

**CIPS Level 6 – Professional Diploma in
Procurement and Supply
Module 1 – Strategic Ethical Leadership**

SAMPLE EXAM QUESTIONS

CONSTRUCTED RESPONSE QUESTIONS

Q1

Question: Analyse the roles of a manager and of a leader giving an explanation of the importance of this differentiation in organisations.

[25marks]

LO: 1
AC: 1.1

SAMPLE QUESTIONS

Q2 Short Scenario

A medium-sized company in the food sector has experienced an above average level of growth with industry averages over its ten-year history. It has expanded its operations into various sectors of the industry through a concentration on a collaborative approach in dealing with both suppliers and customers.

As the company has grown, it has added to its computer systems and other facilities on an incremental basis. The initial investment in computer hardware and software was made in collaboration with consultants, many subsequent purchases being made by user departments, sometimes latterly in association with a procurement manager who was employed five years ago to bring a professional approach to the activity. The Procurement Department has expanded its operations over that period and now employs three members of staff in addition to the procurement manager, two of whom joined the company in the past year.

A decision has recently been made to concentrate purchasing of computer equipment through the Procurement department, with user departments being allowed a restricted level of discretion over purchases and within a defined IT policy. At the same time, it has been decided to completely re-design the company's IT systems to take advantage of 'Cloud' and other recent technologies, so as to enable a wider sharing of information within the company, and with suppliers and customers on a selected basis. This is a major investment for the company in terms of finance, and will cause significant disruption to current systems during the implementation of the project. Senior management supports the development, but it involves a significant level of investment in a variety of resources and transformational change, involving activities that will challenge the competence and experience of relevant key employees.

Question: Contrast the challenges facing the organisation in the implementation of transformational change as opposed to incremental change.

[25marks]

LO: 2
AC: 2.3

Q3 Hillmans

Richard Baker is the CPO (chief purchasing officer) at Hillmans, a leading soft drinks company based in the UK. Over the last three years he has transformed the procurement function from a tactical team into a leading business-integrated function. This required a number of leadership skills, behaviours and techniques. Richard also attributes his success to recognising the importance of managing stakeholders.

To develop the expertise of his procurement team, Richard has also reorganised the procurement activities into categories of spend which meant some buyers had to change the procurement contracts they worked on. In the early stages this had an impact on negotiations as buyers developed new relationships with the suppliers they are now responsible for.

Category	Spend	Negotiation considerations
Flavouring ingredients	annual spend \$250,000	Purchased from flavour house specialists, low spend compared to their other customers
Commodity ingredients	annual spend \$200,000	Only 2 suppliers of sugar in UK, expensive to import
Preservative ingredients	annual spend \$150,000	Includes chemicals, usually procured through UK agents
Packaging	annual spend \$350,000	Wide range of local suppliers, easy to switch supply.

Question: The changes in roles and responsibilities and organisational processes at Hillmans may lead to increased conflict particularly with negotiations.

Discuss strategies and approaches for resolving conflict that Hillmans may apply.

[25 marks]

LO: 3
AC: 3.4

Q4

Question: Appraise the advantages for organisations of developing and implementing an equality and diversity policy throughout its global supply chain.

[25 marks]

LO: 4
AC: 4.1