

**The critical assessment of the challenges faced by Vhembe District
Municipality with the implementation of Supply Chain Management
policies**

By

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ABSTRACT

Supply Chain Management has assumed a significant role in an organisation's performance and has attracted serious research attention over the last few years. A literature review reveals a considerable spurt in research in theory and practice of Supply Chain Management, combining and informing on features of Supply Chain Management and distribution management. This integration has resulted in the concept of extended enterprise and the supply chain is now manifesting as the collaborative supply chain across inter-organisational borders to maximize the value across the entire organisation. A large number of research papers have been published in various journals during the last two decades. In this thesis an attempt is made to review the status of literature on Supply Chain Management. A literature classification scheme is proposed.

In the current competitive scenario, Supply Chain Management assumes a significant importance and calls for serious research attention, as public institutions are challenged with finding ways to meet ever-rising public expectations at a manageable cost. To do so, public institutions are expected to understand the needs of stakeholders, their demands and expectations; which parts of their supply-chain process are not competitive; establish improvement goals and rapidly implement the necessary improvements. Specifically efforts need to focus on realising the gap of supply chain practitioners with respect to their capacity, commitment and accountability.

The South African government has instituted initiatives and reform processes that have resulted in the transformation of the local government Supply Chain public procurement. Reforms started after the change in the political dispensation in 1994. Procurement reform processes were supported by the introduction of a number of legislative measures, which include the Public Finance Management Act, 1 of 1999, Municipal Finance Management Act, 56 of 2003, and the Preferential Procurement Policy Framework Act, 5 of 2000.

The purpose of this research study is to review and analyse the way Vhembe District Municipality handles the Supply Chain Management implementation process. Specifically, the research analyses the capacity, commitment and accountability of officials with respect to the implementation of Supply Chain Management.

A survey questionnaire instrument comprised closed and open-ended questions and an interview guide were developed and administered to collect quantitative and qualitative data. Supply Chain Management policies and related documents were reviewed to determine the way Vhembe District municipality addresses the implementation in line with the requirements for public administration. In total, 37 questionnaires were sent out to the finance team of Vhembe District Municipality who formed the entire population. Ultimately 28 questionnaires were completed and returned by the respondents. Interviews were conducted with the eight respondents, who formed 30% of the target population. The data collected was collated, analysed and conclusion drawn on how Supply Chain Management Implementation within Vhembe District Municipality can be effectively carried out, strengthened and improved.

The content analysis of responses revealed four major findings:

- That Vhembe District Municipality has not paid sufficient attention to the demands and expectations of Supply Chain Management implementation issues.
- There is a lack of capacity of supply chain practitioners to implement the Supply Chain Management process. This is mainly due to insufficient developments or practitioners have not received adequate training in Supply Chain Management. Lack of relevant topics concerning the municipality Supply Chain implementation and ongoing training of officials are emerging as leading issues for consideration by the Vhembe District Municipality.

- There is lack of commitment displayed by officials. This could be as a result of officials not being clearly aware of and lack understanding of their roles and responsibilities.
- Lack of accountability of officials. Even though the officials acknowledge the existence of policies, procedures, being aware of their roles and responsibilities, these officials are not effectively empowered to carry out their respective roles, responsibility and be held accountable for SCM functions.

Recommendations are made for the Municipality to improve Supply Chain Management implementation through paying more attention to supply chain management functions and issues. Some of the key recommendations include:

- (a) Conducting skills audit to highlight the expertise of officials in order to fill the necessary gaps in the implementation of SCM.
- (b) Introduce an induction programme that takes practitioners through the municipality's policies, systems, programmes and services as well as Supply Chain Management principles and frameworks in general.
- (c) Conduct training needs analysis to identify areas of improvement and topics that officials need training on the implementation and provide ongoing training focusing on specific strategic and regulatory compliance issues to keep the Municipality's SCM officials updated with the important issues
- (d) Ensure that officials clearly understand strategic goals of the municipality and regularly involve them in strategic goals formulation, for example IDP, as well as the programmes and activities of the municipality to draw their commitment to their implementation roles and responsibilities.

- (e) Strengthen the performance of Supply Chain committees by clearly documenting and communicating specific roles and responsibilities and capacitating the members of the committees to deliver results in order to hold all officials accountable for the implementation.

These recommendations were made in line with research objectives.