

# Free Questions for **CTSC**

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## Question 1

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**Question Type:** MultipleChoice

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Which of the following strategies deals with making a shift from traditional ways of operating to ways that make extensive use of data, technology, and business models in innovative ways?

**Options:**

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- A- Integrated business planning
- B- Supply chain analytics
- C- Supply chain optimization (SCO)
- D- Digital supply chain transformation

**Answer:**

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D

## Question 2

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**Question Type:** MultipleChoice

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A consultant is working with a company that wants to stand out in the market. The company wants to know what type of strategy would help them offer unique products or services. Which of the following strategy types should the consultant suggest they adopt?

### Options:

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- A- Differentiation strategy
- B- Cost leadership strategy
- C- Focus strategy
- D- Integrated strategy

### Answer:

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A

### Explanation:

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a differentiation strategy is the approach businesses use to attract and keep customers by giving them a unique product or service<sup>123</sup>. The main goal of this strategy is to attain a competitive advantage by offering something that is different and distinct from the competitors in the same market<sup>123</sup>. A differentiation strategy can help a company to reduce price competition, increase customer loyalty, and improve profit margins<sup>1</sup>. Some examples of companies that use a differentiation strategy are Apple, Starbucks, and Tesla<sup>23</sup>. Therefore, a differentiation strategy would help the company to stand out in the market by offering unique products or services.

## Question 3

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**Question Type:** MultipleChoice

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The primary role of the governance pillar in the Environmental, Social, and Governance (ESG) framework is to ensure that:

**Options:**

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- A- the company operates in an environmentally responsible manner.
- B- the company operates in a socially responsible manner.
- C- the company is managed in a responsible and ethical manner.
- D- the company is managed in an economically responsible and profitable manner.

**Answer:**

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C

## Question 4

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**Question Type: MultipleChoice**

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Organizational roles and responsibilities should focus on which of the following areas to clarify who is responsible and accountable for each supply chain activity after the transformation initiative is complete?

**Options:**

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- A- Sales, accounting, and engineering
- B- Sales, product management, and product development
- C- Product management, product development, and quality
- D- Sales, operations, and logistics

**Answer:**

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D

**Explanation:**

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According to the ASCM, one of the key steps in supply chain transformation is to define the organizational roles and responsibilities for each supply chain activity, and to ensure that they are aligned with the business strategy and customer expectations<sup>1</sup>. The ASCM also suggests that the supply chain activities can be grouped into three main categories: sales, operations, and logistics<sup>2</sup>. These categories reflect the core functions of the supply chain, from planning and executing the demand and supply, to delivering the products and

services to the customers<sup>2</sup>. Therefore, organizational roles and responsibilities should focus on these three areas to clarify who is responsible and accountable for each supply chain activity after the transformation initiative is complete. Some examples of the roles and responsibilities in each area are:

**Sales:** Responsible for generating and managing the customer demand, forecasting the sales volume, and ensuring customer satisfaction and loyalty. Examples of roles are sales manager, account manager, customer service representative, and demand planner<sup>2</sup>.

**Operations:** Responsible for producing and sourcing the products and services, managing the inventory and quality, and optimizing the cost and efficiency. Examples of roles are operations manager, production manager, procurement manager, and quality manager<sup>2</sup>.

**Logistics:** Responsible for transporting and distributing the products and services, coordinating with the suppliers and carriers, and ensuring the delivery speed and reliability. Examples of roles are logistics manager, warehouse manager, transportation manager, and distribution manager<sup>2</sup>.

## Question 5

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**Question Type:** MultipleChoice

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A comprehensive supply chain transformation action plan is mainly focused on which of the following outcomes?

**Options:**

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- A-** Supply chain strategy being integrated with the business strategy to achieve top and bottom line improvements
- B-** Traditional metrics around supply chain performance being well developed across the organization
- C-** Perfect order targets being met while inventory levels always remain desirable
- D-** Best practices around Plan, Source, Transform, and Fulfill processes being part of daily business operations

**Answer:**

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A

**Explanation:**

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According to the ASCM, a comprehensive supply chain transformation action plan is a roadmap that guides the organization to align its supply chain strategy with its business strategy, and to achieve higher performance, efficiency, and sustainability in its supply chain operations<sup>1</sup>. The main outcome of such a plan is to enable the organization to deliver better value to its customers and stakeholders, and to improve its top and bottom line results<sup>1</sup>. Some of the steps involved in creating a supply chain transformation action plan are:

Assessing the current state of the supply chain and identifying the gaps and opportunities for improvement

Defining the future state of the supply chain and setting the vision, goals, and objectives

Developing the business case for change and securing the buy-in and support from the senior management and cross-functional teams

Selecting the best practices, methodologies, and technologies to implement the change and optimize the supply chain processes

Executing the change and monitoring the progress and results<sup>1</sup>

The other options are not the main focus of a comprehensive supply chain transformation action plan, but rather some of the aspects or outcomes of the plan. For example, traditional metrics around supply chain performance are important to measure the current state and the improvement potential, but they may not capture the strategic value and impact of the supply chain transformation<sup>2</sup>. Perfect order targets and inventory levels are some of the operational goals that the plan may aim to achieve, but they are not the ultimate outcome of the plan<sup>3</sup>. Best practices around Plan, Source, Transform, and Fulfill processes are some of the tools and methods that the plan may use to optimize the supply chain operations, but they are not the purpose of the plan<sup>4</sup>. Therefore, the most accurate answer is A.

## Question 6

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**Question Type: MultipleChoice**

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A company receives customer complaints that their inquiries are being forwarded multiple times to different departments, but customers still could not reach the right department for resolution. What

is the most appropriate activity to identify the gap?

**Options:**

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**A-** Conduct benchmarking.

**B-** Select different metrics.



**C-** Establish a collaborative model.

**D-** Perform RACI analysis.

**Answer:**

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D

**Explanation:**

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According to the ASCM, a RACI analysis is a tool that clarifies the roles and responsibilities of different stakeholders in a business process or activity<sup>1</sup>. RACI is an acronym for Responsible, Accountable, Consulted, and Informed, which are the four types of participation that a stakeholder can have in a task<sup>2</sup>. A RACI analysis can help identify the gaps and overlaps in the assignment of tasks, and ensure that everyone knows what they are expected to do and who they need to communicate with<sup>1</sup>. In the case of the company that receives customer complaints, a RACI analysis can help them understand why their inquiries are being forwarded multiple times to different departments, and who is the right person or department to resolve them. A RACI analysis can also help them improve their customer service process and avoid confusion and frustration among customers and employees<sup>1</sup>. Therefore, performing a RACI analysis is the most appropriate activity to identify the gap.

## Question 7

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**Question Type:** MultipleChoice

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To set improvement priorities, the first step is to:

**Options:**

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- A- build a solid case for change.
- B- ensure the solutions are scalable.
- C- develop an organizational mapping.
- D- have senior management's agreement.

**Answer:**

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A

**Explanation:**

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According to the ASCM, the first step in setting improvement priorities for supply chain transformation is to create a business case for change<sup>1</sup>. This involves highlighting how improvements in the supply chain processes will enable the organization to achieve its strategic goals, such as increasing customer satisfaction, reducing costs, enhancing sustainability, and gaining competitive advantage<sup>1</sup>. The business case for change should also calculate the improvement potential by using quantifiable business and supply chain metrics, such as revenue, profitability, service level, inventory, and carbon footprint<sup>1</sup>. Moreover, the business case for change should guarantee cross-functional engagement by involving key stakeholders from different functions and levels of the organization, such as sales, marketing, finance, operations, and senior management<sup>1</sup>. By creating a solid business case for change, the organization can justify the need for

supply chain transformation, secure the necessary resources and support, and align the improvement priorities with the business objectives1.

## Question 8

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**Question Type:** MultipleChoice

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Which of the following infrastructure elements of the supply chain information system have a significant impact on supply chain transformation?

### Options:

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- A- Data warehouse, software, the internet, and finances
- B- Hardware, software, custom coding, and finances
- C- Hardware, software, data warehouse, and the internet
- D- Data warehouse, hardware, custom coding, and the internet

### Answer:

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C

### **Explanation:**

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According to the ASCM, the supply chain information system infrastructure consists of four main elements: hardware, software, data warehouse, and the internet<sup>1</sup>. These elements enable the collection, storage, processing, and transmission of data and information across the supply chain, and support the decision making and execution of supply chain activities<sup>1</sup>. The ASCM also states that the supply chain information system infrastructure is a key enabler of supply chain transformation, which is the process of changing the supply chain to achieve higher performance, efficiency, and sustainability<sup>1</sup>. By having a robust and reliable infrastructure, a company can leverage the power of data and analytics, improve the visibility and collaboration across the supply chain, and adopt new technologies and innovations that can enhance the supply chain capabilities and outcomes<sup>1</sup>. Therefore, hardware, software, data warehouse, and the internet are the infrastructure elements that have a significant impact on supply chain transformation.

## **Question 9**

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**Question Type: MultipleChoice**

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When improving its connected customer capability, a company will likely enhance:

**Options:**

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- A- awareness.
- B- sustainability.
- C- agility.
- D- profitability.

**Answer:**

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A

**Explanation:**

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According to the ASCM, the Connected Customer Capability allows companies to augment traditional transactional interactions to achieve effective and integrated customer engagement throughout the customer, product and service life cycles, from acquisition to service<sup>1</sup>. One of the benefits of this capability is to increase the awareness of the customers about the company's products, services, and value proposition, as well as to generate more leads and referrals<sup>1</sup>. Awareness is the first stage of the customer journey, where the customer becomes aware of the company and its offerings, and decides whether to engage with the company or not<sup>1</sup>. By improving the connected customer capability, a company can use various channels and technologies to reach out to potential customers, provide relevant and personalized information, and create a positive impression that attracts and retains customers<sup>1</sup>. Therefore, awareness is the most likely outcome of enhancing the connected customer capability.

## Question 10

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**Question Type: MultipleChoice**

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A consumer electronics firm finds that its products are experiencing a shrinking product life cycle. What strategy would most directly address this issue?

**Options:**

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- A- Improve launch predictability.
- B- Accelerate the speed to market.
- C- Focus on revenue maximization.
- D- Increase the velocity in product transitions.

**Answer:**

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B

**Explanation:**

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According to the ASCM, one of the challenges of the product life cycle is the shrinking time span between the introduction and decline stages, due to the rapid changes in technology, customer preferences, and competition<sup>1</sup>. To cope with this challenge, the ASCM recommends that companies adopt a strategy of accelerating the speed to market, which means reducing the time it takes to develop, launch, and deliver new products to customers<sup>1</sup>. By doing so, companies can gain a competitive advantage, increase customer

satisfaction, and capture more market share before the product becomes obsolete<sup>1</sup>. Some of the ways to accelerate the speed to market are:

Implementing agile and lean product development methods<sup>1</sup>

Collaborating with suppliers, customers, and other stakeholders in the product design and launch process<sup>1</sup>

Using digital technologies and platforms to enable faster and more efficient product testing, validation, and feedback<sup>1</sup>

Optimizing the supply chain network and logistics to ensure timely and reliable product delivery<sup>1</sup>

## Question 11

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**Question Type: MultipleChoice**

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Which of the following statements best describes how the SCOR model should be used when organizations are establishing their key performance indicators (KPIs)?

**Options:**

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**A-** Level 1 metrics should be designated as their KPIs.

- B-** Level 2 metrics should be designated as their KPIs.
- C-** Level 3 metrics should be designated as their KPIs.
- D-** There is no inherent relationship between SCOR and KPIs.

**Answer:**

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B

**Explanation:**

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According to the ASCM, the SCOR model provides a framework for measuring the performance of the supply chain across five core processes: Plan, Source, Make, Deliver, and Return. The model defines three levels of metrics: Level 1, Level 2, and Level 3. Level 1 metrics are strategic metrics that reflect the overall performance of the supply chain, such as customer satisfaction, total cost, and return on assets. Level 2 metrics are diagnostic metrics that measure the performance of each core process, such as reliability, responsiveness, agility, cost, and asset management. Level 3 metrics are operational metrics that measure the performance of specific activities within each core process, such as order fulfillment cycle time, production yield, and inventory turns<sup>1</sup>.

The ASCM recommends that organizations use Level 2 metrics as their KPIs, because they provide a balanced view of the supply chain performance across the five core processes and the attributes of reliability, responsiveness, agility, cost, and asset management. Level 2 metrics also enable benchmarking and best practice identification, as well as alignment with the customer and stakeholder expectations<sup>1</sup>. Level 1 metrics are too high-level and may not reflect the specific performance of each core process, while Level 3 metrics are too detailed and may not capture the overall performance of the supply chain<sup>1</sup>. Therefore, Level 2 metrics are the most suitable for establishing KPIs.



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