

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

The final chapter will provide the conclusion for this research. First, an overview of the study will be provided. Thereafter, the summary of the major findings, business implications, limitations of the study, and suggestions for further research are presented. Finally, the chapter ends with the concluding remarks of the study.

6.1 Overview of the study

The study attempts to identify the success factors and challenges of implementing an e-procurement system in the respondents respective company. First, it studies the background of the respondents to gain an understanding of the business patterns through their experience of dealing with overseas business partners and what type of communication modes they usually use. Second, reliability tests were conducted to ensure the scale of the measurements is reliable. Third, it examines how the factors and challenges found in this study actually correlate with the intention to implement an e-procurement system for their organization.

The data for the study was collected through a seven page self-administered questionnaire. The sample consisted of 255 respondents that had registered with Ariba procurement system. In general, respondents in this survey are dominated by the service sector (38.4 percent); paid-up capital is more than MYR50k but equal to MYR99k (39.2 percent); years of operation is more than 5 years but

equal to 10 years; size of company is between 21 to 50 persons (41.2 percent); and annual turnover is more than MYR500k but equal to MYR1 million. Most respondents do not possess a certificate by any quality organization (83.5 percent) and most have experience of dealing with overseas business partners (77.3 percent).

6.2 Summary of the research results

The study found that, on average, Malaysian companies deal with overseas business partners more than six times (43.5 percent) per month. In terms of the time spent during a conversation, the study found that the majority of the respondents spend at least 30 minutes to 60 minutes (49.4 percent) dealing with overseas business partners. In this survey, around 27.1 percent of respondents indicate their deal value is between MYR10,001 to MYR20,000 (27.1 percent); and use email (49.8 percent) as the main communication method to communicate with their overseas business partners.

This study conducted a reliability test to ensure that the instrument measures are consistent and stable over time. All the variables are more than .70 and are considered acceptable for the study.

In terms of testing relationships, all the independent variables have a significant impact on the dependent variables. In other words, these variables, for example, vendor management, contract management, spend analysis, features and

infrastructure, system integration, resistance user and cost implementation, have a positive impact on the implementation of an e-procurement system.

The study also provides a useful comparison of the relative importance of success factors. It was found that spend analysis and features and infrastructure are the two most important factors in determining the intention of the implementation of an e-procurement system. In terms of the challenges attributes that influence the intention of respondents towards implementation of an e-procurement system the study found that cost of implementation plays an important role compared with other variables, for example, the integration of the system and resistance of user.

In conclusion, the results show that all hypotheses are supported. The results show that vendor management, contract management, spend analysis, features and infrastructure, system integration, resistance user and cost implementation are the attributes that affect intention towards the implementation of an e-procurement system.

6.3 Business Implications

The purpose of this study is to focus on the success factors and the challenges that have an impact on the implementation of an e-procurement system. It will benefit companies if the senior management understand the important factors to consider in implementing an e-procurement system. The results of this study have several important implications.

First, the study found that critical success factors will influence the intention towards the implementation of an e-procurement system. The four elements (vendor management, contract management, spend analysis and features and infrastructure) were found to have a positive impact on the success of e-procurement implementation. The senior management of companies will have a clear picture of the benefits of implementation and be able to provide good justification to the shareholders to approve the use of resources on the implementation of an e-procurement system. Further, the top management will have better control over the procurement process within the organization and be able to synergize the resources to add value on the overall supply chain in order to survive in this competitive business environment.

Second, this study also identifies the challenges of the implementation of an e-procurement system. Senior management may need to be more careful when selecting and implementing an e-procurement system. The study also provides details of the important challenges when implementing an e-procurement system. This will ensure the process of implementation is smooth and minimize the possibility of failure of the e-procurement system.

Last, the purpose of this study is to encourage the companies to implement an e-procurement system to promote best practices and increase the transparency of the procurement process within the organization. This will provide a platform for

Malaysian companies to increase their competitive advantage and be able to compete and survive in the global business environment.

6.4 Limitations of the study

The study faces some limitations, which are explained below:

- i. This study was limited to respondents who had self registered with the Ariba procurement system, which may not be truly representative of the overall industry. This is because, as mentioned earlier, the Ariba procurement system is owned by Genting Malaysia Berhad and may not include those companies that do not have any business relationship with their company. Thus, respondents in the system might have a preference towards the implementation of an e-procurement system compared to companies that have yet to register with the system. The results might be different if the study involved other companies.
- ii. The study only focused on seven variables (vendor management, contract management, spend analysis, features and infrastructure, system integration, resistance user and cost implementation), to examine the impact on the implementation of an e-procurement system. There are still many other factors that can be taken into consideration towards the implementation of an e-procurement system.

- iii. The findings of this research are interpreted within a sample size of 255, which is considered small. A larger sample might produce different results and different implications. A larger and diverse sample is able to produce more generalized results.

Despite the above shortcomings, the findings of the research could provide insights into the impact of variables on the e-procurement implementation intention.

6.5 Suggestions for Further Research

There are many areas in which further research can be conducted to gain a better understanding of the intention to implement an e-procurement system in Malaysian companies. First, as this study is limited in sample size, subsequent research should consider a larger and more diverse sample drawn from every part of the country. This is because a geographically and demographically diverse sample is important for the purpose of clear generalizability.

Second, the impact of respondents' company background and business patterns was not studied here. The business patterns of the respondents' play an important role in affecting the intention to implement an e-procurement system. Thus, it would be useful to examine the relationship of company background and business patterns towards implementation of an e-procurement system.

Lastly, using larger sample sizes and spanning various industries to investigate how the seven variables will correlate with firms successfully implementing an e-procurement system. It is possible that the results will change with an increase in the sample size, for example, e-procurement concerns may be different for large firms and small firms.

6.6 Concluding Remarks

Reviewing current economics, most Malaysian companies are facing more and more challenges to compete with other competitors. Therefore, it is important to re-engineer and continuously improve on the overall business process. The findings obtained from this study will help company management in designing their business strategy and provide key information when implementing an e-procurement system.