



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP

EXAMINATION PAPER

COURSE CODE : CPS 406
COURSE TITLE : E-PURCHASING
SPECIAL REQUIREMENTS : NO SPECIAL REQUIREMENTS
DURATION : 3 Hours
LEVEL : 4:2
DATE : 1.1 OCT 2023

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

QUESTION ONE

CASE STUDY

Once a company decides that eProcurement is a path that should be followed, the next challenge is how to achieve its objective. One method is to buy the right hardware and software, set it up, conduct training and announce to its suppliers and the rest of the world that the company is 'e-ready'. This success of the approach rests heavily on the rest of the world and the company's current suppliers, who also need to be willing to do 'e-business'. However, there could be a better approach. The first step toward implementing an eProcurement solution is to introduce the paradigm change in process- change the purchasing organization of the company from a buying function to a procurement process. This new approach allows for the inclusion of the total costs of acquisition in source selection. To ensure success in eProcurement, it is important to ensure that the selected supplier is willing and also capable to participate in technology innovations - this should be a prime vendor selection criterion. The next step is supplier rationalization - a planned approach to selectively lower the number of suppliers with whom the company does business. Reducing the supplier base will help in managing the strategy and vastly improve the chances of having a successful eProcurement implementation. The first approach involves identifying key suppliers based on their performance. Every business has unique characteristics, and well-designed performance metrics should reflect this; however, there are some basic items everyone needs to measure. These include product reject rates, on-time delivery performance, completeness of orders and paperwork accuracy. Minimum standards for qualifying suppliers should be set, communicated and enforced. The second approach in supplier rationalization is commodity contracting or aggregating your spending. The organization must ask if it really adds value to have more than one, or at most two, suppliers for things like office or janitorial supplies. The whole MRO (maintenance, repair and operations) category could be contracted out to a single source, if it makes sense. Some companies have chosen this route. However, a detailed spend analysis needs to be conducted, if outsourcing is the chosen way.

As alluded by the case study above, outline any five factors to consider when establishing an effective eProcurement strategy.

[25 marks]

QUESTION TWO

- a) Briefly define the term E-commerce and explain how it aids to an effective e-procurement system in an organisation. **[10 marks]**
- b) E-commerce integrated supply chain system are prone to e-commerce related threats. Discuss these threats and suggest possible mitigation strategies. **[15 marks]**

QUESTION THREE

Explain the role of any five key stakeholders to specification writing and the contributions of each of them. **[25 marks]**

QUESTION FOUR

Outline any five ethical behaviours expected of a procurement professionals. **[25 marks]**

QUESTION FIVE

Due to Covid-19 most governments posed minimum interaction amongst procurement professionals and various stakeholders. Advise ZEGU Procurement Department on any five forms of technology they may embrace to foster minimum physical interactions. **[25 marks]**

END