Level 5  Advanced Diploma in Procurement and Supply

AD1 - Management in procurement and supply

EXAM EXEMPLAR QUESTIONS

CASE STUDY AND QUESTIONS
CASE STUDY - KOOL TOTS

Introduction
Kool Tots (KT) is a privately owned national provider of childcare services for children aged three months to four years old. It has grown since 1975 (from one nursery) into one of the best known brands in childcare with 200 sites across the country. The company has an annual turnover of $65 million and employs 2,500 staff, including a centralised purchasing function at head office.

A purchasing manager has been appointed at head office, who is responsible for making savings across the business and will focus on key areas of expenditure such as uniforms, maintenance, staff, computer systems and equipment, training, catering services and playground equipment. Already, the purchasing manager has recruited the new team members.

The New Purchasing Team
The new buyer, Brian, is an experienced and qualified purchaser who has worked across the public and private sectors for the last ten years. He needs to absorb quickly the information about the purchasing issues within KT. He is used to working independently on projects and previous colleagues have described him as ‘professional but quiet and he does not find it easy mixing with others.’

Alison and Mohammed are the two new purchasing assistants. Mohammed is an enthusiastic recruit who has taken up one of the purchasing assistant roles straight from college. He is keen to make an impression but lacks work experience, although he did hold a part time job at a local fast food outlet while at college. He is already enjoying working at KT and has made good friends with his new colleague Alison but has found it difficult to relate to Brian as they seem to have little in common.

Alison joined KT as a purchasing assistant after recently leaving school. She did quite well at school but wanted to earn her own money and gain a professional qualification while working. Alison is outward going and very direct in her approach to life and work. She is a hard worker and quick to learn and hence has a very inquisitive nature which has caused problems with Brian who likes to focus on his own work.

The Purchasing Manager’s Role
The chief executive officer (CEO) has requested that the purchasing manager needs to spend time finding out about the business as a whole to be able to contribute to the business plan which is to be re-written next year.

The CEO has asked the purchasing team to focus on the standardisation of purchasing procedures across KT. Currently, there are no recognised forms, (such as purchase orders and requisitions) each site decides on who can buy what items, specification development is ad-hoc and information technology (IT) systems focus on other functions besides purchasing.

The purchasing manager has been asked to secure national agreements for larger expenditure items and services. Currently, KT works with 3000 suppliers across the business which provides a diverse range of goods and services. There are currently no service level agreements in place and hence performance and quality varies from site to site.

The information in this case study is purely fictitious and has been prepared for assessment purposes only. Any resemblance to any organisation or person is purely coincidental.
QUESTIONS

Q1  Learning outcome: 1.0

Examine, using appropriate theories, the process of management that the purchasing manager at KT needs to follow to achieve the best results from the team.

(25 marks)

Q2  Learning outcome: 2.0

Evaluate, using appropriate theories, the main approaches to motivation that can be deployed by the purchasing manager at KT to address team problems and get the most out of the new team.

(25 marks)

Q3  Learning outcome: 3.0

(a) Identify the current stage of development the purchasing team at KT is at, using appropriate theory, and justify the reasons for your choice.

(10 marks)

(b) Propose actions that the purchasing manager can take to support the new members of staff to become an effective team.

(15 marks)

Q4  Learning outcome: 4.0

A few months later, due to inter-team conflict, Brian decides to leave the organisation and start up his own consultancy company.

(a) Justify an appropriate recruitment and selection plan that will ensure that the right person replaces Brian.

(15 marks)

(b) Explain the benefits of a successful recruitment and selection plan.

(10 marks)