

Assessing the Level of Supplier Engagement in an Odl Context; Case of the Zimbabwe Open University

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Abstract: *This study evaluated the level of supplier engagement at the Distance Learning University. Supplier engagement has been defined by Benton, et al., (2005) and Fram, (1995) as the discipline of strategically planning for, and managing all interactions with organizations that supply goods and services to an organization in order to maximize the value of those interactions. Supplier engagement is of paramount importance in an Open and Distance Learning context as it results in the creation of sustainable relationships with suppliers which assists in timely and economical availing of goods and services to the University. Generally it improves the institution's overall efficiency. The qualitative research methodology was adopted in the study where questionnaires were administered to a sample of 30 suppliers selected using the convenience sampling technique. Findings of the study revealed that there was a relatively high level of supplier engagement at the university. The suppliers acknowledged that they understood the university's procurement policy but not wholesomely, they were also receiving necessary feedback from the University. However more concern was raised on the issue of payments. Suppliers highlighted that they were not being paid on time hence there was need to address the issue. It is recommended that the university design a supplier guide for the suppliers to obtain necessary information for the university and also the procurement personnel must take advantage of technology and actively participate on social networks to improve its engagement with the university.*

Key words: *Supplier engagement, Open and Distance Learning.*

I. Introduction

Zimbabwe Open University is one of the leading providers of Open and Distance Learning Education in Africa. The University has a centralized procurement unit which serves the needs of the National centre and ten Regional centers around Zimbabwe.

Supplier engagement is much more than just a transactional relationship or a simple buying process between the University and the suppliers. It represents active participation of suppliers in the University procurement practice and assesses their contributions to the achievement of the University's goals and objectives. Effective supplier engagement therefore implies total commitment between parties and the sharing of information between the University and the suppliers

The researcher conducted a survey assessing the level of supplier engagement at the University in order to improve effectiveness and efficiency of its procurement unit. Results of the research showed that there was a high level of supplier engagement with the University. The research analyzed the existence of a feedback mechanism between ZOU and suppliers, quality and customer focus, fair treatment of suppliers, effective communication, supplier expression and the challenges faced by suppliers in dealing with the ODL University.

Research done at Proactis (2011) as quoted by Groves (1998) showed that engaging well with suppliers is critical since it reduces waste, lowers operational costs and accelerates business processes. Supplier engagement is a move to incorporate suppliers into the operations of the university thus suppliers are expected to or exceed established performance targets for sourced materials and services.

Suppliers are expected to support the core values of the Zimbabwe Open University. Engaging well with suppliers helps in serving the needs of the internal stakeholders by making available the user's requirements at the right time, in the right quantities, of the right quality and at the right price.

II. Statement of the problem

The university has encountered some challenges of late delivery of goods and services, delivery of sub standard goods and services and also several complaints from suppliers made to the wrong personnel in the University. Suppliers have also expressed frustration with the University's procurement process. One of the University's goals is to attain 100% stakeholder satisfaction which entails enhancing relationships with suppliers, at the same time ensuring high quality goods and services for the University are supplied. No research has been conducted to assess the level of supplier engagement and this research was conducted to serve such purpose. This research was therefore conducted to assess the level of supplier engagement at the University with the view of enhancing cooperation and coordination in the University's procurement process.

Aim of the study

The study aims to assess the level of supplier engagement at the Zimbabwe Open University. It is hoped that the findings of this study will help the university to improve understanding and effectiveness in engaging with its suppliers.

Research objectives

- a) To assess the extent to which suppliers understand the University's procurement process.
- b) To evaluate factors that affect supplier engagement at the University
- c) Establish ways of improving engagement of suppliers with the University

Research questions

- a) Do ZOU suppliers understand the University's procurement process?
- b) What are the factors that hinder supplier engagement at the University?
- c) How can supplier engagement be improved at the University?

III. Justification of the study

Failure by suppliers to meet the University's expectations such as timely delivery and quality standards compromises the ability of the University to provide quality service to its students and employees as well. This study provides an evidence based platform for the University to develop and cement sustainable, value-laden relationships with its suppliers which has the potential to improve their understanding of the University's expectations.

Such relationships have the potential of creating opportunities for improved, tailor made products and services which best suits the University's needs through an indepth understanding of the University by its suppliers. It enables the suppliers to be able to identify opportunities for improvement within the University, which are also business opportunities for the suppliers.

From an ethical point of view, the study gives the University an opportunity to assess its suppliers understanding of the ZOU procurement procedures and policy requirements such that the University's procurement function with the cooperation of suppliers adhere to the highest levels of ethical standards.

There is competition from colleges and other universities in and around Zimbabwe and as such there is need to find ways to lower operational costs in order to offer services at lower and affordable prices so as to attract more students. Engaging well with suppliers helps to achieve such an objective.

We are operating in a volatile market where changes in product specifications have become order of the day. Engaging well with suppliers will assist in sharing of information concerning product changes in the market thus the university will be kept abreast of the new developments in the market.

Technological changes are taking place on a daily basis and there is need to communicate such technological changes with suppliers so as to operate on the same level. Such information can easily be communicated with well engaged suppliers who would be willing to create long term ethical relationships.

Supplier engagement is a move towards creation of a reliable University - supplier relationship which when well monitored has the potential of creating competitive advantage for the University.

IV. Literature review

Kotabe et al., (2003) defined supplier engagement as the discipline of strategically planning for, and managing all interactions with organizations that supply goods or services to an organization in order to maximize the value of those interactions. In practice it entails creating closer, more collaborative relationships with key suppliers in order to uncover and realize new value and reduce risk.

Carr, (1999) conducted a study on the impact of supplier selection and buyer – seller engagement on relationships and firm performance. Results of their study demonstrated a positive influence of engagement and supplier selection on relationship performance. They also demonstrated that the success of the relationship directly and positively affects buyer performance.

Corsten, (2004) argued that an effective, efficient supplier engagement makes your company easy to do business with, for suppliers, resulting in strategic benefits ranging from reduced supplier risk, lower operational costs of goods and services you purchase, improved agility you derive from a strong responsive supplier base. Doing it effectively and efficiently reduces waste, lower operational costs and accelerates business processes.

Other scholars who include Monczka (1998), Larson, (2000) and Hahn et .al (1990) defined engagement as looking beyond direct sphere of influence, reaching out to a variety of stakeholders and participating in the larger arena to explore long term opportunities.

Engagement also means “more than exchanging information or sharing policies as espoused by Kalwani,et al., (1995) , O’Toole (2002), Choi et.al (1996) and Spekman R. (1998). It brings you and your suppliers

together enabling you to enter into meaningful dialogue and work together to achieve common goals and commitments. For engagement to be effective it must address your business needs whilst offering mutual benefits to suppliers.

V. Methodology

The study employed the qualitative research methodology where the case study research design was used. Data gathering was done using questionnaires which were administered to a sample of thirty (30) suppliers which do business with Zimbabwe Open University. Suppliers were conveniently picked from all categories of service providers and suppliers of different goods to the University.

Discussion of findings

a) Period of doing business with ZOU

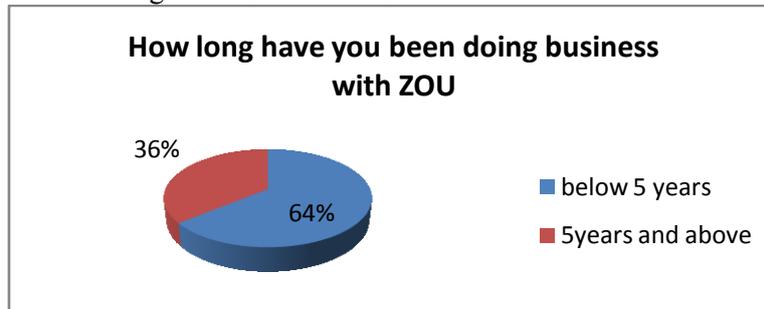


Figure 1: period of doing business with ZOU

The study showed that 64% of the suppliers under study had done business with Zimbabwe Open University for a period below 5 years. 36% of the respondents had done business with the university for over 5 years.

b) Nature of relationship with ZOU

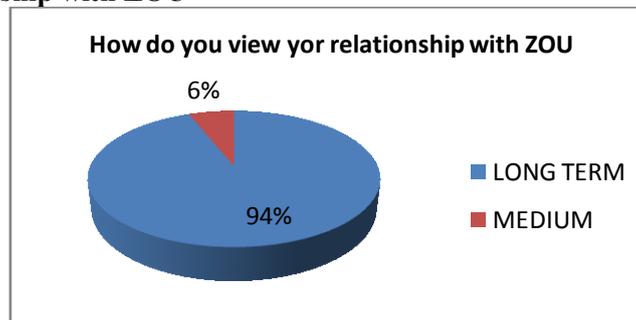


Figure 2: Perception of relationship with ZOU

Respondents were asked their opinion on how they view the nature of their relationship with Zimbabwe Open University. 94% of the respondents viewed their relationship with the university as a long term one while 6% viewed the relationship as medium term. This signifies that the suppliers were willing to continue doing business with the university and that the university has done everything possible and is still maintaining its willingness to engage its suppliers and create long term ethical relationships with its suppliers.

c) Feedback

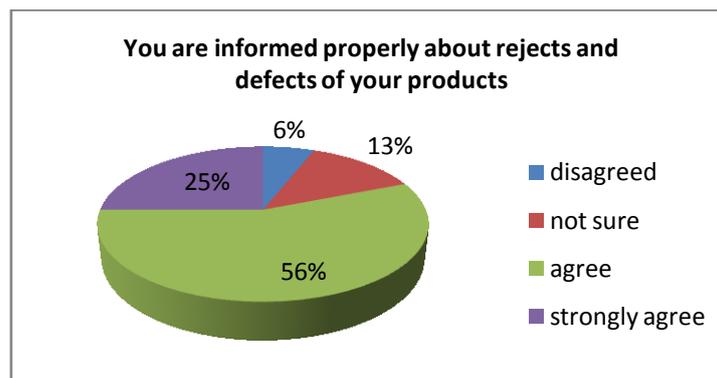


Figure 3: You are informed properly about defects or rejects of your products

Results of the research showed that necessary feedback was given to suppliers which is necessary for them to correct their shortcomings and weaknesses so as to perform as per expectations of the University. 81% of the suppliers positively confirmed that they were receiving necessary feedback from the University.

13% of the respondents were not sure whether feedback was given to them and 6% disagreed and believed that ZOU was not giving them feedback.

d) Communication

Communication remains vital and of paramount importance in business hence it is the driving force to a greater understanding between the buyer and seller organizations. It is one of the major factors that require more attention to, for a successful supplier engagement.

Suppliers indicated that there was inadequate communication between them and the University. The University was not effectively disseminating information to suppliers as and when necessary.

50% of the respondents authenticated that they were receiving communication of changes that affect them if there are any from the University whilst 19% were not sure whether they were told of any changes that affect them. 39% of the suppliers indicated that there was no such communication to that effect

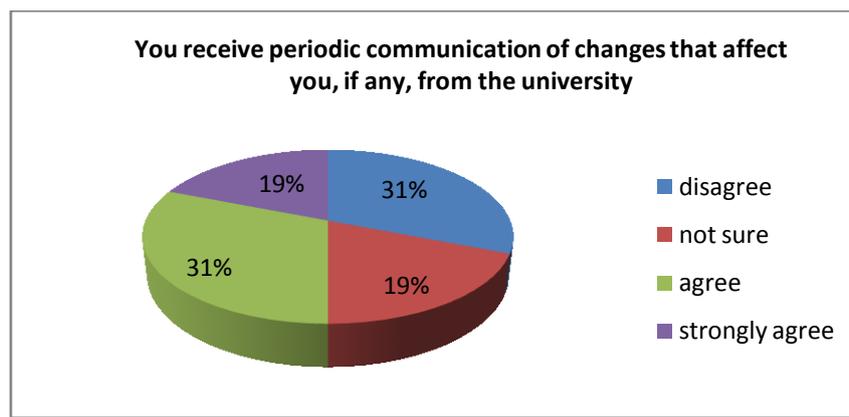


Figure 4: You receive periodic communication from the University

Communication remains a challenge as indicated by 44% of the respondents which clearly responded that in case of delays in payments, they were not told on time and the next time frame was not shared with them by the University.

13% were not sure of whether they were receiving such communication from the University. Only 43% responded positively. It is essential for the University to improvise strategies ensure payments are done on time and if any changes are faced, then communication of such changes has to be done to suppliers

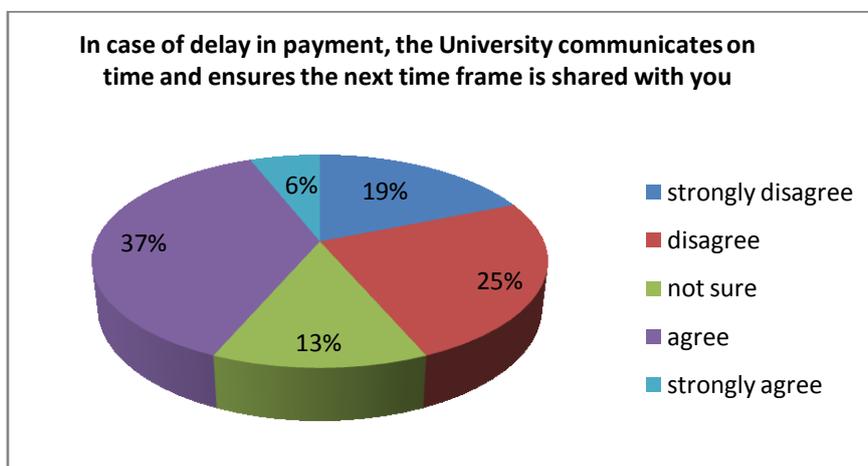


Figure 5: You receive communication of delays in payment on time.

31% of the respondents agreed that in case of operational concerns they know who to talk to at the university, 44% of them strongly agreed to that, 19% of the respondents were not sure of who to talk to at the University. Only 6% totally disagreed with the fact.

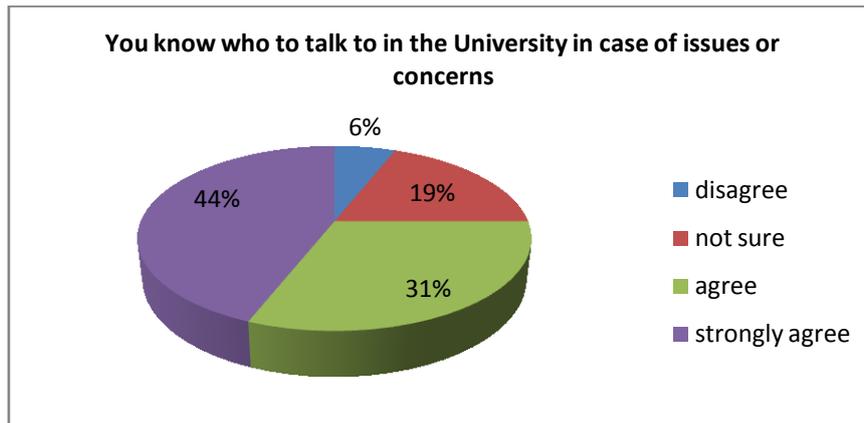


Figure 6: You know who to talk to in case of concerns

The results shows that suppliers were being guided accordingly to the right person to talk to in line with their requests. The Zimbabwe Open University procurement unit has an open door office approach to its suppliers as indicated by 94% of the respondents who positively confirmed that they find it easy to talk to personnel in the procurement unit. 6 % disagreed.

e) Processing of payments

62% of the suppliers agreed that they were receiving payment of delivered goods or services rendered to the University on time. 38% disagreed with the view. These findings show that there is need to improvise ways to improve the payment system. For the suppliers to remain viable and meet or exceed the institution’s expectations, they require money hence the need to pay them on time.

One of the core values of the Zimbabwe Open University is to delight its stakeholders; as such timely payment of the suppliers will go a long way in the achievement of these core values.

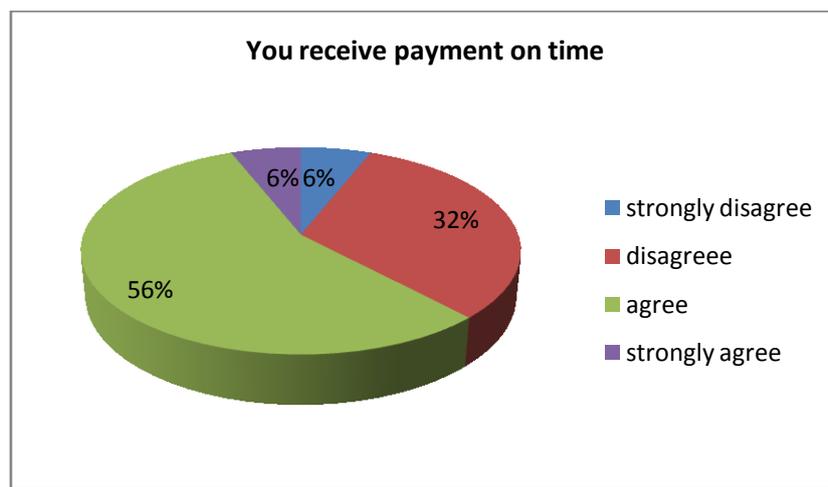


Figure 7: You receive payment on time

f) The ZOU procurement process

It has emerged from the findings that the three quarters (75%) of the suppliers understands the procurement policy of the University while one quarter (25%) were not sure of it. However there is need to make known the policy to all the suppliers. This will enable them to fully understand the role they play in the university’s procurement process

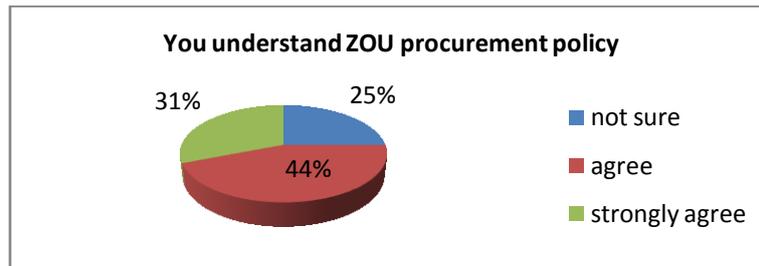


Figure 8: You understand the University's procurement policy

Suppliers are not convinced whether their opinions to the University seem to count or not. This is an indication that there is need for feedback on decisions arrived at, by the responsible authorities at the institution regarding issues raised by suppliers. 44% of the suppliers were not sure while 38% agreed and 22% strongly agreed that their opinions were taken into account.

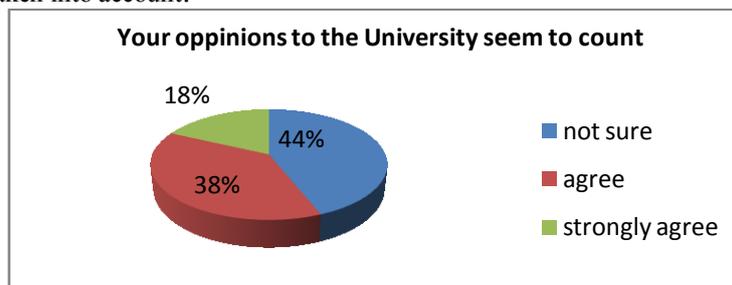


Figure 9: Your opinions to the university seem to count

9.6.2 62% of the suppliers agreed to the fact that the University is open to their input whilst 38% of them disagreed with the fact. Suppliers input are vital to the University hence there is need to make a provision to entertain them.

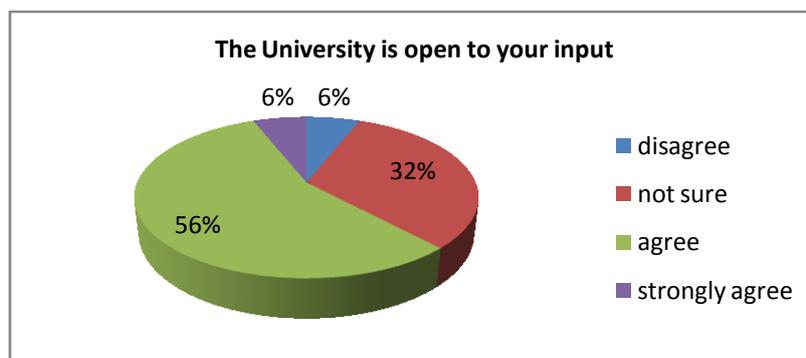


Figure 10: The University is open to your input

Results of the study indicated that 38% of the respondents were against the point that the University's management or representatives actively participates in their forums, 31% were not sure while 44% agreed that the University's management actively participates in their forums.

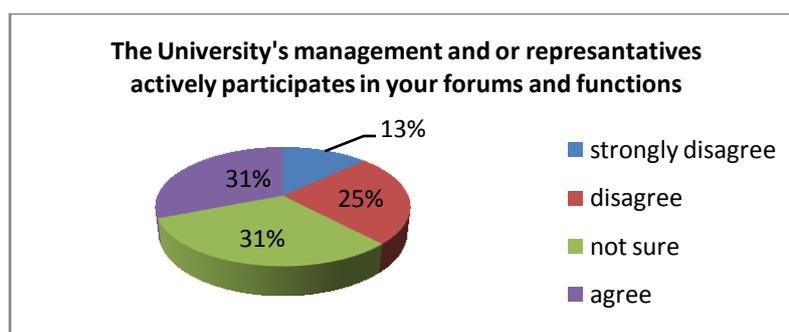


Figure 11: The University's management actively participates in your functions

g) Supplier visits

75% of the respondents positively confirmed that the procurement personnel conduct visits at their premises, 19% disagreed while 6% were not sure of it. Generally enough visits were made by the University to all supplier’s premises to assess their capabilities, level of sophistication of their machinery so that orders are not awarded to suppliers without capacity hence encountering challenges of late deliveries.

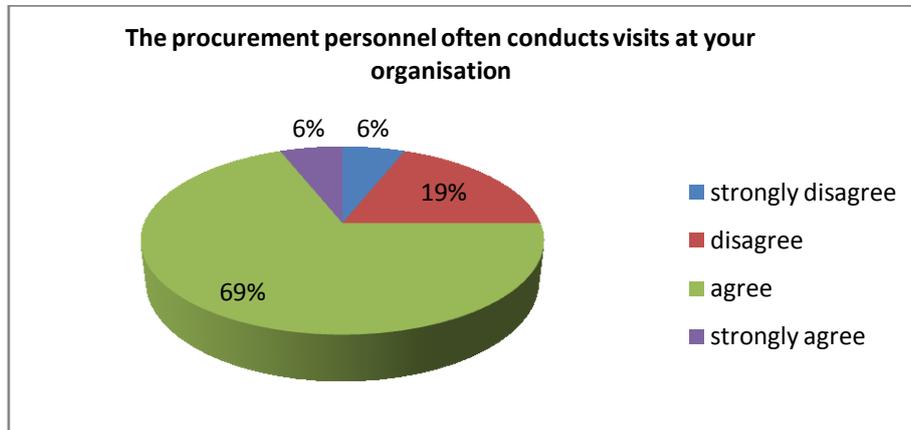


Figure 12: The procurement personnel often visit your organization.

Conclusively, it can be noted that suppliers, regardless of the challenges faced in conducting business with the University, they enjoy doing business with the University. This is an indication that our suppliers the level of engagement of suppliers was high. 94% of the respondents responded positively while 6% were not sure.

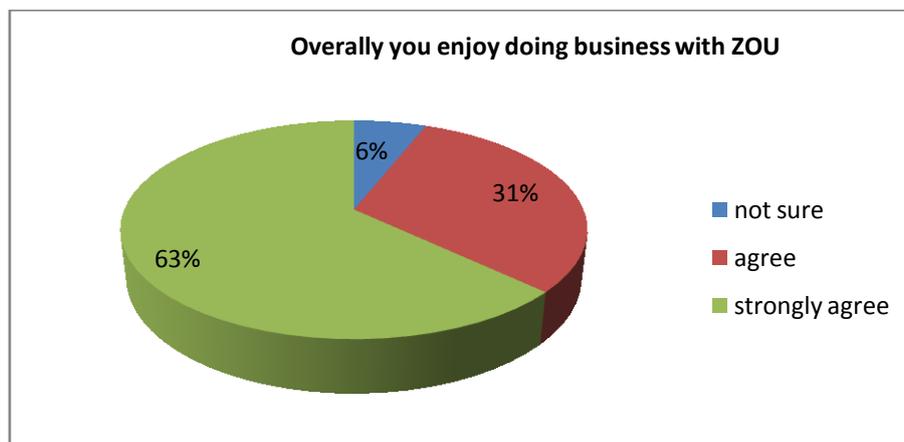


Figure 13: You enjoy doing business with the University.

VI. Conclusions

The suppliers believe that the institution was on course in engaging with them. The University’s procurement policy is well understood by the majority of the suppliers but not all of the suppliers are familiar with it. There is need develop strategies to make the procurement policy and process well known to all suppliers inorder to attain full supplier engagement.

Communication, delays in payment, and inactive participation of the University’s management or representatives in the supplier’s forums and or functions are some of the factors that have hindered the attainment of 100 percent supplier engagement at the university.

However there is a relatively high level of supplier engagement at the University which was attributed to by the existence of strong feedback mechanism, Quality and customer focus, fair treatment of suppliers and supplier expression

Majority of the University’s suppliers view their relationship with the Zimbabwe Open University as long term and that they are much more willing to continue doing business with the University. This perception of the suppliers shows that the University has been exhibiting its willingness to create long term with suppliers for the benefit of both parties.

The University's management has not been actively participating in the supplier's functions and forums.

Supplier visits have been done as indicated by the suppliers responses but not all of them have been visited therefore there is still need to conduct such visits to all supplier premises and assess their capabilities and suitability.

Recommendations

The University's management must actively take part in supplier forums and functions. Active participation in their forums will show the suppliers that the university appreciates the role being played by the suppliers in the attainment of the university's goals and objectives and also that the suppliers are now being considered as an integral part of the University.

The university must come up with a supplier guide handbook which outlines the University's procurement process and contains all the necessary information which the suppliers are expected to understand about the university.

There is need to review the payment system currently used by the institution and try to reduce the payment period. However most importantly the payment system must be communicated to the concerned suppliers and any changes to the payment dates be communicated to them on time so that they will adjust their operations on time.

Communication needs to be improved. Well defined communication channels must be followed when communicating with suppliers. The University must adhere to the established communication system ensuring that communication with the suppliers is regularly done.

The procurement unit must actively participate on social networks, to improve on its engagement with its suppliers.

All supplier premises must be visited so as to make sure that orders are awarded to suppliers who have the capacity to deliver and able to meet the quality requirements of the University. This will reduce the incidences of poor quality, failure to deliver and non conformance to specifications.

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