

**THURSDAY: 24 April 2025. Morning Paper.**

**Time Allowed: 3 hours.**

**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.**

**NATIONAL INSTITUTE FOR DISEASE RESEARCH (NIDR)**

The National Institute for Disease Research (NIDR) is a state corporation mandated by the Ministry of Health to conduct research on human diseases. Its responsibilities include national disease surveillance and rapid response to major outbreaks, such as the HN virus, yellow fever, influenza, Ebola and aflatoxicosis. However, concerns have emerged regarding NIDR's ability to effectively fulfil its mandate. The Ministry of Health and the government have raised alarms over the institution's failure to meet key objectives and agreed-upon performance targets.

Despite being operational for three years, NIDR continues to struggle with inefficiencies that hinder its ability to deliver on its mandate. Donor organisations, which have funded various research programs, have also expressed dissatisfaction, citing challenges in program implementation and failure to achieve expected outcomes.

Further scrutiny by the Auditor General has revealed significant financial mismanagement, with several research initiatives failing to take off and instances of procurement malpractice leading to substantial financial losses. These inefficiencies have negatively impacted NIDR's operational effectiveness, raising concerns about its credibility and the sustainability of its research efforts.

In light of these challenges, the Board Chairman emphasised the urgency of addressing the institution's supply chain management shortcomings during a recent meeting. The Chief Executive Officer (CEO) was tasked with engaging an external consultant to conduct a comprehensive assessment and provide strategic recommendations to enhance the institution's supply chain operations. Ms. Smart Supply Consultants Ltd., a leading supply chain consultancy firm, was contracted to undertake this critical evaluation.

Upon onboarding, the consulting firm conducted an initial diagnostic review and uncovered several systemic inefficiencies significantly hampering NIDR's performance. One of the primary challenges identified was the absence of a structured supply chain management framework. As a relatively young organisation, NIDR had not yet established an effective supply chain governance structure, leading to inconsistencies in procurement, inventory management and supplier relations. The lack of a clear operational framework created inefficiencies that exacerbated the institution's challenges.

Another critical issue was the inadequate staffing of the supply chain department. The existing personnel lacked the necessary professional qualifications and expertise to manage complex procurement and logistics operations, resulting in inefficiencies and non-compliance with procurement regulations.

Additionally, NIDR's procurement system was found to be largely manual and paper-based. This outdated approach significantly compromised efficiency, transparency and accountability. Manual procurement processes increased the risk of fraud, errors and service delivery delays, further impeding NIDR's ability to acquire essential research materials in a timely manner.

Compounding these challenges was the lack of professional training for procurement personnel and internal stakeholders involved in the procurement process. Limited exposure to modern procurement best practices and regulatory compliance contributed to inefficiencies and increased the risk of mismanagement. Furthermore, NIDR had not yet developed a supply chain policy manual to guide procurement practices as required by governing procurement laws. The absence of a well-defined policy framework left procurement activities vulnerable to inconsistencies, misinterpretation and possible legal and ethical violations.

The consultant's findings highlighted the direct impact of these inefficiencies on NIDR's overall performance. Ineffective procurement practices led to delays in acquiring critical research materials, misallocation of resources and loss of credibility among stakeholders.

To address these challenges, the consultant recommended a phased strategic intervention plan to transform NIDR's supply chain operations. Adherence to agreed-upon project implementation timelines would help rebuild trust and confidence in NIDR's operations.

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

#### QUESTION ONE

- (a) Analyse **FIVE** reasons why NIDR's management engaged an external consultant to review its supply chain operations. (10 marks)
  - (b) Identify **FIVE** supply chain risks the consultant might have encountered during the assessment. (5 marks)
  - (c) Using the SCOR model, describe **FIVE** performance metrics that the consultant would apply to evaluate the efficiency of NIDR's supply chain operations. (10 marks)
- (Total: 25 marks)**

#### QUESTION TWO

- (a) Propose **FIVE** strategic initiatives that Smart Supply Chain Consultancy Ltd. can implement to enhance its competitiveness in similar consultancy assignments. (10 marks)
  - (b) Examine **FIVE** critical value chain activities the consultant should undertake to ensure effective engagement execution. (10 marks)
  - (c) Analyse **FIVE** key Terms of Reference (TOR) components that would guide Smart Supply Chain Consultancy Ltd. during the consultancy assignment. (5 marks)
- (Total: 25 marks)**

#### QUESTION THREE

- (a) Recommend **FIVE** essential elements that Smart Supply Chain Consultancy Ltd. should include in its Request for Proposal (RFP) during bid preparation. (10 marks)
  - (b) Discuss **FIVE** strategic approaches Smart Supply Chain Consultancy Ltd. can adopt to address the supply chain challenges identified at NIDR. (5 marks)
  - (c) Determine **FIVE** qualitative data collection methods that the consultant can utilise to gather relevant information during the engagement. (10 marks)
- (Total: 25 marks)**

#### QUESTION FOUR

- (a) Evaluate **FIVE** possible approaches that NIDR can employ to assess the achievement of the set engagement objectives. (5 marks)
  - (b) Summarise **FIVE** potential causes of failure that the consultant should be cautious of during the assignment. (10 marks)
  - (c) Appraise **FIVE** emerging trends in supply chain management that the consultant should consider during the execution of the engagement. (10 marks)
- (Total: 25 marks)**
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