



## The Impact of Sourcing on the Delivery of Raw Material

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**Abstract:** *The purpose of the study was to assess the impact of sourcing on the delivery of raw material with focus on a Yabsco Ventures, a small fruit manufacturing enterprise in the Bolgatanga Municipality.*

*The following research questions were formulated to help undertake the research:*

- i) To identify how raw material are being sourced by Yabsco Ventures*
- ii) To examine the impact of sourcing on the delivery of raw materials at Yabsco Ventures in the Bolgatanga Municipality*
- iii) To assess the challenges as regards sourcing of raw material by Yabsco Ventures*
- iv) To identify solutions that can help to bring about the availability and continuous supply of raw materials to the Company*

*This study used a self- administered questionnaire to gather the primary data. Purposive sampling technique was employed to select 50 staff, casual workers and management of the Yabsco Ventures that constituted the sample size of the research. The field data was analyzed with the aid of Statistical Package for Social Scientists (SPSS). Descriptive statistics which involves simple percentage graphical charts and frequencies was tactically applied in data presentations.*

*The study found that most of the staff had a considerable working experience having worked for the company for a number of years. Yabsco Ventures produces a variety of fruit juice drinks mostly made from locally produced sources such as baoabab, tamarind, pineapple, millet and mango endowed with rich nutritional values.*

*Yabsco Ventures even though the company is not a big one and relies on local sourcing of raw materials, there are a number of stages that are followed before the supplies are made. According to the management and production unit of the Company, before raw materials are sourced the company undertakes market research to identify potential suppliers mainly from places where the raw materials are available and the cost moderate. The production team evaluates the cost and quality of sample raw materials supplied by the suppliers before a request for quotation of supply is made. The suppliers have to strictly adhere to the product (raw material) features otherwise the supplies are rejected.*

*There are immense benefits and for that matter impact that sourcing has on the delivery of raw materials such as assurance of quality and reliability of raw materials supplied over a period of time and this leads to maintain safety stock, flexibility of raw materials delivery as well as the reduction of cost due to the bulk sourcing of raw materials, opportunity of the company to focus on its core competencies or functionalities as well better management, promotes superior customer service by the company in that delivery capabilities to meet customer requirements and sourcing of raw materials increases efficiency in production.*

*The company faces a number of challenges hindering the smooth and effective sourcing of raw material by the company include: non-availability of raw materials during certain seasons, inability of some suppliers to meet the quotas agreed, monopoly or oligopoly conditions sometimes, logistics cost and complexities and high supply risk.*

*Furthermore, there exist possible measures to curb the above mentioned challenges namely: mentioned include: use of multiple suppliers, effective market research by the company before the sourcing of raw materials, strengthening of supplier relationship with the company so as to ensure win-win outcomes in the sourcing of raw materials, procuring a refrigerator that could be used to store raw materials during the bumper season and used at the time there may be scarcity of the raw materials and adopting legal measures as a last.*

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**Keyword:** *Sourcing Impact, Raw Material, Sourcing Raw Material*

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### I. INTRODUCTION

The definition of sourcing can be simple and much more complex. The simple definition is "the processes involved in identifying potential vendors, conducting negotiations with them and then signing purchasing agreements with them to provide goods and/or services that meet your company's procurement needs"(27).

According to, (29), in business, the term word sourcing refers to a number of procurement practices, aimed at finding, evaluating and engaging suppliers of goods and services. Sourcing of suppliers of raw materials for a company is one of the key business processes that will directly impact upon the bottom line of any company. Make a mistake with a raw material supplier and you may be waiting for your urgent supplies, receiving supplies that or substandard or not receiving supplies at all if they go bankrupt. Without supplies, a company cannot function and cannot sell products to others. Negotiate an incorrect price level and your company's profit levels are directly affected.

Due to the costs of transport, local labor contract requirements, and available low-cost sources, organizations today are surveying the world to develop strategies for manufacturing and supply chain sourcing (16). Supplier selection is one of the most critical activities for many companies and selection of wrong supplier could be enough to upset the company's financial and operational position. Selection of a proper supplier which provides the company with the exact product/raw material and/or services at the right price at the right time and in the required quantities. Supplier sourcing is therefore a complex multi-objective and multi-attribute decision-making process.

In the last decade; a lot of changes have been seen in supplier selection process. Many industries are now abandoning the lowest bidder supplier selection methodology of the past as a replacement for empowering multidisciplinary sourcing teams to select the best supplier available for each component.

Sourcing by identifying and locating suppliers is relatively simple, but it becomes more complex as the amount of unique raw materials, ingredients, parts, components, connectors, apparatus, products, equipment, supplies, and services increase and the numbers of buyers involved in the decisions expand. The risks of buying the wrong items, services or from the wrong supplier can have major impacts and ripple throughout a business. Consequences can range from late delivery to total service failure liability and can even affect market competitiveness. In addition, if the selected suppliers cannot provide opportunities to reduce costs, improve and upgrade product/service offerings or provide other market-facing advantages, then an organization can quickly find itself losing market share.

The problem with most entrepreneurs especially in Ghana and developing countries in general is their inability to recognize the need to give priority attention to the issue of sourcing for raw material for effective delivery, planning and control which are the essential ingredients in the management of very business. In small scale manufacturing industries there are also the problem of sourcing raw material, which are essential for the manufactures of the products.

It is for this reason that the study seeks to assess the impact of sourcing on the delivery of raw material with a view to identifying problems and thereby suggest meaningful solutions to those problems.

## II. LITERATURE REVIEW

This chapter starts by explaining the supply chain goals and activities, as well as the role of sourcing in it. It also explains the meaning of strategic sourcing and describes the different sourcing strategies that can be developed in the manufacturing industry. It also includes different models from current literature that help in the evaluation and development of sourcing strategies. The chapter concludes with the development of local sourcing strategies.

### A. The role of sourcing in the supply chain

The concept of supply chain in a manufacturing organization can be defined as the interrelation of activities involved in the delivery of products or services to the customer (9). It is a chain because it links together the activities that are needed in order to accomplish the final goal, which is the final delivery of the goods or services (see figure 1). These activities vary from organization to organization, and start with obtaining the raw materials or the resources and the information required to start to work with, the conversion or production process, where the raw materials and/or information are transformed into the actual product or service, the logistics and movements required to bring the materials into the facility, inside of the facility and outside of the facility to the final customer, as well as the management of any intermediaries that participate in the process, such as external entities like distributors, custom brokers, third party logistic companies, etc. Each one of these activities fall into separate departments within the organization, and each department become an internal customer from the department that performs the previous activity in this process (9). Ellram (5), identified the reasons to build a supply chain, which are to reduce the inventories across the departments in the organization, to improve and increase the level of service provided to the customer and to build a competitive advantage.

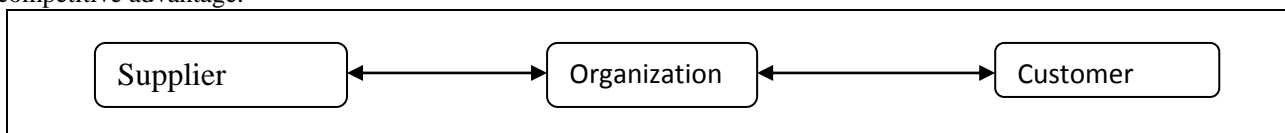


Figure 1. Simplified Direct Supply Chain

The management of the supply chain is the integration of business processes that optimizes the interrelations among the different areas or departments in order to deliver the goods and services from the supplier to the customer in the most effective way (2). Therefore, the goal of the supply chain management is to optimize the resources needed to deliver the product or service to the customer with a good level of service, as well as to reduce inventories, increase cost efficiencies, increase the speed of operations and maintain a continuous improvement (2)(6) (5).

The management activities that work together to make the products, services and information flow along the supply chain are sourcing, purchasing, inbound logistics, quality control, demand and supply planning, materials receiving, handling and storage, inventory control, order processing, production planning scheduling and control,

warehousing and distribution, shipping, outbound logistics and customer service. By aligning, coordinating and integrating these areas it is possible to achieve a high performance supply chain and an increased competitiveness (21).

The supply chain management itself has gained an increased importance in today's economy due to the effect that it has on companies' performance and competitive advantage (2). Managing supply chains is a challenging and complicated task, first for the strategic design of the supply chain and second for the tactical coordination of the activities (25)(1). According to (12), there are four key dimensions that form the strategy of a supply chain which are the sourcing strategy, the demand flow strategy, the customer service strategy and the supply chain integration strategy, and they contribute to the effectiveness of its performance and its alignment to the overall organization's strategy.

The increased importance of the supply chain is forcing the organizations to evaluate the purchasing and sourcing strategies, as they are the first link to accomplish the supply chain goals (21). Therefore, this research is focused mainly on the first key dimension of the supply chain strategy which is the sourcing strategy within the procurement functions, which are a main driver for performance indicators and takes a leadership role in the design and implementation of the supply chain (5).

The terms purchasing, procurement and sourcing are often found to be used with the same meaning in discussions about the buying activities, however the three of them have different meanings and different levels. Purchasing refers to the function of buying or acquiring goods and services as a transactional activity, and it manages the flow of materials and information as an operational process, searching for the lower purchasing cost. This operational level include placing purchase orders, expediting materials, monitoring the deliveries, and dealing with daily problems on quality and quantity of the materials received, follow up on the payment to the suppliers and evaluate the suppliers' performance. The purchasing term is often interchanged with the procurement term, however procurement involves additional activities to the purchasing transactions, such as the materials' management including goods and services and secures that the purchasing activities achieve the appropriate service. This activity has a tactical level, and deals with the agreements with suppliers, conducting audits and certifications, quality improvement on materials, and programs dedicated to the improvement on suppliers' performance. On the other hand, sourcing concentrates in the development of supply channels in a strategic way and it searches not only to the lowest purchasing cost, but for the lowest total cost. It has a strategic level, that covers the purchasing decisions on a long term and influence the organization's position in the industry. Some of these decisions include establishing long term contracts, investment decisions and sourcing strategies to use such as where to source the materials. It is a joint effort of a cross functional team that includes sourcing, procurement, engineering, quality, design, manufacturing, and logistics, among others. (21) (12)(22)(26). As mentioned by Hyland (2002, p. 33), "In essence, sourcing is where you set up the blueprint for your supply chain".

Hence, it is possible to say that the purchasing activities are operational buying activities, procurement are the managerial and tactical activities that encompass purchasing activities and materials' management, while the sourcing activities are strategic activities that search for the best supply solutions and feed the purchasing activities, and consequently the procurement activities as well (22) (26).

Even though there are differences among these terms, the literature mixes them, more often they use as synonyms the purchasing and procurement terms, some literature uses the term procurement to cover all the supplier-related activities including sourcing and purchasing, however, for the purpose of this research, there will be a difference in meaning while using the terms sourcing and procurement, and the term procurement will encompass the purchasing activities.

## **B. Strategic Sourcing**

The procurement and sourcing activities have grown in importance for the organizations, as they have had an evolution throughout the last century. The reason is that over the years they have transformed from a clerical function, to an administrative operation, to finally a key function, a strategic resource that stresses the importance of the supplier base of the supply chain through the capabilities of a supplier, creating value for the customer (21)(29)(11). The supplier base refers to the number of suppliers, their characteristics and their location (19).

The area of study of this research covers the sourcing activities performed within the supply chain of the organization. Strategic Sourcing could be understood as the cycle that covers the assessment of needs of the organization in terms of supply, the design of a supply channel, the access to the adequate resources required and the assurance of the appropriate level of service (22). It seeks for opportunities in the supplier base related to cost reduction, upgrade in the quality, faster production, reduced delivery time, developing and adapting new technologies (21). It also studies the market characteristics, identifies potential suppliers, develops them, and defines a sourcing strategy for the organization on a long term basis (19).

The strategic sourcing aim is to reduce costs and obtain savings (Beebe et al. 2009, p. 26) and increase efficiency with the suppliers (7). As an initial step, the organization can start to categorize the products or services into commodities. A commodity is category or family of products or services that can be grouped depending on their characteristics and/or functionalities (21). This way, the strategies can be directed to the full commodity. Afterwards it is necessary to analyze the volume and spend by each commodity (21).

(21) states that "The focus of strategic sourcing management involves integrating supplier capabilities into organizational processes to achieve a competitive advantage through cost reduction, technology development, quality improvement, cycle time and delivery capabilities to meet customer requirements". This integration is accomplished by incorporating the different functional departments into a cross-functional group that works jointly for a common organizational goal (21). The strategic sourcing decisions are taken by the top management of the organization and are

more focused on those products and services that are critical or could represent a bottleneck for the operations of the company (19). (7expresses his perspective on this topic as “World Class organizations view strategic sourcing not as a temporary initiative but as a way of life”.

According to (21), the strategic sourcing process is formed by five steps. Step one is to build the team with assigned responsibilities and a work plan, step two is to do a market research and understand the available supplier base, step three is to develop the strategies and define the sourcing approach, step four is working on the agreements for the contract negotiation and step five involves the supplier relationship management (see figure 3). Most of these steps are straight forward except for the third one, the development of the strategy. This step needs further explanation in order to learn what are the available sourcing strategies and which of them suits better the organization’s needs. Therefore the next section covers the sourcing strategies and describes their main objectives and how they can be developed.

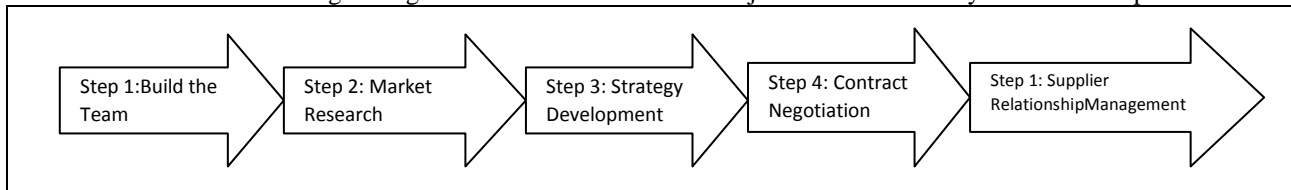


Figure 2. General Strategic Sourcing Process

### C. Sourcing strategies:

According to (15), "A company's need for a supply (sourcing) strategy depends on two factors: (1) the strategic importance of purchasing in terms of the value added by product line, the percentage of raw materials in total costs and their impact on profitability, and so on; and (2) the complexity of the supply market gauged by supply scarcity, pace of technology and/or materials substitution, entry barriers, logistics costs or complexity, and monopoly or oligopoly conditions." He developed a matrix that attempts to classify and position the products or services according to their external risk on supply or supply market complexity, meaning the available number of suppliers, and the internal impact they have in the organization, referring to the profit or value and importance (15)(8). The supply market and its complexity is external to the organization (8) and refers to the place where the required products or services can be bought, it involves the group of sellers and the economic conditions for such items (19) The impact on the business or organization is concerned with the impact of profit, value, cost or importance of the products or services on the operations (8).

With Kraljic’s matrix, it can be determined the classification of the products or services. When they have a low impact on business and low supply risk, they are routine items that can be standardized, substituted and have many competitive suppliers. When the products and services have a low impact on business and high supply risk, they are bottleneck items, normally specified materials that could have issues of production scarcity due to the reduced number of capable suppliers. If the products or services have a high impact on business and low supply risk, they become leverage items, which as well have several suppliers but have a higher importance because of their cost and flow management. And finally, the products or services with high impact on business and high supply risk, which are the critical or strategic items, which have a unique specification, high costs or high importance on the transformation process and have few capable suppliers (15).

The items classification is useful in order to formulate its sourcing approach (8). The strategic sourcing strategies are planned and defined to match the organization’s strategy and achieve a high performance in terms of quality, time, and cost and service (24). They are very much focused on different activities related to the suppliers such as their assessment, development and performance measurement to assure the sourcing strategy’s objectives are accomplished (24). The sourcing strategies are generally made by families of goods or services, also called commodities, and they influence the relationship held with the suppliers (26). On the view of (8), “a firm can organize its supply process using a variety of sourcing strategies”, therefore it can be assumed that the sourcing strategy “categories”, are not necessarily exclusive of one another.

There are different sourcing strategies and the evaluation of the diverse alternatives depends on the organizational strategy. They should meet the requirements that the company has, as well as increase and sustain its competitive advantage in order to improve the overall organization’s performance (19). Every sourcing strategy has a risk. The supply risk that needs to be considered is related to the availability of products and services from the supplier, the cost of switching supplier, number of potential suppliers and the organizations position in the supply market. Supply risk can be lowered by having several suppliers (26). In general, the strategic sourcing strategies should be aligned with the requirements of the organization and they are chosen in accordance of the firm’s strategy, the risks and cost exposure the products and services have, the supply market conditions and the overall impact to the organization (8). The sourcing strategies found in the literature are described in the following subsections.

### D. Insourcing (make) vs. outsourcing (buy) strategies

This sourcing strategy category is concerned with the decision of making or buying the product or service and it involves an analysis on the availability of manufacturing capability and capacity (12). The manufacturing capability is related to the feasibility of making the product or service, of having the knowledge and skills to do it. The manufacturing capacity is related to the volume handling and availability of internal resources. The decision between insourcing and outsourcing is based on an analysis of internal and external costs. The outsourcing strategy will decide which products or services

will be sent outside of the company for manufacturing or performance and will focus on the design and assembly (26). In other words, which products and services will be bought externally because they include non-core activities and could be produced more efficiently and effectively outside of the organization (11)

The insourcing strategy is related to an in-house production, and it is mainly adopted when the organization has the means to produce or transform the products or services inside its own facility and wants to make the most out of the capacity utilization of its machinery and equipment. Commonly, these products or services are decided to be made in house to protect their technology and technical solutions owned by the organization and demands high activity coordination (11). Overall, the decision process between making or buying the products or materials relies on the following questions: does the company has the design capability? Does the company have the manufacturing capability? Is the company competitive with these materials' production? If the answer to any of these questions is no, then the best solution is to outsource the materials. If the answer is yes, it is recommendable to keep these processes inside of the company (19).

#### ***E. Partnership vs. competitive bidding strategies***

This sourcing strategy category considers the possibility to create a partnership with a supplier on specific products or services, or decides to keep them served by a competing supplier base (26). The partnership sourcing involves a long term collaborative relationship of buyer and supplier with mutually agreed objectives for the supply process. Companies deciding for this strategy are usually looking for lower acquisition costs, reducing the number of suppliers, stronger relationship and integration with the supplier and a joint effort on technological developments. This strategy is recommended for items that have a high spend on the organization, high impact and high risk due to a restricted market (19). Therefore this strategy would be for the "critical items". The partnership strategy enhances the willingness and sharing among two companies to work together on the demand and supply of a specific commodity and/or strategic and critical products or services (26). The competitive bidding strategy tenders the commodity to a set of approved suppliers and chooses the most convenient (26). (19) call it a "traditional" relationship, where the organization and supplier act in their own interest, the companies look for the best unit price with the intention of developing only a short term relationship. This strategy can be combined with the multiple sourcing strategy and can be recommended for "routine or non-critical" items.

#### ***F. Single sourcing vs. multiple sourcing strategies***

This sourcing strategy category deals with the decision of buying a same product or service from one single supplier or several suppliers (26) and it is concerned with the involvement with the suppliers as well as their number (11). The single sourcing strategy is normally developed when the organization is trying to reduce indirect costs and attempts to reduce the supplier base to work more closely with one of them, developing it to assure its good performance and a closer relationship (11). Multiple sourcing has a lower supply risk, meaning that the product or service could be bought from any of the sources available (26) and tries to avoid a strong dependence on an individual supplier and increase reliability on suppliers' delivery. This strategy also attempts to obtain price and service improvements by having the suppliers compete among them (11) and ensure the items' supply (21).

#### ***G. Local sourcing vs. global sourcing strategies***

This sourcing strategy category is concerned on the decision of where to buy the products or services. In accordance to (18), the contrast between global and local is mainly driven by the delivery lead time factor. This difference in time can be as to three times higher sourcing from global suppliers rather than local ones. This strategy is dependent on the type of products and services and their specifications (26). The local (national) sourcing strategy favors the products that are in constant engineering or technological change, precise delivery and/or frequent on-time delivery is required (i.e. Just in time JIT), fast response and flexibility on orders (i.e. change in design, quantities) as well as immediate personal communication (26). The global sourcing strategy favors the products that can be standardized and bought in bulk, for these items prices are highly competitive and can have economies of scale in the logistics and transportation (26). In many cases, sourcing with international suppliers can drive to substantial savings, however they need to be assessed along with the inventory, communication and logistics costs (21).

Local sourcing can reduce the challenges that global sourcing has on reliability, operation costs and limitations related to the foreign location thus lowering the impact of the demand uncertainty (18). According to (10), the initial point to start this local sourcing strategies relies on the selection of materials, which have to be the ones that bring the highest benefits for the company. Therefore an analysis on the benefits comparing global versus local has to be made to decide which strategy to follow. The local sourcing allows the companies to reschedule production, increasing the effectiveness of their processes by programming the materials in accordance to the demand forecast and providing a higher flexibility in order to satisfy their customers.

The interest of this study is based on the location decision through the assessment of the sourcing strategies, therefore the main focus will be on the description of the factors that are included in the evaluation of the supplier base site and how the organizations decide on the supplier type.

#### ***H. Low cost country sourcing strategy***

(16) define the low cost country strategy (LCCS) as "a specific case of global sourcing with a focus on countries with relatively lower production costs and a culturally and/or geographically substantial distance from the

buyer's location". This type of sourcing is generally used by the companies of developed countries such as the United States of America and the European Union searching for a potential base of suppliers in growing economies and emerging markets like the BRIC (Brazil, Russia, India, China), Hungary, Vietnam, Mexico, and Costa Rica (Lee and Lee 2007).

(10) states that there is an increasing outsourcing activities from the companies to low cost countries looking for competitive advantages. Such advantages can be found by cost reductions related to a lower labor cost in such countries. In fact, the author also remarks that there are many companies that have in their corporate strategy to source a specific amount of goods and/or spend in low cost countries, thus making them study the best combination of low cost sourcing and local sourcing. However it is important to keep in mind that the supply chain would suffer a re-configuration. This would mean that there would be new measurements in terms of performance, including quality, time of delivery, flexibility of service and response as well as cost. It is also important to understand that there could be hidden costs in this sourcing strategy, therefore it is necessary to carefully analyze the benefits and the risks in order to make this decision (17).

### I. Location aspects for the evaluation of a sourcing strategy

If the organization has made the decision to outsource the products or services instead of making them, the next step would be to decide where to buy them. According to (19) there are several aspects that need to be considered on the evaluation of the place to source (refer to Figure 3). These aspects include the general considerations, comprised by the items' categorization and classification using Kraljic's matrix, the frequency and quantities of requirement, the present/previous supplier performance in price, quality and delivery and the time frame of new requirements. The strategic considerations for the analysis include the aspects that impact the competitive advantage with a new potential source in terms of price, reliability on delivery, quality, service, logistics and overall costs. It also includes the supplier development required, the number of suppliers to use, the contract terms and length and the type of relationship to build with the supplier. In addition to these two types of considerations, the authors mention to take into account the product factors, the supplier factors and the personal factors. The product factors which are the ones concerned to the technical specifications, guarantees, tooling, machinery and equipment required, test facilities, and lot sizes required. The supplier factors are related to the supplier performance and rating. And lastly, the personal factors that include the cultural factors, the experience and professionalism of the suppliers.

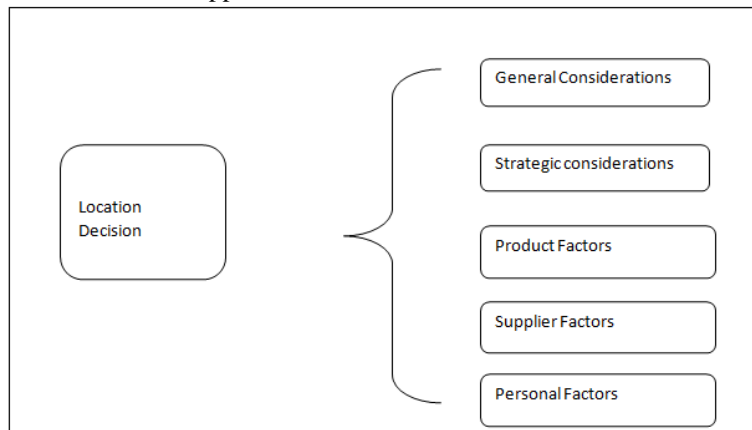


Figure 3. Location Decision Model

In relation to the overall costs, (21) propose the elements that need to be considered for the total cost impact while making a decision on location, called "worldwide sourcing". It is worldwide because these elements can be compared among the different potential suppliers in order to find the best option, not only for the price, but for the whole costs involved. The elements that these authors considered for this costs analysis are the base price, the tooling required, the packaging, the transportation, the customs duties, insurance, additional fees such as for storage, port terminal and handling fees, customs broker fees, taxes, communication costs, payment and currency fees, and inventory carrying costs. Furthermore, (28) stress the need to make the sourcing decisions based on the evaluation of the total cost of ownership, which can be referred as all the costs related to the acquisition and maintenance of the materials to be purchased.

### J. Development of Local Sourcing Strategies

The results of using local suppliers are a faster response in terms of transportation time and communication. It also reduces the logistics time and cost, making it possible for the organizations to develop some delivery systems such as Just in Time (JIT). In addition, it is possible to foster closer cooperative relationships (19). There is no formal process used for local sourcing strategies, however (21) proposes a general "international" sourcing process, which could be used as a base to develop a "local" sourcing process. It would be required to have an opposite perspective to the location aspect and change the "international" for the "local".

The first step includes an evaluation on cost, quality, product features is realized in order to understand the need of the company to consider a local sourcing strategy. In the next step, it is identified which products or services are

suitable for local sourcing. After the identification of items, it is required to identify and evaluate the potential local sources for them. The suppliers should be evaluated based on the quality of products or services and processes they provide, the delivery time and terms, the long-term potential, the response time they can offer, the available technology and capacity, and the total costs that would be incurred using that supplier. Then it is essential to provide the necessary information in regards the products or services to these suppliers so that they can quote them. After the suppliers submit their quotation, it is required to evaluate if the proposals are competitive or not. If the proposal is not competitive, the company should keep the current supplier, however if it is competitive, the company should move to the new local supplier and develop the contractual agreement on terms and conditions including price, service, delivery time and place, quality specifications, currency and payment terms.

In addition (21) in a more recent work uses an example of a global sourcing nine steps process for a U.S. Chemical company that could serve as a guideline for developing a local sourcing process for a manufacturing company. It also requires an opposite perspective to the location aspect and change the “global” for the “local” on the first three steps and the rest of them could remain the same. It is a similar process like the one mentioned previously, however it include additional steps that are more into detail of the strategy developmental process and also include a plan for the supplier transition after the contract has been done.

The first step in this process is the identification of the “local” sourcing opportunities. This stage requires an analysis of the commodities that are currently bought. This analysis can be done on the type of products or services, commodity, price, costs, and potential improvements. The second step is to establish a “local” sourcing project team, which requires the participation of cross-functional members of the organization. The third step is to propose a “local” strategy. This can be one of the more extensive steps since it involves many activities related to the analysis and feasibility of switching to a local supplier. In this step the responsibilities for each member are clearly defined, the specifications and assumptions of the project are validated, the volume, spend and potential savings are defined, and it is determined if a local supplier base exists for the desired commodities. The fourth step is the development of a request for proposal (RFP) or request for quotation (RFQ), which include all the specifications required by the organization, the volumes, and all the supply information that a supplier needs. With the request for proposal, the supplier is requested to offer a solution that meets the organization’s needs along with the quotation.

The request for quotation requests the supplier to quote the specific products or services requested by the organization (21). The next step is the actual release of the RFP or RFQ, which means to send the RFQ or RFP information to the suppliers identified, and follow up the process closely with the suppliers. The following step is the negotiation with the suppliers where the organization and supplier make the agreements and cover the contract aspects. The next step is awarding and signing the contract with the supplier. The last step involves the implementation of the contract and the plan for the management of the suppliers involved in the supply transition of the products and services agreed. These processes show the key steps that need to be followed during the development of a local sourcing strategy in order to move on with the implementation.

### **III. RESEARCH METHODOLOGY**

It addresses the research philosophies, research paradigms, research approaches, types of research, research strategies, research design, sample selection and data collection and data analysis.

#### **A. Research Philosophy**

The research philosophy is concerned with the knowledge creation and its nature and it helps to understand the researcher’s perspective of the world. There are two main considerations for the research philosophy: the ontology and the epistemology (24). The first consideration to discuss is the ontology, which according to (4) is related to the nature of the social entities and its aim is to decide if such entities could be considered as objective, meaning they exist without a dependence on the social actors that exist in them, or if they are subjective, meaning that the social actors have an influence through their perceptions and actions in such entities (24)(4).

Furthermore, (4) contrasts both objectivism and subjectivism (also called constructivism) by pointing out that the objectivism sees the social entity such as an organizations as independent of the actors, and has a reality separate from them and can be seen as a constraining force that has an influence on them. On the other hand, the authors point out that subjectivism or constructionism considers that the social entities are affected by the decisions and actions of the actors, and in this case the organization would have an emergent reality that is in constant change. For this research purposes, even though the company has a specific steady and similar description for the strategic sourcing activities, its behavior is different in different contexts. Therefore it is valid to say that the ontological consideration for this study uses the subjectivism or constructionism and that the organization is dependent of its actors, in this case, the sourcing staff, their perceptions and their decisions.

The second consideration is the epistemology, which is related to determine how acceptable the knowledge in a specific area of study is, and if the social world could be studied the same way as the natural sciences are (4). According to (24) there are three philosophical positions within the epistemology: positivism, realism and interpretivism. The positivism tries to apply the natural science methods to the social studies and tries to explain the human behavior (4).

The data collected in this view is not easy to be altered and the researcher’s personal values and feelings do not influence the facts gathered (24). The second position is the realism, which is similar to the positivism, it has a scientific approach as well, and it not only collects data, but also understands it. Realism could be direct or critical, where the direct considers the facts themselves and the critical considers both, the facts and an understanding mental process after

the facts (24). And the third position is the interpretivism, which has an emphasis on social actors and rather studies the people than the objects (24). This view, as opposed to the positivism, tries to understand the human behavior (4).

In this perspective also, according to (24), the researcher uses empathy to understand the social world as their actors sees it. The philosophical position of the epistemological considerations that this research is based on is the interpretivism. The reason is because the social actors, in this case, the sourcing managers do not act in a predictive way as the natural sciences would expect them to. They are influenced by many factors and situations, and the intention of the research is not to explain their behavior, but to understand it along with their perceptions of their organization and the world.

### **B. Research Paradigms**

A paradigm in this research context is the way to analyze the social studies (Saunders et al. 2009, p. 118) and the included assumptions for the research objective (4). The paradigms are aligned to either the subjectivism or objectivism positions and to a regulatory or radical change perspective. The subjectivism and objectivism positions have been previously described. The regulatory perspective aims to describe the organization and explains how it works without judgments and suggests minor changes. While the radical change perspective is criticizes the organization studied and suggests major changes (4)(24).

There are four paradigms for the analysis of social theory. On the subjectivist side and regulatory perspective is the interpretative paradigm, which tries to understand and explain what goes on in the organizations, far from attempting to change them. The second paradigm lies on the same subjectivist side and in the radical change perspective and it is called the radical humanist paradigm. In this paradigm a more critical view is held by the researcher and there is an attempt to change the organizational life. On the other hand, on the objectivist side and regulatory perspective there is the third paradigm called the functionalist paradigm, which intends to explain the events that happen inside the organizations such as internal problems and suggest minor changes to try to correct them?

This paradigm is commonly used for managerial research purposes. The last paradigm lies on the same objectivist side and on the radical change perspective, the radical structuralist paradigm which has the objective to achieve major changes in the entities instead of in the social actors dealing with hierarchies to solve problems for the analyzed area of conflict (24). This research leans towards the subjectivism and interpretivism, as mentioned on the ontological and epistemological considerations respectively, and it does not intend to make major suggestions or criticize the way the organizations work. The research attempts to only to understand and explain the sourcing processes adopted by Yabcos Ventures, and the factors included in the sourcing strategies. Thus it is fair to say that the paradigm where this research locates is in the interpretative paradigm.

### **C. Research Approach**

(4) state that the purpose of research is to find out the answers to the questions to social theory, therefore in order to understand the relationship between these two factors, the theory and the research, it is necessary to define the two types of theory and relate to them while doing the research.

The first theory is the deductive one, in which a hypothesis is stated and the research purpose it to test it (24). It is based on logic (13) and as (4) explain it, first is the theory, then comes the observations and findings. As opposed to this theory, the second one is the inductive theory, in which the data collected is analyzed and afterwards a theory is proposed (Saunders et al. 2009, p. 124). In this theory, the observations and findings are first and the theory is an outcome of them (4) and it is based on empirical evidence (13).

The research approach tendency that this research leans toward is the inductive approach. First findings will be discovered through the research means based on particular cases in the manufacturing industry, and once they are analyzed, theory can be proposed as complementing knowledge to the current one. This new theory can be based on the comparison between the academic research and the findings and observations gathered through the development of this particular research with professionals in the sourcing area.

### **D. Research Type**

There are three main classifications on research purposes: exploratory, descriptive and explanatory. The exploratory research is explained as the discovering and understanding of what goes on in the organizations and new visions about it. This type of study can be done through literature research, interviews with experts or through focus group interviews (Saunders et al. 2009, p.138-141). One characteristic of this study is its flexibility on direction, where it goes from the broad to the narrow focus (13). The second type is the descriptive research, which has a concrete area of study prior to the data collection, and seeks to describe the organization and draw conclusions about it (24).

A key characteristic is the use of a structure or a procedure for the data collection (13).The last type of study is the explanatory research, which is focused on the causal relationship among different variables (24). This particular study uses a descriptive research, because it has a very well defined area of study, which are the sourcing strategies. Besides this, the study attempts to describe the way the company and its managers operate in the specific, and the findings compared to the theoretical frameworks.

### **E. Research Strategies**

According to (4) the research strategies are the way to conduct the research and divide into quantitative strategy and qualitative strategy. The quantitative strategy is based on the quantification and measurement of information and



data. This type of research strategy is appropriate for the deductive approach and helps on proving theories and initial hypotheses. It is more related to the positivism position and to an objectivism view. On the other hand, the qualitative research strategy is based on words rather than on measurements or quantified data.

This type of research is used in the inductive approach where information and data are collected and analyzed in order to build new theory afterwards. It is related to the interpretivism position and constructionism view. As a contrasting terminology in this matter, (24) consider the qualitative and quantitative terms as data collection techniques instead of research strategies. Although (13) make a difference between research techniques and methods. According to them, research methods are related to a systematic way of data collection with the objective to gather information and answer the research question such as historical reviews, field experiments, case studies, etc. While research techniques refer to a procedure to be followed in order to collect data, analyze it and answer to the research question, such as interviews, surveys or observations.

What (4) describe as research design, (24) describes as research strategies. This includes experiments, social surveys, case studies, action researches, grounded theories, ethnographies and archival researches.

#### **F. Research Design: Case Study**

The research method used for this analysis is the case study. The case study is used to contribute to existing knowledge through an investigation on real life cases where managerial processes can be studied in the organizations. The case study does not pretend to manage the behavior of the events and subjects of study and focuses on contemporary events. In this research, the intention is not to manipulate the behavior of the sourcing managers or the processes they follow in their organizations nowadays (29), but to study how these processes are done as for this year 2011. The survey method was analyzed as another alternative of designing this research instead of the case study, however due to the fact that this study does not aim to collect large amount of data, the case study made a better fit for the purpose of this work. Although the research questions are “what” questions, to find out the main factors considered in the evaluation and development of local sourcing strategies, the underpinning information to get this factors is based on analyzing “how” the sourcing managers actually perform their analysis, “why” they decide to move from a previous supplier to a new supplier and “how” to proceed then with the development of the sourcing strategy. So this “how” and “why” questions are that support the investigation to answer the research questions, and they are a characteristic of the case study research method (29).

This particular case study includes interviewing the people that are directly involved with the sourcing processes, the actual sourcing managers that can provide a full perspective of their activities for further analysis and comparison. The development of this case study will rely on several sources of evidence, the interviews to sourcing managers and the research done on academic material in order to be able to triangulate the data collected for better results (29). This case study focuses on Yabsco Ventures in the Bolgatanga Municipality.

#### **G. Sources of Data**

In order to understand the case study more deeply, several sources of data collection were used. Data sources comprised both primary and secondary sources.

##### **i. Primary Data**

Primary data is original data collected by the researcher for the research problem at hand. The study used primary data collected through the use of the questionnaire and interviews. According to (29), interviews are the most important sources of case study information, mainly due to the fact that they can provide exact answers to the research questions.

##### **ii. Secondary Data**

(13) also describe secondary data as information collected by others for purposes which can be different from the researcher’s purpose. For this study, secondary data included journals, magazines, reports, books, documentation, and the Internet. Secondary data raises the validity and reliability of the study.

##### **iii. Study Population**

(4) describe a study population as the whole group that the research focuses on. The study’s population comprised both staff and management of the organization.

##### **iv. Sample Size**

The study used a sample size of fifty (50). The study finds this sample size representative enough to give a true reflection of the subject under study.

##### **v. Sampling Technique**

Sampling is drawing a sample from the population and using the sample to generalise for the entire population (18). A type of non-probability sampling method known as convenience sampling was used in the collection of responses for the questionnaires. Convenience sampling was employed in this study as the researcher was constrained by resources and time.

#### **H. Method of Data Collection**

A case study approach was used to achieve the ultimate results of the study. The use of the case study approach came out of the desire to understand complex social phenomena within the organization. Questionnaires were used to collect data from respondents regarding the topic under study. Questionnaires comprised of closed ended questions which was administered to customer. The researcher personally conducted all interviews. Interviews were chosen for this study

because it allowed more room for privacy. This approach made it more interactive and more personal and did not restrict the interviewer from probing further for clarifications.

### I. Data Analysis

Data was analyzed with SPSS and excel to obtain frequencies and percentages of closed end responses. This was to identify trends that appeared from responses. Quantitative responses were analyzed through data reduction and conclusion creation to establish trends.

## IV. DATA ANALYSIS AND DISCUSSION OF RESULTS

This chapter gives accounts of the backgrounds of respondents of the staff of Yabsco Ventures in the Bolgatanga Municipality. The profile or background of the respondents include their sex, ages and length of service with the organization. This is proceeded by the analysis on other topics in line with the research objectives of the study. The rationale for processing and statistically organizing the responses was to present facts that would facilitate a description and explanation of respondents' assessment of the impact of sourcing on the delivery of raw material with focus on a Yabsco Ventures, a small fruit manufacturing enterprise in the Bolgatanga Municipality

### A. Gender of respondents

In all there were 50 respondents, comprising both permanent and casual staff of the organization. Out of the total of fifty (5) respondents, 73% of the respondents were males, while females were 23%. The study was therefore dominated by male respondents.

Table 1: Gender of respondents

Gender	Frequency	Percentage (%)
Male	27	54
Female	23	46
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2014

### B. Age of Respondents

Table 2 below illustrates the age distribution of the respondents. The results gathered revealed that with respect to the ages, 39% of the respondents were within the age range of 26-35 years closely followed by 28% who had between 18-25 years. The rest of the age distribution of the respondents are: 36-45 years (21%), 46-55 years (7%), and those above 55 years (5%). The results imply that majority of the respondents were found within the economic and productive age bracket which was very useful to the management of the Company in terms of high productivity.

Table 2: Age of Respondents

Age of Respondents	Frequency	Percentage (%)
18-25 years	14	28
26-35 years	20	39
36-45 years	10	21
46-55 years	4	7
Above 55 years	2	5
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Field Survey, 2013

### C. Length of service/work

There is a saying that 'experience is the best teacher' so the researcher sought to ascertain the number of years that respondents have been working with Yabsco Ventures in the Bolgatanga Municipality. The results in Figure 4 indicated that of the respondents interviewed, 57% of the respondents being the majority had worked for the company for below 3 years, 35% of the respondents had worked for between 3-5 years whilst only 8% of the respondents worked in the Company for more than 5 years. The results imply that most of the staff had a considerable working experience and could give adequate data on the subject of sourcing of raw materials for the company

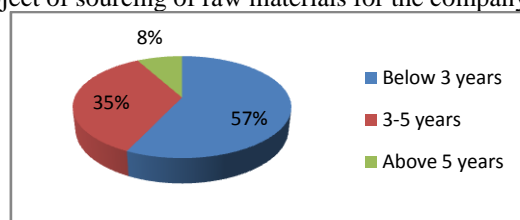


Figure 4: Length of service/work

#### D. Number of years employees of the Company

The study sought the management of the Company on the number of employees working with the Company. The data gathered showed that there were less than twenty (20) permanent staff and the rest being casual workers who are called upon during the peak production season.

#### E. Products produced by the Company

According to the responses gathered from the study, Yabsco Ventures produces a variety of fruit juice drinks mostly made from locally produced sources such as baobab, tamarind, pineapple, millet and mango endowed with rich nutritional values. The products therefore produced by the Company are baobab drink, tamarind, pineapple drinks among others.

#### F. Does Yabsco Ventures source from materials other places?

The question of whether the company sourced materials from other places yielded an overwhelming 70% of the respondents responding in the affirmative that the company largely depends on other places for its raw materials for production of the various fruit juice drinks. On the contrary though, 30% of some of the respondents especially the casual workers did not know specifically where the raw materials are sourced from hence were uncertain on the response to give.

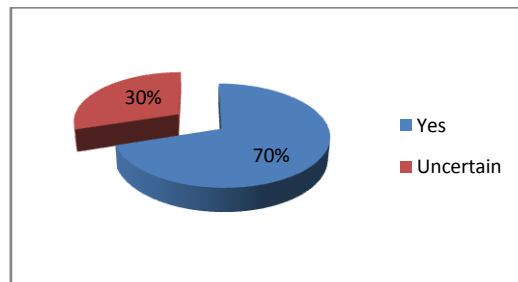


Figure 5: Does Yabsco Ventures source from materials other places?

#### G. How raw materials are sourced by Yabsco Ventures

One of the objectives of the study was to examine how raw materials are sourced by Yabsco Ventures in the Bolgatanga Municipality. The results gathered revealed that even though the company is not a big one and relies on local sourcing of raw materials, there are a number of stages that are followed before the supplies are made. According to the management and production unit of the Company, before raw materials are sourced the company undertakes market research to identify potential suppliers mainly from places where the raw materials are available and the cost moderate. The production team evaluates the cost and quality of sample raw materials supplied by the suppliers before a request for quotation of supply is made. The suppliers have to strictly adhere to the product (raw material) features otherwise the supplies are rejected. From the study, it was realized that there no much formal tendering process being followed as regards the supply of raw materials to the Company largely attributed to the informal manner of operations by the Company.

The findings even though seem informal are consistent with the existing literature by Monczka et al. (2011), that the strategic sourcing process is formed by five steps namely: build the team with assigned responsibilities and a work plan, do a market research and understand the available supplier base, develop the strategies and define the sourcing approach, working on the agreements for the contract negotiation and ensure supplier relationship management.

#### H. Impact of sourcing on the delivery of raw materials at Yabsco Ventures

The study sought the opinions of the respondents on the impact of sourcing on the delivery of raw materials at Yabsco Ventures. The results gathered indicated that there a number of benefits and for that matter impact that sourcing has on the delivery of raw materials for the Company. As graphically illustrated in Figure 6 below, the majority of the respondents representing 38% observed that there is assurance of quality and reliability of raw materials supplied over a period of time and this leads to maintain safety stock. According to the results, 25% of the respondents said that flexibility of raw materials delivery as well as the reduction of cost due to the bulk sourcing of raw materials were immeasurable benefits to the Company. Also, 17% of the respondents mentioned the opportunity of the company to focus on its core competencies or functionalities as well better management rather than on raw materials. Additionally, 12% of the respondents believed sourcing promotes superior customer service by the company in that delivery capabilities to meet customer requirements are enhanced. Lastly, 8% of the respondents said sourcing of raw materials increases efficiency in production.

The findings are in line with (7) and (17) that strategic sourcing aim is to reduce costs and obtain savings (and increase efficiency with the suppliers. This is also confirmed by (21) who states that “The focus of strategic sourcing management involves integrating supplier capabilities into organizational processes to achieve a competitive advantage through cost reduction, technology development, quality improvement, cycle time and delivery capabilities to meet customer requirements”.

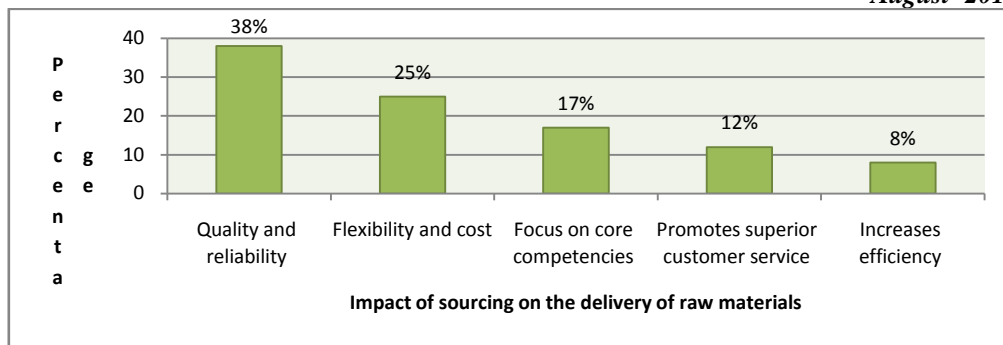


Figure 6: Impact of sourcing on the delivery of raw materials at Yabsco Ventures

### I. Challenges of sourcing of raw material by Yabsco Ventures

The third key objective of the study was to determine the challenges of sourcing of raw materials by Yabsco Ventures in the Bolgatanga Municipality. The results revealed that, a number of challenges hindering the smooth and effective sourcing of raw material by the company.

According to Figure 7 below, challenges of sourcing of raw materials by Yabsco Ventures, 37% of the respondents interviewed mentioned the non-availability of raw materials during certain seasons of the year which adversely affect production.

According to the results, 21% of the respondents said the inability of some suppliers to meet the quotas agreed upon hampers production especially when they fail to deliver on the eleventh hour as agreed

The monopoly or oligopoly conditions sometimes prevailing on the market gives the supplier a competitive edge which is over exploited at times yielded a response of 15% of the respondents out of the total sample size. Ten percent (10%) of the respondents believed that logistics cost and complexities are challenges that hamper the sourcing of raw materials by the Company.

Finally, 17% of the respondents said there is high supply risk sometimes especially where the supplier are located in different towns where tracking them becomes difficult.

The results support (15) findings that the complexity of the supply market gauged by supply scarcity, pace of technology and/or materials substitution, entry barriers, logistics costs or complexity, and monopoly or oligopoly conditions, external risk on supply or supply market complexity are challenges that hinder the sourcing of raw materials for a company.

Also, according to (19), every sourcing strategy has a risk. The supply risk that needs to be considered is related to the availability of products and services from the supplier, the cost of switching supplier, number of potential suppliers and the organizations position in the supply market. Supply risk can be lowered by having several suppliers (26).

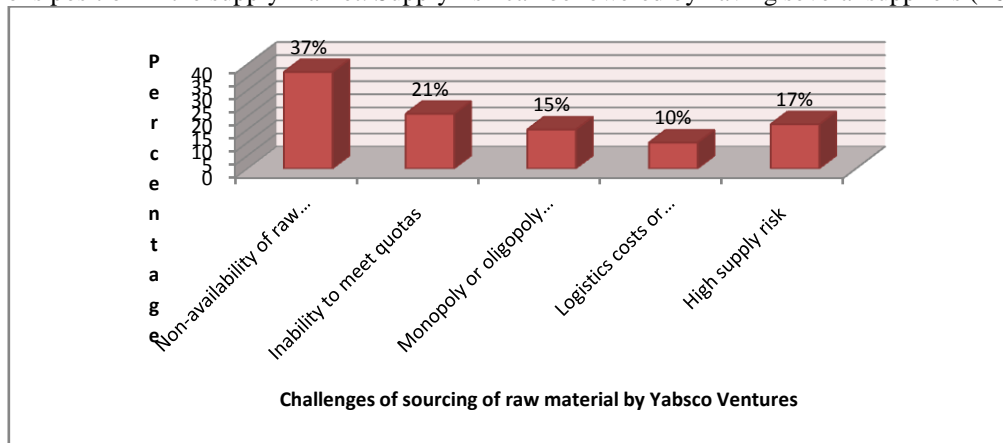


Figure 7: Challenges of sourcing of raw material by Yabsco Ventures

### J. Measures to ensure the availability and continuous supply of raw materials to the Company

The final objective of the study was to measures to ensure the availability and continuous supply of raw materials to the Company to achieve best results. The study found that 30% being the majority said the use of multiple suppliers could curb the monopoly challenge. Twenty-three percent (23%) of the respondents believed that effective market research by the company before the sourcing of raw materials could play a cardinal role in averting the some of the challenges associated with sourcing. Also, twenty-two percent (23%) of the respondents suggested the strengthening of supplier relationship with the company so as to ensure win-win outcomes in the sourcing of raw materials. Furthermore, 15% of the respondents suggested the need for the company to procure a refrigerator that could be used to store raw materials during the bumper season and used at the time there may be scarcity of the raw materials and finally, 10% of the respondents said the company could adopt legal measures as a last resort even though this may affect supplier relationships with the company.

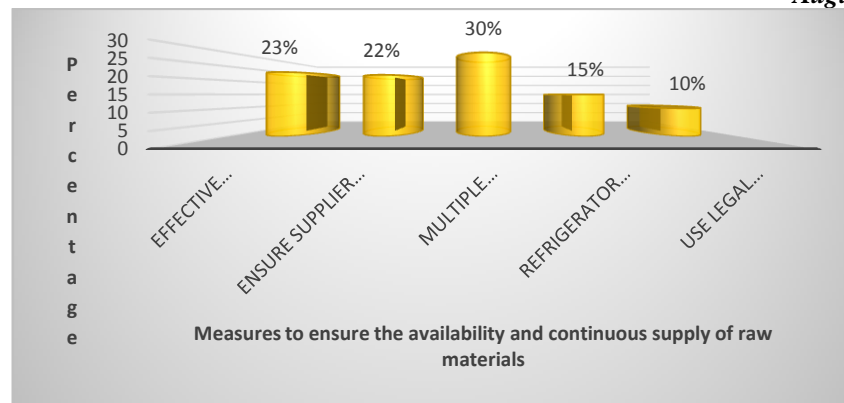


Figure 8: Measures to ensure the availability and continuous supply of raw materials to the Company

## V. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

This chapter summarizes the findings resulting from the data collected and analyzed in chapter four. It also gives the opinion of the researcher as a result of his reasoning from the summary of findings and finally recommendations on effective sourcing on the delivery of raw materials for the company.

The objectives of the study sought to identify how raw material are being sourced by Yabsco Ventures, examine the impact of sourcing on the delivery of raw materials at Yabsco Ventures in the Bolgatanga Municipality, assess the challenges as regards sourcing of raw material by Yabsco Ventures and to identify solutions that can help to bring about the availability and continuous supply of raw materials to the Company.

### A. Summary of Findings

The results indicated that out of the total sample used for the study, a significant majority of the respondents were males, while few were females. The study was therefore dominated by male respondents.

The results gathered revealed that with respect to the ages, most of the respondents were within the age range of 26-35 years closely followed by those between 18-25 years. Majority of the respondents were therefore found within the economic and productive age bracket which was very useful to the management of the Company in terms of high productivity.

The results indicated that of the respondents interviewed, most of the respondents had worked for the company for below 3 years, some of the respondents had worked for between 3-5 years whilst only few of the respondents worked in the Company for more than 5 years. The results imply that most of the staff had a considerable working experience and could give adequate data on the subject of sourcing of raw materials for the company

According to the responses gathered from the study, Yabsco Ventures produces a variety of fruit juice drinks mostly made from locally produced sources such as baobab, tamarind, pineapple, millet and mango endowed with rich nutritional values. The products therefore produced by the Company are baobab drink, tamarind, pineapple drinks among others.

The question of whether the company sourced materials from other places yielded an overwhelming number of respondents responding in the affirmative that the company largely depends on other places for its raw materials for production of the various fruit juice drinks

The results gathered revealed that even though the company is not a big one and relies on local sourcing of raw materials, there are a number of stages that are followed before the supplies are made.

According to the management and production unit of the Company, before raw materials are sourced the company undertakes market research to identify potential suppliers mainly from places where the raw materials are available and the cost moderate. The production team evaluates the cost and quality of sample raw materials supplied by the suppliers before a request for quotation of supply is made. The suppliers have to strictly adhere to the product (raw material) features otherwise the supplies are rejected. From the study, it was realized that there no much formal tendering process being followed as regards the supply of raw materials to the Company largely attributed to the informal manner of operations by the Company.

The results gathered indicated that there a number of benefits and for that matter impact that sourcing has on the delivery of raw materials for the Company. The majority of the respondents observed that there is assurance of quality and reliability of raw materials supplied over a period of time and this leads to maintain safety stock. Other impact of sourcing given included: flexibility of raw materials delivery as well as the reduction of cost due to the bulk sourcing of raw materials, opportunity of the company to focus on its core competencies or functionalities as well better management, promotes superior customer service by the company in that delivery capabilities to meet customer requirements and sourcing of raw materials increases efficiency in production.

The findings indicated a number of challenges hindering the smooth and effective sourcing of raw material by the company include: non-availability of raw materials during certain seasons, inability of some suppliers to meet the quotas agreed, monopoly or oligopoly conditions sometimes, logistics cost and complexities and high supply risk.

The study found that majority said the use of multiple suppliers could curb the monopoly challenge. Other possible measures mentioned include: effective market research by the company before the sourcing of raw materials,

strengthening of supplier relationship with the company so as to ensure win-win outcomes in the sourcing of raw materials, procuring a refrigerator that could be used to store raw materials during the bumper season and used at the time there may be scarcity of the raw materials and adopting legal measures as a last.

### **B. Conclusion**

The study found that most of the staff had a considerable working experience having worked for the company for a number of years. Yabsco Ventures produces a variety of fruit juice drinks mostly made from locally produced sources such as baobab, tamarind, pineapple, millet and mango endowed with rich nutritional values.

Yabsco Ventures even though the company is not a big one and relies on local sourcing of raw materials, there are a number of stages that are followed before the supplies are made. According to the management and production unit of the Company, before raw materials are sourced the company undertakes market research to identify potential suppliers mainly from places where the raw materials are available and the cost moderate. The production team evaluates the cost and quality of sample raw materials supplied by the suppliers before a request for quotation of supply is made. The suppliers have to strictly adhere to the product (raw material) features otherwise the supplies are rejected.

There are immense benefits and for that matter impact that sourcing has on the delivery of raw materials such as assurance of quality and reliability of raw materials supplied over a period of time and this leads to maintain safety stock, flexibility of raw materials delivery as well as the reduction of cost due to the bulk sourcing of raw materials, opportunity of the company to focus on its core competencies or functionalities as well better management, promotes superior customer service by the company in that delivery capabilities to meet customer requirements and sourcing of raw materials increases efficiency in production.

The company faces a number of challenges hindering the smooth and effective sourcing of raw material by the company include: non-availability of raw materials during certain seasons, inability of some suppliers to meet the quotas agreed, monopoly or oligopoly conditions sometimes, logistics cost and complexities and high supply risk.

Finally, there exist possible measures to curb the above mentioned challenges namely: mentioned include: use of multiple suppliers, effective market research by the company before the sourcing of raw materials, strengthening of supplier relationship with the company so as to ensure win-win outcomes in the sourcing of raw materials, procuring a refrigerator that could be used to store raw materials during the bumper season and used at the time there may be scarcity of the raw materials and adopting legal measures as a last.

### **C. Recommendations**

The following recommendations were made to improve sourcing activities in order to achieve best results for the company;

The study found that majority said the use of multiple suppliers could curb the monopoly challenge. Other possible measures mentioned include: effective market research by the company before the sourcing of raw materials, strengthening of supplier relationship with the company so as to ensure win-win outcomes in the sourcing of raw materials, procuring a refrigerator that could be used to store raw materials during the bumper season and used at the time there may be scarcity of the raw materials and adopting legal measures as a last.

1. First, it suggested that Yabsco Ventures make use of several suppliers of raw materials for its operations so as to mitigate the monopoly tendencies of existing suppliers.
2. The company should give priority to market research before engaging with any supplier or embarking on the sourcing of raw materials for the company. The production team should be wholly incorporated into the market research team to ensure quality raw materials are sourced for production
3. Additionally, procuring a refrigerator that could be used to store raw materials during the bumper season and used at the time there may be scarcity of the raw materials need s to be considered as a sustainable future option.
4. Lastly, the following areas were identified for further research; impact of effective sourcing strategies of raw materials on local factories in the Upper East Region of Ghana.

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