



MONDAY: 1 August 2022. Afternoon paper.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.

SECTION A

QUESTION ONE

- (a) Distinguish between “e-commerce” and “e-procurement”. (4 marks)
- (b) Outline FIVE demerits of using manual processes in procurement functions. (5 marks)
- (c) Explain THREE barriers to the implementation of cross-border e-procurement solutions in an organisation. (6 marks)
- (d) Highlight FIVE technological and information risks an organisation exposes itself to by implementing online procurement system. (5 marks)

(Total: 20 marks)

SECTION B

QUESTION TWO

- (a) Identify FIVE strategic objectives that would be included in an e-procurement strategy of a public sector organisation. (10 marks)
- (b) Outline FIVE technological infrastructure that would signify an organisations readiness to implement e-procurement. (10 marks)

(Total: 20 marks)

QUESTION THREE

- (a) Highlight FIVE factors that an organisation should consider when selecting a vendor to provide procurement-to-pay (P2P) solutions. (10 marks)
- (b) Describe FIVE challenges an organisation is likely to face in implementing e-procurement system. (10 marks)

(Total: 20 marks)

SECTION C

QUESTION FOUR

Case study

LOOKU'S SUPPLIER PORTAL

In 2021, the sports apparel retailer Looku faced several new threats to its business. Margins were tightening, as competitors with lower cost production capabilities began posing a serious threat to the firm's private label business. The internet had become cluttered with Looku look-alike sites. The company Chief Executive Officer (CEO) Joseph Timmon was concerned and noted that they must reinvent their use of Information Technology (IT) to improve both their production capabilities and capacity and facilitate rapid and economical integration of Looku's anticipated acquisitions. Looku had to leverage its supply chain management expertise to outpace its competitors in an environment that was witnessing serious challenges in its key demographic markets-teenagers, young adults. Web-based enterprises and social media had added to the environmental complexity.

Looku's top management came to the conclusion that it needed to adjust its current business model in order to successfully address those challenges and thus it initiated the "Power2" program which consisted of two main elements: focus on integration activities and the need to develop a strong network of long term partners.

Joseph Timmon was well aware of the cliché that they need to do more with less, he knew that they had to go beyond that and find creative ways to cut operating costs so that they can invest more in product innovation, quality and sales growth. With procurement volume determining 75 to 80 percent of costs, procurement processes were a fertile ground from which rapid results could be realised.

Looku heavily depends on its supplier base of more than 500 key suppliers. In 2019, Looku had successfully implemented e-supply chain, at that time an innovative IT tool that facilitated communication and collaboration between Looku and its suppliers around the world, esupply chain, covered five phases of the procurement process. However, with rapid developments in IT, the platform has become obsolete. Interviews with various employees at Looku shows a mutual understanding that the esupply chain requires large investments or a replacement in the future and the need to extend its functionalities.

Looku's director of procurement, had previously worked in the telecommunication industry and therefore knew SupplyOn as the software service provider for the telecommunication industry. It was time to give them a call.

Required:

- (a) Propose FIVE e-procurement modules Looku should consider when designing the new supplier portal. (10 marks)
 - (b) Describe FIVE steps Looku would follow when developing the new supplier portal. (10 marks)
 - (c) Recommend FIVE measures Looku should put in place to ensure security of the new supplier portal. (10 marks)
 - (d) Evaluate the pros and cons of implementing the new supplier portal based on the software as a service model (Saas). (10 marks)
- (Total: 40 marks)**

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