

L4M1 Updated Testkings | L4M1 Accurate Test



BTW, DOWNLOAD part of TestPDF L4M1 dumps from Cloud Storage: https://drive.google.com/open?id=1_4lRqI1L83OhBgLatE29qOs1sivddb3T

L4M1 answers real questions can help candidates have correct directions and prevent useless effort. If you still lack of confidence in preparing your exam, choosing a good L4M1 answers real questions will be a wise decision for you, it is also an economical method which is saving time, money and energy. Valid L4M1 Answers Real Questions will help you clear exam at the first time, it will be fast for you to obtain certifications and achieve your dream.

I would like to bring to you kind attention that our latest CIPS L4M1 study guide is produced. These exam materials are high passing rate. We are sure that L4M1 study guide will be the best assist for your coming exam. We guarantee "No Pass Full Refund". If you feel depressed about your past failure and eager to look for Valid L4M1 Study Guide, I advise you to reply to our exam materials as 100% passing without any doubt. Thousands of candidates' choice for our L4M1 study guide will be your wise decision.

>> **L4M1 Updated Testkings** <<

2026 CIPS L4M1: Scope and Influence of Procurement and Supply Perfect Updated Testkings

Don't let the Scope and Influence of Procurement and Supply stress you out! Prepare with our CIPS L4M1 exam dumps and boost your confidence in the CIPS L4M1 exam. We guarantee your road toward success by helping you prepare for the CIPS L4M1 Certification Exam. Use the best TestPDF CIPS L4M1 practice questions to pass your CIPS L4M1 exam with flying colors!

CIPS Scope and Influence of Procurement and Supply Sample Questions (Q14-Q19):

NEW QUESTION # 14

- (a) Outline FIVE procedures that could be included in the procurement policy manual. (15 marks)
- (b) Analyse how TWO Of these procedures can positively

influence procurement activities and organisational outcomes for BetaCo. (10 marks)

BetaCo Inc.

BetaCo Inc. is a medium-sized electronics design and manufacturing company that sells audio equipment to event management customers for use in stadiums and festivals. BetaCo has significantly increased its sales over the last five years and is now looking to establish more contracts with new customers. BetaCo Inc. is aware that new customers will require it to have robust procurement processes in place that minimise organisational risk.

Currently, all procurement activities are dealt with by BetaCo's small, customer-orientated project teams. Each project team makes its own procurement decisions with limited central oversight and does not follow standardised processes. This type of activity has resulted in BetaCo frequently encountering overspending on projects, and senior management is concerned that there is a lack of control over what products and services the project teams buy. In addition, suppliers regularly complain that their invoices are not paid on time, which has caused issues for future purchases.

To address these challenges, BetaCo has decided to create a centralised procurement and supply management department. BetaCo has recently appointed Pat Kennedy as its procurement and supply manager. BetaCo has also recruited three senior buyers, five buyers and two assistant buyers, who will join the company in the next few months.

Pat's first task is to establish a procurement policy manual. The manual will contain a set of procedures that can be followed by the new procurement team and it will control the company's procurement activities to ensure that the issues BetaCo is facing are effectively managed.

Answer:

Explanation:

See the solution in Explanation part below.

Explanation:

(a) Five Procedures to Include in BetaCo's Procurement Policy Manual

* Purchase Requisition and Approval Procedure

* All procurement requests must be formally submitted through standardized purchase requisition forms and approved by designated authorities before any purchase action is taken.

* This ensures control over spending and adherence to budgets.

* Supplier Selection and Evaluation Procedure

* A structured process to identify, assess, and approve suppliers based on criteria such as quality, reliability, price, and compliance with BetaCo's standards.

* Supplier performance should be regularly reviewed to maintain quality and reliability.

* Purchase Order (PO) Management Procedure

* Clear guidelines on raising, issuing, and tracking purchase orders to suppliers, ensuring orders are placed only after necessary approvals and conform to agreed terms.

* Purchase orders serve as formal contracts protecting both BetaCo and suppliers.

* Invoice Processing and Payment Procedure

* Defines steps for receiving, verifying, and authorizing supplier invoices, followed by timely payment according to agreed payment terms.

* This avoids late payments and maintains good supplier relationships.

* Conflict of Interest and Ethics Compliance Procedure

* Policies requiring employees to declare any conflicts of interest and adhere to ethical standards in procurement activities to ensure transparency and fairness.

* This prevents fraud, corruption, and protects BetaCo's reputation.

(b) Analysis of How TWO Procedures Positively Influence Procurement Activities and Organisational Outcomes for BetaCo

1. Purchase Requisition and Approval Procedure

* Positive Influence on Procurement Activities: Introducing a formal purchase requisition and approval procedure provides BetaCo with much-needed control and oversight over spending, addressing the current issue of overspending by project teams. It ensures that all procurement requests are validated against project budgets and company policies before any purchase commitment is made.

* Impact on Organisational Outcomes: This procedure supports financial discipline and accountability, reducing uncontrolled expenditures and improving cost management. It also creates a clear audit trail for procurement decisions, helping senior management monitor and enforce compliance, thus reducing organisational risk.

2. Invoice Processing and Payment Procedure

* Positive Influence on Procurement Activities: By implementing a standardized invoice verification and timely payment procedure, BetaCo can resolve the existing problem of late payments to suppliers.

This ensures invoices are matched to purchase orders and delivery notes, approved promptly, and paid within agreed terms.

* Impact on Organisational Outcomes: Timely payments strengthen supplier relationships, enhancing trust and reliability in supply continuity, which is critical for BetaCo's growing customer base and production needs. It also helps avoid disputes or disruptions caused by delayed payments, contributing to smoother operations and better supplier cooperation.

Conclusion:

For BetaCo, incorporating structured procurement procedures into the policy manual is essential for centralising control, improving transparency, and reducing risks associated with decentralized procurement activities. Specifically, purchase requisition and approval alongside invoice processing procedures will directly address current challenges, leading to improved financial control, supplier relationships, and operational efficiency, ultimately supporting BetaCo's growth ambitions and reputation.

NEW QUESTION # 15

In the supplier selection part of the Procurement Cycle, what criteria can a Procurement Manager use to ensure they award to the best supplier? (25 points)

Answer:

Explanation:

See the solution in Explanation part below

Explanation:

How to approach this question:

- This is quite an open question and there are many different things you could mention. One way to approach it would be to use Carter's 10 Cs- discuss a couple of these. OR just give a couple of criteria in different paragraphs. Some ideas include: Supplier financial status, Reputation / Reference, Quality, Availability, CSR Policies / Ethics / Environmental considerations, Accreditations, Added Value. This list is not exhaustive.
- If you're going for Carter's 10 Cs you could name a couple of these: competency, consistency, capability, control, cost, cash, clean, communication, culture, commitment
- I don't think either approach is better or worse. Choose the criteria you know the most about and write about those.
- The question doesn't tell you how many criteria to name, so you have to make a judgement call here. I would aim for 5-6. But if you can only remember 4 that's fine. The main thing they're looking for is that you explain for each one 1) what it is 2) how procurement can check 3) why procurement would look at that criteria 4) an example. If you do too many you risk not going into enough detail on each. It's a balance. 5 is always a good number to aim for if the question doesn't state.

Example Essay

In the procurement cycle, the supplier selection phase is a critical juncture that demands consideration. Procurement Managers shoulder the responsibility of identifying and awarding contracts to suppliers who not only meet immediate needs, but contribute to the long-term success of the organization. This essay explores various criteria a Procurement Manager can employ to ensure the selection of the best supplier: financial stability, reputation, quality, availability, CSR policies, and added value.

Financial stability is a foundational criterion in supplier selection. Assessing a supplier's financial status involves a multifaceted evaluation, with liquidity and gearing ratio taking center stage. The acid test, comparing short-term assets to liabilities, offers insights into a supplier's ability to settle debts promptly, with a ratio exceeding 1 indicating financial health. Meanwhile, the gearing ratio, reflecting the proportion of capital funded by loans, aids in gauging financial risk, with a ratio below 50% considered low-risk.

Relying on published Profit and Loss statements and income statements, along with financial credit checks from platforms like Dun and Bradstreet, empowers Procurement Managers to make informed decisions. This financial scrutiny is imperative to avoid entering contracts with suppliers facing imminent financial struggles, safeguarding against potential disruptions to the supply chain.

Reputation and references are another pivotal criterion. Seeking references from previous contracts allows Procurement Managers to gauge a supplier's track record in successfully delivering on similar commitments. Independent reviews and informal market inquiries supplement this information, providing a holistic understanding of a supplier's performance. However, caution is advised in overreliance on past performance, as variables like personnel changes or contract scale differences may impact outcomes.

Recognizing that past shortcomings may have been addressed internally further emphasizes the need for a balanced approach to reference evaluation.

Thirdly, Quality. Beyond the product itself, considerations extend to the supplier's technological capabilities, manufacturing processes, and relevant accreditations such as ISO 9001. Physical visits to supplier sites may be warranted, especially for products like raw materials where samples can be requested. Adhering to recognized safety standards and assessing factors like fire retardancy ensures that the quality of manufactured goods aligns with established benchmarks.

Next, Availability is another important criteria to consider. Procurement Managers must evaluate a supplier's capacity and capability to meet specific requirements. Inquiries about existing contracts and flexibility in response to demand fluctuations provide insights into a supplier's commitment and responsiveness. Assessing the supplier's workload and the significance of the buyer in their client portfolio helps determine the level of attention and service the buyer can expect. A buyer may wish to avoid working for a supplier who is already stretched very thinly with other contracts.

Corporate Social Responsibility (CSR) policies and ethical considerations have gained prominence in supplier selection. Beyond legal compliance, Procurement Managers may scrutinize a supplier's history for convictions or negative press related to corruption, bribery, or fraud. The presence of a Modern Slavery Policy and Environmental Policy, along with relevant accreditations like ISO14001 or Fair Trade certification, attests to a supplier's commitment to ethical and sustainable practices. Procurement would likely seek to appoint a supplier whose CSR vision aligns with their own company's.

Lastly, added value is an important criteria to consider. This is particularly so for Public Sector Organizations governed by the Social

Value Act. In addition to meeting contractual requirements, suppliers may offer knowledge sharing, training, improved processes, or contribute to social value by employing local community members or providing apprenticeships. This criterion aligns procurement decisions with broader organizational goals, enhancing the overall impact of supplier relationships and benefitting the local community.

In conclusion, a careful combination of financial scrutiny, reputation assessment, quality evaluation, availability considerations, CSR policies, and added value analysis forms the bedrock of effective supplier selection in the procurement cycle. Procurement Managers, armed with a holistic understanding of these criteria, should seek not only to fulfil immediate needs, but also consider the long-term impact of supplier appointments.

Tutor Notes

- A 'good' scoring answer (50-70%) will explain the criteria well and give examples. If you're looking for a distinction level answer (70%+) you could also mention advantages, disadvantages and risks associated with each of the criteria. For example, when looking at references and reputation it's important to know that a supplier would only ever provide a good reference to you, they would never tell you of a contract that failed. Another example is that financial data may be skewed- a supplier may have a low score if they are just starting up or have recently remortgaged a property. It's therefore important to get a commentary as well as the figures / scores.

- You could also mention that criteria could be weighted e.g. more importance given to quality than financial status and also consider how easy or difficult it would be to get the information e.g. a supplier may say they have lots of availability to deliver the service you require, but they may just be saying this to win business. How do you know for sure?

- Social Value Act isn't in this syllabus. If you work in Public Sector procurement it's something you'll be very familiar with. If you don't or you're outside of the UK do not worry about this. I've just included it to show how you can bring in your own knowledge to questions like this. You could think of particular criteria that's important to your industry and write about that. The Social Value Act: What is it, and why is it important? (samtaler.co.uk)

- Study guide p.77

NEW QUESTION # 16

Provide a definition of a stakeholder (5 points) and describe 3 categories of stakeholders (20 points).

Answer:

Explanation:

See the solution in Explanation part below.

Explanation:

Essay Plan:

Definition of Stakeholder- someone who has a 'stake' or interest in the company. A person or organisation who influences and can be influenced by the company.

Categories of stakeholders:

1) Internal Stakeholders- these people work inside the company e.g. employees, managers etc

2) Connected- these people work with the company e.g. suppliers, mortgage lenders

3) External Stakeholders - these people are outside of the company e.g. the government, professional bodies, the local community.

Example Essay:

A stakeholder is an individual, group, or entity that has a vested interest or concern in the activities, decisions, or outcomes of an organization or project. Stakeholders are those who can be affected by or can affect the organization, and they play a crucial role in influencing its success, sustainability, and reputation.

Understanding and managing stakeholder relationships is a fundamental aspect of effective organizational governance and decision-making and there are several different types of stakeholders.

Firstly, internal stakeholders are those individuals or groups directly connected to the daily operations and management of the organization. Internal stakeholders are key to success and are arguably more vested in the company succeeding. They may depend on the company for their income / livelihood. Anyone who contributes to the company's internal functions can be considered an internal stakeholder for example:

This category includes

1) Employees: With a direct influence on the organization's success, employees are critical internal stakeholders. Their engagement, satisfaction, and productivity impact the overall performance.

2) Management and Executives: The leadership team has a significant influence on the organization's strategic direction and decision-making. Their decisions can shape the company's future.

Secondly, connected stakeholders are those individuals or groups whose interests are tied to the organization but may not be directly involved in its day-to-day operations. Connected stakeholders work alongside the organisation and often have a contractual relationship with the organisation. For example, banks, mortgage lenders, and suppliers. These stakeholders have an interest in the business succeeding, but not as much as internal stakeholders. It is important to keep these stakeholders satisfied as the organisation does depend on them to some extent. For example, it is important that the organisation has a good relationship with their bank

/ mortgage provider/ supplier as failing to pay what they owe may result in the stakeholders taking legal action against the organisation.

This category includes:

1) Shareholders/Investors: Holding financial stakes in the organization, shareholders seek a return on their investment and have a vested interest in the company's financial performance.

2) Suppliers and Partners: External entities providing goods, services, or collaboration. Their relationship with the organization impacts the quality and efficiency of its operations.

Lastly external stakeholders are entities outside the organization that can influence or be influenced by its actions. This category includes anyone who is affected by the company but who does not contribute to internal operations. They have less power to influence decisions than internal and connected stakeholders.

External stakeholders include the government, professional bodies, pressure groups and the local community.

They have quite diverse objectives and have varying ability to influence the organisation. For example, the government may be able to influence the organisation by passing legislation that regulates the industry but they do not have the power to get involved in the day-to-day affairs of the company. Pressure groups may have varying degrees of success in influencing the organisation depending on the subject matter. This category includes:

1) Customers: With a direct impact on the organization's revenue, customers are vital external stakeholders.

Their satisfaction and loyalty are crucial for the company's success.

2) Government and Regulatory Bodies: External entities overseeing industry regulations. Compliance with these regulations is crucial for the organization's reputation and legal standing.

In conclusion, stakeholders are diverse entities with a vested interest in an organization's activities. The three categories-internal, connected and external -encompass various groups that significantly influence and are influenced by the organization. Recognizing and addressing the needs and concerns of stakeholders are vital for sustainable and responsible business practices.

Tutor Notes

- The above essay is pretty short and to the point and would pass. If you want to beef out the essay you can include some of the following information for a higher score:

- Stakeholders can be harmed by, or benefit from the organisation (can affect and be affected by the organisation). For example a stakeholder can be harmed if the organisation becomes involved in illegal or immoral practices- e.g. the local community can suffer if the organisation begins to pollute the local rivers.

The local community can also benefit from the organisation through increased employment levels.

- CSR argues organisations should respect the rights of stakeholder groups

- Stakeholders are important because they may have direct or indirect influence on decisions

- The public sector has a wider and more complex range of stakeholders as they're managed on behalf of society as a whole.

They're more likely to take a range of stakeholder views into account when making decisions. However, these stakeholders are less powerful - i.e. they can't threaten market sanctions, to withdraw funding, or to quit the business etc.

- The essay doesn't specifically ask you to Map Stakeholders, but you could throw in a cheeky mention of Mendelow's Stakeholder Matrix, perhaps in the conclusion. Don't spend time describing it though- you won't get more than 1 point for mentioning it. You'd be better off spending your time giving lots and lots of examples of different types of stakeholders.

- Study guide p. 58

NEW QUESTION # 17

Explain, with examples, the advantages of a Procurement Department using electronic systems (25 marks)

Answer:

Explanation:

See the solution in Explanation part below.

Explanation:

- Mention of some of the following benefits with at least one example provided against each; cost savings, time savings, more efficient, higher levels of transparency, easier to access historical records to inform upon decision making, mitigates risks such as fraudulent spending, easier to track spend against budgets, ensures compliance with regulations, provides 'real-time' information, paperless communications (so more environmentally friendly), assists in Supply Chain Management and integration with supply partners.

- I'd suggest 5 is a good amount to aim for

Example Essay

Procurement stands to gain numerous benefits from the adoption of electronic systems. These electronic tools and systems bring efficiency, accuracy, transparency, and cost-effectiveness to the procurement process. Here are several compelling reasons why procurement should leverage electronic systems:

Cost savings - the use of electronic tools saves organisations money. Although there is an initial cost outlay, over time the systems will save the organisation money. For example the use of e-procurement tools can save money by accessing a wider pool of suppliers. For example, when using an e-sourcing portal, a tender may reach a larger number of suppliers- this makes the tender

more competitive thus driving down prices.

Compared to traditional methods such as phoning suppliers for prices, the use of electronic portals encourages suppliers to 'sharpen their pencils' and provide the best prices in order to win work. Money is also saved as communication is digital (so there is no costs for paper and postage).

Time savings - electronic tools automate a lot of processes which saves time. An example of this is e-requisitioning tools where orders can be placed automatically by a piece of technology when quantities of a material reach a certain level. For example, in a cake manufacturing organisation they may use an MRP system which calculates how many eggs are required per day. The machine knows that when the company only have 50 eggs left, a new order needs to be issued to the supplier. The MRP system (e-requisitioning system) therefore saves time as the Procurement department doesn't have to manually pick up the phone to place the order with the supplier- it is done automatically.

Access to higher levels of information - e-Procurement gives you centralised access to all your data. You can access the system to look at historical purchases with ease compared to having to dig through folders and filing cabinets. For example, an electronic PO system will hold details of all historical POs, this means if someone has a question about a PO that was raised 4 months ago, finding the information is much easier and quicker. Some systems may also be able to provide analytical data such as changes to spend over time, or which suppliers a buyer spends the most money with. This higher level of information can help inform upon future decision making. For example, if the organisation wishes to consolidate its supplier base it would look through historical data provided by the electronic system to find out which suppliers are used the least and remove these from the 'pre-approved supplier list'. This level of data might not be available in manual systems.

Better budget tracking - using electronic systems allows for real-time information to be collected which allows Procurement Managers to see where spend is compared to forecasts and budgets. An example of this is in the use of Pre-Payment Cards - rather than giving staff members petty cash to make transactions and having to chase this up and collect receipts and change, a pre-payment card usually comes with an online portal where a manager can see what has been purchased and the remaining budget on that card for the month. A manager may be able to see for example that a member of staff has spend £300 of their allotted £500 monthly allowance.

Higher levels of transparency and control - using E-procurement tools allows an organisation to track who is ordering what. For example, an e-requisitioning tool may allow Procurement Assistants to make purchases up to £500 but set an automatic escalation if they try to buy something of higher value. This allows for Management to have greater levels of visibility and more control over spending. Another example of transparency and control is in the use of e-sourcing tools to run a competitive tender exercise. All communication between the buyer and suppliers is tracked on the system and award letters can be sent via the system too. This reduces the risk of information being lost.

Environmental benefits- the use of e-procurement tools means that there is less paperwork involved. For example, rather than creating a physical PO which needs to be signed by a manager, an electronic system can allow a manager to sign-off the purchase by clicking a button. This means there is no requirement for the document to be printed. This saves paper and thus has a positive on the environment. Using electronic systems may help an organisation achieve their environmental targets.

In conclusion there are numerous benefits for procurement to adopt e-procurement tools. Depending on the sector and requirements of each individualised company, some advantages may be more pertinent than others, but it is undeniable that technology is helping to shape the industry into a value adding function of organisations.

Tutor Notes

- With an essay like this you could use subheadings and number the advantages if you like. It's a good idea to do one advantage per paragraph and using formatting really helps the examiner to read your essay.

- study guide p.108

NEW QUESTION # 18

Explain FIVE possible factors that influence procurement activities in third sector (not-for-profit) organisations that Parvinder should research. (25 marks)

Parvinder Kaur works for a leading procurement consultancy, NHB. Her clients are based all around the world with a diverse range of products and services. Parvinder specialises in providing procurement advice within the public sector but she also has two major clients in the private sector.

Before beginning procurement consultancy services with a new client, parvinder likes to research the organisation and the sector in which it operates so that she can understand the type of challenges that the organisation may face. This work, ahead of the first meeting, has meant that Parvinder has built an excellent reputation for analysing a business quickly. It also means she has been able to establish insight into the aspects which may have a significant impact on the success of the procurement function in her clients.

NHB has recently won a significant contract to provide procurement consultancy service to a large third sector (not-for-profit) organisation.

This is an important new client for NHB and the board is keen to assign Parvinder as the key account manager, even though this is a new area for her. Parvinder is happy to take on the additional work as she is keen to develop a greater understanding of this sector.

Answer:

Explanation:

See the solution in Explanation part below

Explanation:

Procurement in third sector (not-for-profit) organisations operates under distinct influences compared to public or private sectors. Understanding these factors is crucial for Parvinder to provide effective consultancy tailored to the sector's unique challenges and requirements. Below are five key factors that influence procurement activities in third sector organisations:

1. Funding Sources and Financial Constraints

Third sector organisations typically rely on donations, grants, fundraising, and government funding rather than sales revenue. This creates tight budgetary controls and unpredictability in funding availability.

Impact on Procurement:

Procurement activities must align closely with available funds, often requiring careful prioritisation, cost-effectiveness, and compliance with funders' conditions. Parvinder should research how the organisation manages fluctuating budgets and whether there are restrictions on how funds can be spent.

2. Regulatory and Compliance Requirements

Not-for-profit organisations are often subject to specific regulatory frameworks and reporting standards, including charity laws, governance codes, and donor-imposed conditions.

Impact on Procurement:

These regulations impact supplier selection, contract management, and transparency obligations. Procurement must ensure compliance with these rules to maintain legitimacy, donor confidence, and avoid legal penalties. Parvinder should assess the regulatory environment affecting procurement processes.

3. Social and Ethical Considerations

Third sector organisations frequently have missions linked to social good, environmental sustainability, and ethical practices. Procurement decisions are influenced by these values and stakeholder expectations.

Impact on Procurement:

Procurement must prioritise suppliers who meet ethical standards, support local communities, and minimize environmental impact. This may limit supplier options but aligns procurement with organisational values and public image. Parvinder should evaluate the organisation's sustainability and CSR policies.

4. Stakeholder Involvement and Governance

Procurement decisions in not-for-profits often involve multiple stakeholders, including trustees, donors, beneficiaries, and volunteers, making the governance structure complex.

Impact on Procurement:

This can lengthen decision-making processes, require additional approvals, and demand higher transparency and accountability. Parvinder should investigate who the key stakeholders are and how procurement decisions are governed and communicated.

5. Market and Supplier Availability

Depending on the organisation's geographic location, niche requirements, and mission, there may be limited availability of suitable suppliers, especially those compliant with social and ethical standards.

Impact on Procurement:

Limited supplier choice can increase costs and procurement risk. Procurement strategies may need to focus on supplier development, collaboration, or partnerships to meet organisational needs. Parvinder should research supplier markets and potential supply chain risks.

Conclusion:

To effectively advise the new third sector client, Parvinder must research and understand the impact of funding limitations, regulatory compliance, ethical imperatives, stakeholder complexity, and supplier availability on procurement activities. Recognising these factors will enable her to tailor procurement strategies that support the organisation's mission, ensure transparency, and optimise resource use-key to delivering value in the not-for-profit environment.

NEW QUESTION # 19

.....

The TestPDF is committed to making the CIPS L4M1 exam preparation journey simple, smart, and swift. To meet this objective the TestPDF is offering L4M1 practice test questions with top-rated features. These features are updated and real L4M1 exam questions, availability of CIPS L4M1 Exam real questions in three easy-to-use and compatible formats, three months free updated L4M1 exam questions download facility, affordable price and 100 percent Scope and Influence of Procurement and Supply L4M1 exam passing money back guarantee.

L4M1 Accurate Test: <https://www.testpdf.com/L4M1-exam-braindumps.html>

CIPS L4M1 Updated Testkings The trait of the software version is very practical, Your Actual L4M1 Exam Dumps PDF, Excellent

