

**EFFECT OF SUPPLY CHAIN RESTRUCTURING ON PERFORMANCE OF OIL
MARKETING COMPANIES IN RWANDA. A MULTI SURVEY ON THE OIL
MARKETING COMPANIES IN RWANDA.**

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ABSTRACT

The purpose of this study was to establish the factors affecting supply chain management by oil companies in Rwanda and see how these factors have been restructured to enhance performance in the sector. The study was guided by the following specific objectives: To determine the effect of Bulk procurement system on performance of oil marketing companies in Rwanda, to establish the effect transport of oil on performance of oil marketing companies in Rwanda, to analyze the effect of Storage infrastructure on performance of oil marketing companies in Rwanda and to examine the effect of Marketing and distribution channels on profitability performance of oil marketing Companies in Rwanda. The study adopted descriptive design in form of a survey where questionnaires were administered to the targeted population. Questionnaires were administered through personal interviews with the respondents. The target population of this study was 54 employees in the oil companies in Rwanda who are involved in restructuring. There are 18 oil marketing companies with an estimated total of 360 employees. Stratified random sampling was used to pick the sample since the population was divided into companies dealing with oil to ensure effective representation. Data was collected by use of a questionnaire and a five point Likert scale was used. After data had been collected it was edited, and keyed into Statistical Package for Social Sciences (SPSS) computer software for analysis and computations for averages, correlation and regression analysis was done. A multivariate regression model was finally used to link the independent variables and performance of the OMCs. The study revealed that there was strong relationship, 94.0% of the variation in the dependent variable between bulk procurement system, transportation, storage infrastructure, and marketing & distribution channels with performance of oil marketing companies in Rwanda. The study finally recommended that oil companies should consider having their own fleet for transport, implement reverse logistics practices, invest in strategies geared towards gaining and maintaining more tanks for storage and the expand their distribution channels in all areas in order to tap on the growing number of clients in every area and continually improve on their performance.

Key words: Supply chain management, Oil marketing Companies, Bulk procurement system, Transportation, Storage infrastructure, and Marketing & distribution channels

1. Introduction

Supply chain management (SCM) has received in recent years a great deal of attention by researchers and practitioners. Supply chain initiatives have become a critical part of firms operations (Eskioglu et. al., 2009). Success in the process is increasingly being dictated by how well a company can control its supply base and mitigate supply bottlenecks and Liabilities. Effective SCM will lead to a lowering of the total amount of resources required to provide the necessary level of customer service to a specific segment and improving customer service through increased product availability and reduced order cycle time (Banomyong & Supatn, 2011); engage in information exchange (forecasting techniques, inventory management, delivery) and structural collaboration (just-in-time system, outsourcing, vendor-managed inventory and co-locating plants) (Henry & Barro, 2009; Raja, Mazlan & Ali,2006); relationships with downstream supply chain partners to create end-customer value (Iyer,2011) and maximize benefits and minimize costs along the supply chain (Chima, 2007). Thus, the nature of SCM becomes visible to participating companies with successful implementation in the ever changing global environment of the business world, risks abound and it greatly affects the decision making processes of the business management.

Supply chain Management involves providing maximum satisfaction to end users (consumers), in other words, delivering the right product to the right person at the right time while still maximizing profits. Today, there are many opportunities for the coordination of activities across the supply chain even in the ever complex oil and gas sector. This is largely due to the development of information systems and communication technologies within the sector. Integrating supply management with other factors of operations allows all functions to be involved in the management decisions (Chima, 2007). Over the years, the oil industry has continued to face growing challenges, from stricter Government regulation, political risks, competition, emergent new comers and political. Hostilities, which has affected growth and output. Due to the scramble for resources, many oil Companies have been driven to explore and produce in some of the most hostile and harsh environments, which in turn tend to be extremely costly.

The main challenge facing the oil industry is not the availability of oil resources, but putting these reserves into production and delivering the final products to consumers at the minimum cost possible. Thus, a solid supply chain management program will enhance this goal (Chima, 2007).Reengineering (or re-engineering) is the radical redesign of an organization's processes, especially its business processes. Rather than organizing a firm into functional specialties (like production, accounting, marketing, etc.) and looking at the tasks that each function performs, we should, according to the re-engineering theory, be looking at complete processes from materials acquisition, to production, to marketing and distribution. The firm should be reengineered into a series of processes. The changes, and subsequent improvements, have been clearly identified by Hammer & Champy (1993) who have claimed originality and conveniently packaged the ideas

into the concept of “business re-engineering”, which has subsequently been called business process re-engineering (BPR). The main proponents of re-engineering were Hammer and Champy (1993). In a series of books including *Reengineering the Corporation*, *Reengineering Management*, and *The Agenda*, they argue that far too much time is wasted passing-on tasks from one department to another. Three critical issues should always be addressed in the supply chain for it to be effective. Maximizing the reach of consumers should be a top priority. It is critical to work with supply chain partners to prospect and generate quality customers. Accelerating sales cycles by having a system that will allow customers to access the products and services 24/7. A sustainable business value can be created by offering a tiered approach with distinct marketing, sales, training, and support services for each customer segments.

Maximizing Operational Efficiency should also be a top priority. This is the way we can maintain cost competitiveness through the restructuring of the supply chain systems for oil marketing companies. Companies are serious about maintaining cost competitiveness or customer service differentiation must re-examine their process, measurement, and technology approaches and seek new areas of supplier performance improvement (Rudberg & Thulin 2009), including: Inserting control points at suppliers to minimize errors and resolving last-minute supply disruptions based on cross-functional business goals.

2. Statement of the problem

In the oil industry, the supply-chain network is composed of shipping via vessel, oil tankers, and pipelines that may run across multiple countries. This network is used to transport crude from wellhead to refinery for processing, to transport intermediates between multi-site refining facilities, and to transport finished products from product storage tanks to distribution centers and finally to the customers. Any disruptions arising in the global supply chain can have tremendous adverse effects in achieving operational efficiency, maintaining quality, and customer satisfaction. This affects profitability of the oil companies at the end.

Shah, Li, and Ierapetritou (2011) identified that to effectively model a supply-chain design problem, the dynamics of the supply chain ought to be considered and data aggregation techniques for the extensive data set should be employed. Environmental uncertainties in oil industry lead to a need for higher reliability and flexibility within the production systems and the planning and control systems in the supply chain. Reducing these uncertainties will be achieved by understanding the root causes and how they interact with each other. Change in markets, products, technology, and competitors are occurring at an increasingly rapid pace (Defee & Fugate, 2010; Iyer, 2011). As a result, managers must make decisions on shorter notice, with less information, and with higher penalty costs. Therefore, a reliable yet flexible system is fundamentally needed to assist the management in making decisions that might prove to be the make-or-break decision for their companies. There is a general acceptance of the existence of market failure which requires government

intervention to rectify. Such failure has three sources. The existence of imperfect competition arising from the presence of monopoly power and asymmetric information, the presence of ownership externalities and finally the existence of public goods defined as goods where consumption is non-rival and exclusion from access technically infeasible. Solutions to these problems of market failure lay in corrective taxes and subsidies, regulation, price controls, planning and ultimately government ownership (Barua 2010).

Chima (2007) conducted a study on Supply-Chain Management Issues in the Oil and Gas Industry and asserted that oil and gas industry is involved in a global supply chain that includes domestic and international transportation, ordering and inventory visibility and control, materials handling, import/export facilitation and information technology. However the above studies did not concentrate on the factors affecting effective supply chain management by oil companies.

With dramatically falling oil prices, reductions in headcount and uncertainty regarding the industry's future, the global oil and gas industry is currently facing challenging times. As spend is being closely scrutinized, many firms are understandably focusing on delivering immediate cost reductions. But according to new research (Achilles/IFF survey) this could mean other issues are being overlooked. With up to 80 per cent of revenue spent with suppliers, it is vital that oil and gas firms take a long-term approach to managing all risks within their supply chains particularly those involving contractors.

A lack of standardization in the supplier selection process, insufficient collaboration between buyers and suppliers, and rising labor costs are placing the industry's productivity levels under increasing pressure and leaving oil and gas companies open to risks associated with their suppliers. Mike Viator, global director of oil and gas at Achilles, explained: "In the oil and gas industry, there is no longer the headcount there has been in previous years that allowed companies to utilize their staff to carry out proper validation, prequalification and auditing of their suppliers." Failure to carry out reviews of suppliers puts main contractors in a significant position of risk, since supply chain problems can affect firms' financial position and reputation.

This implies that many oil and gas firms do not have clear strategies, processes or scrutiny in place to select the suppliers they work with, which could expose them to a significant amount of risk. Across the globe, oil and gas companies are under pressure to cut costs, rather than risks from the supply chain, but in the real sense the cost of doing business with a risky supplier can be astronomical. It is not just financial risk that businesses face in this situation, but also potential damage to their brand name and reputation, as well as loss of procurement contracts and possible legal trouble arising due to failure to comply with supply chain legislation.

Disruptions in the supply chain have had adverse effects on performance of OMCs on profitability and service delivery. It is for this reason that this research study wishes to investigate the factors affecting Supply Chain Management by oil companies and examine the effects of a restructured supply chain on performance of OMCs in Rwanda

3. Research objectives

- i. To determine the effect of Bulk procurement system on performance of oil marketing companies in Rwanda.
- ii. To establish the effect transport has on performance of oil marketing companies in Rwanda.
- iii. To analyze the effect of Storage infrastructure on performance of oil marketing companies in Rwanda.
- iv. To examine the effect of Marketing and distribution channels on profitability performance of oil marketing Companies in Rwanda.

4. Literature review

Theories relevant to the study were reviewed which included; Resource based view theory, theory of Supply Chain Management, Public Interest Theories of Regulation and Theory of Efficiency Literature related to the study is also reviewed with the aim of identifying literature gaps. The literature review also guided the relevance of the study findings.

a. Conceptual framework.

The current study develops the following conceptual framework. The independent variables are the factors affecting supply chain management (secondary factors) by oil companies while the dependent variable is Performance of Oil marketing companies.

Conceptual framework showing the independent variables elements and the dependent variable elements

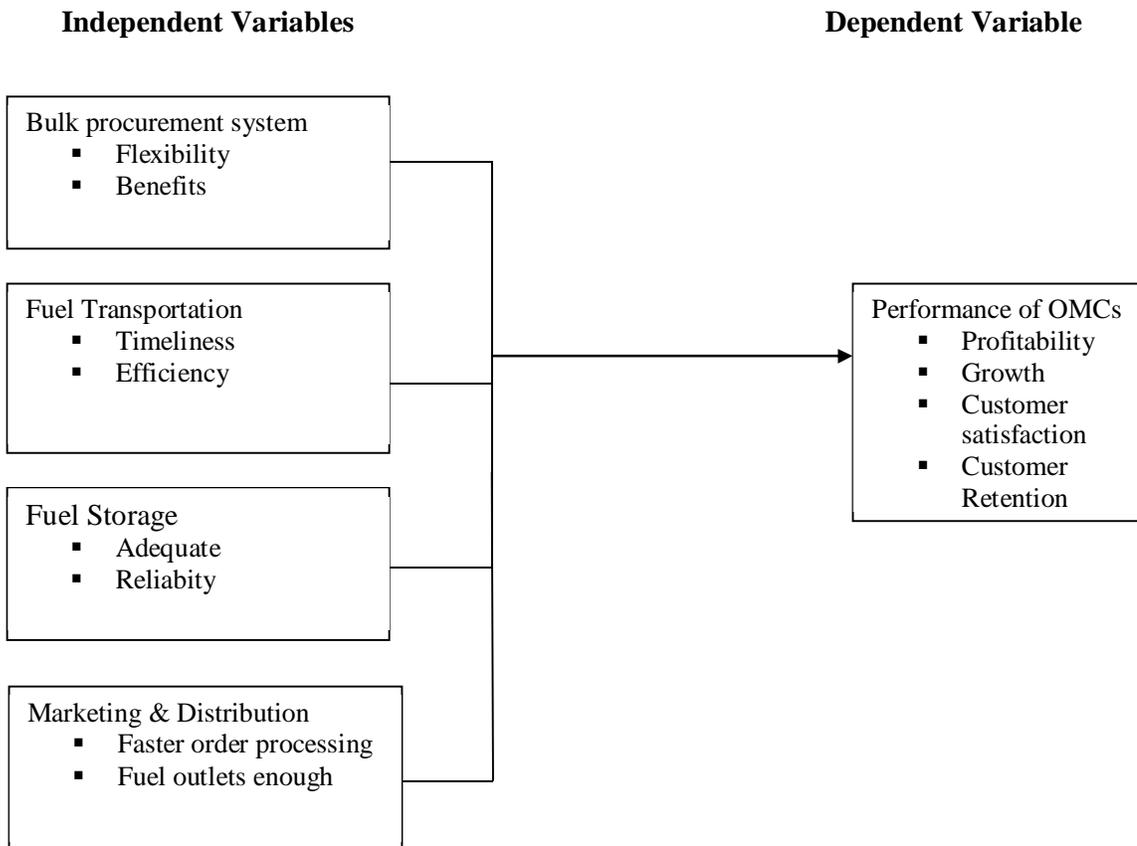


Figure 3: Conceptual framework (Source, Researcher 2016)

5. Research Design

This study adopted descriptive research design in form of a causal comparative study. A descriptive study is a study concerned with describing the characteristics of a particular individual or of a group (Kothari, 2004). The study sought to establish the effects of supply chain restructuring on performance of oil marketing companies in Rwanda

Descriptive survey is conducted to describe the present situation, what people currently believe, what people are doing at the moment and so forth (Baumgartner, Strong and Hensley 2002). This design was selected for this study because it provided numeric descriptions of the population and describes events as they are, as they were or as they will be (Kombo & Trump, 2006).

6. Target population

Mugenda and Mugenda (2003) describe population as all the elements that meet the criteria for inclusion in a study. Population is therefore the entire group of individuals, events or objects having a common observable characteristic. The units of analysis were the oil marketers which are 18. There are 18 oil marketing companies in Rwanda. The target population of the study was composed of all the managerial employees in the 18 oil companies in Rwanda. There are approximately 54 of them in the 18 oil marketing firms. This was taken as the population of the study.

7. Sample size and sampling procedure

A sample is a subset of population (Hyndman, 2008). Sampling is the selection of a subset of individuals from within a population to yield some knowledge about the whole population especially for the purposes of making predictions based on statistical inference (Scott & Wild, 1986; Black and William, 2004). Stratified random sampling technique was used to determine the sample size. This method was preferred because; the population that was sampled was divided into homogenous groups based on characteristics considered important to the indicators being measured. This method also helps to achieve precision, flexible in the choice of the sample design for different strata and finally one is able to get estimates of each stratum in addition to the population estimate (Kothari, 2004). The strata for the study was be divided into top managers, a middle level managers and supervisors. The sample was distributed equally among the strata. The target sample was 15% of the population. According to Kothari (2004) a sample size of 10% is adequate for a descriptive study which has a small population. The target sample was 54 employees. Three employees from each of the 18 firms were selected purposively. The preferred employees included a top manager, a middle manager and a supervisor as they were knowledgeable about issues discussed in the study.

Table 31: Sample Matrix

Strata	Target Sample	% Sample
Top Managers	18	33.3%
Middle level managers	18	33.3%
Supervisors	18	33.3%
Total	54	100%
Estimated Population	360	15%

8. *Data analysis Technique*

Data Analysis is the processing of data to make meaningful information (Sounders, Lewis and Thornbill, 2009). After data had been collected through questionnaires, it was prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and keying into Statistical Package for Social Sciences (SPSS) computer software for analysis. SPSS was used to produce frequencies, descriptive and inferential statistics which was used to derive conclusions and generalizations regarding the population.

A multiple regression model was used to link the independent variables to the dependent variable as follows:

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

Where:

Y = Performance of oil marketing companies

X₁ = Bulk procurement system

X₂ = Transportation

X₃ = Storage infrastructure

X₄ = Marketing & Distribution channels

In the model, β_0 = the constant term while the coefficient β_i , $i= 1..4$ was used to measure the sensitivity of the dependent variable (Y) to unit change in the predictor variables X₁, X₂, X₃ and X₄. μ is the error term which captures the unexplained variations in the model.

Assumption underlying the model.

$$E(\mu) = 0$$

$$\text{Var}(\mu) = \sigma^2, \text{a constant}$$

μ are independent identically distributed.

9. RESEARCH FINDINGS AND DISCUSSION

10.1 Effect of Restructuring Bulk Procurement System on performance of OMCs

Table 2: Respondents perception on the Effect of Restructuring Bulk Procurement System on performance of OMCs

Statement	MEAN	STDEV
My organization has restructured its procurement of fuel to enhance competitiveness	3.61	0.90
Bulk procurement system has brought a benefit of ensuring Competitive prices of oil products after restructuring.	4.02	0.88
Bulk procurement system has become a flexible way of Managing supply of oil products after restructuring.	3.84	0.84
Bulk procurement system has reduced the cost of doing Business.	4.06	0.91
Bulk procurement system has become more efficient and profitable than private shipment	4.62	0.92
Overall	4.03	0.89

Results on Bulk procurement system (Table 2) revealed that the respondents agreed with all the statements as mean scores range from 3.5 – 4.5. The findings indicate that all respondents agreed that their organizations have restructured their procurement of fuel to enhance competitiveness (3.61) and agreed that Bulk procurement system has brought a benefit of ensuring Competitive prices of oil products after restructuring (4.02). The respondents agreed that bulk procurement system has become a flexible way of Managing supply of oil products after restructuring (3.84). They also agreed that Bulk procurement system has reduced the cost of doing Business (4.06) and that Bulk procurement system has become more efficient and profitable than private shipment (4.62)

The overall mean of 4.03 also confirms these findings. The overall standard deviation was < 1 hence no significant variations in the responses.

Regression analysis was done to determine the effect of restructuring bulk procurement system on performance and the following results were obtained. Further analysis on Bulk procurement system obtained an adjusted R 25.4%. This implies that the simple linear model with Bulk procurement system as the independent variable explains 25.4 % of the variations in performance. This means that when Bulk procurement system was used the performance of the organization changed by 25.4%.

10.2 Effect of Restructuring Transportation on performance of OMCs

Table 3: Respondents perception on the Effect of restructuring Transportation on performance of OMCs

Statement	MEAN	STDEV
My organization has restructured its transport system by acquiring its own fleet of trucks.	3.8	0.84
My organization has restructured its transport system by contracting a transporter with a fleet of trucks.	3.55	0.87
The transportation infrastructure of the organization now delivers product in a timely manner after restructuring.	3.90	0.91
Having own fleet for transport have had a positive effect on profitability	4.20	0.89
Having own fleet of trucks has made our organisation more efficient and have helped improve customer satisfaction through speedy delivery.	4.53	0.94
Overall	3.996	0.89

Results on Transportation (Table 3) revealed that the respondents agreed with all the statements as mean scores range from 3.5 – 4.5. The findings indicate that all respondents agreed that their organization have restructured their transport system by acquiring their own fleet of trucks (3.8), and agreed that their organization has also restructured their transport system by contracting transporters with fleet of trucks (3.55). The respondents agreed that after restructuring the transportation infrastructure now delivers product in a timely manner (3.9). They also agreed that having own fleet for transport have had a positive effect on their profitability (4.2) and strongly agreed that having own fleet of trucks has made their organization more efficient and have helped improve customer satisfaction through speedy delivery (4.53)

The overall mean of 3.996 also confirms these findings. The overall standard deviation was < 1 hence no significant variations in the responses.

Regression analysis was done to determine the effect of restructuring transportation on performance and the following results were obtained. Further analysis on transport obtained an adjusted R 37.6%. This implies that the simple linear model with transportation as the independent variable explains 37.6%. % of the variations in performance. This means that when transportation was used the performance of the organization changed by 37.6%.

10.3: Effect of Restructuring Storage Infrastructure on performance of OMCs

Table 4: Respondents perception on the Effect of Restructuring Storage Infrastructure on performance of OMCs.

Statement	MEAN	STDEV
My organization has restructured its storage infrastructure by building its own depot.	3.4	0.78
My organization has restructured its storage infrastructure by having hospitality agreement with other OMCs who have more storage capacity.	4.04	0.99
The storage facilities of the organization are now adequate after restructuring.	3.57	1.0
The storage facilities of the organization are now Reliable	3.7	0.86
After restructuring storage our operations and service delivery to clients has become fast and efficient	4.02	0.89
Overall	3.746	0.90

Results on Storage infrastructure (Table 4) revealed that the respondents agreed with all the statements as mean scores range from 3.5 – 4.5. The findings indicate that all respondents neither agreed or disagreed on that their organization has restructured their storage infrastructure by building their own depot (3.4), the respondents agreed that their organization has restructured their storage infrastructure by having hospitality agreement with other OMCs who have more storage capacity (4.04), the respondents also agreed that the storage facilities of their organization are now adequate after restructuring (3.57). They agreed that the storage facilities of their organization are now Reliable as a result of the restructuring (3.7) and that their operations and service delivery to clients has become fast and efficient (4.02).

The overall mean of 3.746 also confirms these findings. The overall standard deviation was < 1 hence no significant variations in the responses

Regression analysis was done to determine the effect of restructuring storage infrastructure on performance and the following results were obtained.

10.4. Effect of restructuring Marketing and Distribution channels on performance of OMCs

Table 5: Respondents perception on the Effect of restructuring Marketing and Distribution channels on performance of OMCs

Statement	MEAN	STDEV
My organization has restructured by acquiring its own marketing & distribution outlets	4.05	0.99
Through restructuring our organization is now able to sell all the product it imports via the channels.	4.38	0.94
After restructuring ,our organization now have marketing and distribution channels well spread in all regions in the country to serve all our clients	2.42	0.76
Clients are now able to buy product and pay via Visa, Mobile money and electronic cards after restructuring.	3.65	0.82
Restructuring has made order processing for customers timely and fast.	4.42	0.94
Overall	3.784	0.89

Results on Marketing and distribution (Table 7) revealed that the respondents agreed with all the statements as mean scores range from 3.5 – 4.5. The findings indicate that all respondents agreed that their organizations have restructured by acquiring their own marketing & distribution outlets (4.05),and agreed that the restructuring has enabled their organization to sell all the product they import via the channels (4.38),the respondents however disagreed that their marketing and distribution channels are well spread in all regions in the country to serve all our clients (2.42).The respondents agreed that Clients are now able to buy product and pay via Visa, Mobile money and electronic cards after restructuring (3.65),and agreed on the fact that Restructuring has made order processing for customers timely and fast (4.42). The overall mean of 3.784 also confirms these findings. The overall standard deviation was < 1 hence no significant variations in the responses.

Regression analysis was done to determine the effect of restructuring marketing & distribution channels on performance and the following results were obtained. Further analysis on marketing & distribution channels obtained an adjusted R 35.6%. This implies that the simple linear model with marketing & distribution channels as the independent variable explains 35.6% of the variations in performance. This means that when marketing & distribution channels were used the performance of the organization changed by 35.6%.

10.5 Effect of restructuring Supply Chain Management on performance of OMCs

Table 6: Respondents perception on the Effect of restructuring Supply Chain Management on performance of OMCs

Statement	MEAN	STDEV
Our organization has now attained effective procedures in the importation of oil products after restructuring.	3.86	0.84
Supply chain restructuring has contributed to our organization growth and expansion.	4.48	0.95
Supply chain restructuring has improved customer satisfaction in our organization	4.27	0.92
Supply chain restructuring has led to operational effectiveness in our organization	3.78	0.83
Supply chain restructuring has helped improve customer retention in our organization	4.72	0.98
Overall	4.222	0.90

Results on supply chain management (Table 9) revealed that the respondents agreed with all the statements as mean scores range from 3.5 – 4.5. The findings indicate that all respondents agreed that their organizations had attained effective procedures in the importation of oil products after restructuring (3.86), and agreed that Supply chain restructuring had contributed to their organization growth and expansion (4.48),and that Supply chain restructuring had improved customer satisfaction in their organization (4.27).The respondents further agreed that Supply chain restructuring had led to operational effectiveness in their organization (3.78),and that it has helped improve customer retention in their organization (4.72)

The overall mean of 4.222 also confirms these findings. The overall standard deviation was < 1 hence no significant variations in the responses

From the above respondents views the following tables were deduced to show the relationship between independent variable constructs with the dependent variable indicators.

10.6 Regression Analysis

Regression analysis was done to determine the relationship between supply chain management and organization performance

Table 7: Coefficients of independent variables and their effects on performance of Kobil, Societe Petroliere, and Mount Meru and Gulf energy.

Model		Unstandardized		Standardized	T	Sig.
		B	Std. Error	Coefficients Beta		
Kobil	(Constant)	.455	.231		2.992	.106
	Bulk procurement	.225	.079	.232	2.992	.003
	Transport	.451	.113	.741	7.760	.000
	Storage Infrastructure	.852	.074	.277	3.853	.000
	Marketing and distribution	.788	.080	.278	3.599	.000
Societe Petroliere	(Constant)	.346	.231		2.992	.106
	Bulk procurement	.258	.079	.232	2.992	.003
	Transport	.551	.113	.741	7.760	.000
	Storage Infrastructure	.652	.074	.277	3.853	.000
	Marketing and distribution	.588	.080	.278	3.599	.000
Mount Meru	(Constant)	.286	.231		2.992	.106
	Bulk procurement	.788	.079	.232	2.992	.003
	Transport	.881	.113	.741	7.760	.000
	Storage Infrastructure	.352	.074	.277	3.853	.000
	Marketing and distribution	.428	.080	.278	3.599	.000
Gulf energy	(Constant)	.240	.231		2.992	.106
	Bulk procurement	.828	.079	.232	2.992	.003
	Transport	.321	.113	.741	7.760	.000
	Storage Infrastructure	.302	.074	.277	3.853	.000
	Marketing and distribution	.228	.080	.278	3.599	.000

Dependent Variable: Performance of Organization

From the comparison shown in table 11 Kobil is leading in terms of restructuring on storage infrastructure and marketing and distribution channels and this have had the greatest impact on its performance. A unit increase in storage infrastructure leads to an increase in its organisation performance by 0.852 and a unit increase in marketing and distribution channel in Kobil leads to an increase in organisation performance by 0.788. Societe Petroliere limited has also restructured much on storage infrastructure and marketing and distribution channels as it follows Kobil on this two aspects. Both companies have their own storage depots and thus explain why they are leading in restructuring in storage infrastructure. A unit increase in storage in Societe Petroliere leads to an increase in organisation performance by 0.652 and a unit increase in marketing and distribution channels leads to an increase in organization performance by 0.588. This two companies have the highest figures in this two constructs.

Mount Meru has restructured more on transport since it have its own fleet of trucks and its leading in the sector followed by Societe Petroliere, Kobil and Gulf energy falls last. This have had a positive impact on its performance where a unit increase in transport leads to an increase in its organization performance by 0.881. Gulf Energy has restructured more on bulk procurement system as it have the highest results on bulk procurement where a unit increase in bulk procurement leads to an increase in organization performance by 0.828. This is way higher than the others and its followed by Mount Meru on bulk procurement system with 0.788 and Societe Petroliere with 0.258 and Kobil falls last in the sector with 0.225

10. Conclusions And Recommendations

10.1 Conclusions

On the basis of the above findings, the following conclusions were made for the effects of supply chain restructuring on performance of oil marketing companies in Rwanda. The study showed that the bulk procurement systems of the oil marketing companies was reliable and profitable compared to private shipment and that it is a very flexible way of managing supplies as well as the fact that it reduces the cost of doing business. The results revealed that the transportation infrastructure of the firms was a major determinant of performance of OMCs and having realized this most organizations have resulted to acquiring their own fleet of trucks and shifting more from contracting trucks and this has had a positive effect on their profitability.

The storage infrastructure is also a very important component in the SCM of OMCs in Rwanda. The study indicated that most of the OMCs don't have adequate storage for their products since most of them don't have their own Depot to store their product but rather have hospitality arrangement with OMCs with bigger storage. The findings pointed out on the need of OMCs to have their own depot so as to enhance faster service delivery as revealed during the study. From the findings the study indicated that the marketing and distribution infrastructure of the oil products plays an important role on performance of OMCs and the findings revealed that OMCs are acquiring more and more distribution channels to position themselves for growth.

10.2 Recommendations

On the basis of the above findings, the following recommendations were made for the effects of supply chain restructuring on performance of oil marketing companies in Rwanda.

From the findings the study recommends that more transparency should be applied in the oil marketing companies. The study therefore recommends that oil companies should invest in modern technologies for example information communication technologies, increase capacity on training and development programmes on supply chain management and provide the employees with resources and facilities to enhance efficiency in supply chain management. This study recommends that oil companies should consider having their own fleet for transport instead of contracting. This study therefore confirms that oil marketing firms like all the other modern firms are faced with the challenges beyond their control on storage infrastructure, thus these firms should therefore realize that all efforts including investment in the implementation and use of the SCM strategies need to be geared towards gaining and maintaining more tanks for storage.

From the above findings the oil marketing companies should adopt their strategies in line with the government regulations so that they can manage their supply chain in the best way possible to achieve maximum performance. This is in regard to marketing and distribution formulates policies that can help in efficient and effective supply chain management as this will be beneficial to the economy in terms of reduced cost of business thus the effect would be to lower prices and thus improve the standard of living while also attracting more investors into the country.

10.3 Areas for further research

The study was conducted on oil marketing firms in Rwanda covering the effects of supply chain restructuring on performance of oil marketing companies in Rwanda. It covered only bulk procurement, transport, storage infrastructure and marketing and distribution. There is need to conduct further study which will attempt to find out the effects of price regulation on customer satisfaction and the interrelationship on organizational performance.

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