



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND  
ECONOMICS

DEPARTMENT OF ECONOMICS, MARKETING, AND ENTREPRENEURSHIP  
EXAMINATION PAPER

COURSE CODE : CPS 425  
COURSE TITLE : Strategic Purchasing  
SPECIAL REQUIREMENTS : None  
DURATION : 3 Hours  
LEVEL : 4.2  
DATE : 09 APR 2024

**INSTRUCTIONS TO CANDIDATES:**

1. No cell phones are allowed in the examination venue
2. Use of silent, non-programmable calculators is allowed
3. Answer **ALL** questions in Section A and any **THREE** (3) questions in Section B.
4. The number of marks for each question or part question is shown in brackets [ ]
5. Begin each answer on a new page.
6. **DO NOT OPEN THIS PAPER UNTIL THE INVIGILATOR INSTRUCTS YOU.**

## SECTION A

### CASE STUDY

Supply chain professionals at Nestlé play a critical role in ensuring quality products reach our customers and consumers. To achieve this, we collaborate with the commercial teams to develop the demand forecast, and with our suppliers around the world to ensure responsibly sourced materials. In alignment with operations, we balance inventory levels to establish the right supply of our products. Once produced, supply chain is responsible for safely storing and transporting our products to meet our customers' and consumers' needs in-full and on-time. We are an aligned, agile, and adaptable organization that is committed to delivering results, not only within supply chain, but also in support of overall business priorities. Supply chain professionals can take many different paths in building a rewarding career at Nestlé. Whether you join us in Demand and supply planning, Procurement, Physical logistics or Customer service, you'll help us gain a real competitive edge by bringing us closer to our customers and making sure our products are available at the right time in the best condition. With the large scope of opportunities at Nestlé, you have the ability to change roles and locations, even globally. As strategic partner of the business, our procurement team helps the company achieve sustainable growth. Procurement professionals at Nestlé, ensure responsibly-sourced supply and create value. Located in hubs in Switzerland, Panama and Malaysia, the division provides a range of services, including the management of procurement for specific raw materials, packaging, indirect materials and other services. The hubs also support markets with managing local spend. For you, that will mean the opportunity to become a real strategic partner – delivering sustainable value and working with the business, for the business.

### QUESTION ONE

Discuss at least five major factors that has enabled NESTLÉ to have a strong customer's satisfaction policy.

**[25 Marks]**

## SECTION B

### QUESTION 2

(a) Write brief notes on the following concepts:

(i) Single sourcing

[5Marks]

(ii) Multi-sourcing

[5Marks]

(b) Assess the assertion that, "Single sourcing is now the thing of the past as compared to multi-sourcing strategies giving relevant examples [15Marks]

### QUESTION 3

Examine the detailed process of aligning functional strategies to corporate strategies

[25Marks]

### QUESTION 4

With the aid of examples, discuss **five** strategies that are often used by international purchasers when procuring high value items

[25Marks]

### QUESTION 5

Evaluate the factors that a firm need to consider when opening a foreign market, giving relevant examples.

[25Marks]