

# CPSD<sup>TM</sup> EXAM INFORMATION AND REGISTRATION





## What Is ISM?

Institute for Supply Management™ (ISM) is the first supply management institute in the world. Founded in 1915, ISM's mission is to enhance the value and performance of procurement and supply chain management practitioners and their organizations worldwide. By executing and extending its mission through education, research, standards of excellence and information dissemination — including the renowned monthly *ISM Report On Business*® — ISM maintains a strong global influence among individuals and organizations. ISM is a not-for-profit educational association that serves professionals with an interest in supply management who live and work in more than 80 countries. ISM offers the Certified Professional in Supply Management® (CPSM®) and Certified Professional in Supplier Diversity® (CPSD™) qualifications, and is a member of the International Federation of Purchasing and Supply Management (IFPSM).

### Diversity and Inclusion

For ISM, diversity is valuing and respecting individual strengths, viewpoints and contributions, and it is a positive asset in the growth and success of the supply management profession.

In principle and in practice, the Institute for Supply Management™ values and seeks a diverse membership. Individual viewpoints and contributions are pursued and respected. There are no barriers to full participation in ISM on the basis of ethnic background, gender, creed, age, sexual orientation, national origin or disability.

Diversity signifies variety, including variety in the ownership of organizations. In supply management, diversity typically means an organization's efforts to include different categories of suppliers in its sourcing process and active supply base and to address the opportunities and challenges that arise from differences and similarities.

Definition of "Diversity and Inclusiveness – Supply Base:" Diversity signifies variety, including variety in the ownership of organizations. In supply management, diversity typically means an organization's efforts to include different categories of suppliers in its sourcing process and active supply base and to address the opportunities and challenges that arise from differences and similarities.



## What Is the Certified Professional in Supplier Diversity® (CPSD™) Program?

The CPSD™ is a professional designation for supply professionals who demonstrate knowledge, skills and expertise in supplier diversity. CPSD™ is also for business professionals with responsibility for strategic diversity initiatives.

This professional designation demonstrates to your employer, your colleagues, your suppliers and even your customers that you are serious about helping your organization and diverse suppliers succeed.

### Why You Should Pursue the CPSD™ Qualification

Successful organizations maintain an edge, especially in this competitive marketplace. The value of supplier diversity is that it gives your organization a distinction that shows your commitment to diversity through strong relationships with your suppliers and all stakeholders. A solid supplier diversity program creates opportunities to partner with innovative or otherwise untapped resources and markets. Additionally, having the CPSD™ designation is instant recognition that you and your organization are on the right track.

### CPSD™ Requirements

The criteria for earning the CPSD™ qualification are:

- Successfully pass the CPSD™ Exam.
- Successfully pass Exam 1 of the Certified Professional in Supply Management® (CPSM®). This requirement is waived if the candidate holds a current CPSM® or C.P.M.
- Minimum of five years of professional (nonclerical, nonsupport) supplier diversity or supply management experience (does not need to be primary function), **OR** three years of professional (nonclerical, nonsupport) supplier diversity or supply management experience IF the candidate has a bachelor's degree from a regionally accredited college or university or international equivalent.

To recertify, CPSD™s must earn 60 Continuing Education Hours (CEHs) during their three-year certification period.

Candidates may submit their work experience to ISM before taking any exams to see if they qualify for the CPSD™. To download the form, go to [www.ism.ws](http://www.ism.ws) and select Certification, then Certification Forms. There is a US\$25 charge for this optional service.

### How to Get Started

Decide which study method and materials you want to use for preparation for the CPSD™ Exam. If you are a current CPSM® or C.P.M., you only need to register for the CPSD™ Exam. If you are not, you need to also register for CPSM® Exam 1.

To take your exam(s), you must first register with ISM. Registration is available in the following ways:

**Online:** [www.ism.ws](http://www.ism.ws); select Professional Credentials, Certified Professional in Supplier Diversity® and then register for the CPSD™ Exams.

**Phone:** Call ISM Customer Service at 800/888-6276 or +1 480/752-6276, option 8. Please have credit card number and ISM Member ID number ready.

**Fax:** Transmit completed registration form with credit card information to +1 480/752-2299.

**Mail:** Complete the registration form and mail with check or credit card information to ISM Exam Registration, 2055 E. Centennial Circle, Tempe, AZ 85284-1898.

**Retesting Exams:** There is a required 30-day minimum waiting period before you are able to retake an exam.

**Exam Fees:** US\$329\* per exam/**ISM members US\$199 per exam.**

*\*Nonmember price includes one year of ISM Direct membership.*

Registrations are valid for one full year from the date you register with ISM. Once you have registered with ISM, you will receive an e-mail confirmation within 24 hours that will include scheduling instructions with Pearson VUE Testing Centers. Exam scores are valid for four years.

Once you have passed the exams and you have documented five years of professional (nonclerical, nonsupport) supplier diversity or supply

management experience (does not need to be primary function), OR three years of professional (nonclerical, nonsupport) supplier diversity or supply management experience with a qualified bachelor's degree, or international equivalent, you may apply for your CPSD™. The CPSD™ application is available on the ISM website. Select Certification, then Certification Forms. You may also call ISM Customer Service at 800/888-6276 or +1 480/752-6276, option 8, to have one e-mailed to you.

## Studying for the Exam/Preparation Materials

There are a variety of ways to prepare for the exam(s). Please note ISM does not require the purchase or use of our study materials. Here are some suggestions for study materials.

For all test candidates:

- Participate in the CPSD™ Online Exam Review Course or the equivalent CPSD™ Exam Review *Self-Study Workbook* (available in your preference of print or online). Each format includes the same content.

For candidates without a current CPSM® or C.P.M.:

- Review the CPSM® Exam 1 *Study Guide*, A tool for the CPSD™ designation (if you only plan to get the CPSD™), or the CPSM® *Study Guide* (if you plan to get both the CPSD™ and the CPSM®).
- Take the practice test(s) in the CPSM® Exam 1 *Diagnostic Kit* to find areas that need strengthening.
- Study the Supplementary Reading List and at least one supply management college text.
- Take supply management courses at a local college or university.
- Read various procurement, supply, business and trade publications.

Regardless of the study methods selected, each candidate should be aware of the need to use a variety of sources for study. Please remember the CPSD™ and CPSM® study materials provide a general overview of the subjects covered in the exams. They are not meant to serve as a substitute for major textbooks in the field. The exams may include material NOT covered in detail in the study materials.

## The CPSD™ Exam Process

The CPSD™ examination process consists of two exams — the CPSD™ Exam and CPSM® Exam 1 (waived for those with a current CPSM® or C.P.M.), which together cover the main components of supplier diversity and supply management. Exam content addresses today's supplier diversity environment and workplace complexities.

The CPSD™ Exam is a professional qualifications test covering both supplier diversity and supply management concepts. The exam will NOT evaluate or gauge how “good” you are or will be as a supplier diversity professional. It also does not indicate whether one candidate is better than another candidate. It is not designed to rank candidates against each other. The likelihood of passing the exam is in no way affected by the performance of other candidates. Your standing on the exam remains the same regardless of how well the other candidates score on the test. There are no quotas or “curves” used on this exam. CPSD™ Exam scores are valid for four years.

## Who Should Take the CPSD™ Exam

Candidates who meet the CPSD™ work experience requirements are eligible to take the CPSD™ Exam. Testing for any other reason is strictly prohibited.

## How the CPSD™ and CPSM® Exams Were Constructed

As a prime example of an occupational test, it is important to note the exams are not “final exams” in the field of supplier diversity and supply management. The exams are not designed to cover the content of any particular course or curriculum. Rather, they are designed to reflect the knowledge areas needed to perform the important occupational duties of professionals employed in the field. In developing the examination specifications, ISM drew upon the knowledge, expertise and skill sets of professionals who were at the manager level or above.

### Number of Questions and Length of Time Allotted for Each Exam

**CPSD™ Exam:** 120 questions. 2 hours are allowed to complete the exam.

**CPSM® Exam 1:** 165 questions. 2 hours and 45 minutes are allowed to complete the exam.

## Computer Exam Test Site Information

Pearson VUE is a worldwide provider of technology-based solutions for testing and certification needs. Some locations have weekend or evening hours available. Visit [www.pearsonvue.com/ism](http://www.pearsonvue.com/ism) for details.

### Computer Exam Confirmation

After ISM receives your registration, you will receive an e-mail confirmation within 24 hours (this may be delayed if registering by phone, fax or mail) containing the following:

1. Scheduling instructions with Pearson VUE Testing Centers.
2. Your candidate ID number.
3. Instructions for items to take to the exam. It is important you read and understand these instructions.

## Making Your Appointment

Once you receive your confirmation from ISM, please wait at least 12 hours before attempting to schedule your exam(s). Appointment dates are given on a first-come, first-served basis. We recommend you schedule your appointment as soon as you are able to in order to get your desired date.

To schedule your exam, please use the Pearson VUE scheduling link in your confirmation e-mail.

### You must wait 30 days before retaking an exam.

**Note:** Pearson VUE conducts other tests unrelated to ISM and can experience heavy volume during certain months. Plan to schedule well in advance for your exam, especially if you are planning to take multiple exams in one day.

## Canceling/Rescheduling Your Appointment

You must contact Pearson VUE by e-mail or phone at least 24 hours prior to your scheduled exam start time (local testing center time) or you will forfeit your exam fees. For example, an exam scheduled on Tuesday at 10 a.m. must be canceled or rescheduled before 10 a.m. on Monday. If you contacted Pearson VUE on Monday at 10:15 a.m., you would forfeit your exam fees.

## To Change Exams

Please cancel existing appointments with Pearson VUE first, then e-mail your request to ISM at [custsvc@ism.ws](mailto:custsvc@ism.ws) or submit it by fax to +1 480/752-2999. You will be re-registered and receive a new confirmation within 24 to 48 hours to schedule your exam.

## Computerized Testing

**Q:** How much computer experience is needed to test?

**A:** No experience is necessary. Candidates receive an online tutorial on the testing process. There is also a test center administrator available.

**Q:** Can I review my answers during the test?

**A:** Candidates may flag questions to be reviewed after all questions have been answered. If time remains, you may return to questions marked for review or may change an answer. All marked and unmarked questions are graded when the test ends, even if the candidate has not marked a response to each question.

## Special Accommodations

If you have a disability that would prevent you taking the CPSD™ Exam under standard conditions, you may request special accommodations. Please call ISM Professional Credentials at 800/888-6276 or +1 480/752-6276, extension 3074, or e-mail [mpattee@ism.ws](mailto:mpattee@ism.ws).

## Test Center Protocol and Dismissal From Exam

Plan to arrive 30 minutes before your exam time. **If you are more than 15 minutes late, you will be considered a nonrefundable no-show.** Candidates cannot bring personal items into the testing room. Items such as a cell phone, BlackBerry or PDA are prohibited.

A candidate may be dismissed from the exam, at the discretion of the proctor, for improper or disruptive behavior. Grounds for dismissal include:

- Creating a disturbance
- Giving or receiving help
- Attempting to remove test materials or notes from the examination room
- Impersonating another candidate
- Falsifying identification

## Certified Professional in Supplier Diversity®

120 questions • 2 hours, All Scored

### A. POLICIES AND PLANNING

**SD-A-1 Develop, implement and integrate short-term and long-term supplier diversity programs and initiatives in congruence with organization objectives.**

1. Goal setting
2. Methods to capture supplier diversity data
3. Benchmarking best practices
4. Market analysis
5. Technological skills
6. SWOT analysis
7. Elements of a strategic supply plan
8. Elements of an operating plan
  - a. Forecasts
  - b. Budget
  - c. Staffing plan
  - d. Metrics

**SD-A-2 Integrate supplier diversity programs with other corporate diversity and business initiatives.**

1. Organizational strategic goals (from board of directors or CEO, to the entire enterprise)
2. Cross-functional teams
3. Supplier diversity councils
4. Ethical issues
5. ISM Principles of Social Responsibility and audit
6. Financial impact
7. Risk/benefit to the business

**SD-A-3 Consult with and advise senior management on developing and integrating strategies into business practices with diverse suppliers.**

1. Negotiation skills
2. Methods of communication
3. Project management
4. Budget analysis
5. Strategic planning
6. Strategic alliances
7. Supply management organization mission, processes, capabilities
8. Corporate process and organizational dynamics
9. Influence
10. Internal negotiations and synergies

**SD-A-4 Consult with and advise stakeholders on developing and integrating supplier diversity initiatives into business practices and identifying new opportunities for diverse suppliers.**

1. Proposal process
2. Matchmaking events
3. New and emerging markets

**SD-A-5 Integrate supplier diversity in organization mission, vision and commitment statements or the overall business strategy.**

1. Vision/mission statement
2. Executive buy-in
3. Short- and long-range plans
4. Organization accountability
5. Gantt chart
6. Public relation skills/policies
7. Cost/benefit analysis

**SD-A-6 Develop and manage relationships with internal teams.**

1. Span of influence
2. Feedback techniques
3. Confidentiality
4. Meeting dynamics
5. Organizational functional requirements
6. Concepts of a supply management department
7. Internal organization conditions related to sourcing strategies
  - a. Operational strategies
  - b. Financial strategies
  - c. Marketing strategies
  - d. Supply strategies
  - e. Technology strategies
8. Market analysis
9. Communication plan

## **B. SOURCING/SUPPLIER DEVELOPMENT**

### **SD-B-1 Develop strategies and procedures for integrating diverse suppliers into the strategic sourcing process.**

1. Supplier certification process
2. Supplier scorecard
3. Outreach and marketing plans
4. Business strategies
5. Economic and market forces
6. Concepts of a supply management department process

### **SD-B-2 Recommend and qualify diverse suppliers to the sourcing team.**

1. Supplier certifications
2. Referral process
3. Best practices
4. Contract modifications

### **SD-B-3 Develop and maintain successful relationships with diverse suppliers, which could include resources, coaching and mentoring.**

1. Mentor-protégé program
2. Sponsorship
3. Supplier recognition and awards
4. Strategic sourcing team
  - a. Intellectual capital
  - b. Capacity building/access

### **SD-B-4 Establish internal qualifications and create systems for screening diverse businesses.**

1. Data evaluation and analysis
2. Third-party certification organizations
3. Central Contractor Registration (CCR)
4. Small Business Administration
5. Diverse chambers of commerce
6. State/local diverse business enterprise programs
7. Global initiatives

### **SD-B-5 Monitor new and existing business, contracts and bidding schedules in an effort to identify opportunities for diverse suppliers.**

1. Proposal process
2. Contract expirations
3. Internal sourcing teams
4. Bidding schedules
5. Spend analysis

### **SD-B-6 Identify and attend industry-related conferences and other functions to source qualified diverse suppliers.**

1. Internal/external opportunity fairs
2. Strategic outreach efforts
3. Small business conferences
4. Professional sourcing services

## **C. FINANCE/BUDGETING**

### **SD-C-1 Define and justify return on investment (ROI) for supplier diversity programs to appropriate stakeholders.**

1. Basic financial reporting
2. Forecasting
  - a. Spend analysis
  - b. Cost savings analysis
3. Establish and effectively communicate business case
4. Benchmarking
5. Customer compliance reporting

### **SD-C-2 Establish annual diverse spend goals and targets.**

1. Goal setting
  - a. By category
  - b. By business unit
2. Projections
3. Monitoring performance
4. Statement of work (SOW)
5. Industry analysis

### **SD-C-3 Develop budget and financial support for organization diversity initiatives.**

1. Purpose of a budget
2. Steps in budgeting
3. Types of budgets
4. Budget management

## **D. METRICS/OVERSIGHT**

### **SD-D-1 Design, install and maintain metrics to measure and report the performance of diverse suppliers throughout the sourcing process.**

1. Regulatory requirements for records management
2. Domestic and international regulatory requirements
  - a. Local issues/requirements
  - b. Government definition of "diverse"
3. Organizational financial reporting policies
4. Metric software/tools
5. Reporting requirements

### **SD-D-2 Monitor progress toward meeting goals and objectives and measuring success, and recommend directional changes or actions.**

1. Legal aspects of various supplier diversity processes
  - a. Uniform Commercial Code (UCC)
  - b. Antitrust and Trade Regulation
  - c. Regulation of federal procurement and public projects
    - i. Federal Acquisition Regulations (FAR)
    - ii. Small Business Act
  - d. Regulation of international commerce
  - e. Sarbanes-Oxley (SOX)
2. Agency regulations/rulings (industry-specific)
3. Other related country/federal/state/local laws
4. Corrective action process
5. Growth assessment
6. Surveys

## **E. TRAINING AND DEVELOPMENT**

### **SD-E-1 Provide training on diverse supplier sourcing principles, including organizational and government requirements.**

1. Supplier diversity business case
2. Gap analysis
3. Federal Acquisition Regulations (FAR) requirements
4. State and local procurement requirements
5. Compliance metrics
6. Best practices and trends
7. How to integrate supplier diversity into sourcing process
8. Design and implement training programs
  - a. Orientation
  - b. On the job
  - c. Classroom/web training/self-paced

### **SD-E-2 Provide training on procurement processes and business development to diverse suppliers.**

1. Organizational procurement policies and procedures (e.g., RFx, contracting, etc.)
2. Business development training

## **F. ADVOCACY/MARKETING/OUTREACH**

### **SD-F-1 Develop communication plan, marketing tools and rewards/recognition systems to promote supplier diversity.**

1. Online vehicle (intranet, external website, social networking, etc.)
2. Printed materials (e.g., annual reports)
3. Promotional items
4. Awards
5. Recipients of communications
  - a. Senior management
  - b. Internal customers
  - c. Suppliers
  - d. Community organizations
  - e. Other stakeholders

### **SD-F-2 Plan, organize, conduct and participate in organization-sponsored diversity presentations and events.**

1. Presentation skills
2. Event planning
3. Professional representation/spokesperson skills
4. Professional and trade associations



## I.D. Requirements

For your exam, you must bring one valid photo I.D. with a signature that reflects the exact name on your exam registration. ***If the name on your I.D. is not EXACTLY the same as the name on your exam registration, please contact ISM immediately.*** Your I.D. MUST be one of the following:

Driver's License\*; Passport\*; Military I.D.\*; Official State, Government or National I.D.; Employee I.D.; Student I.D.; Photo Credit Card

No other forms of I.D. will be accepted.

*\*Driver's License, Passport and Military I.D.s that have a digital signature encoded will only be accepted as valid I.D. if accompanied by another valid I.D. with signature.*

*If you are unable to produce a valid I.D. EXACTLY MATCHING the name shown on your confirmation on the day of your exam, you will not be allowed to test and **all registration fees will be forfeited.***

## Biometrics

ISM uses biometrics in various test centers worldwide. Biometrics are automated methods of recognizing a person based on a physical characteristic, and are primarily used to combat identity fraud. One method involves the examinee placing your palm on a scanner, which results in an electronic palm-vein print.

## Scoring, Equating and Scaling

While the content of the exams remains consistent from form to form, the questions used in the exams are continually being updated. For example, a test form taken on one occasion will contain different questions from a test form taken on another occasion. Because of this, the level of difficulty will vary slightly from form to form. To compensate for these variations, a statistical procedure known as test equating is used to correct for differences in test form difficulty.

As an example, suppose that there are two forms of Exam 1: Form A and Form B. Suppose it is established that in order to pass Form A, a person must get 100 out of 150 questions correct. Furthermore, suppose that Form B is somewhat easier than Form A. To compensate for this difference, the passing score for Form B is adjusted to prevent any "bonus" being given to candidates taking Form B. Thus, it may be established that a candidate must get a score of 110 out of 150 on Form B in order to pass. This is what is done in test equating — it holds candidates to the same standard in terms of difficulty regardless of the form taken.

To maintain consistency in test scoring, a second statistical procedure called scaling is used. Scaling on the exam converts all scores to a scale range. A passing score for the CPSD™ Exam is 300 or above. A passing score for the CPSM® Exam 1 is 400 or above. Scores received from ISM are reported as scaled scores in increments of 10.

## Task Scores and Weighting Process for Tasks

A group of practitioners and subject-matter experts (SMEs) determined the weight of each task area compared with all other task areas in a particular module. The final weight assigned to each task determines the number of questions on the exam from each task.

## CPSM® Exam 1:

### Foundation of Supply Management

165 questions • 150 scored • 2 hours, 45 minutes

#### Section A.

##### Contracting and Negotiation (32 questions)

- 1A1 Prepare solicitations for competitive bids, quotations and proposals with pertinent specifications, terms and conditions (6 questions)
- 1A2 Prepare for and develop strategies and tactics for negotiations, including definition of roles and responsibilities of team members (8 questions)
- 1A3 Lead/conduct/support negotiations with suppliers to obtain desired results (8 questions)
- 1A4 Manage the preparation and/or issuance of contracts/purchase orders/agreements (6 questions)
- 1A5 Administer contracts/purchase orders from award to completion or termination (4 questions)

#### Section B.

##### Cost and Finance (32 questions)

- 1B1 Prepare and/or administer a supply management department budget (5 questions)
- 1B2 Develop cost-management program strategies for purchases (6 questions)
- 1B3 Identify savings potential opportunities and strategies for specific categories through spend analysis (7 questions)
- 1B4 Perform cost/benefit analyses on acquisitions (8 questions)
- 1B5 Develop financing and leveraging strategies for purchases (6 questions)

#### Section C.

##### International (17 questions)

- 1C1 Identify and assess international markets to source goods and services (7 questions)
- 1C2 Develop international sources of materials and services (6 questions)
- 1C3 Develop and maintain documentation regarding cross-border transactions (4 questions)

#### Section D.

##### Social Responsibility (14 questions)

- 1D1 Develop and act upon a code of business conduct for the supply management function and external suppliers (5 questions)
- 1D2 Establish and monitor environmentally responsible and compliant programs throughout the supply chain and life cycle (5 questions)
- 1D3 Implement, monitor and promote organizational and supply chain safety policies and procedures (4 questions)

#### Section E.

##### Sourcing (20 questions)

- 1E1 Analyze potential sources of goods or services (6 questions)
- 1E2 Evaluate competitive offerings to determine the overall best offer for a product/service (7 questions)
- 1E3 Plan and communicate sourcing and supply strategies based on forecasted data (7 questions)

#### Section F.

##### Supplier Relationship Management (35 questions)

- 1F1 Identify opportunities and benefits for rationalizing supply base (6 questions)
- 1F2 Develop/manage effective relationships with suppliers (8 questions)
- 1F3 Develop/implement a supplier diversity program (5 questions)
- 1F4 Develop new supplier qualification plans and reports to assure components, materials and suppliers meet specified requirements (regulatory, safety, reliability, quality) (6 questions)
- 1F5 Conduct supplier performance evaluations (6 questions)
- 1F6 Develop and execute supplier exit strategies (4 questions)

## Types of Questions in the Exams

All of the questions used in the exams are of the multiple-choice type, with four options per question (labeled A, B, C and D), only one of which is correct. There are, however, several variations on this type of question appearing in the exam. The most commonly used formats are:

**Closed-Stem Item:** In this type of question, the examinee is asked a question and given four possible answers from which to choose.

Example:

Which of the following is a statement from a shipper listing contents of multiple shipments?

- (A) A manifest
- (B) An independent inspection certificate
- (C) A commercial invoice
- (D) A dock receipt

Answer: A

**Sentence Completion Item:** This question is characterized by an incomplete sentence, followed by options that represent conclusions to that sentence.

Example:

Leading supply management organizations typically include continuous improvement clauses within their contracts, in order to target cost, quality and

- (A) innovation enhancements
- (B) customer responsiveness
- (C) cycle times
- (D) supplier performance

Answer: D

**EXCEPT Format:** In this type of question, an examinee is required to recognize that there are three correct responses within the question. The respondent does this by identifying the incorrect option. A variation on this type of question is to use the word **NOT** instead of **EXCEPT** in the stem, in the form of, "Which one of the following is **NOT**..."

Example:

Acquiring material on consignment may allow the supply management professional to save on all of the following **EXCEPT**

- (A) interest costs
- (B) storage costs
- (C) cost of obsolescence
- (D) taxes

Answer: B

**MOST/LEAST/BEST Format:** This type of question requires the examinee to identify which option is better or worse than the others.

Example #1:

Which of the following forms of payment for international purchases is generally **MOST** favorable to the buying organization?

- (A) Cash in advance
- (B) Draft
- (C) Letter of credit
- (D) Open account

Answer: D

Example #2:

Which of the following is the **LEAST** important concern when contracting for the design and manufacture of a special component?

- (A) The ownership of the design
- (B) The location of the supplier
- (C) The right to apply for a patent
- (D) The ownership of special tooling

Answer: B

**Master List Format:** This type of question is actually several questions in one. Here, the options are presented first, followed by several questions, all of which apply to those options. It is important to note that each option can be used once, more than once, or not at all by the questions.

Example (only on paper-and-pencil exams):

Questions 1-3 refer to the following cost-type contracts:

- (A) Cash-flow budget
- (B) Flexible budget
- (C) Zero-based budget
- (D) Line-item budget

Choose from the list above the type of budget that is **BEST** described by each of the following. A choice may be used once, more than once, or not at all.

1. In this type of budget, funds are made available as expenditures are required. Outlays are forecast over periods of time.
2. This type of budget changes depending upon varying conditions, such as increased or decreased output.
3. This type of budget is formatted to show individual expenses during the budgetary period, without tying those expenses into programs or goals.

Answers: A, B, D

## Value of Each Exam Question

Candidates receive one point for a correct answer and zero points for an incorrect answer. Candidates are advised to choose an answer for every exam question, even if they are unsure of the correct answer.

## What If I Fail?

Your score report will indicate “pass” or “fail” for each exam taken. The score report includes a scaled score and the number of questions answered correctly out of the total number related to each task. Reviewing the number of questions answered correctly for each task for a exam failed will provide a general idea of the areas that gave the candidate the most trouble. This may help in planning a course of study during the required 30-day waiting period to re-test.

## Cancellation of Scores

The candidate hereby agrees and understands that certification may be denied or revoked, or Exam scores may be invalidated by the Professional Credentials Committee of ISM in the event that the committee determines that: (A) an individual has (i) falsified or misrepresented information on the registration form or information provided is in error, including documentation of Continuing Education Hours (CEHs) for recertification; (ii) participated in an unauthorized disclosure of Exam questions, information or materials; (iii) plagiarized questions and/or answers on the Exam; (iv) mailed, received or relayed in any fashion, or used copies of the Exam materials, questions or answers without authorization from ISM; (v) retained the Exam materials after the examination; (vi) engaged in cheating or other misconduct or unprofessional behavior with respect to taking, administering or preparation for the Exam; or (vii) failed to adhere to the ISM Principles and Standards of Ethical Supply Management Conduct; or (B) (i) there is a testing irregularity with respect to the Exam; (ii) there is a reason to question the Exam score’s validity; or (iii) the exam score was the result of unusual or questionable circumstances.

The candidate grants ISM authority to make any and all inquiries, investigations or other communications that may be necessary for the committee to grant, deny, revoke or invalidate scores. The candidate agrees to be bound by the terms and conditions set forth herein and by any and all policies and procedures of ISM applicable to the Certified Professional in Supplier Diversity® program.

## Retention of Score Reports

Candidates are responsible for retention of their original score reports. Score reports are required when applying for CPSD™ original certification or recertification. Scores are valid for four years from the exam date.

## Score Appeals Process

Written requests for rescoring may be made to ISM if the candidate wishes to dispute the results of an examination score. Results of rescoring will be final. All requests for rescoring must be made within six months of the test date and must be submitted in writing. Rescoring provides verification of score accuracy and does not change the determination of the correctness of a question(s). E-mail all appeals to [certification@ism.ws](mailto:certification@ism.ws).

## CPSD™ Recertification

To recertify, CPSD™s must earn 60 Continuing Education Hours (CEHs) during their three-year certification period. At least 40 CEHs must be educational in nature. Up to 20 CEHs may be earned in the “Contributions to the Profession” category.

Categories for earning CEHs include:

- College courses (taken or taught)
- Continuing education (taken or taught)
- Contributions to the profession
- CPSD™ Exam (but only in the last year of qualification or during the one-year grace period)

ISM does not need to pre-approve CEHs for recertification. Lifetime status will not be offered for the CPSD™.

Please notify ISM Professional Credentials when you move or change jobs. We may attempt to notify individuals when their designation is up for renewal.



## Exam Process Levels

In addition to the variety of question formats previously described, the exam presents test questions at varying levels of difficulty or learning. These levels range from questions that require the mere recall of material to questions that require the candidate to apply his or her knowledge to a novel situation. A description of each of these levels, along with sample questions, appears below.

**Recall: This is the lowest or easiest level of learning. Questions written at this level are those that demand the recall of ideas, material or phenomena related to the topic of interest. The process used to correctly answer such questions is the examinee's memory of the material. Questions in this category ask individuals to define, identify and select information.**

Example #1:

The type of document used to enter into an interim agreement pending a definitive contract, so as to permit the start of delivery, is called a

- (A) letter of intent
- (B) purchase order
- (C) customized contract
- (D) standard contract

Answer: A

To correctly respond to the question above, the examinee has to recall the definition of a letter of intent.

Example #2:

The charge assessed by a railroad against a shipper that holds a rail car beyond the free time allowed is called

- (A) absorption
- (B) demurrage
- (C) drayage
- (D) dockage

Answer: B

To correctly respond to the question presented in Example #2, the examinee has to recall the definition of demurrage. For both examples, the form of the question is not much different from the way in which the actual definition of the term is stated in textbooks and other learning materials.

**Comprehension: The second level of questions deals with those that test for comprehension. Questions in this category require the examinee to grasp the meaning of the material presented in some novel way. The question testing for comprehension describes some principle or fact in words different from those used in textbooks, and often uses some novel situation as a way to present an idea. In order to get it right, the examinee must recognize the principle demonstrated in the question — memory alone will not be sufficient for getting the correct answer.**

Example #1:

A supply management professional decides to issue a separate purchase order for each of several items, instead of combining the items on a single purchase order. The probable result of this policy will be a decrease in the

- (A) overall number of purchases made by the organization
- (B) average cost of processing a purchase order
- (C) number of purchasing errors
- (D) amount of staff needed by purchasing

Answer: B

To correctly answer the question in this example, the examinee must recognize the consequences of using separate purchase orders. The examinee is asked to make an estimate or prediction based upon the circumstances described in the question.

Example #2:

A supply management professional orders paint from a supplier and specifies that the paint must dry tack-free in four hours, and dry hard in 12 hours. These specifications are examples of

- (A) engineering specifications
- (B) performance specifications
- (C) restrictive specifications
- (D) technical specifications

Answer: B

To answer this question correctly, the examinee not only must know the definition of performance specifications, but also must be able to recognize circumstances which illustrate this definition.

**Application: Application questions measure the understanding of ideas or content to a point where the examinee can apply it to an entirely new situation. The objective of these questions is to test whether the examinee can use the knowledge in an appropriate manner in a real-life situation.**

Example:

A certain byproduct of GHI Corporation's manufacturing process is expensive to dispose of and does not decompose easily. GHI's supply management professional is tasked with identifying ways to reduce disposal costs associated with this byproduct. Given this situation, which of the following is the BEST course of action for the supply professional to take?

- (A) Re-engineer processes to eliminate production of the byproduct.
- (B) Sell the byproduct to another manufacturer who has a need for it.
- (C) Organize a team to identify potential uses for the byproduct in-house.
- (D) Solicit competitive bids to identify recyclers who are more cost-competitive.

Answer: B

The distinguishing characteristic of application questions is that they present specific situations that the examinee has not encountered previously, and cannot solve on the basis of general knowledge alone.

The purpose of this is to ensure that those who receive the CPSD™ or CPSM® designation have demonstrated an ability to apply their supplier diversity and supply management knowledge and skills to real-life work situations.

# CPSPD™ EXAM REGISTRATION FORM

## ONLINE

Register online at  
www.ism.ws. Select Certification,  
then Certification Forms.

## MAIL

Mail completed registration  
form with check or credit  
card information to:  
ISM, 2055 E. Centennial Circle,  
Tempe, AZ 85284.

## PHONE

Call 800/888-6276 or  
+1 480/752-6276,  
option 8.

## FAX

Fax completed registration form with  
credit card information to:  
+1 480/752-2299  
(24 hours).

**Member Type:** ISM Member \_\_\_\_\_ Nonmember \_\_\_\_\_ ISM ID # \_\_\_\_\_  
(if known)

Dr. Mr. Mrs. Ms. Miss \_\_\_\_\_  
First/Given Name MI Last/Surname/Family Name  
(Please enter your name exactly as it appears on your official identification.)

Title \_\_\_\_\_ Organization \_\_\_\_\_  
**Home Mailing Address (required):** **Business Mailing Address:**

|                        |                       |                    |                       |
|------------------------|-----------------------|--------------------|-----------------------|
| City _____             | State/Province _____  | City _____         | State/Province _____  |
| Country _____          | ZIP/Postal Code _____ | Country _____      | ZIP/Postal Code _____ |
| ( ) _____              | ( ) _____             | E-Mail _____       |                       |
| Business Phone** _____ |                       | Fax Number** _____ |                       |

\*\*For phone numbers outside the United States and Canada, please include country and city codes.

Exam scores are valid for four years.

☐ CPSPD™ Exam ☐ CPSM® Exam 1  
(for CPSPD™ candidates)

| Exam Pricing    |                  |
|-----------------|------------------|
| Member          | Nonmember        |
| US\$199.00 each | US\$329*.00 each |

If you have any special needs that require accommodation, please call ISM Professional Credentials at 800/888-6276 or +1 480/752-6276, extension 3074, or e-mail mpattee@ism.ws.

\*Nonmember price includes one year of ISM Direct membership.

I acknowledge the confidential nature of the ISM Examinations (the "Exam") and hereby agree that I will not copy, retain Exam questions or disclose or transmit them in any form to any other person. I certify that I am working toward my professional designation, or I am retaking the exam for Continuing Education Hours. I agree that taking the Exam for any other purpose is strictly prohibited. I also acknowledge that the Exam review course instructors are prohibited by ISM from taking exams for the purpose of preparing students to take the Exam and/or for the creation of their course materials. I expressly agree and understand that certification may be denied or revoked, or the Exam scores may be invalidated or withheld by the Professional Credentials Committee of ISM (the "Committee") in the event that the Committee determines that: (A) an individual has (i) falsified or misrepresented information on the registration form or information provided is in error, including documentation of continuing education hours for recertification; (ii) participated in an unauthorized disclosure of Exam questions, information or materials; (iii) plagiarized questions and/or answers on the Exam; (iv) mailed, received, or relayed in any fashion, or used copies of the Exam materials, questions, or answers without authorization from ISM; (v) retained the Exam materials after the examination; (vi) engaged in cheating or other misconduct or unprofessional behavior with respect to taking, administering, or preparation for the Exam; or (vii) failed to adhere to the ISM Principles and Standards of Ethical Supply Management Conduct; or (B) (i) there is a testing irregularity with respect to the Exam; (ii) there is a reason to question the Exam score's validity; or (iii) that the Exam score was the result of unusual or questionable circumstances.

I agree to abide by the ISM Principles and Standards of Ethical Supply Management Conduct, whether or not I am a member of ISM. I grant ISM permission to make any and all inquiries, which are necessary to evaluate my credentials for certification or recertification/reaccreditation and agree to respond to requests for information related to any of the above. I further authorize ISM to publish (via e-mail, website or print) information about my certification and to make any and all inquiries, investigation or other communications, which may be necessary for the Committee to grant, deny or revoke certification, or to invalidate or withhold examination scores. I hereby certify that the information submitted on or with this form is true and accurate to the best of my knowledge, and I agree to be bound by the terms and conditions set forth herein and by any and all policies and procedures of ISM applicable to the Professional Credentials Program or the Exam as may be amended from time to time.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Method of Payment (U.S. funds drawn on a U.S. bank only)

For security purposes, do not email your credit card number. Contact ISM with payment details at 800/888-6276 or +1 480/752-6276, option 8 or check ☐ to have a representative contact you.

☐ Personal Check ☐ Organization Check Amount US\$ \_\_\_\_\_ Organization/Affiliate Name \_\_\_\_\_

Credit Card: ☐ VISA ☐ MasterCard ☐ American Express ☐ Diners Club

Cardholder Signature \_\_\_\_\_ Number \_\_\_\_\_ Exp. \_\_\_\_/\_\_\_\_

## ISM Use Only

P/C Ck # \_\_\_\_\_ Amount \$ \_\_\_\_\_ A/C \_\_\_\_\_ / \_\_\_\_\_  
Approval # \_\_\_\_\_ Date Entered \_\_\_\_/\_\_\_\_/\_\_\_\_ Initials \_\_\_\_\_

## CPSD™ EXAM FEES AND STUDY MATERIALS

|                                                                                                                                                      | Member            | Nonmember         |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| CPSD™ Exam and CPSM® Exam 1                                                                                                                          | US\$199 each exam | US\$299 each exam |
| CPSD™ Application Fee (due when you submit application)                                                                                              | US\$99            | US\$159           |
| International Shipping Surcharge<br>(For all applicants outside the U.S. and Canada. Candidates can also provide their own shipping account number.) | US\$100           | US\$100           |

## CPSD™ STUDY MATERIALS

### For All Test Candidates:

#### CPSD™ Online Exam Review Course

This online review course is designed to help those with supplier diversity responsibilities prepare for the CPSD™ Exams with resources articles, case studies and supplemental content developed by subject-matter experts. Take the post-test, with justifications, to see if you are ready for the exam.

**Note:** This course is equivalent to the CPSD™ Exam Review *Self-Study Workbook*.

Item #3975

US\$89/ISM members US\$49

#### CPSD™ Exam Review Self-Study Workbook

This self-study workbook provides an overview of the material covered on the CPSD™ Exam, using resource articles, case studies and supplemental content developed by subject-matter experts. There is a post-test with justifications to evaluate your increased knowledge.

**Note:** This workbook is equivalent to the CPSD™ Online Review Course.

Item #6010

US\$219/ISM Members US\$169

### For Candidates Without a Current CPSM® or C.P.M.:

#### CPSM® Exam 1 Diagnostic Kit, Web Version

The CPSM® Exam 1 *Diagnostic Kit*, web version, helps you focus your study efforts by identifying areas of supply management that need strengthening. You get a sample test for Exam 1 with a grading scale and correct answers, including justification and references. Use with the CPSM® *Study Guide*. Item #CPSMDK\_E1 Web version, Exam 1: US\$89/US\$59 ISM members

#### CPSM® Exam 1 Study Guide

The CPSM® Exam 1 *Study Guide*, a study tool for the CPSD™ designation, provides information on test specifications, examples of the testing format and question styles. **Note:** This product is only for individuals who are not currently a CPSM® or C.P.M. and only want to obtain the CPSD™ designation. If you do not currently have the CPSM® and plan to pursue the CPSM® designation, we recommend purchasing item #CPSMSG1 instead of #SDX1.

Item #SDX1

US\$49/ISM members US\$29

#### ISM Glossary of Key Supply Management Terms

The *ISM Glossary of Key Supply Management Terms* is a valuable reference tool for supply professionals, academics, researchers and students. Greatly expanded, the new fifth edition includes information from all disciplines within supply management.

Item #GL5

US\$89/ISM members US\$59

#### ISM Professional Series, Volume 1

The *ISM Professional Series*, volume 1, covers the major aspects of supply management and is an essential resource for every supply professional. The series draws information from all industries and levels, formulating a macro view of the profession.

Item #PS1

US\$139/ISM members US\$99

#### CPSM® Exam 1 Online Review Courses

This course enables candidates to assess their knowledge against the content tested in CPSM® Exam 1. Participants get an in-depth review and assessment of the material in the CPSM® Exam 1 *Study Guide* by tailoring the course to their specific study needs. These interactive courses include sample test questions, case studies and bonus supplemental content developed by subject-matter experts. This bonus content gives candidates additional study material for tasks with the most questions on the exam. Get immediate feedback with these online review courses to customize your personal study program. Register at [www.ism-knowledgecenter.ws](http://www.ism-knowledgecenter.ws).

Item #3969

US\$299/US\$199 ISM members

#### CPSM® Exam 1 Self Study Workbook

This self-study workbook provides an introduction to the major topics covered in CPSM® Exam 1. It includes resource articles, review questions, case studies and supplemental content developed by subject-matter experts for selected Exam 1 tasks. There is a post-test to evaluate your increased knowledge. (10 CEHs)

**Note:** This self-study course is equivalent to the ISM Knowledge Center CPSM® Exam 1 Online Review course.

Item #6002

US\$219/US\$169 ISM members

[www.ism.ws](http://www.ism.ws) • For details on Professional Credentials, call 800/888-6276 or +1 480/752-6276, extension 3027.



# more.

## How do you plan to get more?

Get the Certified Professional in Supply Management® (CPSM®) from the Institute for Supply Management™ (ISM), the first supply management association in the world. It gives you the edge to prove you thrive in the global marketplace. As a CPSM®, your integrated skill sets in areas such as *finance, supplier relationship management, organizational global strategy* and *risk compliance* drive value in every link of the supply chain. And, you have the potential make more than those without the designation (*ISM 2012 Salary Survey*).

Get started now at [www.ism.ws/certification](http://www.ism.ws/certification)



Stay Competitive. Move Forward.

Visit [www.ism.ws](http://www.ism.ws) today.  
800/888-6276 or +1 480/752-6276,  
option 8



Strategic Planning and Sourcing > Manufacturing > Product/Service Development > Physical Distribution and Warehousing > Negotiations  
Supplier Evaluation > Purchasing/Procurement > Inventory Control and Management > Materials Management > Economic Forecasting  
Relationship Management > Problem-Solving > Contract Development and Administration > Transportation and Logistics