



ZIMBABWE EZEKIEL GUTI UNIVERSITY

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FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

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DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT

EXAMINATION PAPER

**COURSE CODE** : CPS 406

**COURSE TITLE** : E-PURCHASING

**SPECIAL REQUIREMENTS** : NO SPECIAL REQUIREMENTS

**DURATION** : 3 Hours

**LEVEL** : 4:2

01 JUL 2022

**DATE** :

**INSTRUCTIONS TO CANDIDATES:**

1. No cell phones are allowed in the examination venue.
2. **QUESTION ONE IS COMPULSORY**
3. Answer **QUESTION ONE AND ANY THREE (3)** questions.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets [ ]
6. Use of practical examples where necessary is encouraged

## SECTION A

### QUESTION ONE

#### **E-Purchasing at work**

General Motors, as a truly representative U.S.-based automobile manufacturer, has several characteristics that make it a perfect fit for e-procurement and a great example of how e-procurement is reshaping U.S. manufacturing. First, GM is the major part of a large supply chain. The scope of this supply chain and the role of GM in it is reflected in its annual \$63 billion procurement expense. The cost savings associated with e-procurement will be immense. Second, GM's ability to push adoption of e-procurement by every link of its supply chain raises the volume of sales through its e-procurement system up to \$300 billion-\$500 billion per year. This will undoubtedly generate further cost savings associated with purchasing across the whole supply chain. Finally, GM, perhaps because of its familiarity with the benefits of electronic data interchange with its suppliers and its dominant position in the supply chain, was one of the early adopters of e-procurement.

#### **Evolution of E-Procurement at General Motors**

Describing the evolution of B2B e-commerce practices at GM is difficult; it has been more of a revolution than a steady, step-by-step development. Perhaps because of the lack of experience in this new area, the "e-procurement division" of the company was often growing beyond its development plans before they were actually implemented. General Motors started seriously pursuing the idea of e-procurement in 1999, when its technology partners, i2 Technologies and Commerce One, started creating a B2B trading community dubbed TradeXchange. i2 Technologies of Irving, Texas, an advance planning software vendor, signed a memorandum of understanding with GM specifying that it would provide supply chain management services and business process expertise. i2 also agreed to provide the components of its Rhythm suite to GM and GM's suppliers. Commerce One of Walnut Creek, California, an ecommerce software vendor, was supposed to lead the TradeXchange project. Through the realization of this project, GM together with its Japanese affiliates Isuzu and Suzuki was in a position to gain significant benefits associated with e-procurement. However, soon the opportunity arose to push the expectations of eprocurement even higher. On February 25, 2000, General Motors Corp., Ford Motor Co., and DaimlerChrysler AG announced they were beginning to work together to create a single Internet-based procurement network. Oracle of Redwood City, California, a database concern and the developer of Ford's B2B marketplace AutoXchange, was chosen to be a key technology

provider to the new venture, along with Commerce One. The companies' intention behind joining forces in e-procurement was to use their dominance in the industrywide supply chain to lead, control, and benefit from recent and further technological advancements through a single online trading community.

**Adapted:** <https://economia.uniroma2.it/master-science/ba/corso/asset/YTo0OntzOjI6ImlkljtzOjQ6IjEzMDQiO3M6MzoiaWRhIjtzOjU6IjQyMDg2IjtzOjI6ImVtIjtOO3M6MToiYyI7czo1OiJjZmNkMiI7fQ==>

- (a) What are the critical factors in implementing e-purchasing? **(10 Marks)**
- (b) What does General Motors need to look up for in the future of their operations after the adoption of e-purchasing? **(8 Marks)**
- (c) How is General Motors going to integrate with the external stakeholders to ensure organisational performance? **(7 Marks)**

## SECTION B

### QUESTION TWO

Explore the influence of key internal and external stakeholders on the success of the implementation of e-purchasing in organisations in third world countries.

**(25 Marks)**

### QUESTION THREE

- (a) Analyse the impact of e-purchasing in business logistics operations **(10 Marks)**
- (b) What are the major benefits that the organisation will receive by using e-purchasing? **(15 Marks)**

### QUESTION FOUR

Illustrate how e-purchasing plays a role in the following stages of the procurement process:

- (a) Procurement planning **(5 Marks)**
- (b) Defining requirements **(5 Marks)**
- (c) Supplier evaluation and selection **(5 Marks)**
- (d) Contract awarding **(5 Marks)**

(e) Contract management

(5 Marks)

**QUESTION FIVE**

Evaluate the barriers to implementing e-purchasing in Zimbabwe.

(25 Marks)

**END**