EXAMINING THE CHALLENGES OF FORECASTING AS A TOOL FOR PROCUREMENT: THE CASE OF STANBIC BANK – GHANA.

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ABSTRACT

The project work was titled “examining the use of forecasting as a tool for procurement” Stanbic Height in Accra, the capital town of Ghana was chosen as a case of study.
The research work was organised into five coherent chapters. Chapter one was basically the introductory part of the research work. An extensive literature on the research work was piled up at chapter two. Both qualitative and quantitative techniques were used as methodology to collect data for the research work.

Interesting findings such as benefits that accrues from forecasting as a tool for procurement were revealed. Helps in planning, inventory management and learning from the past are some benefits. Areas of procurement where forecasting plays a greater role at Stanbic Height were also revealed from the research, material control, logistics planning, budgeting for goods, services and works are some examples.

The research was concluded with the statement that, all the objectives set for the research were achieved; therefore organisations and firms should put in more resources to always undertake forecasting as an exercise with the simple reason that it will help them to do useful prediction into the future.

The research finally ended with good recommendations, amongst which it was recommended that, educational programs should also be annually organised for the team responsible for forecasting in every department at Stanbic bank, Ghana so that they will be abreast with current and innovative ways of handling the techniques and strategies involved in forecasting. Stanbic bank Ghana can reliable do this through the organization of seminars, workshops and conferences.

**KEYWORDS:** Examining, Forecasting, Procurement, Tool, Stanbic Bank- Ghana.
1.0 Introduction

The growing competition, rapidity of change in circumstances and the trend towards automation, demand that decisions in business are not based purely on guesses and hunches rather on a careful analysis of data concerning the future course of events. The future is unknown to us, yet every day we are forced to make decisions involving the future and therefore uncertainty. Great risk is associated with business affairs. All businessmen are forced to make forecast regarding business activities. Success in business depends upon successful forecasts of business events. In business or trade, the importance of forecasting is so great, that when one enters into the business world, he/she really enters the profession of forecasting. In recent times, considerable research has been conducted in this field. Attempts are being made to make forecasting as scientific as possible. Business forecasting as such is not a new development. Every businessman must forecast, even if his whole product is sold before production. Forecasting has always been necessary and therefore it is a necessary evil in business.

Forecasting can be broadly considered as a method or a technique for estimating many future aspects of a business or other operation. Planning for the future is a critical aspect of managing any organization, and small business enterprises are no exception.

Stanbic bank – Ghana is a subsidiary of Standard bank, South Africa. Stanbic bank, Ghana practices centralized procurement, that is to say they procure their own goods, works and services. The bank has a procurement committee which is headed by the head of finance. The procurement committee draws a procurement plan which is subject to approval and they do not also keep inventory of items, therefore they practice Just- in – time (JIT). The bank procures using its own procurement manual and almost all the eleven(11) departments in the bank procures with in a threshold of two thousand dollars ($ 2000).

Prediction into the future, is an important exercise that every business entity must do at the beginning of every year. Whilst some businesses attach a lot of seriousness to the exercise and therefore have a department staffed with resources to undertake this exercise, others do not attach any serious importance to this exercise. Wrong prediction into the future can affect sales, and could lead to over tiding and less tiding of capital.
It is therefore in this respect that the researchers have decided to undertake this research, in order to examine some of the areas of Stanbic bank – Ghana where forecasting can be done and also determine some of the challenges that Stanbic bank – Ghana will encounter from forecasting their activities and finally outline some of the benefits that Stanbic bank – Ghana will derive from forecasting.

1.1 Problem of the study

Due to the unpredictable changes in sales and demand, there is the need to always predict sales and revenue within the beginning of every year. However, since prediction comes with some amount of error and challenges, there is the need to always exercise caution and also use modern and acceptable techniques to do the prediction. The end result after good prediction would be an increase in sales, revenue and many other related business benefits.

1.2 Objectives

The objectives of the study were to;

(a) Determine some of the challenges that Stanbic Bank Ghana goes through in using forecasting as a tool for procurement.

(b) Examine some of the areas of Stanbic Bank Ghana where forecasting is used as a tool for procurement.

(c) Determine some of the benefits that Stanbic Bank Ghana will derive from using forecasting as a tool for procurement.

1.3 Research questions

In this research the primary question was:

What are some of the challenges that Stanbic Bank Ghana go through in using forecasting as a tool for procurement?
To answer this primary research question, the following secondary research questions were answered:

(a) What are some of the areas of Stanbic Bank Ghana where forecasting can be used as a tool for procurement?

(b) What are some of the benefits or importance that Stanbic Bank Ghana can derive from using forecasting as a tool for procurement?

**Material and Methods**

**3.0 Research methodology**

The research methodology covered data collection, sample survey and the methods of analysis. The study also involved the use of both primary and secondary data.

This chapter also outlined the various tools, methods and procedures that were used together data for the study. The study also adopted both qualitative and quantitative research approaches such as empirical and statistical data. This approach was deemed more effective as each approach complemented the other, rendering the study accurate and authentic.

**3.1 Scope**

The assessment was conducted based on the procurement and forecasting procedures used by Stanbic bank. The study was also limited to the Accra branch captured area of Stanbic bank in Ghana.
3.2 Sample Size and Sampling Technique

A sample size of 50 respondents was selected from the Stanbic bank operational area in Accra, Ghana. This comprised of employees, Heads of departments (Managers) and members of staff belonging to ten different departments.

In all, ten departments were targeted, namely; Procurement (Purchasing), Finance, Personal banking, Human Capital, Business Banking, Corporate and Investment Banking, Operations, Lending, Information Technology(IT) and International Business Centre. These people were chosen using first and foremost the non-probability sampling method. This was due to the time frame in which the study had to be completed. It was then prudent to select a small size or minimal number to cover for the study. Specifically, the purposive or judgmental sampling method was used. This form of sample is often used when working with very small samples such as in case study research and when one wish to select cases that are particularly informative (Neuman, 2000).

3.3 Tools of Data Collection

The tools that were used for this research included questionnaire and informal interviews. The questionnaire were used to collect quantitative data, whereas the qualitative data were collected using interviews.

3.3.1 Questionnaire

In all 50 questionnaire were self-administered, five each were given to the departments mentioned above.
In each of the departments four (4) questionnaire were given to the employees there, whilst one (1) questionnaire were reserved for the respective heads of departments to answer.

The questionnaire were printed in English with neatly printed lines for respondents to provide their responses. It was also numerically stated to differentiate one question from the other. Boxes were provided for respondents to tick where necessary.

Before questionnaire were administered they were subjected to thorough testing and amendments before they were dispatched to respondents.

On the other hand, pre-coded questions were also given to respondents to answer. With these questions, answers were provided for respondents to select their choice. Some of the questions were multiple choice where as others were “Yes” or “No” type.

The lengths of the questionnaire were influenced primarily by the scope of the study and the depth of information desired.

3.3.2 Interviews

An interview is a purposeful discussion between two or more people (Kahn and Cannell, 1957). The use of interviews can help one together valid and reliable data that are relevant to his research question(s) and objectives. Therefore in this research Senior Officers such as heads of departments (managers), heads of procurement and deputy director in charge of operations were
strategically selected and interviewed as part of the data gathering process. This was done for relational analysis of views and for other confirmatory responses given by respondents who work at the various departments. Information from this category of people shed authentic light on how forecasting and procurement activities are carried out at Stanbic Bank in Ghana.

The use of interview in this study was also deemed appropriate in order to get as close as possible to interviewees and to be able to solicit information which might not be divulged on the questionnaire. This was intended to afford interviewees the opportunity to express themselves and to afford the researcher the chance to ask other relevant questions that came to mind during the interview process.

Structured and semi-structured questions were used in this data collection exercise. It must be stated here that, the collection of information through this purpose was not meant for analysis, but rather to serve as an informational background for the other instruments used.

The structured questions were also used to solicit information from senior members who had no formal training on forecasting. These questions were written on papers and the researcher could categorically ask them to respond to them and their responses captured on tape.

The semi-structured questions were used for further clarification from respondents on responses that were not clear. These questions were formed during the process of the interview. Most of the questions involving Stanbic Height’s policies and laws on procurement and forecasting were
asked using interviews. This was done in order to help the researcher solicit literature to justify the various assertions made.

3.3.3 Observation

According to Mikkelsen (2005), “observation of physical structures, social difference, behaviour action and symbols provides important information for posing central questions”. The researcher therefore used various methods of observation in order to collect qualitative data concerning the topic in question and suggest ways by which they can be intervened. In this regard situational observation was used as a tool in the data gathering process. This gave the researcher the opportunity to observe some of the day-to-day operations of Stanbic Height, Ghana. The researcher also spent time at the procurement (or purchasing) department to observe how the department uses some software system of the bank to procure goods upon receiving a request from any of the departments.

On any visit to areas of data collection, issues concerning the subject would be looked at with keen interest. Notes about the things observed were written down. This was done because the researcher did not want to avoid forgetting any vital information about the message. Respondents were also asked for clarification on things which were not clear after observing them in their area of operations during interviews.
3.4 Primary and Secondary Data.

Both primary and secondary research data would be analysed and used in this study. Primary data would include information gathered from the respondents by the researcher himself through questionnaire, interviews and observation.

This primary data will provide reliable and authentic firsthand information relevant to this study about the operations of Stanbic Height, Ghana procurement and forecasting activities and challenges facing its implementation as well as other issues necessary for the research.

Secondary data in the form of articles, journals, research works, gazettes and other written sources and so on would be analysed to identify what other people have written on the problem under study.

Other sources of secondary data would include press releases, the internet as well as literature on existing research on this area of study.

An interview guide would be prepared as a tool to collect data from the selected sample of respondents in places where the questionnaire would prove inadequate and would not produce the relevant information.

3.4 Analysis

Quantitative and qualitative methods of analyzing statistical data would be employed in the analysis of the data. The results would subsequently be computed into percentages. Percentage values, which are not round figures, would be approximated to the nearest whole numbers.
Diagrammatic representation of the statistical summaries of the results would be presented in the form of pie charts, bar graphs and tables.

Computer data analysis software such as Statistical Package for Social Sciences (SPSS) and other relevant software, such as Microsoft excel would be the main tools employed to analyze the data in order to help interpret results.

Social Science Statistical Package (SPSS) would be used to analyse the pre-coded questions. This package would be used to compute the percentages because it is easier to use. It can also be used to make the table needed for discussions of the results.

The other questions that are open-ended would be analysed by listing all the vital response given by the respondents. They would then be considered based on their relevance to the research. This would give the general ideas about the problem under study.

In all six main processes would be involved in the research. The process would include

a) Pre-Editing: this would look at examination of the responses received for completeness, relevance, appropriateness and its importance to the study.

(b) Coding of Rough Data: this would involve grouping of the data into the various categories and subjects for easy analysis.

(c) First Write up: this would be the stage where all the information would be written to form one continuous piece.

(d) Data Entry: in this modern techniques would be employed to typeset the data.
(e) Data Modification: at this stage the researcher would send the drafts for editing and for expert advice after corrections have been made to give it an appreciable form.

Finishing: at this stage the entire project would be put together and final corrections made. It would be at this stage that printing and binding would take place to give the research its completeness.

3.5 Profile of the Study Area

The Ghanaian banking industry is one of the key sectors shaping the country’s economy with business, individuals and the government consistently searching for partners. Stanbic Bank Ghana has been a major player in the sector by leveraging on its association with Africa’s biggest bank, the Standard Bank Group.

Since incorporation in 1999, Stanbic Bank has grown from a two-branch operation to 35 branches in all major cities in Ghana with five Cash Service Points (CSPs) in Accra, Kasoa, Kumasi and Buipe. These CSPs affirm the fact that banking has grown beyond traditional branch banking to delivering service at the door steps of clients no matter their location.

The Bank’s business has significantly improved over the last few years in response to the refreshed strategic agenda of achieving market leadership by growing market share in key areas. This has positioned Stanbic to take advantage of the various opportunities in the industry and the larger Ghanaian economy.

Further underlining its tier-one status, Stanbic was ranked third in the 2014 PricewaterhouseCoopers Ghana Banking Survey. This has been achieved despite the difficult economic environment with rising inflation, a weakening local currency, downgrading of
Ghana’s risk rating and illiquidity. The Bank’s growth is largely due to its deep understanding of
the key issues, trends and challenges facing companies doing business in Ghana by proffering
solutions.

Stanbic Trader Pack was adjudged Product of the Year 2014 by the Chartered Institute of
Marketing Ghana (CIMG). Industry and peer recognition has been most significant in recent
years. Stanbic’s Head of Marketing was voted as the Marketing Practitioner of the Year 2014 by
the CIMG while the Chief Executive was the winner of the CIMG Marketing Man of the Year
award for 2015. Again in 2015, the Institute of Public Relations, Ghana, also recognised Stanbic
as the PR organisation of the year 2014.

The Corporate and Investment Banking business continued to differentiate our proposition by
offering clients superior execution capabilities for knowledge-driven solutions while maximising
cross-selling opportunities across our diverse but complementary business units.

Some key support interventions saw the Bank arranging significant trade and credit deals to top
blue chip clients. Stanbic Bank Ghana has been able to finance big ticket projects such as Stanbic
Heights, One Airport Square, Aviance, West Hills Mall and the annual Cocobod loan
syndication. These interventions facilitated it being named the Best Investment Bank in Ghana
for the years 2011, 2012 and 2014 by the renowned EMEA finance magazine. It was also named
the 2015 best Sub-custodian bank in Ghana by the Global Finance Magazine. Again in 2015,
EuroMoney Real Estates Survey Awards recognised Stanbic as the Best Overall Bank, Best in
Equity Finance, Best in Debt Capital Markets, Best in Loan Finance and Best M&A Advisory
Bank in Ghana.
The Personal Banking business significantly improved its service delivery system, increased its footprint across the country and also upgraded its systems to a world class banking platform to enable it understand clients’ needs better and be able to structure personalised solutions. With enhancement in its channels outfit, Stanbic Bank has made the jump from traditional branch banking to electronic transactions and cards. The Bank in 2013, introduced Money Wallet, the multi-currency card that allows customers to upload four different currencies on one wallet for use in different localities.

To provide banking solutions for Ghanaians living abroad, the Heartland Banking offering was rolled out in 2013. This proposition will provide seamless banking services and solutions through the Bank’s electronic banking platform and also offer facilities to own properties in Ghana. The Bank introduced its first self-service branch at East Legon and has some ATMs that allow cash deposits. There are plans to upgrade the other ATMs to permit cash deposits. The provision of interactive screens to engage customers and provide seamless banking service without going into the banking hall was piloted. With this platform customers will be able to perform basic banking services like making enquiries. These are all in line with Stanbic’s quest of using technology to make banking easy, simple and convenient for everyone.

In continuing to be socially relevant, the Bank’s expenditure on corporate social responsibility has increased significantly over previous years. The major areas of support are education, health, development initiatives for the needy and the underprivileged, sanitation, agricultural development, media and journalism. Stanbic pledges to continue to sustain its engagement and support for the communities within which it operates.

**Source: Marketing Department / Stanbic Bank Intranet.**
Results and Discussion

4.0 Introduction

This chapter involves the presentation and interpretation of the findings in relation to the study objectives. This is evidenced below:

4.1 Background information of respondents

Findings on the Background information of respondents were captured and results are evidenced below. Figure 4.1: Gender of respondents

Table 4.1: Gender

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>25</td>
<td>50.0</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Female</td>
<td>25</td>
<td>50.0</td>
<td>50.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researchers field Work, January 2016

From table 1(one) above, 50% of the respondents were male and 50% female. This indicates that there was no gender bias in the study. One can also conclude by saying that Stanbic height in Accra, Ghana has a relatively balanced population of both sexes at their work place. This confirms the assertion that the banking industry is a field for all irrespective of gender.
From the figure above, 70% (35) of the respondents were within the age bracket of 18 to 40 years, 20% (10) were between the ages of 41 to 50 years, 6% (3) were between 35 to 45 years, and finally, 4% (2) of the respondents were above 60 years. This implies that a lot of the respondents were matured enough to answer the questionnaire. Also, those who fell within the age bracket of 18 to 40 years were dominating in the research. To conclude the researcher will like to say that the dominate age respondents clearly shows that in Ghana only those aged between 18 to 40 years get the opportunity to work in banks.
Table 4.2: Marital status

Table 2: Marital status of Respondent at Stanbic Bank - Ghana

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>11</td>
<td>22.0</td>
<td>22.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Married</td>
<td>30</td>
<td>60.0</td>
<td>60.0</td>
<td>82.0</td>
</tr>
<tr>
<td>Divorced</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
<td>92.0</td>
</tr>
<tr>
<td>Widower</td>
<td>4</td>
<td>8.0</td>
<td>8.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researchers field Work, January 2016.

From table 2 above, 11(22%) of the respondents were single, 30(60%) were married, 5(10%) divorced, and 4(8%) widowed. This implies that most of the respondents at Stanbic height are married.

Figure 4.2: Educational Qualification

Figure 2: Educational Qualification of Respondents at Stanbic bank - Ghana
Source: Researchers field Work, January 2016.

From figure 2 above, 8 % (4) of the respondents were certificate holders. These individuals were holding certificates in either banking, commerce or marketing from accredited institution.

Additionally, 40 % (20) of the respondents were also diploma holders. They held higher national diploma (h n d) from the polytechnics or diploma in business studies (d b s) also from the polytechnic. These categories of educational qualifiers at Stanbic height were dominating because they basically involved in all aspects of the banking operations. Some of the people had also risen through ranks to become sector managers.

Equal of mention is the degree holders. They held various degrees from both public and private universities in Ghana, only one person in this category had his degree from outside the country. They were basically involved in tactical operations of the bank. These individuals constituted 20 %( 10) of the total respondents.
Also 12 %(6) of the respondents were master’s degree holders. Only two persons in this category were managers. The reason being that Stanbic bank does not promote only through qualification but also through rising in ranks and good performance.

Notably of mention, is the PhD (doctor of philosophy) respondent of the bank. This respondent provides regular consultant services to the bank.

Finally, 18 %(9) of the respondents held professional qualification from numerous areas. Some of the professional qualifications were ACCA(Association of Chartered Certified Accountants), ICA- GH (Institute of Chartered Accountants, Ghana), CIMA (Chartered Institute of Marketing Accountants), CIM( Chartered Institute of Marketers), MCIPS( Member Chartered Institute of Purchasing and Supply), MCISCM( Member Chartered Institute of Supply Chain Management) and many more.

The researchers will therefore like to conclude by saying that Stanbic height in Accra, Ghana have a high level of qualified staff that can help the bank to always achieve their aims and goals.

4.3: Areas of forecasting.

Table 3: Areas where forecasting plays a role at Stanbic bank – Ghana

<table>
<thead>
<tr>
<th>Areas of Forecasting</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material Control</td>
<td>12</td>
<td>24.0</td>
<td>24.0</td>
<td>24.0</td>
</tr>
<tr>
<td>Planning of Logistics</td>
<td>10</td>
<td>20.0</td>
<td>20.0</td>
<td>44.0</td>
</tr>
<tr>
<td>Budgeting for goods, services and works</td>
<td>8</td>
<td>16.0</td>
<td>16.0</td>
<td>60.0</td>
</tr>
<tr>
<td>Customers Enrolment.</td>
<td>15</td>
<td>30.0</td>
<td>30.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Estimation of market prices of goods, works and services.</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researchers field Work, January 2016.
From table 3 above, 12 (24%) of the respondents accepted that the best area where forecasting plays a role is the area of material control. The view of these respondents is that, forecasting will help ensure better inventory management systems. They believe that the forecast activity will prompt stanbic height to know the right quantity of products they must acquire at any particular time, this helps to avoid keeping less or so much of inventory. It was therefore not surprise to find out from the research that through proper forecast, stanbic height does not keep inventory but rather practice just – in – time (JIT) system.

Additionally, (10, 20.0%) of the respondents were also of the view that one of the areas where forecasting plays a role at stanbic bank is planning of logistics in the institution. The view of these respondents is that, the bank normally resort to forecasting to plan their logistic activities, this is used to predict trends of delivery and other related procurement situations that may arise within the year.

Furthermore, 8 (16%) of the respondents were also of the view that, budgeting for goods and services is one of the areas of stanbic height where forecasting plays a role.. The view of these respondents is that, budgeting in every organization is very critical to its overall spending and survival. They believe this is the best procurement area where procurement plays the most vital role since having a good mechanism for budgeting will help the organization to spend well, mostly within the stipulated amount, hence their choice of the above area of procurement.

15(30%) of the respondents also asserted that the most important area of stanbic bank where forecasting plays a role is customers enrolment. The view of these respondents is that, a good forecast by the bank would go a long way to give them hints on potential number of customers to be expected in a given period of time so as to make provisions for any problem that may emanate at that time. This would in the long run help stanbic bank to make projections for goods and services in order to facilitate the operational and administrative work of the bank.

The last section of the respondents representing 5(10%) were also of the view that estimation of market prices of goods, works and services is one of the utmost area of procurement where forecasting plays a vital role. Their view is that, anytime the bank involves itself in any purchasing activities, they must have forecasted earlier on, in order to make adjustments for unpredictable situations. This will help them anticipate price changes as well as product availability to ensure a better procurement process and wise spending.

According to Makridakis et al, (1998), some areas where forecasting plays a role includes; estimation of market prices of goods works and services, budgeting for goods, services and works and planning of logistics. Therefore the areas of procurement where forecasting plays a role with respect to better management of resources at stanbic height as outlined in table three (3) above seems to be real and therefore conforms to existing literature.
4.4: Importance of Forecasting

Table 4: Importance of Forecasting as a tool for Procurement at Stanbic bank – Ghana.

<table>
<thead>
<tr>
<th>Importance of forecasting as a tool for procurement</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allows a firm to enjoy competitive advantage</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Forecasting techniques help organizations to learn from the past</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Helps in planning</td>
<td>22</td>
<td>44.0</td>
<td>44.0</td>
<td>64.0</td>
</tr>
<tr>
<td>Keeps customers satisfied.</td>
<td>10</td>
<td>20.0</td>
<td>20.0</td>
<td>84.0</td>
</tr>
<tr>
<td>Helps in inventory management</td>
<td>8</td>
<td>16.0</td>
<td>16.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researchers field Work, January 2016.

From table 4 above, 5(10%) of the respondents accepted that the paramount importance of forecasting is that it allows a firm to enjoy competitive advantage. The view of these respondents was that, a competitive advantage gives a company an edge over its rivals and an ability to generate greater value for the firm and its shareholders. The more sustainable the competitive advantage is, the more difficult it is for the competitors to neutralize the advantage. Good forecasting helps the organization to acquire or develop an attribute or combination of attributes that allows it to outperform its competitors. These attributes can include access to natural resources, such as inexpensive power or access to highly trained and skilled personnel human resources. New technologies such as robotics and information technology can provide competitive advantage.

Additional 5(10%) of the total respondents also held the view that forecasting techniques help organizations to learn from the past. The opinion of these respondents is that, forecasting helps organization to learn from the past. Looking at what has happened in the past, it can help them predict on what will happen in the future. The past incites the organization on events that happened within such entity, how they happened, when they happened and the contributing factor to such happenings. Forecasting techniques when the best and appropriate one is chosen.
and implemented will help the firm to realize its patterns of operation and direct its business activities.

Moreover, (22, 44%) of the respondents were of the view that the best benefit of Forecasting is that it helps in planning. The view of these respondents is that, there are enormous consequences of poor organizational planning. Thinking before or in advance help organizations to manage its operations and organize its activities well to achieve its goals. In order to ensure successful organizational operation, the firm needs to plan its activities and in fact, plan it well. There are enormous consequences of poor organizational planning the ultimate being organizational failure. This activity of forecasting helps the entity to plan, organize, direct and control and in totality, manage its operations.

Equally, ten (10) people who represent (20.0%) of the total respondents really accepted that one supreme benefit of forecasting is that it keeps customers satisfied. The view of these respondents is that, forecasting techniques do offer a projectionist the opportunity to estimate the future based on past and present trends of events. When firms forecast its procurement activities, it will enable the organization to make projections into the future. The firm is therefore able to correct some of its bad practices in the past and then adopt good customer practices that can help them meet the needs of their customers.

Finally, 9 (18%) accepted that the utmost importance of Forecasting is that, it helps in inventory management. Their view was that, possessing a high amount of inventory for long periods of time is not usually good for a business because of inventory storage, obsolescence and spoilage costs. However, possessing too little inventory is not good either, because the business runs the risk of losing out on potential sales and potential market share as well. Inventory management forecasts and strategies, such as a just in time inventory system can help minimize inventory costs because goods are created or received as inventory only when needed.

According to Montgomery et al, (2008), some of the benefits of effective Forecasting include; scope of competitiveness, effective planning, end customer satisfaction, simplified inventory control and management. Therefore the importance of Forecasting at stanbic height as outlined in table (4) above seems to be real and therefore conforms to existing literature.
4.5 Challenges of Forecasting

Table 5: Challenges of Forecasting as a tool for Procurement at Stanbic bank - Ghana

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impossible to factor unique events.</td>
<td>10</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Forecast cannot integrate their impact</td>
<td>10</td>
<td>20.0</td>
<td>20.0</td>
<td>40.0</td>
</tr>
<tr>
<td>A dangerous act</td>
<td>8</td>
<td>16.0</td>
<td>16.0</td>
<td>56.0</td>
</tr>
<tr>
<td>Impossible to accurately forecast the future.</td>
<td>7</td>
<td>14.0</td>
<td>14.0</td>
<td>70.0</td>
</tr>
<tr>
<td>Problem with integrating with ICT software's</td>
<td>6</td>
<td>12.0</td>
<td>12.0</td>
<td>82.0</td>
</tr>
<tr>
<td>Lack of confidence</td>
<td>9</td>
<td>18.0</td>
<td>18.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s field Work, December 2015.

From table (5) above, 10 (20%) of the respondents accepted that the potential challenge faced in terms of Forecasting is that, it is impossible to factor in unique or unexpected events. The view of these respondents is that, it is impossible to factor in unique or unexpected events, or externalities. Forecasting is based on certain assumptions. If these assumptions are wrong the forecasting will be wrong. Forecasts are not always perfect. There are instances where forecasted patterns may be absolutely different from results expected in the future, with this assumption; we can say that unique instances are most likely to backfire. This can be a potential challenge of effective Forecasting.

Again, 10 (20%) of the respondents were of the view that the potential challenge that is encountered during Forecasting is that Forecast cannot integrate their own impact. The view of these respondents is that, effective forecasting will require a lot of information and data analysis in both primary and secondary forms. There is a tedious work of collecting a large size of data and information to which most researchers see inundating, complex and capital facilities are also required to collate such huge data and analyse them in the most effective and efficient manner to avoid any mishap and error as well as wrong projections and erroneous conclusions. Ample time is needed to diligently sort out data and analyse them; this comes with high cost.
Also, (16.0%) of the respondents agreed that Forecast can be a dangerous act. The opinion of these respondents is that, it is obviously risky to focus all your resources into forecasting activities; this is because expected patterns may deviate and this may affect the operations of the firm.

Moreover, (14.0%) of the respondents representing seven (7) people really accepted that the problem that is encountered during Forecasting is that it is impossible to accurately forecast the future. The view of these respondents is that, another potential challenge likely to be faced in forecasting is the issue of the availability of primary and secondary data. Simply stated, where to find data for such organizational estimate may be a problem thus sources may be inaccessible to some extent or there may be limits on data accessibility.

6(12%) of the respondents were of the view that the main problem that affects forecasting is the problem of integrating forecasting with modern ICT software’s. The view of these respondents is that, modern software made to ensure successful forecasting is relatively complex to use and in some instances very difficult to adapt to local or traditional setup within an organization.

Lack of confidence is again one of the major threats to forecasting, this was a view perceived by nine people corresponding to (18.0%) of the respondents. The view of these respondents is that, the department responsible for the forecasting activity may lack complete confidence in their predictions or anticipations. This goes a long way to impede on the success and intents for the forecast.

According to Delurgio, (1998), some of the challenges faced by firms during forecasting include; unexpected events are impossible to forecast, uncertainty in the future, lack of confidence, problem of integrating forecasting with modern I.C.T software and many others. Therefore the challenges of forecasting at Stanbic height as outlined in table four (4) above seems to be real and practical and therefore conforms to existing literature.

Summary, Conclusion and Recommendations

5.0 Introduction

This chapter summarizes the key findings of the study based on the objectives of the study and draws a conclusion. Recommendations or suggestions are made with a view to addressing some of the problems identified from the research.

5.1 Summary of findings

- The Bio data of the research revealed that Stanbic Height has a matured population and that majority of the respondents were also married. Most of the respondents were also highly educated.
The research also revealed that areas of procurement at Stanbic Height where forecasting plays a role are; material control, planning logistics, budgeting for goods, services and works, customers enrolment and estimation of market prices of goods, works and services.

The research also revealed that there were a lot of benefits or importance associated with forecasting. The following were some of the importance; helps in planning, keeps customers satisfied, helps in inventory management, helps organizations to learn from the past and allows firms to enjoy competitive advantage.

Finally, it was also revealed from the research that Stanbic Height as a banking institution encounters a lot of challenges from forecasting their procurement activities. Some of these challenges include; difficulty in integrating forecasting with modern ICT software, impossibility to factor in unique or unexpected events, lack of confidence, it could be a dangerous act and many others.

5.2 Conclusion

**Objective 1:** Determine some of the challenges that Stanbic Bank Ghana goes through in using forecasting as a tool for procurement.

The research was able to reveal some of the difficulties or challenges Stanbic Bank Ghana go through in using forecasting as a tool for procurement. Most of the findings were consistent with literature; therefore the researchers will like to conclude by stating that this objective was achieved.

**Objective 2:** Examine some of the areas of Stanbic Bank Ghana where forecasting is used as a tool for procurement.

The research was able to unveil some of the areas of Stanbic Bank Ghana where forecasting is used as a tool for procurement. Most of the findings were consistent with literature; therefore the researchers will like to conclude by stating that this objective was also achieved.

**Objective 3:** Determine some of the benefits that Stanbic Bank Ghana will derive from using forecasting as a tool for procurement.
The research was equally able to unveil some of the benefits or importance Stanbic Bank Ghana will derive from using forecasting as a tool for procurement. Once again most of the findings were consistent with literature; therefore the researchers will like to conclude by stating that this third objective was also achieved.

To conclude in totality, the researchers will like to state emphatically that all the objectives outlined for the research were achieved and most of the findings are also in consistence with existing literature.

5.3 Recommendations

Based on the findings of the study, the following recommendations are made.

The bank should regularly organise workshops, fora and seminars for its staff especially those who are involved with forecasting and procurement activities of the bank, so that gradually they will develop confidence in forecasting and also correct the erroneous impression some of them have that forecasting is a dangerous act.

It is the believe of the researcher that through regular organisation of seminars, workshops and fora by Stanbic height, the problems of seeing forecasting as a dangerous act and the problem of lack of confidence on the part of some of the respondents will all become a thing of the past..

Stanbic bank, Ghana should hire the services of information communication technology (ICT) experts who can help the bank to integrate some of their traditional practices associated with forecasting and procurement to some of the modern software’s used by the bank.

Additionally, it is also recommended that management of Stanbic bank Ghana should provide all the logistics that will help the workers involved in forecasting to do an effective work which will always reflect the reality on the ground.

Finally, motivation of various forms should be provided for the team involved in procurement and forecasting activities of Stanbic height so that they will be committed to give their best.
BIBLIOGRAPHY


