

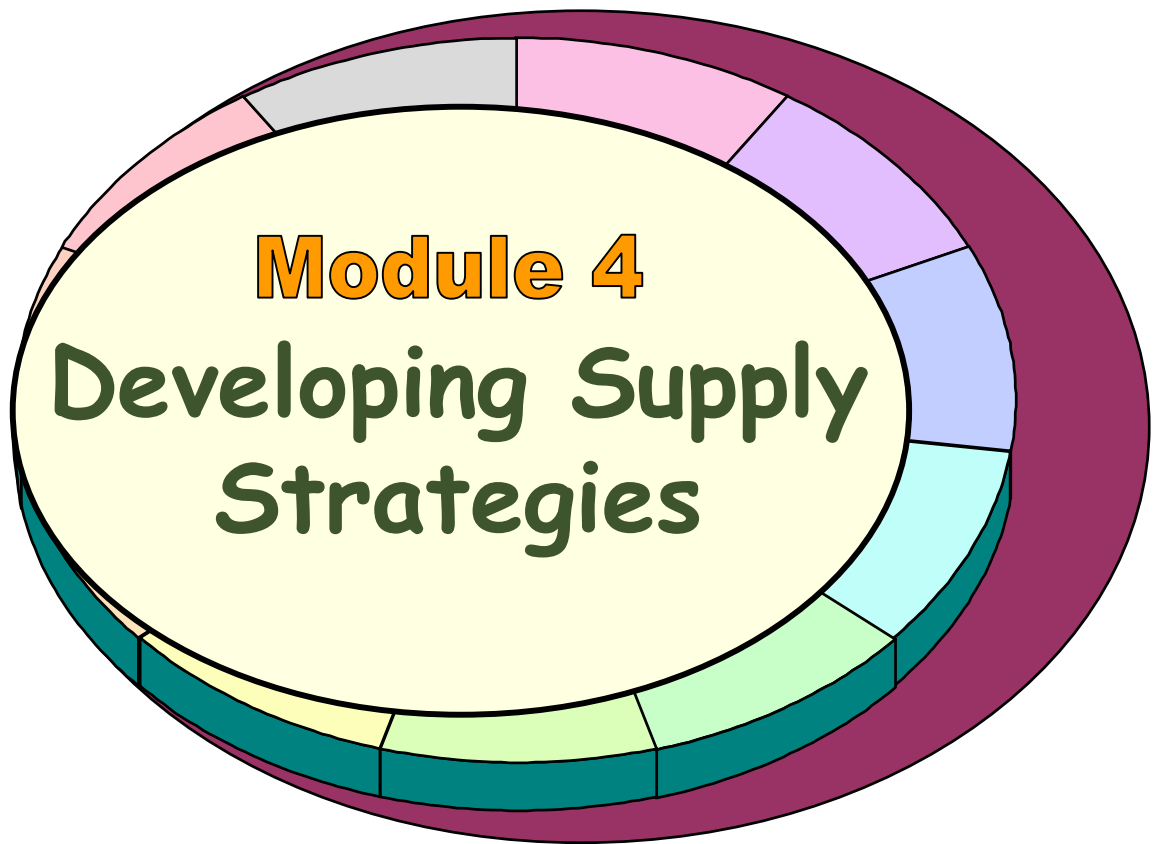


**International Trade Centre**

UNCTAD/WTO

**Sample Pages**

**International Purchasing & Supply Management  
Modular Learning System**



**Workbook**

**"Buying into competitiveness"**

<b>Unit 1</b> Introduction	<b>Unit 2</b> Framework for Supply Strategy	<b>Unit 3</b> Relationships & Contracts	<b>Unit 4</b> Routine Items	<b>Unit 5</b> Leverage Items	<b>Unit 6</b> Bottleneck Items	<b>Unit 7</b> Critical Items	<b>Unit 8</b> Commodities
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## Unit 2

# A Framework for Supply Strategy

### *Action Point*

2.2-1



#### **Positioning purchases**

Without conducting any analysis, use your judgement to write down two examples of products or services purchased by your company for each of the four quadrants.

**Routine purchases** (characterised by standard requirements, many suppliers, weak bargaining position)

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**Leverage purchases** (characterised by standard requirements, many suppliers, and a relatively strong bargaining position)

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**Bottleneck purchase** (characterised by few suppliers, a weak bargaining position, and often – though not always – a non-standard requirement)

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**Critical purchase** (characterised by few suppliers, a relatively strong bargaining position, and often – though not always – a non-standard requirement)

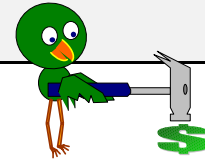
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*Action Point*

2.2-2

**Moving towards the leverage quadrant**

Think of one example each of purchases that you currently carry out, and that you judge to be in the routine, bottleneck and critical quadrants. Write down below how you could increase the expenditure offered to suppliers, or reduce the risk, or both.

Routine item: \_\_\_\_\_

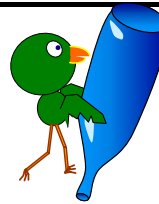


Ways to increase expenditure and/or reduce risk:

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Bottleneck item: \_\_\_\_\_

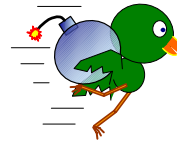


Ways to increase expenditure and/or reduce risk:

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Critical item: \_\_\_\_\_



Ways to increase expenditure and/or reduce risk:

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## Unit 2: Learning Check

Following, is a self-assessment exercise that you can use to verify your knowledge of the concepts covered in this *Unit*. Answer the following questions without looking back at the text you have read. Once you have completed this, compare your answers to the text and to those in the Module *Answerbook*. Tick the boxes when you have answered correctly.

1. Corporate strategy involves looking at issues such as:

- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_

2. Four main areas covered by supply objectives are:

- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_

3. The *Supply Positioning Model* takes account of the following factors:

- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_

4. The *Supply Positioning Model* can guide you in:

- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_

5. Routine items are characterised by:	
◆ _____	<input type="checkbox"/>
◆ _____	<input type="checkbox"/>
6. Routine items are characterised by:	
◆ _____	<input type="checkbox"/>
◆ _____	<input type="checkbox"/>
7. Bottleneck items are characterised by:	
◆ _____	<input type="checkbox"/>
◆ _____	<input type="checkbox"/>
8. Critical items are characterised by:	
◆ _____	<input type="checkbox"/>
◆ _____	<input type="checkbox"/>
9. The overriding objective of your supply strategy is to increase leverage by:	
◆ _____	<input type="checkbox"/>
◆ _____	<input type="checkbox"/>
10. You can increase expenditure on an item by:	
◆ _____	<input type="checkbox"/>
◆ _____	<input type="checkbox"/>
◆ _____	<input type="checkbox"/>
11. Supply risk can be reduced by:	
◆ _____	<input type="checkbox"/>
◆ _____	<input type="checkbox"/>
◆ _____	<input type="checkbox"/>

12. Which are two disadvantages of buying from multiple supply markets?:

- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_
- ◆ \_\_\_\_\_