



**STRATHMORE BUSINESS SCHOOL**  
**BACHELOR OF SCIENCE IN SUPPLY CHAIN & OPERATIONS MANAGEMENT**  
**END OF SEMESTER EXAMINATION**  
**SCM 2104: CATEGORY MANAGEMENT**

**DATE:** Tue, 23<sup>rd</sup> July 2024

**TIME:** 10:30 – 12:30

**Instructions:**

1. This examination consists of **FIVE** questions.
2. Answer Question **ONE (COMPULSORY)** and any other **TWO** questions.

**QUESTION ONE**

**(30 MARKS)**

**Case study: Category management initiative**

Marashi Consumer Limited (MCL) is a multinational corporation operating in the consumer goods industry. With a wide range of goods in its portfolio, from cleaning supplies for the home to personal hygiene products, MCL understands that to be competitive in the market, it must streamline its procurement procedures. To better control its procurement cost and support strategic sourcing objectives, the firm chooses to put a category management approach into practice.

The procurement team at MCL starts by thoroughly examining its spend data to identify the most important procurement categories. The team decides to start implementing category management tactics with the "Packaging Materials" category after prioritizing categories based on expenditure volume and strategic value. Bottles, labels, and packing boxes are examples of the packaging materials that make up a large amount of MCL's procurement expenses and are essential in product presentation and brand identity.

Read the above case study and respond to the following questions: -

- a) Explain **TWO** factors that procurement team considered when identifying and prioritizing the "Packaging Materials" category for category management initiatives? **(4 marks)**
- b) Discuss **FOUR** main objectives of implementing category management at Marashi Consumer Limited (MCL). **(8 marks)**

c) Illustrate which quadrant in the Kraljic matrix “Packaging Materials” in MCL belongs highlighting on strategy adopted in this quadrant. Justify your answer. **(8 marks)**

d) Examine the process that might be used by the procurement team as they implement the category management approach in MCL. **(10 marks)**

**QUESTION TWO (20 MARKS)**

a) Describe **FIVE** categories of data that within an organization could be valuable in developing predictive insights within a specific category using internal organisation data. **(10 marks)**

b) You have been invited to a category management forum organised by the Kenya Association of Manufacturers specifically for procurement professional in the manufacturing sector. Advise the professionals present **FIVE** factors that guarantee a successful category management process in their organisations. **(10 marks)**

**QUESTION THREE (20 MARKS)**

a) In the midst of spearheading category management for your organization's procurement arm, you find yourself delving into market analysis. Explain **TWO** analytical tools capable of providing comprehensive insights into the supply market landscape. **(4 marks)**

b) Discuss **FOUR** approaches for managing resistance to change when implementing category management strategies, as outlined by Kotter and Schlesinger. **(8 marks)**

c) Explain **FOUR** key performance management duties of a category manager aimed at ensuring the successful implementation of planned enhancements through the category management process. **(8 marks)**

**QUESTION FOUR (20 MARKS)**

a) Explain **TWO** ways through which a category manager can obtain financial information regarding potential suppliers during the category management process. **(4 marks)**

b) Within organizations, teams are often assembled from various departments to spearhead strategic sourcing and category management initiatives. Identify **THREE** key members of this cross-functional team and outline their respective roles. **(6 marks)**

c) Draw the opportunity analysis highlighting how it is used to prioritize categorization efforts to the most promising areas. **(10 marks)**

**QUESTION FIVE****(20 MARKS)**

- a) Outline **FOUR** strategies that a category manager can employ to obtain buy-in from key stakeholders for successful category management implementation. **(4 marks)**
- b) Discuss **FOUR** methods utilized to identify appropriate suppliers within the supply market in category management. **(8 marks)**
- c) Kerubo is a marketing category manager in the hospitality industry. She is practicing strategic sourcing while implementing category management. Describe the **FOUR** main elements of strategic sourcing being practised by Kerubo. **(8 marks)**