

Free Questions for LEAD

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Question 1

Question Type: MultipleChoice

A company's human resources manager feels that the HR department can obtain indirect services efficiently and that centralizing their purchases through supply management adds no value. Which is of the following is the BEST response supply management can make to these claims?

Options:

- A- Quantify procurement's indirect spend savings
- B- Validate procurement efficiency metrics with finance
- C- Eliminate bottlenecks at critical processes
- D- Implement an earned value management system

Answer:

A

Explanation:

Addressing the Concern: The HR manager believes that centralizing purchases through supply management adds no value. To counter this perception, it is essential to demonstrate the tangible benefits that supply management can bring.

Quantifying Savings: By quantifying the savings achieved through procurement's management of indirect spend, supply management can provide concrete evidence of its value. This includes cost reductions, efficiency improvements, and better contract terms.

Data-Driven Argument: Presenting data on cost savings and efficiency gains helps build a strong, fact-based argument that can be more persuasive than subjective opinions.

Collaboration with HR: This approach also shows a willingness to work with HR to improve processes and outcomes, rather than simply defending existing practices.

Reference: This strategy is supported by procurement best practices and strategic sourcing principles outlined in resources such as the Chartered Institute of Procurement & Supply (CIPS) and the Institute for Supply Management (ISM).

Question 2

Question Type: MultipleChoice

DEF, Inc. is a large global manufacturer. Two of DEF's supply managers, who are located in offices in different countries, are assigned to lead a new product development team. The team is to be comprised of two stakeholders from each of the supply managers' locations. The supply managers, as well as their respective departments, have had some friction between them in the past, and there is concern they will not be able to work together effectively on this project. Of the following, the BEST approach for assigning stakeholders to the

team would be for the supply managers to

Options:

- A-** select stakeholders from each other's locations
- B-** select stakeholders from their own locations
- C-** ask senior management to intervene in making the stakeholder assignments
- D-** create a list of stakeholders from each location and make the selections together

Answer:

D

Explanation:

Conflict Resolution: Given the history of friction between the supply managers and their departments, a collaborative approach is necessary to prevent further conflict and ensure effective teamwork.

Joint Decision Making: By creating a list of stakeholders from each location and making the selections together, the supply managers can ensure that the team is balanced and that all perspectives are considered. This collaborative approach fosters a sense of shared ownership and mutual respect.

Stakeholder Involvement: Involving both managers in the selection process ensures that the chosen stakeholders are acceptable to both parties, reducing the likelihood of bias and increasing the commitment of all team members.

Building Trust: Working together to select stakeholders can help build trust and improve the working relationship between the supply managers, setting a positive tone for the project.

Reference: This approach aligns with best practices in team building and conflict resolution as discussed in leadership and management literature, including works like 'The Five Dysfunctions of a Team' by Patrick Lencioni and guidelines from the Project Management Institute (PMI).

Question 3

Question Type: MultipleChoice

As part of a firm's global cost reduction strategy, a supply manager has been asked to lead a team of purchasing professionals from several different countries. Because of the wide variety of cultures represented on the team, it will be MOST important for the supply manager to

Options:

- A- implement a cloud-based collaboration tool
- B- schedule calls at times convenient for all members
- C- determine and focus on the need for the team
- D- focus on selecting team members of similar ages

Answer:

C

Explanation:

Cultural Diversity Management: Leading a team with diverse cultural backgrounds requires a focus on common goals and the purpose of the team. This helps unify the team and provides a clear sense of direction.

Team Purpose and Need: Clearly articulating the need for the team and its objectives ensures that all members, regardless of cultural differences, understand their roles and the importance of their contributions.

Effective Team Leadership: Focusing on the need for the team helps in overcoming cultural barriers and fosters collaboration, commitment, and a shared sense of purpose.

Reference: This approach is supported by leadership and team management principles, such as those outlined in 'Leading Global Teams' by Harvard Business Review and 'Cultural Intelligence: CQ' by David Livermore, which emphasize the importance of a shared mission in managing culturally diverse teams.

Question 4

Question Type: MultipleChoice

Which of the following is the BEST example of a corporate social responsibility audit procedure?

Options:

- A- Enhancing talent management skills
- B- Creating an intranet forum to discuss organizational objectives
- C- Checking chemical safety data sheets regularly
- D- Conducting diversity awareness training

Answer:

C

Explanation:

Corporate Social Responsibility (CSR) Audits: CSR audits assess a company's adherence to ethical standards and regulatory requirements in areas such as environmental protection, workplace safety, and social responsibility.

Chemical Safety Data Sheets: Regularly checking chemical safety data sheets ensures that the company is compliant with safety regulations and that employees are aware of the hazards and proper handling procedures of chemicals used in operations.

Relevance to CSR: Ensuring chemical safety is a critical aspect of corporate responsibility, as it directly impacts employee health and safety and environmental protection.

Reference: This practice is supported by guidelines from organizations such as the Occupational Safety and Health Administration (OSHA) and environmental protection agencies, which emphasize the importance of regular safety audits and compliance checks.

Question 5

Question Type: MultipleChoice

MNO, Inc. is developing a five-year business plan. The organization's vision, mission and value statements have been established. Which of the following should the organization do NEXT?

Options:

A- Develop goals and objectives

B- Develop pricing models for goods and/or services

C- Develop a communication plan for the statements

D- Develop plans to achieve goals and objectives

Answer:

A

Explanation:

Strategic Planning Process: After establishing the vision, mission, and value statements, the next step in strategic planning is to develop specific goals and objectives. These goals and objectives translate the high-level vision and mission into actionable and measurable targets.

Goals and Objectives Development: This process involves identifying the key areas where the organization wants to achieve results and setting specific, measurable, achievable, relevant, and time-bound (SMART) objectives.

Importance: Developing goals and objectives provides a clear roadmap for the organization and aligns the efforts of all departments towards common strategic priorities.

Reference: This step is emphasized in strategic planning frameworks such as those by the Balanced Scorecard Institute and strategic management textbooks like 'Strategic Management: Concepts and Cases' by Fred R. David.

Question 6

Question Type: MultipleChoice

XYZ, Inc. is in the due diligence phase of an upcoming merger. The team is involved in assessing the cost synergies that can be realized from the merger. Which of the following can be regarded as potential cost synergies?

- I . Reduced competition
- II . Sharing of marketing channels
- III . Increased purchasing power
- IV . Elimination of redundancies

Options:

- A-** II and III only
- B-** I and IV only
- C-** I, II, III and IV
- D-** III and IV only

Answer:

D

Explanation:

Cost Synergies in Mergers: Cost synergies refer to the potential cost savings and efficiencies that can be achieved when two companies merge. This typically includes increased purchasing power and the elimination of redundancies.

Increased Purchasing Power: By merging, the companies can combine their purchasing volumes, leading to better negotiation power with suppliers and reduced procurement costs.

Elimination of Redundancies: The merger allows the companies to eliminate duplicate functions, systems, and processes, leading to significant cost savings.

Not Potential Synergies: Reduced competition is not a cost synergy; it's a market effect. Sharing marketing channels is more of a revenue synergy than a cost synergy.

Reference: This categorization is supported by merger and acquisition literature, including studies from the Harvard Business Review and the Institute of Mergers, Acquisitions, and Alliances (IMAA).

Question 7

Question Type: MultipleChoice

DEF Inc. is a mid-sized manufacturing company. In recent years, the products DEF manufactures have depended on goods and services that are more complex than those in the past. As a result, the company needs to rely on suppliers located at longer distances,

increasing the need for managing risks. In response, DEF's supply management team begins a comprehensive risk-planning effort. The team analyzes their current situation and gauges the impact of supply disruptions. Which of the following should the team do NEXT?

Options:

- A- Establish the firm's risk tolerance and ways to ensure against problems
- B- Decide how often contingency plans are to be reviewed and revised in the future
- C- Train all affected departments on threat detection measures
- D- Outline contingency plans and continuity measures

Answer:

D

Explanation:

Current Situation Analysis: The team has already analyzed their current situation and gauged the impact of supply disruptions. This is a crucial first step in risk management, as it identifies the potential vulnerabilities and the consequences of disruptions.

Next Steps in Risk Management: Once the risks are identified, the next logical step is to outline contingency plans and continuity measures. This ensures that the company has a proactive approach to mitigate the identified risks.

Contingency Planning: This involves developing specific actions and procedures that will be implemented in case of a supply disruption. These plans should be detailed and actionable to ensure quick response times.

Continuity Measures: These are measures that ensure the company can continue operations with minimal disruption. This might include alternative sourcing strategies, safety stock levels, and flexible supply chain configurations.

Reference: According to the risk management frameworks such as ISO 31000 and supply chain best practices, outlining contingency plans and continuity measures is a critical next step after risk identification and assessment.

Question 8

Question Type: MultipleChoice

A company develops a scorecard to measure performance. The scorecard has the following criteria:

1. Profitability
2. Amount of taxes paid
3. Charitable contributions/activities
4. Average hours of employee training
5. Amount of waste sent to landfills

6. Safety incident rates

This scorecard is an example of which of the following?

Options:

- A- Financial
- B- Environmental
- C- Social responsibility
- D- Triple bottom line

Answer:

D

Explanation:

Triple Bottom Line (TBL) Concept: TBL is an accounting framework that incorporates three dimensions of performance: social, environmental, and financial. This approach encourages businesses to consider the full impact of their activities on all stakeholders.

Criteria Alignment: The scorecard criteria cover profitability (financial), taxes paid (financial), charitable contributions (social), employee training (social), waste to landfills (environmental), and safety incidents (social/environmental). This holistic approach aligns with TBL.

Sustainability Focus: TBL emphasizes sustainability and responsible business practices, ensuring that the company's activities are beneficial to society and the environment, in addition to being economically viable.

Reference: The TBL framework is widely discussed in sustainability and corporate social responsibility literature, including works by John Elkington, who coined the term, and various business management resources like Harvard Business Review.

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