



ICM

MARCH 2017

PURCHASING STRATEGIES

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
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1. A vulnerability analysis is a key assessment tool for a purchasing manager to undertake. Explain what a **vulnerability analysis** is and review the main areas that should be assessed for vulnerabilities. [20]
 2. Organisations will often find themselves facing a monopoly supplier. Analyse the signs that indicate that a company might be facing a monopoly and review the strategies that could be adopted in response to the likely challenges faced. [20]
 3. Set out and review the upstream and downstream elements of the procurement cycle. Support your answer with a diagram of a procurement cycle. [20]
 4. Explain what a **Ten(d) to Zero programme** is and identify and review its key components. [20]
 5. Any purchasing function should be effective in carrying out its responsibilities. Analyse the approaches available to an organisation for measuring the effectiveness of a purchasing function. [20]
 6. Analyse the options available to a buyer to condition a seller. [20]
 7. Reverse marketing is a concept which organisations will often employ. Explain what **reverse marketing** is and analyse its significance to a purchaser. [20]
 8. Explain the approach that should be followed to undertake a market segmentation analysis. [20]