



# MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FOURTH YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR  
BACHELOR OF COMMERCE (PROCUREMENT AND SUPPLY CHAIN  
MANAGEMENT OPTION)

BMS 423: SUPPLIER RELATIONSHIP MANAGEMENT

DATE:

TIME:

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## INSTRUCTIONS

- Cheating is highly discouraged
- Attempt Question one which is compulsory and then choose two other questions of your choice.
- In case of an examination irregularity, the MksU examination policy shall be applied.

## QUESTION ONE:

### Shilohtec Company Limited

Shilohtec Company Limited is among many enterprises in the world that are for the opinion that in-house provision of requirements can, in absence of the requisite expertise, experience major challenges. Complex and fragmented operations often lead to operational inefficiencies, lack of clarity on service targets, delayed turnaround, etc. it can therefore be concluded that, Partnering with a service provider with strong expertise in full-scale procurement outsourcing is the key. This will result in operational efficiencies across categories and dramatically improved

performance measured against clear targets. The company however noted with great disappointment that some partnerships don't seem to yield good results as anticipated. Partnerships are often characterised with unending conflicts, costly legal suits, complacency in performance and even others have partnered with the wrong service providers hence consuming money, resources and time that they do not deserve. Shiloh Tec is now confused not knowing what exactly to do to have the most of its partnerships and to leverage the extended benefits of procurement outsourcing.

**Required:**

- a) In reference to the supplier preferencing model, describe how Shilohtec can analyse its supplier portfolio effectively before partnering (12 marks)
- b) Discuss the steps that Shiohtec should follow to grow their relationships with the service providers. (6 marks)
- c) Explain the possible causes of conflict with shilohtec and its service providers (6 marks)
- d) Explain the ways in which Shilohtec can apply technology in building buyer supplier relationships (6 marks)

**QUESTION TWO:**

- a) Purchasing- supplier relationship may involve the integration of purchasing professionals and firm's key suppliers in the firm's decision-making process with respect to sourcing. Discuss the dangers of this approach. (12 marks)
- b) Based on buyer and supplier specific investments Bensaou identifies 4 types of buyer-supplier relations. Explain these relationships. (8 marks)

**QUESTION THREE:**

- a) You have been engaged by Triphart Enterprises to evaluate the success of their buyer-supplier relationships. Discuss the factors to consider during the evaluation. (10 marks)
- b) In consideration of factors related to power and dependence among buyers and suppliers according to Cox, highlight the characteristics of an independence scenario.(10 marks)

**QUESTION FOUR:**

- a) As a supply chain expert, describe how you can use the Cox Model to enhance deteriorating relationships between a buying organization and its suppliers.(10 marks)

- b) One of the objectives of buyer- supplier relationship is to ensure that termination of the relationships is done amicably. Describe a procedure that may be followed to achieve this goal. (10 marks)

**QUESTION FIVE (20 MARKS)**

- a) To ensure a well maintained supplier-buyer relationship in the long-term, there is need to adhere to ethical principles. Discuss the ethical issues affecting suppliers and how to handle them. (10 marks)
- b) Mkabwa Company has faced a lot of failed buyer – supplier relationships since its incorporation. This has adversely affected on their image and profitability. Discuss the strategies that the company may adopt to correct the trend. (10 marks)

