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QUESTION & ANSWER



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Exam : **L4M6**

Title : **Supplier Relationships**

Version : **DEMO**

1.Which of the following is a stage in the relationship lifecycle?

- A. Decline
- B. Graduation
- C. Measuring
- D. Testing

Answer: A

Explanation:

The relationship lifecycle typically involves phases such as initiation, development, maturity, and decline. Decline is the final stage where the relationship's effectiveness diminishes, necessitating review or termination. This aligns with CIPS guidelines, which emphasize monitoring and evaluating relationships over time to identify when changes or termination are required.

2.Which of the following are typical drivers for a partnership between the buyer and the supplier? Select the THREE that apply.

- A. The buyer has a high spend with the supplier
- B. There are many suppliers in the market
- C. The product is critical for the buyer
- D. The product is a commodity
- E. The product is technically complex
- F. The supplier provides the product to a buyer's competitor

Answer: A, C, E

Explanation:

Drivers for partnership include a high spend with the supplier, criticality of the product, and technical complexity. These factors encourage collaboration for cost efficiency, quality improvement, and risk management. Partnerships are less likely when there are many suppliers or the product is a commodity, as competition and standardization reduce the need for close collaboration.

3.Which of the following options are legitimate reasons for terminating a contract? Select TWO that apply.

- A. You ordered 10,000 items instead of 1,000
- B. One of the contracted parties has clearly failed to perform its duties
- C. There has been a serious breach of contract terms
- D. Your internal stakeholder requested the wrong items
- E. Your MRP system placed a replenishment order that you do not need

Answer: B, C

Explanation:

Legitimate reasons for contract termination under CIPS guidelines include failure to perform duties and serious breaches of contract terms. Ordering errors or changes in stakeholder needs are not valid termination grounds unless explicitly stated in the contract. This protects both parties from unjustified termination risks.

4.Products or services that are more suitable for partnership sourcing match which of the following criteria?

- A. 1 and 2 only

- B. 2 and 3 only
- C. 1 and 3 only
- D. 2 and 4 only

Answer: A

Explanation:

Partnership sourcing is suitable for products that contribute to the buying organization's unique selling point (USP) and for critical products on which key customers depend. This approach ensures strategic alignment and mutual benefits for both parties, focusing on collaboration rather than cost alone.

5.A partnership relationship in portfolio analysis is appropriate for which category of procurement?

- A. Strategic security
- B. Tactical profit
- C. Tactical acquisition
- D. Strategic critical

Answer: D

Explanation:

Partnership relationships are typically used for strategic critical items where the product is essential to operations, and the supplier's input significantly impacts success. These relationships are nurtured through mutual trust and collaboration to mitigate supply risk and ensure long-term value.