

UGANDA MARTYRS UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT

STRATEGIC PROCUREMENT MANAGEMENT
(SUPPLEMENTARY/ SPECIAL)

Examination

2013 - 2014

BAM III – NKOZI CAMPUS

Date: 05th / 08/ 2014

Time allowed: 3 hours

Instructions

1. Do not write anything on the question paper
 2. Question one is compulsory. Answer any other three questions
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Question one

- a) Explain the meaning of "Strategy" according to Mintzberg (10 marks)
- b) Distinguish between corporate strategy and purchasing strategy (3 marks)
- c) With examples, explain four purchasing policy issues that are crucial in an organization's effort to profile itself with external parties (12 Marks)

Question two

- a) What is meant by 'purchasing category strategy'? (2 marks)
- b) Using the product positioning matrix, explain the commodity strategies that need to be developed to achieve efficiency and effectiveness of the procurement function (23 marks)

Question three

- a) Explain the evolution approaches to strategic alliance (8 marks)
- b) Why might a company want to pursue a strategic alliance with some of its suppliers (9 marks)
- c) Identify four critical enabling factors for a successful alliance (8 marks)

Question four

- a) Explain the supplier integration process into a new product development at strategic level (12 marks)
- b) "The degree of responsibility transferred to the supplier during a new product development will determine the spectrum of supplier integration". Explain this statement (8 marks)
- c) How may a purchasing company identify potential suppliers to integrate into new product development? (5 marks).

Question five

"Strategic cost management processes are a critical part of any firm's overall competitive strategy, especially as more firms begin to compete as extended enterprises".

- a) Describe the concept 'strategic cost management' (5 marks)
- b) Identify the possible barriers faced by organizations while trying to manage costs strategically? Suggest possible solutions (12 marks)
- c) What are some of strategies that can be adopted in order to manage costs strategically? (8 marks)

Question six

Write short notes on any five (5) of the following: (5 marks each)

- a) Total cost of ownership
- b) Supplier development and early supplier involvement
- c) Value analysis and value engineering
- d) Cross-docking and electronic data interchange
- e) Corporate strategy and functional strategy
- f) Supply base optimization and consolidation of purchases

End of Question Paper