance was $\beta$ (0.626); $p < 0.000$ as illustrated in table 4.22.

Table 4.22: Coefficient Regression Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>7.098</td>
<td>.855</td>
<td>7.131</td>
<td>.000</td>
</tr>
<tr>
<td>Supplier Performance</td>
<td>.634</td>
<td>.090</td>
<td>.798</td>
<td>5.917</td>
</tr>
<tr>
<td>Internal Business Process</td>
<td>.614</td>
<td>.127</td>
<td>.692</td>
<td>3.900</td>
</tr>
<tr>
<td>Customer’s Performance</td>
<td>.714</td>
<td>.092</td>
<td>.626</td>
<td>4.235</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Competitive Advantage

The regression model used is illustrated as follows:

$$ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon $$

Competitive Advantage = 7.098 + 0.634 Supplier Performance + 0.614 Internal Business Process + 0.714 Customer’s Performance

Where:

E = Error value

4.6 Chapter Summary

The results and findings of the study have been provided in this chapter. These results and findings were based on the data given out by the respondents from the service industry. The chapter provided analysis on the response rate, background information, and descriptive analysis of supplier performance, internal business process and customer performance measurement towards competitive advantage. The next chapter provides the summary, discussion, conclusions and recommendations of the study.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter brings out discussions, conclusions and recommendations regarding the study. The chapter is subdivided into five parts. The first part describes methodology, summary of the findings from the field of study, and results thereon. Part two contains discussions with regard to the three specific research questions that form the basis of the study. There is a discussion on supplier performance measurement influence on Java House competitiveness, internal business process as an enabler in sustaining Java House competitiveness, the influence of customer’s performance measurement in enabling competitive advantage at Java House. Part three follows with conclusions drawn from the study using the findings and results that were obtained in chapter four. Recommendations arising from the study specific objectives are enumerated in the last section of this chapter.

5.2 Summary
The purpose of this study was to examine performance measurement approach that restaurant chains use to evaluate suppliers and the business with a goal to determine which performance metrics are vital in improving the firm’s competitiveness within the service industry: the case Java House Africa. The following research questions guided the study: To what extent does supplier performance measurement influence the competitiveness of Java House, how does internal business process performance measurement enable Java House sustain its competitiveness and what influence do customer’s performance measurement have in enabling competitive advantage at Java House?

The study did employ descriptive research design with emphasis on the purpose of the research study which was to assess how restaurant chains develop and measure supplier and business performance. The target population of interest in this study was made up of 122 Java management staff. Data was collected using questionnaires and analysed using the Statistical Package for Social Sciences (SPSS) for data analysis. Descriptive statistics was used to describe the study variables using frequencies, percentages and graphs.
Linear regression analysis was used to determine the factors influencing supplier and business performance measurement. The findings were presented using tables and charts. The first research question of the study was to what extent does supplier performance measurement influence the competitiveness of Java House? The study sought information from Brand Image, Product Innovation, technology deployed, Service delivery dependability competitive advantage, Service Level Agreements, effective resource utilization Production efficiency among others. Tests for descriptive statistics were performed using statistical software called SPSS. The descriptive results for variable of Supplier Performance were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 96. This was determined by the number of valid complete questionnaires in each case.

The mean for Supplier Performance Measurement ranged from 4.03 to 4.91. The findings of the study mean that the industry rely on Supplier Performance Measurement on Competitive Advantage. Even though the study shows that respondents agreed that most of the variables of Supplier Performance Measurement for Competitive Advantage, they disagreed on the variable that Production efficiency contributes to the long-term competitiveness and overall performance of the organization hence the lowest mean of 4.03. The standard deviation for Supplier Performance Measurement lowest figure was 0.293 while the highest was 1.119. The highest was that the Production efficiency contributes to the long-term competitiveness and overall performance of the organization while the lowest was Brand Image determine an organization competitive advantage. It means that the industry relies on Supplier Performance Measurement on Competitive Advantage.

The second research question of the study was; Does internal business process performance measurement enable Java House sustain its competitiveness? The study sought information from careful selection of supplier performance measurement systems, Performance Measures should be clearly defined to enable an organization attain competitive advantage, Agility within the supply chain help an organization achieve competitive advantage, linking strategic objectives of an organization to operational metrics help identify key business priorities towards competitiveness, Strategic Supplier Partnership make an organization attain competitive advantage hence healthy business systems and Information sharing on the supply chain performance metrics leads to an organization’s competitive advantage among others.
The means for Supplier Performance Measurement and Competitive Advantage ranged from 4.13 to 4.80. This means that on average, in the industry Supplier Performance Measurement enhance Competitive Advantage. This is shown with the moderate opinions of the respondents about Supplier Performance Measurement and Competitive Advantage. The study also shows that the standard deviation for Supplier Performance Measurement and Competitive Advantage ranged from 0.426 to 0.729. This means that there was high deviation among the opinions of the respondents about Supplier Performance Measurement on Competitive Advantage. The opinions were especially highly deviated on the statement that linking strategic objectives of an organization to operational metrics help identify key business priorities towards competitiveness.

The final research question of the study was “what influence do customer’s performance measurement have in enabling competitive advantage at Java House?” The mean for internal business process ranged from 4.30 to 4.68. The findings of the study mean that internal business process is used achieve Competitive Advantage. The study shows that respondents moderately agreed that internal business process influences an organization Competitive Advantage. The internal business process and Competitive Advantage had standard deviation range from 0.477 to 0.680. It means that there is a great variation in internal business process for the industry.

5.3 Discussions

5.3.1 Influence of Supplier Performance Measurement on Competitive Advantage

The study found out that the level of competitive advantage influence careful selection of supplier performance measurement systems. Danese and Romano, (2012) observed that performance improvement is further enhanced by integration with suppliers on several measures that include improved productivity through lean systems and customer satisfaction among others.

The study found out that performance measures should be clearly defined to enable an organization attain competitive advantage this is in line with Li, Su and Chen, (2011) Make involves the transformation process for converting raw materials to final products while deliver includes order management, warehousing and transportation. Return process involves the capability to receive returned materials and defective products. The
model works very effectively when the management processes are captured in the reference model to achieve the desired competitive advantages.

The study found out that Agility within the supply chain help an organization achieve competitive advantage as per the research that has similarly used flexibility as an overarching theme with dimensions including adaptability, alignment and agility (Stevenson & Spring 2007, 2009; Zhang et al., 2006) but none has included all three and only all three. These organizational capabilities of agility, adaptability and alignment are dynamic capabilities that result in competitive advantage as these capabilities are developed and renewed in response to changes in customer demand and changes in the structure of market and economies. As these organizational abilities are integrated and coordinated within supply chain networks, the partnering organizations form complex adaptive systems that develop and renew adaptive capabilities to respond to changes in markets and economies ultimately developing competitive advantage related to the ability to satisfy ultimate customers of the supply chain.

The study found out that linking strategic objectives of an organization to operational metrics help identify key business priorities towards competitiveness. Stakeholders’ contribution perspective that covers the suppliers’ performance among other stakeholders like customers, shareowners and employees. There is a direct link between the performance measurement development and business strategy which makes the implementation of performance prism practical since the linkage can be correlated.

The study found out that organizational capabilities of agility, adaptability and alignment be dynamic capabilities that result in an organization competitive advantage. Lee (2004), a strategic perspective, business processes such as purchasing, manufacturing, marketing and logistics must be aligned both internally and externally throughout the supply chain to achieve the ultimate goal of competitive advantage (Winning channel support, 2008; Bryson, 2004).

The study found out that stakeholders’ contribution towards suppliers’ performance measurement help deliver value to key stakeholders and make an organization stay competitive. Neely, Adams and Crowe (2001) the idea of ‘prism’ originates from the fact that prism refracts lights. This framework highlights the hidden complexities involved in
the performance measurement and management in order to deliver value to key stakeholders.

The study deduced that indeed supplier development plays a vital role in supplier performance where most respondents agreed that most of the elements of the supplier development strongly influenced the performance of the organization more so meeting financial obligations, direct firm involvement and rewards in addition to supplier training and conference which will be a driver on strategic partnership. Again supplier development results to increased profitability, helps reduce product cost, helps to improve product quality and also helps in producing products faster than before due to improved supplier quality thus supporting the statement above that supplier development plays a vital role in organization performance

5.3.2 Influence of Internal Business Process on Competitive Advantage

Business processes are now considered critical corporate assets as they constitute a significant portion of organizational costs and managing them offers significant opportunities for improving market share, managerial decision making and performance. In fact, effective business processes are considered the key differentiators in this global competitive environment.

The study found out that organizations only derive value and competitive edge when continuous improvement activities are initiated and implemented within their day to day processes. This is in line with Danese and Romano, (2012) A firm’s performance is contingent on a number of factors however many researchers have argued that there exists a positive relationship between performance measurement and supply chain performance improvement observed that performance improvement is further enhanced by integration with suppliers on several measures that include improved productivity through lean systems and customer satisfaction among others. Measuring performance has positive effects on performance improvement as argued above but organizations only derive value from performance measurement when continuous improvement activities are initiated and implemented. In line with this the below models shows us how supplier performance measure influence business performance.

The study found out that the Balanced Scorecard is an effective management control tool that help’s clarify an organization’s strategy towards competitive advantage. The BSC
allows organizations to track and manage financial performance and at the same time monitor the plans to build capabilities for future growth while improving the competitiveness. The BSC model has however been criticized for not weighing the relative importance of the performance metrics and acknowledging the issues related to the trade-offs between metrics (Varma & Deshmukh, 2009).

The research discovered that ERP (Enterprise Resource Planning) framework help bolster business execution estimation, (Helo et al., 2008) States that ERP utilizes database innovation to control and coordinate data identified with an organization's business including information identified with clients, providers, workers and back. In a perfect world, all business exchanges, for example, stock administration, client arrange administration, generation arranging and conveyance are entered, recorded, handled, observed and revealed (Helo et al., 2008). In the expressions of (Krajewski et al., 2007) an ERP is a solitary far reaching database gathers information and feeds information into the different modules consequently ERP frameworks are subsequently exceptionally complex. Supply chain integration is often cited as one of the benefits of an ERP system to the value stream. While improvements in ERP systems have enabled companies to integrate their purchasing, production scheduling, inventory, logistics, and product design functions, other technologies such as barcodes and RFID have also contributed to tracking materials across entire supply chains.

The study found out that ERP (Enterprise Resource Planning) system integration be beneficial to the value stream and organization competitive advantage. Hence, the ERP systems’ capabilities to support supply chain performance measurement is a vital element in ensuring supply chain performance is met and measured effectively. In the defining metrics activity there and as referenced by (Knolmayer et al., 2009), it is important that the ERP systems efficiently enable detailed metrics definitions so that customer, LSP (Logistics Service Providers) and supplier can define it in the same way to ensure seamless transactions.

The study found out that DMAIC – the problem solving tool under Lean Six Sigma (Define, Measure, Analyze, Improve and Control) influence organizations as Shorki (2014) highlighted and it’s evident that Six Sigma is recognized as a means of managing global competitiveness through continuous improvement and business excellence. For
projects to be good candidates of continuous improvement they must have the potential to reduce lead time or defects while resulting in cost savings or improved productivity and being measurable to deliver quantifiable, sustainable results.

5.3.3 Influence of Customer’s Performance Measurement on Competitive Advantage

From the study competitive strategies that make an organization agile in this instance is very important as it will determine the position of the organization from a customer satisfaction stand-point at the simple and broadest level. The study found out that the interests of customers ensure products from the manufacturing department to marketing are competitive. As per the literature Customer performance measures are vital in improving the overall performance of the organizations which in turn has an overall play in ensuring an organization attains a competitive edge in service delivery. From a customer centric stand point customers are considered business partners in driving business growth and overall success. Performance metrics geared towards excellence in service has a positive impact on the long term value creation and customer relationship management in the organization. Excellent organizations achieve and sustain outstanding results that meet or exceed the needs and expectations of their customers through customer value creation initiatives.

The study found out that Net Promoter Score (Guest Satisfaction Survey tool) a sufficient tool in ensuring an organization stays competitive. As referenced by (Reichheld, 2006) the NPS is the most recent measures to propose a disentanglement of a Likert or semantic differential scale through a chronicle of the item scores into less classes. The NPS has picked up fame and is presently utilized by numerous organizations as a marker of client unwaveringness and at last corporate development potential through account of the scale indicates or make up for unwanted reaction styles. In more extensive terms the NPS is touchy to the decision of cut-off focuses while crumbling the classifications and the appropriation of the hidden rating scale.

The study found out that achieving high standards in service delivery intensify competition within the global market and sustain growth in the entire value chain, (Ladhari, 2008) to improve service quality, it is necessary to contact employees regularly and assess their service experiences. Like the external client, an internal client too thinks
about classes of administration characteristics, for example, dependability and responsiveness, in judging the nature of customer service and what can make industry players stay competitive.

5.4 Conclusions

5.4.1 Influence of Supplier Performance Measurement on Competitive Advantage

The study concludes that level of competitive advantage influence the careful selection of supplier performance measurement systems. Supplier performance improvement can be further enhanced by integration with suppliers on several measures that include improved productivity through lean systems and customer satisfaction among others. Agility inside the inventory network can likewise enable an association to accomplish upper hand according to the examination that has comparably utilized adaptability as a general topic with measurements including flexibility, arrangement and deftness.

The study also concludes that linking strategic objectives of an organization to operational metrics helps identify key business priorities towards competitiveness. Stakeholders’ contribution perspective that covers the suppliers’ performance among other stakeholders like customers, shareowners and employees. There is a direct link between the performance measurement development and business strategy which makes the implementation of performance prism practical since the linkage can be correlated.

5.4.2 Influence of Internal Business Process on Competitive Advantage

The study concludes business processes should be considered critical corporate assets as they constitute a significant portion of organizational costs and managing them offers significant opportunities for improving market share, managerial decision making and performance. In fact, effective business processes are considered the key differentiators in this global competitive environment. Organizations only derive value and competitive edge when continuous improvement activities are initiated and implemented within their day to day processes. A firm’s performance is contingent on a number of factors however many researchers have argued that there exists a positive relationship between performance measurement and supply chain performance improvement observed that performance improvement is further enhanced by integration with suppliers on several
measures that include improved productivity through lean systems and customer satisfaction among others.

The study concludes that the Balance Scorecard is an effective management control tool to help clarify an organization’s strategy towards competitive advantage. The BSC allows organizations to track and manage financial performance and at the same time monitor the plans to build capabilities for future growth while improving the competitiveness.

5.4.3 The Influence Customer’s Performance Measurement Has in Enabling Competitive Advantage

The study concludes that competitive strategies to make an organization agile is very important as it will determine the position of the organization from a customer satisfaction stand-point at the simple and broadest level. The interests of customers ensure products from the manufacturing department to marketing and sales are competitive. From a customer centric stand point customers should be considered as business partners in driving business growth and overall success of the organization. Performance metrics geared towards excellence in service has a positive impact on the long term value creation and customer relationship management in the organization. Excellent organizations achieve and sustain outstanding results that meet or exceed the needs and expectations of their customers through customer value creation initiatives.

5.5 Recommendations

The following are the various recommendations from the research study for possible improvements based on the specific objectives.

5.5.1 Recommendations for Improvement

5.5.1.1 Influence of Supplier Performance Measurement on Competitive Advantage

On the basis of the study conclusion, three recommendations are advanced. First, creating a supply base with key strategic suppliers with whom to work with closely is likely to effectively carry out supplier development and ensure cost of raw inputs are maintained at a minimum. Secondly continuous improvement in the supply base is critical to maintaining the competitive advantages accrued from supplier development and this can be achieved by carrying out supplier appraisals from time to time. Finally, good buyer-
supplier relationships and ethical practices are important in order for supplier development to have a positive effect on supplier performance.

5.5.1.2 Influence of Internal Business Process on Competitive Advantage

Though the results of this thesis have produced interesting results there are some areas that can be further explored. For instance, there are more barriers to protect a developed brand against imitation or what could potentially affect brand loyalty. An empirical comparison of their effectiveness could be of interest to many researchers and managers. The actions to delay Internal Business Process implementation including resistance to change and failure to appreciate what internal controls have an impact in process improvement and management which in the long run drives out inefficiencies. Furthermore, the development of a framework which shows the Internal Business Process success will help in sharing the corporate vision.

5.5.1.3 The Influence Customer’s Performance Measurement Has in Enabling Competitive Advantage

The study has established a positive correlation between customer’s performance and competitive advantage. The study therefore recommends that organization should thoroughly assess the market in order to identify the potential business and eventually develop products that can satisfy that growing niche in the market. Identification of the target customers is very critical in determining the kind of products to offer and therefore it is recommended that organizations should first identify the target market and foster ownership to the audience before developing the product. This will ensure that the product in sale has the capability to satisfy the customers need and increase product loyalty.

5.5.2 Recommendation for Further Studies

This study was confined to the Supplier Performance Measurement, Influence of Internal Business Process and Customer’s Performance Measurement on Competitive Advantage. It would be of interest for future researchers to establish how Supplier Performance Measurement, Influence of Internal Business Process and how Customer’s Performance Measurement can be applied to other service industries in Nairobi and other parts of Kenya. Similar research can be done to investigate Supplier Performance Measurement,
Influence of Internal Business Process and customer's performance measurement on a different case study.
REFERENCES


Evans, J.R. and Lindsay, W.M. (2005), The Management and Control of Quality, South-Western College Publishing, Cincinnati, OH.


APPENDICES

Appendix I: Research Participation Introduction Letter

Mr. Wang’anya Eric Tom
United States International University - Africa
P. O. Box 14634 - 00800,
Nairobi, Kenya, East Africa
April 3rd, 2018
Java House Africa
P.O. Box 21533 – 00505
Nairobi
Dear Respondent,

RE: REQUEST FOR PARTICIPATION IN AN ACADEMIC RESEARCH STUDY

I am a graduate student carrying out a research study as part of my thesis project in Master of Science, Management and Organizational Development degree that I am undertaking at the United States International University-Africa (USIU-A). The title of my research is: **Supplier and Business Performance Measurement: A Study of the Kenyan Restaurant Chains.**

The purpose of this letter is to request for your participation in the research by filling in a questionnaire that has been designed to collect data for the study in your organization. You are assured that this information will be treated with anonymity and with the highest level of confidentiality. All the information that will be collected will be solely for academic purposes.

Your participation is considered very important towards this academic report and thank you very much for your time to aid me complete this study.

Yours Truly,

Wang’anya Eric Tom
Appendix II: Research Questionnaire


Kindly complete the following questionnaire by marking [✓] tick in the appropriate box.

Part A : Demographic and Respondents Profile

1. Gender?
   Female [   ] Male [   ]

2. In which of the age brackets listed below do you fall?
   Between 19 and 24 years [   ] Between 25 and 30 years [   ]
   Between 31 and 35 years [   ] Between 35 and 40 years [   ]
   Above 40 years [   ]

3. For how long have you been working in this organization?
   Less than 1 year [   ] Between 1 and 3 years [   ]
   [   ] Between 6 and 10 years [   ]
   Above 10 years [   ]

4. What is your highest level of education?
   Secondary Certificate [   ] Diploma [   ]
   Higher Diploma [   ] Undergraduate Degree [   ]
   Postgraduate Degree [   ]
5. At what management level do you fall in?

- Supervisor [ ]  Middle Management [ ]
- Senior Management [ ]  Executive Management [ ]
- Other (Specify) ………………………

6. Which department do you work in?

- Finance and Administration [ ]  Supply Chain [ ]
- Service [ ]  Warehousing [ ]
- Manufacturing [ ]

7. Which location do you work from?

- Head Office [ ]  Central Production and Distribution [ ]
- Restaurant [ ]
Part B: Competitive Advantage

To answer the questions below please tick the appropriate box beside each statement that most accurately reflects your view and best opinion. You may choose from the five point scale where ‘1’ means that you strongly DISAGREE, ‘2’ means that you disagree, ‘3’ means that you neither disagree or agree, ‘4’ means that you agree with the statement and ‘5’ means that you strongly AGREE.

5 - Strongly Agree 4 – Agree 3 – Neutral 2 – Disagree 1 – Strongly Disagree

<table>
<thead>
<tr>
<th>Statement</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image determines an organization competitive advantage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Innovation has a significant contribution to an organization competitiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The level of technology deployed in an organization impacts its competitive advantage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service delivery dependability often leads to repeat guests which in turn develops an organization competitive advantage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishing competitive advantage is considered a critical success factor in the longevity growth strategy of an organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Successful Service Level Agreements contributes a gain to an organization competitive strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Efficient and Effective resource utilization roadmap helps an organization attain competitive advantage</td>
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<td>Production efficiency contributes to the long-term competitiveness and overall performance of the organization</td>
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<tr>
<td>To Establish Competitive Advantage, an organization’s resources should be imperfectly imitable by its competitors</td>
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<td>Information sharing is a key aspect in establishing an organization competitive advantage</td>
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<td>Perceived Quality Confidence improves guest satisfaction and makes an organization competitive</td>
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## Part C: Supplier Performance Measurement towards Competitive Advantage

To answer the questions below please tick the appropriate box beside each statement that most accurately reflects your view and best opinion. You may choose from the five point scale where ‘1’ means that you strongly DISAGREE, ‘2’ means that you disagree, ‘3’ means that you neither disagree or agree, ‘4’ means that you agree with the statement and ‘5’ means that you strongly AGREE.

### 5 - Strongly Agree 4 – Agree 3 – Neutral 2 – Disagree 1 – Strongly Disagree

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<th>Statement</th>
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<tr>
<td>The level of competitive advantage influence careful selection of supplier performance measurement systems</td>
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<td>Performance Measures should be clearly defined to enable an organization attain competitive advantage</td>
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<td>Agility within the supply chain help an organization achieve competitive advantage</td>
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<td>Linking strategic objectives of an organization to operational metrics help identify key business priorities towards competitiveness</td>
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<td>Strategic Supplier Partnership make an organization attain competitive advantage hence healthy business systems</td>
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<td>Information sharing on the supply chain performance metrics leads to an organization’s competitive advantage</td>
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<td>Active involvement of supply chain members in standardizing Supply Chain Practices and Operations increases competitiveness of an organization</td>
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<td>Organizational capabilities of Agility, Adaptability and Alignment result in an organization competitive advantage</td>
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<td>Stakeholders’ contribution towards suppliers’ performance measurement help deliver value to key stakeholders and make an organization stay competitive</td>
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Part D: Internal Business Process towards Competitive Advantage

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<td>Organizations only derive value and competitive edge when continuous improvement activities are initiated and implemented within their day to day processes</td>
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<td>Balanced Scorecard is an effective management control tool that helps clarify an organization’s strategy towards competitive advantage</td>
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<td>Effective and Efficient Internal Control Systems are fundamental in sustaining an organizations competitive advantage</td>
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<td>ERP (Enterprise Resource Planning) systems help support business performance measurement</td>
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<td>ERP (Enterprise Resource Planning) system integration is beneficial to the value stream and organization competitive advantage</td>
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<td>Establishing collaborative relationships between internal business process and organizations customers improving an organization competitive advantage</td>
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<td>DMAIC – the problem solving tool under Lean Six Sigma (Define, Measure, Analyze, Improve and Control ) enables an organization stay competitive</td>
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<td>Robust and established forecasting systems within the value chain help drive organization competitive strategy</td>
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<td>The process to identify and fix recurring process problems impacting customer’s service levels ensures organization stays competitive.</td>
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<td>Productivity within the value chain through analytical and statistical tools ensures an organization is competitive.</td>
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<td>Value Stream Process enables an organization fix recurring process problems impacting an organization bottom line</td>
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Part E: Customer Performance Measurement towards Competitive Advantage

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<tr>
<td>Considering the interests of customers ensure products from the manufacturing department to marketing are competitive</td>
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<td>On-Time-Delivery of goods and services influence customer performance</td>
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<tr>
<td>On-Time-Delivery of goods and services influence operational excellence performance</td>
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<td>The level of technology deployed in an organization impacts the overall service delivery</td>
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<td>Net Promoter Score (Guest Satisfaction Survey tool) is a sufficient tool in ensuring an organization stays competitive</td>
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<td>Efficient information flow within the entire value chain aid in improving an organization competitive advantage</td>
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<td>Customer promise framework makes an organization efficient in its services and fosters marketplace positional competitive advantage</td>
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<td>Implementing Customer Loyalty Programs makes an organization successful and competitive in the long run</td>
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<td>Uncovering the broad areas of an organizations service quality shortfalls and strengths aids in establishing competitive advantage</td>
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<td>Customer Satisfaction improvement through product innovation helps an organization achieve competitive advantage</td>
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<td>Achieving high standards in service delivery intensifies competition within the global market and sustains growth in the entire value chain</td>
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Thank you very much for your time and participation. Your knowledge and opinions are highly appreciated!!