

THURSDAY: 24 April 2025. Morning 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) Explain **FIVE** advantages of strategic sourcing in category management. (5 marks)
 - (b) Identify **FIVE** critical factors that procurement professionals should emphasise to drive continuous improvement in category management. (5 marks)
 - (c) Describe **FIVE** key attributes that define a well-structured and efficient category management approach. (5 marks)
 - (d) Highlight **FIVE** key activities in the contracting phase of strategic procurement. (5 marks)
- (Total: 20 marks)**

SECTION B

QUESTION TWO

- (a) Explain **FIVE** key factors to consider when analysing market trends to support business decision-making. (10 marks)
 - (b) Describe **FIVE** criteria organisations should assess when deciding between in-house production and outsourcing. (10 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Discuss **FIVE** best practices an organisation can adopt to enhance the effectiveness of category management. (10 marks)
 - (b) Describe **FIVE** business scenarios where an organisation may prioritise corporate social responsibility (CSR) initiatives. (10 marks)
- (Total: 20 marks)**

SECTION C

QUESTION FOUR

Read the case study below and answer the questions that follow.

WESTMAN LTD.

Westman Ltd. is a well-established private company with multiple strategic business units (SBUs) operating across different regions in the country. With over 2,000 employees spread across these SBUs, the company has grown significantly, requiring a more structured and efficient approach to its procurement processes.

Recognising the need for streamlined procurement operations, Westman Ltd.'s management recently made a strategic decision to decentralise procurement functions by establishing independent procurement units within each SBU. This shift aimed to enhance operational efficiency, improve responsiveness to local procurement needs and optimise cost management. However, this restructuring necessitated the recruitment of category managers to oversee procurement activities within their respective SBUs, ensuring that sourcing strategies aligned with the company's overall business objectives.

The newly appointed category managers were entrusted with critical responsibilities to drive procurement excellence. Their primary role was to conduct in-depth analyses of supply market dynamics, enabling informed decision-making in supplier selection and negotiation. They were also responsible for undertaking strategic acquisitions of various commodities or categories, ensuring cost efficiency and value for money while maintaining high procurement standards.

Category managers were expected to thoroughly plan and prepare category management strategies to ensure a structured and effective procurement process. This included evaluating supplier performance, monitoring procurement risks and implementing mitigation measures to safeguard the company's supply chain. Additionally, they were required to develop comprehensive sourcing plans and present them to stakeholders, ensuring alignment with organisational goals.

Beyond procurement, category managers played a crucial role in supplier relationship management. They were tasked with designing and executing supplier performance management programs, fostering joint improvement initiatives and building long-term strategic alliances and partnerships with key suppliers. These initiatives were essential in driving continuous improvement, innovation and cost savings within the procurement function.

(Disclaimer: This case study is solely for educational and examination purposes.)

Required:

- (a) Recommend **FIVE** strategies Westman Ltd. can implement to foster joint improvement initiatives with its suppliers and drive continuous innovation. (10 marks)
 - (b) Appraise **FIVE** competencies essential for Westman Ltd.'s category managers to succeed. (10 marks)
 - (c) Describe **FIVE** criteria that Westman Ltd.'s category managers should use to evaluate supplier performance. (10 marks)
 - (d) Assess the **FIVE** most significant risks that category managers should monitor and mitigate at Westman Ltd. (10 marks)
- (Total: 40 marks)**

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