

# CERTIFIED PROCUREMENT AND SUPPLY PROFESSIONAL (CPSP)

#### PART III

## STRATEGIC SUPPLY CHAIN MANAGEMENT



Time Allowed: 3 hours.

TUESDAY: 22 April 2025. Morning Paper.

Read the case study below and answer the questions that follow. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.

#### **SSW LIMITED**

SSW Limited stands as a paradigm of strategic supply chain mastery within the competitive wooden furniture market. Their ascent to industry leadership is not a matter of chance but the result of a deliberate and meticulously executed strategy centred on the seamless integration of their entire value chain. SSW Limited maintains unwavering control from the initial sourcing of raw materials to the final retail presentation, enabling it to respond with remarkable agility to the ever-shifting currents of consumer demand.

The company's foundation rests upon a world-class supply chain design that prioritises speed, efficiency and responsiveness. This is most evident in its vertical integration model, a cornerstone of its operational philosophy. SSW Limited gains unparalleled insight into market trends and customer preferences by overseeing every stage of production, from design and manufacturing to distribution and retail. This control allows for rapid product development and deployment, a critical advantage in a market driven by fleeting trends.

SSW Limited's commitment to excellence extends beyond internal operations to its strategic partnerships with seasoned saw millers. Through early supplier involvement and collaborative planning, it ensures a consistent and reliable supply of high-quality timber. This backward integration not only secures its raw material inputs but also fosters a culture of shared success and sustainable practices.

The company's agile production cycle is a testament to its operational flexibility. Designed to adapt swiftly to evolving market dynamics, this approach significantly reduces lead times, allowing SSW Limited to introduce new designs with remarkable frequency. Their strategic use of technology further amplifies this responsiveness. Advanced inventory management systems, powered by bar codes, RFID technology and AI-driven algorithms, provide real-time data and consumer behaviour insights. These insights enable SSW Limited to optimise stock levels, anticipate demand and ensure that the right products are available at the right time.

Moreover, SSW Limited's embrace of cloud-based platforms facilitates seamless collaboration with global suppliers, enhancing communication and coordination across their extended supply chain. This technological sophistication is complemented by a rigorous approach to cost management, employing activity-based costing to ensure financial efficiency and transparency.

Beyond operational excellence, SSW Limited demonstrates a profound commitment to sustainability and ethical practices. Their initiatives, which include utilising renewable timber sources, minimising chemical impact and enhancing ethical standards monitoring, reflect a deep-seated responsibility to both the environment and their stakeholders. Each new product release undergoes a thorough value analysis, scrutinising its environmental footprint. Furthermore, their strategic collaborations with supermarkets broaden their client base.

(Disclaimer: This case study is solely for educational and examination purposes and does not reflect the position of KISEB)

#### **OUESTION ONE**

- (a) Analyse **FIVE** ways market analysis would assist SSW Limited in managing supply-related risks. (10 marks)
- (b) Evaluate **FIVE** factors that SSW Limited might have considered when designing its robust supply chain network. (10 marks)
- (c) Explain **FIVE** potential challenges SSW Limited may face when expanding its product line or entering new markets.

(Total: 25 marks)

## **QUESTION TWO**

- (a) Examine **FIVE** strategic measures SSW Limited can adopt to enhance global sourcing operations. (10 marks)
- (b) Appraise **FIVE** ways early supplier involvement (ESI) may have enhanced SSW Limited's strategic supplier management. (10 marks)
- (c) Describe **FIVE** circumstances that may have compelled **SSW** Limited to adopt a forward integration strategy. (5 marks)

(Total: 25 marks)

# **QUESTION THREE**

- (a) Suggest **FIVE** key performance indicators (KPIs) SSW Limited will likely use to monitor its supply chain performance. (10 marks)
- (b) Evaluate **FIVE** ways SSW Limited's backward integration strategy with saw millers impacts its supply chain resilience and sustainability. (10 marks)
- (c) Identify **FIVE** steps the supply chain manager at SSW Limited should follow when conducting activity-based costing (ABC) (5 marks)

(Total: 25 marks)

# **QUESTION FOUR**

- (a) Explain **FIVE** ways SSW Limited has prepared for potential market disruptions that could significantly impact its supply chain. (10 marks)
- (b) Suggest **FIVE** distinctive indicators of agile supply chain operations at SSW Limited. (10 marks)
- (c) Discuss **FIVE** challenges likely to arise from SSW Limited's value chain analysis. (5 marks) (**Total: 25 marks**)

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