



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

Department of Management Science

DEPARTMENT OF BUSINESS STUDIES

END OF SEMESTER EXAMS FOR BACHELOR OF COMMERCE

BPC 4404: MEASURING SUPPLY CHAIN PERFORMANCE

CLASS: YEAR FOUR SEMESTER ONE

AUGUST 2019

TIME: 2 HOURS

INSTRUCTIONS:

- Answer question **ONE (Compulsory)** and any other **TWO** questions.
- Marks are allocated and the end of each question

This paper consists of THREE printed pages.

QUESTION ONE (30 MARKS)

ME “IS” US

ME “IS” US has implemented a WebFocus performance Management Framework (PMF) to meet its purchasing reporting performance objectives. Strategies objectives and related performance indicators have been defined, and recorded, then summarized and made accessible via a web-based score card.

With the new purchasing reporting infrastructure in place, ME “IS” US business units can increase purchasing efficiencies, uncover consolidation opportunities and better measure performance through improved transparency into related processes.

In light of the above, answer the following questions:

- a) Using an appropriate framework, explain to the management of ME “IS” US the process that they should follow in carrying out performance evaluation in procurement. (12 marks)

- b) Explain to the Procurement Manager of ME “IS” US the importance of broad based participation when measuring and evaluating purchasing performance. (12 marks)

- c) Advise the Procurement Manager of ME “IS” US on the various options for communicating the purchasing performance measurement and evaluation results. (6 Marks)

QUESTION TWO (20 Marks)

- a) Each company will choose those measures that are most appropriate to its requirements, focusing on those areas where improvement is needed most. With clearly articulated examples, discuss the qualities of good performance measures. (8 marks)

- b) For every organization, targets are the essence of improving performance. Clearly explain the basis for setting targets and discuss the various types of targets that can be set by a firms purchasing and supply’s function. (12 marks)

QUESTION THREE (20 Marks)

- a) Explain how the portfolio approach can be used in assessing the purchasing areas during procurement performance measurement and evaluation. (12 marks)
- b) Explain why it is important to be able to measure events and conditions that have an effect on purchasing and supply performance. (8 Marks)

QUESTION FOUR (20 Marks)

- a) The quality of each and every performance measure will clearly depend on the accuracy of the data on which it is based and yet, the data required for calculating performance measures is rarely 100%. Explain the various problems that can lead to inaccuracy of the collected data. (10 marks)
- b) With examples, explain the factors that will determine the appropriate frequency for collecting measurement data in purchasing and supply. (10 marks)

QUESTION FIVE (20 Marks)

- a) Explain the concept of “benchmarking” as used in procurement performance management. (10 marks)
- b) With a well-articulated example, discuss how the SCOR Model is used in measuring supply chain performance. (10 Marks)

“WISHING YOU THE BEST OF LUCK”