

# L5M6 Braindumps Downloads | Exam L5M6 Prep



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## CIPS L5M6 Exam Syllabus Topics:

Topic	Details
Topic 1	<ul style="list-style-type: none"> <li>Understand the Concepts, Tools, and Techniques Associated with Managing Expenditure: This section of the exam measures the analytical abilities of a Category Analyst and focuses on expenditure management techniques within category management. It explores how organizations identify, classify, and analyze different types of spend to enhance procurement efficiency and value creation.</li> </ul>
Topic 2	<ul style="list-style-type: none"> <li>Understand Approaches that Can Be Used to Develop Category Management Strategies: This section of the exam measures the skills of Procurement Managers and focuses on understanding how category management strategies are formulated within procurement functions. Candidates are expected to differentiate between strategic and conventional sourcing, evaluate how these approaches support long-term supplier relationships, and align them with organizational goals. The section also emphasizes the role of category management in enhancing sourcing efficiency and achieving cost optimization.</li> </ul>
Topic 3	<ul style="list-style-type: none"> <li>Understand the Strategic Impact of a Category Management Process: This section evaluates the strategic insight of a Procurement Manager into how category management influences organizational performance. It explores the use of data-driven decision-making and market intelligence to shape sourcing strategies and drive sustainable procurement outcomes.</li> </ul>

## The Best Accurate L5M6 Braindumps Downloads Help You to Get Acquainted with Real L5M6 Exam Simulation

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### CIPS Category Management Sample Questions (Q17-Q22):

#### NEW QUESTION # 17

Which category of spend item would be most suitable to purchase through an e-auction?

- A. Non-critical
- B. Bottleneck
- C. Leverage
- D. Strategic

**Answer: C**

Explanation:

Leverage items [low supply risk, high financial impact] are best suited for e-auctions. Buyers can use competitive bidding to drive down prices when multiple suppliers exist.

By contrast:

- \* Bottleneck items [low value, high supply risk] are not suited as choice is limited.
- \* Strategic items require partnership and collaboration, not price-only competition.
- \* Non-critical items don't justify the effort of auctions.

[Ref: CIPS L5M6 Study Guide, p.97 - Kraljic Portfolio Matrix]

#### NEW QUESTION # 18

Under what circumstances should forecast data be amended? Select THREE.

- A. Operations move to a new location
- B. A key supplier ceases trading
- C. A key customer is lost
- D. Health and safety legislation changes
- E. There is significant price inflation

**Answer: B,C,E**

Explanation:

Forecasts must be dynamic and updated when major internal or external changes occur. Losing a key customer significantly reduces demand, meaning forecasts must be lowered accordingly. Similarly, if a key supplier ceases trading, supply constraints may alter procurement strategies, requiring adjustment to supply and spend forecasts. Likewise, significant price inflation impacts both demand planning and budgeting, as organisations must reassess affordability and potentially seek alternatives. On the other hand, relocating operations or new health and safety legislation may change processes, but they do not directly influence demand, supply, or pricing forecasts. For category managers, regularly reviewing and amending forecasts ensures procurement strategies remain relevant and aligned with market realities. Without this adaptability, organisations risk supply disruptions, overestimation of needs, or financial misalignment.

Reference: CIPS L5M6 Study Guide, p.140

#### NEW QUESTION # 19

What form of procurement is Category Management?

- A. Planned
- B. Strategic

- C. Tactical
- D. Reactional

**Answer: B**

Explanation:

Category Management is a strategic approach to procurement. According to CIPS, it is defined as "a rigorous fact-based, end-to-end process for proactively collaborating with stakeholders to develop and implement sourcing strategies that deliver significant value from an organisation's external spend." Unlike tactical or reactive procurement, which focuses on immediate needs or firefighting, category management emphasises long-term planning, data analysis, supplier relationships, and alignment with business objectives. It goes beyond simply planning purchases in advance [which could apply to "planned procurement"] by integrating market intelligence, risk assessment, and value optimisation.

Being strategic means that category management seeks not only cost savings but also innovation, sustainability, and resilience. It requires cross-functional collaboration and the use of analytical tools like Kraljic matrices, total cost of ownership, and supplier segmentation.

Therefore, the most accurate categorisation is strategic procurement, not merely tactical or planned.

[Ref: CIPS L5M6 Study Guide, p.2 - Category Management as a strategic approach]

### NEW QUESTION # 20

Which of the following approaches to managing cost, common in Category Management, results in the most reduced costs from suppliers and increased value?

- A. Price management
- **B. Cost-out**
- C. Cost-down
- D. Price acceptance

**Answer: B**

Explanation:

Cost-out is the most effective approach for reducing supplier costs while increasing value. It involves redesigning products or services collaboratively with suppliers to eliminate costs before they occur. For example, altering product design to use fewer materials can reduce overall costs without compromising quality. This differs from price acceptance (simply accepting a supplier's offer), price management (controlling or negotiating pricing), or cost-down (gradual cost reduction). Cost-out is proactive and strategic, focusing on long-term value creation rather than short-term savings. For category managers, adopting cost-out strategies requires close supplier collaboration, innovation, and joint investment in process improvements.

Reference: CIPS L5M6 Study Guide, p.79

### NEW QUESTION # 21

Which of the following forms of historical data can be used to inform Category Management expenditure?  
Select THREE.

- **A. Line Item Details**
- B. Spend Forecast
- **C. Spend Analytics**
- **D. Ledger Code**
- E. Inflation Rate

**Answer: A,C,D**

Explanation:

In category management, reliable decision-making depends heavily on the analysis of historical spend data.

According to CIPS, the key forms of usable historical data include:

\* Spend analytics: consolidated information showing how much has been spent, on what items, and with which suppliers.

\* Line item details: transaction-level data that provides specific insight into products or services purchased.

\* Ledger codes: financial classifications that group expenditure for reporting and control purposes.

These data sets allow category managers to identify trends, supplier dependency, opportunities for consolidation, and potential cost savings. In contrast, inflation rates and spend forecasts are forward-looking metrics, not historical data. Using accurate historical information is critical for preparing budgets, supporting negotiations, and identifying anomalies in expenditure. Organisations that fail

