KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF OF COMMERCE (PROCUREMENT)

BMS 425: STRATEGIC PROCUREMENT MANAGEMENT

DATE: THURSDAY 23RD NOVEMBER 2017 TIME: 8.00 A.M. – 10.00 A.M.

INSTRUCTIONS

Answer Question ONE and any other TWO questions

Question 1 (30 marks)

A $130 million global specialty coating company with locations in Kenya, North America, Europe and Asia, engaged Source One management Services, LLC to assist anthem strategic sourcing of its indirect spend items. The organization was already operating with above average sourcing practices, and asked Source One to assist in areas where their internal resources were constrained. Collaborative and innovative approaches were required in each project category in order to obtain best-in-class total value in procurement. Initially, the two companies focused on LTL freight, small parcel, telecommunications, and packaging. "Like large enterprises, mid-size companies face continued rising prices, competitive and executive pressure to reduce costs, and regulatory pressure (Sarbanes-Oxley, for example) to improve visibility and control in their strategic scouring total spend and supply chains. Strategic sourcing improvements are now more than a priority; they're a necessity for survival.

a) From the above case discuss the importance of aligning procurement plans to the corporate overall strategic plant (10 marks)

b) Discuss some of the risks that procurement managers are exposed to thus promoting them to strategize as depicted from the case (10 marks)

c) If you were appointed as a procurement manager discuss what you would include in a comprehensive statement of procurement mission. (10 marks)

Question 2 (20 marks)

a) Discuss some of the core procurement strategies that you can adopt so as to make procurement department more productive (10 marks)

b) Discuss some of the distinct policies in line with supplier sourcing (10 marks)

Question 3 (20 marks)

a) Discuss some of the ways that procurement managers can use so as to align procurement to corporate strategies (10 marks)

b) Discuss the Kraljic product and service positioning matrix (10 marks)

Question 4 (20 marks)

a) Discuss some of the Strategic directions for managing category spends (10 marks)

b) Discuss some of the Best practices in supplier development and highlight the barriers involved in supplier development (10 marks)